

May 08, 2024

Trust Asset Management Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
TRUSTMF Banking & PSU Fund	-	-	[ICRA]AAAmfs; reaffirmed
TRUSTMF Corporate Bond Fund	-	-	[ICRA]AAAmfs; reaffirmed
TRUSTMF Short Duration Fund	-	-	[ICRA]AAAmfs; reaffirmed
TRUSTMF Liquid Fund	-	-	[ICRA]A1+mfs; reaffirmed
TRUSTMF Money Market Fund	-	-	[ICRA]A1+mfs; reaffirmed
Total	-	-	

*Instrument details are provided in Annexure I

Rationale and key rating drivers

ICRA has reaffirmed the ratings for various debt mutual fund schemes of Trust Asset Management Private Limited (asset management company; AMC). The ratings have been reaffirmed following 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.

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 made by the mutual fund schemes. The ratings do not indicate the AMC's and/or any of its scheme's willingness and/or ability to make timely redemptions to its investors. The ratings do not address market risks and hence should not be construed as an indication of the expected returns, prospective performance of the mutual fund scheme, and the ability to redeem investments at the reported net asset value (NAV) or 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 and the relative share of the schemes' allocation towards the investments, besides the maturity schedule of such investments. ICRA's mutual fund ratings are not a reflection on the quality of the management of the AMC or its financial performance, reputation and other business practices including investment strategies, pricing, marketing and distribution activities. Furthermore, the ratings are not a reflection of whether the AMC or the fund is compliant with the applicable regulatory requirements.

The credit matrix is a tool used by ICRA for analysing the investment portfolio of the 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 compared with a benchmark credit score corresponding to the higher of the weighted average maturity of the scheme's portfolio or the maturity predefined by ICRA for the scheme category. The rating outcome corresponds to the rating level for which the portfolio's weighted average credit score is less than the benchmark credit score associated with the rating level. Further, the lowest rating of the investments of the scheme acts as the floor for its rating.

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. To this end, ICRA relies on the information provided by the AMC and/or publicly available sources. ICRA reviews the mutual fund ratings on a monthly basis or earlier, if required, which involves an evaluation of the rating corresponding to the portfolio credit score in relation to the existing rating outstanding. If the portfolio credit score meets the benchmark score for the existing rating, the rating is retained. If the portfolio credit score has a negative breach from the benchmark credit score for the existing 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 maintaining the existing 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. If the AMC corrects its portfolio, post the rating downgrade of the scheme, or the credit score improves in any manner subsequent to the downgrade, making the scheme eligible for an upgrade, ICRA may consider a rating upgrade only if the credit score is maintained consistently for a period of at least three months.

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 share of lower rated investments increases on account of a decline in the assets under management (AUM) or otherwise, leading to a breach in the threshold for the rating level.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Rating Methodology – Mutual Funds
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the company

Trust Asset Management Private Limited (the AMC) is the investment manager of the schemes of TRUST Mutual Fund. The AMC was incorporated on December 11, 2017 and is registered under the Companies Act, 1956. The quarterly AUM of the AMC was 1,124.52¹ crore as of March 31, 2024.

TRUSTMF Banking & PSU Fund, an open-ended debt scheme, was launched in February 2021. The investment objective of the scheme is to generate reasonable returns by primarily investing in debt and money market securities that are issued by banks, public sector undertakings, public financial institutions, and municipal bonds. As on March 31, 2024, the scheme's AUM stood at ~Rs. 260 crore.

TRUSTMF Corporate Bond Fund was launched in January 2023. It is an open-ended debt scheme predominantly investing in corporate bonds. As on March 31, 2024, its AUM stood at ~Rs. 82 crore.

TRUSTMF Short Duration Fund was launched in August 2021. It is an open-ended short-term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years. As on March 31, 2024, the scheme's AUM stood at ~Rs. 103 crore.

TRUSTMF Liquid Fund was launched in April 2021. It is an open-ended liquid scheme primarily investing in debt and money market securities. As on March 31, 2024, the scheme's AUM stood at ~Rs. 215 crore.

¹ <https://www.amfiindia.com/research-information/aum-data/average-aum>

TRUSTMF Money Market Fund was launched in August 2022. It is an open-ended debt scheme investing in money market instruments with maturity of up to 1 year. As on March 31, 2024, the scheme's AUM stood at ~Rs. 100 crore.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Name of Scheme	Type	Current Rating (FY2025)			Chronology of Rating History for the Past 3 Years						
			Amount Rated (Rs. crore)	Amount Outstanding as of Apr 30, 2023 (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023			Date & Rating in FY2022		
					May 08, 2024		Jan 13, 2023	Jan 05, 2023	Aug 05, 2022	Jan 21, 2022	Jul 30, 2021	May 31, 2021
1	TRUSTMF Banking & PSU Fund	Long term	-	-	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs
2	TRUSTMF Corporate Bond Fund	Long term	-	-	[ICRA]AAAmfs	[ICRA]AAAmfs	Provisional [ICRA]AAAmfs	-	-	-	-	-
3	TRUSTMF Short Duration Fund	Long term	-	-	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	[ICRA]AAAmfs	Provisional [ICRA]AAAmfs	-
4	TRUSTMF Liquid Fund	Short term	-	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	Provisional [ICRA]A1+mfs
5	TRUSTMF Money Market Fund	Short term	-	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A1+mfs	Provisional [ICRA]A1+mfs	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
TRUSTMF Banking & PSU Fund	Not applicable
TRUSTMF Corporate Bond Fund	Not applicable
TRUSTMF Short Duration Fund	Not applicable
TRUSTMF Liquid Fund	Not applicable
TRUSTMF Money Market Fund	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	TRUSTMF Banking & PSU Fund	NA	NA	NA	NA	[ICRA]AAAmfs
NA	TRUSTMF Corporate Bond Fund	NA	NA	NA	NA	[ICRA]AAAmfs
NA	TRUSTMF Short Duration Fund	NA	NA	NA	NA	[ICRA]AAAmfs
NA	TRUSTMF Liquid Fund	NA	NA	NA	NA	[ICRA]A1+mfs
NA	TRUSTMF Money Market Fund	NA	NA	NA	NA	[ICRA]A1+mfs

Annexure II: List of entities considered for consolidated analysis

Not applicable

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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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Branches



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