

March 31, 2021

Mirae Asset Investment Managers (India) Private Limited: Ratings reaffirmed for 3 schemes; Provisional rating confirmed as final for 1 scheme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Mirae Asset Savings Fund	NA	NA	[ICRA]AAAmfs; reaffirmed
Mirae Asset Overnight Fund	NA	NA	[ICRA]A1+mfs; reaffirmed
Mirae Asset Cash Management Fund	NA	NA	[ICRA]A1+mfs; reaffirmed
Mirae Asset Ultra Short Duration Fund	NA	NA	[ICRA]A1+mfs; provisional rating confirmed as final
Total	NA	NA	

*Instrument details are provided in Annexure-1

Rationale and key rating drivers

ICRA has reaffirmed the [ICRA]AAAmfs (pronounced ICRA triple A m f s) rating for Mirae Asset Savings Fund and the [ICRA]A1+mfs (pronounced as ICRA A one plus m f s) rating for Mirae Asset Overnight Fund and Mirae Asset Cash Management Fund. The reaffirmation of the ratings follows ICRA's monitoring of the credit risk profile of the month-end portfolio position of these schemes. The credit risk scores for these schemes were comfortably within the benchmark limits for their current rating levels.

ICRA has also confirmed the Provisional [ICRA]A1+mfs (pronounced provisional ICRA A one plus m f s) rating assigned to Mirae Asset Ultra Short Duration Fund as final. The rating action is based on ICRA's monitoring of the credit risk profile of the month-end portfolio position of the scheme post launch wherein the credit risk score of the scheme was comfortably within the benchmark limit for the assigned rating level.

Mutual fund ratings incorporate ICRA's assessment of the creditworthiness of a debt mutual fund scheme's investment portfolio. These ratings are a symbolic representation of the credit risk in the underlying investments or the degree of safety regarding the timely receipt of payments from the investments that have been made by the mutual fund schemes. The ratings do not indicate the asset management company's (AMC) and/or any of its scheme's willingness and/or ability to make timely redemptions to its investors. The ratings do not address the market risks and hence should not be construed as an indication of the expected returns, the prospective performance of the mutual fund scheme, and the ability to redeem the investments at the reported net asset value (NAV) or the volatility in its past returns as all these are influenced by market risks.

ICRA's assessment of debt mutual fund schemes is guided by the credit ratings of the individual investments, the relative share of the investments in the overall assets under management (AUM) of the scheme and the maturity schedule of such investments. The credit matrix is a tool used by ICRA for analysing the investment portfolio of debt mutual fund schemes by assessing the portfolio's aggregate credit quality while reviewing the credit quality of each underlying debt security. The portfolio's weighted average credit quality is then measured against the appropriate benchmark credit score in the credit matrix. Once a mutual fund scheme is rated and the rating is accepted, ICRA reviews the underlying investment portfolios for the credit scores on an ongoing basis. If the portfolio credit score meets the benchmark of the existing rating, the rating is retained. If the portfolio credit score breaches the benchmark credit matrix score for the current rating, ICRA communicates the same to the fund manager/product manager or other officials of the concerned AMC and may provide a month's time to bring the portfolio credit score within the benchmark credit score for the current rating level. If the investment composition of the fund is realigned to bring the portfolio credit score within the benchmark credit score, the rating is retained. However, if the portfolio continues to breach the benchmark credit score for the existing rating level, the rating is revised to reflect the

change in the portfolio's credit quality. In case of sharp breaches of the benchmark credit score (for instance due to a multi-notch downgrade in the underlying investment) and/or if ICRA believes that the breach may not get rectified within a month of the ongoing review, the rating is generally corrected immediately without giving a month's time for rebalancing the portfolio.

Liquidity position: Not applicable

Rating sensitivities

Positive factors – Not applicable

Negative factors – ICRA could downgrade the ratings of the schemes if the credit quality of the underlying investment deteriorates or the size of the AUM declines, which may result in an increase in the share of lower rated investments leading to a breach in the threshold for the rating level.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Methodology for Rating Mutual Fund Schemes
Parent/Group Support	Not applicable
Consolidation/Standalone	Not applicable

About the company

Mirae Asset Investment Managers (India) Pvt. Ltd. is a wholly-owned subsidiary of Mirae Asset Global Investments (India) Pvt. Ltd., which is sponsored by Mirae Asset Global Investments Company Limited, South Korea of Mirae Asset Financial Group. Mirae Asset Global Investments (India) Private Limited had transferred the asset management business to Mirae Asset Investment Managers (India) with effect from January 01, 2020 and its quarterly average AUM stood at Rs. 58,070.29 crore for the quarter ended December 31, 2020.

Mirae Asset Ultra Short Duration Fund

Mirae Asset Ultra Short Duration Fund is an open ended ultra-short debt scheme investing in instruments with Macaulay duration of the portfolio between 3 months and 6 months of Mirae Asset Mutual Fund launched on October 2020. The investment objective of the scheme is to generate regular income and provide liquidity by investing primarily in a portfolio comprising of debt & money market instruments. There is no assurance or guarantee that the investment objective of the scheme will be realized. The Scheme seeks to generate returns and reduce interest rate risk by keeping the portfolio Macaulay duration between 3 months & 6 months. The fund's corpus stood at Rs. 263 crore with an average residual maturity of around 5 months as on February 28, 2021.

Mirae Asset Savings Fund

Launched on June 2012, Mirae Asset Savings Fund is an open ended low duration debt scheme investing in instruments with Macaulay duration of the portfolio between 6 months and 12 months of Mirae Asset Mutual Fund. The investment objective of the scheme is to seek to generate returns with a portfolio comprising of debt and money market instruments, such that Macaulay duration of the portfolio is between 6 months - 12 months. The fund's corpus stood at Rs. 1,205 crore with an average residual maturity of around 9 months as on February 28, 2021.

Mirae Asset Cash Management Fund

Mirae Asset Cash Management Fund is an open ended liquid scheme of Mirae Asset Mutual Fund. The investment objective of the scheme is to generate consistent returns with a high level of liquidity in a judicious portfolio mix comprising of money market and debt instruments. The fund's AUM stood at Rs. 3,697 crore as on February 28, 2021 and had an average residual maturity of around 27 days.

Mirae Asset Overnight Fund

Mirae Asset Overnight Fund is an open ended debt scheme investing in overnight securities that was launched in October 2019. The scheme invests in overnight securities. The investment objective of the scheme is to generate returns commensurate with low risk, while providing a high level of liquidity, through investments primarily in overnight securities with a maturity of 1 business day. However, there is no assurance or guarantee that the investment objective of the scheme will be achieved. The scheme does not assure or guarantee any returns. The fund's AUM stood at Rs. 272 crore as on February 28, 2021.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2021)					Chronology of Rating History for the past 3 years				
	Type	Amount Rated	Amount Outstanding	Date & Rating in FY2021		Date & Rating in FY2020			Date & Rating in FY2019	Date & Rating in FY2018
				Mar 31, 2021	Dec 08, 2020	Mar 30, 2020	Feb 20, 2020	Sep 18, 2019	Feb 18, 2019	Feb 19, 2018
Mirae Asset Savings Fund	LT	NA	NA	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs	[ICRA] AAAmfs
Mirae Asset Cash Management Fund	ST	NA	NA	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	-	-
Mirae Asset Overnight Fund	ST	NA	NA	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	-	-	-
Mirae Asset Ultra Short Duration Fund	ST	NA	NA	[ICRA] A1+mfs	Provisional [ICRA] A1+mfs	-	-	-	-	-

LT – Long term; ST – Short term

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: Not applicable

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

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