



L&T Investment Management Limited

Name of the Scheme	Rating Action (May 2015)
L&T Cash Fund	[ICRA]A1+mfs Reaffirmed
L&T Ultra Short Term Fund	[ICRA]A1+mfs Reaffirmed
L&T Floating Rate Fund	[ICRA]A1+mfs Reaffirmed
L&T Liquid Fund	[ICRA]A1+mfs Reaffirmed
L&T Triple Ace Bond Fund	[ICRA]AAAmfs Reaffirmed
L&T Short Term Opportunities Fund	[ICRA]AAAmfs Reaffirmed
L&T Flexi Bond	[ICRA]AAAmfs Reaffirmed

ICRA has reaffirmed the credit risk rating of [ICRA]A1+mfs (pronounced ICRA A One plus m f s) to L&T Cash Fund, L&T Ultra Short Term Fund, L&T Floating Rate Fund and L&T Liquid Fund. Schemes with [ICRA]A1mfs rating are considered to have a very strong degree of safety regarding timely receipt of payments from the investments that they have made. Within this rating category, modifier {"+" (plus)} can be used with the rating symbol. The modifier reflects the comparative standing within the category. This scale applies to debt funds with weighted average maturity up to one year.

ICRA has reaffirmed the credit risk rating of [ICRA]AAAmfs (pronounced ICRA triple A m f s) to L&T Triple Ace Bond Fund, L&T Short Term Opportunities Fund and L&T Flexi Bond Fund. Schemes with this rating are considered to have the highest degree of safety regarding timely receipt of payments from the investments that they have made.

The ratings should, however, not be construed as an indication of the performance of the Mutual Fund scheme or of volatility in its returns.

Asset Management Company and Fund Details

The above funds are mutual fund schemes of L&T Investment Management Limited. L&T Investment Management Limited, the Asset Management Company of L&T Mutual Fund, is wholly owned subsidiary of L&T Finance Holdings Limited. The fund suite spans the whole range of investment opportunities – equity, fixed income, hybrid, domestic and international funds. In 2010, L&T MF acquired the asset management business of DBS Cholamandalam, and very recently, the Indian business of Fidelity Mutual Fund. For Q4FY2015, the average AUM of the company stood at Rs. 22,497 Crores.

Launched in November 2006, L&T Cash Fund is an open-ended debt mutual fund scheme with a stated objective of delivering reasonable returns with lower volatility and higher liquidity through a portfolio of debt and money market instruments. The scheme would invest a minimum of 65% in Certificates of deposit issued by banks, bank fixed deposits, treasury bills and the balance in Commercial papers and other debt instruments including securitized debt. The fund's corpus stood at Rs 925 Crores as on April 30, 2015 and an average maturity of a month as on that date.

Launched in November 1997, L&T Ultra Short Term Fund is an open-ended debt mutual fund scheme with a stated objective to generate reasonable and stable income and provide liquidity to the unit holder. The scheme would invest in a well diversified and highly liquid portfolio of money market instruments, government securities and corporate debt. The fund's corpus stood at Rs 1,487 Crores as on April 30, 2015 and an average maturity of about 8 months as on that date.

Launched in October 2010, L&T Floating Rate Fund is an open-ended debt mutual fund scheme with a stated objective to generate regular income through investment in a portfolio comprising substantially of floating rate debt/ money market instruments, fixed rate debt / money market instruments swapped for floating rate returns, and fixed rated debt securities, government securities and money market instruments. The fund's corpus stood at Rs 138 Crores as on April 30, 2015 and an average maturity of about 8 months as on that date.



Launched in October 2003, L&T Liquid Fund is an open-ended debt mutual fund scheme with a stated objective to generate reasonable returns while maintaining safety and providing the investor superior liquidity. The scheme invests predominantly in a portfolio of money market instruments, government securities and corporate debt. The fund's corpus stood at Rs 5,491 Crores as on April 30, 2015 and an average maturity of about a month as on that date.

Launched in March 1997, L&T Triple Ace Bond Fund is an open-ended debt mutual fund scheme with a stated objective to generate regular and stable income for the unit-holders of the Scheme. The scheme invests in debt market securities such as nonconvertible debentures, bonds issued by corporates, bank and government, commercial paper, certificate of deposits and other money market instruments. The fund's corpus stood at Rs 924 Crores as on April 30, 2015 and an average maturity of about 13 years as on that date.

Launched in December 2011, L&T Short Term Opportunities Fund is an open-ended debt mutual fund scheme with a stated objective to generate returns for investors with a short-term investment horizon by investing in fixed income securities of shorter term maturity. The fund's corpus stood at Rs 812 Crores as on April 30, 2015 and an average maturity of 2 years as on that date.

Launched in August 2006, L&T Flexi Bond Fund is an open-ended debt mutual fund scheme with a stated objective to generate reasonable returns through a diversified portfolio of fixed income securities. The fund's corpus stood at Rs 103 Crores as on April 30, 2015 and an average maturity of about 12 years as on that date.

ICRA Credit Quality Rating Methodology for debt mutual fund schemes

ICRA's mutual fund rating methodology is based on evaluating the inherent credit quality of the fund's portfolio. As a measure of the credit quality of a debt fund's assets, ICRA uses the concept of "credit scores". These scores are based on ICRA's estimates of credit risk associated with each exposure of the portfolio taking into account its maturity. To quantify the credit risk scores, ICRA uses its database of historical default rates for various rating categories for various maturity buckets. The credit risk ratings incorporate ICRA's assessment of a debt fund's published investment objectives and policies, its management characteristics, and the creditworthiness of its investment portfolio. ICRA reviews relevant fund information on an ongoing basis to support its published rating opinions. If the portfolio credit score meets the benchmark of the assigned rating during the review, the rating is retained. In an event that the benchmark credit score is breached, ICRA gives a month's time to the debt fund manager to bring the portfolio credit score within the benchmark credit score. If the debt fund manager is able to reduce the portfolio credit score within the benchmark credit score, the rating is retained. If the portfolio still continues to breach the benchmark credit score, the rating is revised to reflect the change in credit quality.

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