

UTI Mutual Fund

December 12, 2018

Ratings

Scheme Name	Rating ¹	Rating action
UTI Overnight Fund	CARE AAAMfs [Triple A mfs]	Assigned

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has assigned the credit quality rating of 'CARE AAAMfs' (Triple A mfs) to UTI Overnight Fund. The fund is managed by UTI Asset Management Company Limited.

Schemes rated 'AAAMfs' are considered to have the highest degree of safety regarding timely receipt of payments from the investments that they have made.

CARE's fund credit quality ratings are opinions on the overall credit quality of specific Debt Mutual Fund scheme. CARE's fund credit quality rating is not a recommendation to purchase, sell, or hold a security / fund. It neither comments on the current market price, suitability for a particular investor nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings do not address the funds ability to meet the payment obligations to the investors.

The fund ratings capture fund's overall exposure to default risk. CARE's fund credit quality ratings are based on evaluation of the fund's investment strategy and portfolio credit risk. It also involves evaluation of credit quality of individual assets, diversification of portfolio, management quality and operational policies. CARE uses the concept of credit scores, assigned to individual securities, as per credit scoring matrix developed by CARE.

CARE reviews the rated mutual fund scheme on an ongoing basis to support its published rating opinions. As such, monthly reports of the fund are examined. While the fund has to maintain the fund credit score within the benchmark fund scores, in a particular month, if the fund credit score breaches the benchmark, CARE provides one month to the asset management company (AMC) to realign the score.

Analytical approach: Assessment of underlying credit quality of the debt schemes.

Applicable Criteria

[CARE's Fund Credit Quality rating Criteria](#)

About the Fund

UTI Overnight Fund was launched by UTI Asset Management Company Limited in November 2003. The primary objective of the Scheme is to generate reasonable income, with low risk and high level of liquidity from a portfolio of overnight securities having a maturity of one day. However, there can be no assurance that the investment objective of the scheme will be realized. The fund's assets under management stood at Rs.642.88 crore as on October 31, 2018.

Profile of the AMC

UTI AMC was incorporated on November 14, 2002 and commenced operations from February 1, 2003. UTI AMC has been promoted by four sponsors, namely, SBI, LIC, Bank of Baroda and PNB and each of them hold 25% of the paid up capital of UTI AMC. UTI AMC was converted from a private limited company to a limited company with effect from November 14, 2007. On January 20, 2010, T.Rowe Price Group Inc. through its wholly owned subsidiary T.Rowe Price Global Investment Services Ltd. U.K (TRP) acquired 26% stake in UTI AMC after obtaining all the requisite approvals from the GOI, SEBI and RBI.

UTI AMC is the investment manager to the schemes of UTI Mutual Fund. It also manages the offshore funds and provides support to the Specified Undertaking of the Unit Trust of India. UTI AMC is also a SEBI registered portfolio manager and offers discretionary, non-discretionary and advisory services to high net worth clients, corporates and institutions. UTI AMC is appointed as the portfolio manager by the Government of India for the National Skill Development and funds of the Postal Life Insurance.

UTI AMC has a wide portfolio to suit the varied needs of investors supported by industry-led best practices, long-term vision, and shareholder values. With 150 branches, 47,000 highly trained IFAs, 320 Chief Agents and Business Development Associates and over 1 crore investor accounts, UTI AMC is one of the leading financial institutions with a pan Indian presence.

¹ Complete definitions of the ratings assigned are available at www.careratings.com

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's fund credit quality rating is not a recommendation to purchase, sell, or hold a security / fund. It neither comments on the current market price, suitability for a particular investor nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings do not address the funds ability to meet the payment obligations to the investors.

The ratings are based on current information furnished to CARE by the issuer or obtained by CARE from sources it considers reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE does not perform an audit in connection with any rating and may, on occasion, rely on unaudited information. The ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. Funds rated by CARE have paid a rating fee.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
UTI Overnight Fund	-	-	-	-	CARE AAAmfs

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument	Current Ratings			Rating history		
		Type	Amount o/s (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	UTI-Treasury Advantage Fund	An Open-ended low duration debt scheme	-	CARE AAA mfs	CARE AAA mfs (06-Jul-18)	CARE AAA mfs (07-Jul-17)	CARE AAA mfs (15-Jul-16)
2.	UTI – Short Term Income Fund	An Open-ended short term debt scheme	-	CARE AAA mfs	CARE AAA mfs (06-Jul-18)	CARE AAA mfs (07-Jul-17)	CARE AAA mfs (15-Jul-16)

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