Canara Robeco Asset Management Company Limited

March 27, 2018

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Canara Robeco Treasury Advantage Fund	-	-	[ICRA]AAAmfs; reaffirmed
Canara Robeco Short Term Fund	-	-	[ICRA]AAAmfs; reaffirmed
Canara Robeco Indigo Fund	-	-	[ICRA]AAA_{debt}mfs; reaffirmed
Canara Robeco Medium Term Opportunities Fund	-	-	[ICRA]AA+mfs; reaffirmed
Canara Robeco Savings Plus Fund	-	-	[ICRA]A1+mfs; reaffirmed
Canara Robeco Liquid	-	-	[ICRA]A1+mfs; reaffirmed
Total			

Rating action

ICRA has reaffirmed the credit risk rating of [ICRA]AAAmfs (pronounced ICRA triple A m f s) to Canara Robeco Treasury Advantage Fund and Canara Robeco Short Term Fund. ICRA has also reaffirmed the credit risk rating to [ICRA]AAA_{debt}mfs (pronounced as ICRA triple A debt mfs) to Canaro Robeco Indigo 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[1].

ICRA has reaffirmed the credit risk rating of [ICRA]AA+mfs (pronounced double A plus m f s) to Canara Robeco Medium Term Opportunities Fund. Schemes with [ICRA]AAmfs rating are considered to have a high degree of safety regarding timely receipt of payments from the investments that they have made. The modifier {"+" (plus)/ "-" (minus)} reflects the comparative standing within the category.

ICRA has reaffirmed the credit risk rating of [ICRA]A1+mfs (pronounced ICRA A one plus m f s) to Canara Robeco Savings Plus Fund and Canara Robeco Liquid. 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. The modifier {"+" (plus)/ "-" (minus)} reflects the comparative standing within the category.

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

[1] *For complete rating scale and definitions, please refer to ICRA's website (www.icra.in) or other ICRA rating publications*

Rationale and key rating drivers

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 the 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 and 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.

Outlook: Not Applicable

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:
ICRA- Mutual Fund Credit Risk Rating Methodology

About the company:

Canara Robeco Asset Management Company Limited

Canara Robeco Asset Management Company Limited (CRAMC), the investment managers of Canara Robeco Mutual Fund, is a joint venture between Canara Bank and Robeco of the Netherlands, a global asset management company. Canara Robeco Mutual Fund is the second oldest Mutual Fund in India, established in December 1987 as Canbank Mutual Fund. Subsequently, in 2007, Canara Bank partnered with Robeco and the mutual fund was renamed as Canara Robeco Mutual Fund. The Average Assets[2] managed by Canara Robeco MF during quarter ended December 31, 2017 were ~Rs. 12,256 crore.

Canara Robeco Treasury Advantage Fund

Launched in September 2003, Canara Robeco Treasury Advantage is an open-ended money market scheme with stated objective to generate income/capital appreciation through low risk strategy by investment in Money Market Instruments. The scheme had assets under management of Rs. 71 crore as on February 28, 2018 with an average maturity of less than a month as on that date. The fund continues to maintain a high proportion of its investments rated at highest credit quality.

[2] Excluding Fund of funds

Canara Robeco Short Term Fund

Launched in March 2009, Canara Robeco Short Term Fund is an open ended debt fund that would generate income from a portfolio of short to medium term debt and money market securities. The scheme had assets under management of Rs. 107 crore as on February 28, 2018 with an average maturity of about 1.0 years as on that date. The fund continues to maintain a high proportion of its investments rated at highest credit quality.

Canara Robeco Indigo Fund

Launched in July 2010, the objective of Canara Robeco Indigo Fund is to generate income from a portfolio constituted of debt & money market securities along with investments in Gold ETFs. The fund invests 65% to 90% in debt and 10%to 35% in gold ETFs. The debt, money market & cash portion of the scheme had assets under management of Rs. 33 crore as on February 28, 2018 with an average maturity of about 1.5 years as on that date. The AMC would manage the debt portion of the portfolio such that it meets the criteria to qualify for the [ICRA]AAA$_{debt}$mfs rating.

Canara Robeco Medium Term Opportunities Fund

Launched in February 2014, Canara Robeco Medium Term Opportunities Fund has a stated objective to generate income and capital appreciation through a portfolio constituted of medium term debt investments including G-sec securities and money market instruments. The scheme had assets under management of Rs. 259 crore as on February 28, 2018 with an average maturity of about 3 years as on that date.

Canara Robeco Savings Plus Fund

Launched in March 2005, Canara Robeco Savings Plus Fund is an open-ended debt mutual fund scheme that would invest 50-100% in Indian money market instruments with the balance in debt securities. The fund’s stated objective is to generate income by investing in a portfolio comprising short term debt instruments and money market instruments with weighted average portfolio duration of between 3 months to less than 1 year. The fund’s corpus stood at Rs. 856 crore as on February 28, 2018 and an average maturity of about 9 months as on that date. The fund continues to maintain a high proportion of its investments rated at highest credit quality.

Canara Robeco Liquid

Launched in January 2002, Canara Robeco Liquid is an open-ended cash management scheme with a stated objective to enhance income while maintaining a level of liquidity through investments in high-quality debt (upto 35%) and money market instruments (upto 100%). The fund had assets under management of Rs. 1,247 crore as on February 28, 2018 and an average maturity of less than a month as on that date. The fund continues to maintain a high proportion of its investments rated at highest credit quality.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2018)				Chronology of Rating History for the past 3 years						
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Mar 2018	FY2017 Mar 2017	Dec 2016	Apr 2016	FY2016 May 2015	FY2015 Nov 2014	July 2014
1	Canara Robeco Savings Plus Fund	Short Term	-	-	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs
2	Canara Robeco Liquid	Short Term	-	-	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs
3	Canara Robeco Indigo Fund	Long Term	-	-	[ICRA] AAA_{debt} mfs	[ICRA] AAA_{debt} mfs	[ICRA] AAA_{debt} mfs	[ICRA] AAA_{debt} mfs	[ICRA] AAA_{debt}mfs; reassigned	[ICRA] $A1+_{debt}$ mfs	[ICRA] $A1+_{debt}$mfs
4	Canara Robeco Short Term Fund	Long Term	-	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs; Reassigned from [ICRA]A1+ mfs
5	Canara Robeco Treasury Advantage Fund	Long Term	-	-	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
6	Canara Robeco Medium Term Opportunities Fund	Long Term	-	-	[ICRA] AA+mfs	[ICRA] AA+mfs	[ICRA] AA+mfs	[ICRA] AA+mfs	[ICRA] AA+mfs	[ICRA] AA+mfs	[ICRA] AA+mfs

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	NA	NA	NA	NA	NA	NA

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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