

## Reliance Nippon Life Asset Management Limited

Scheme	Rating
Reliance Liquidity Fund	[ICRA]A1+mfs reaffirmed
Reliance Liquid Fund – Treasury Plan	[ICRA]A1+mfs reaffirmed
Reliance Money Manager Fund	[ICRA]A1+mfs reaffirmed
Reliance Liquid Fund - Cash Plan	[ICRA]A1+mfs reaffirmed
Reliance Income Fund	[ICRA]AAAmfs reaffirmed
Reliance Floating Rate Fund – Short Term Plan	[ICRA]AAAmfs reaffirmed
Reliance Short Term Fund	[ICRA]AAAmfs reaffirmed
Reliance Medium Term Fund	[ICRA]AAAmfs reaffirmed
Reliance Dynamic Bond Fund	[ICRA]AAAmfs reaffirmed
Reliance Banking & PSU Debt Fund	[ICRA]AAAmfs reaffirmed

ICRA has reaffirmed the credit risk rating of [ICRA]A1+ mfs (pronounced ICRA A one plus m f s) to Reliance Liquidity Fund, Reliance Liquid Fund-Treasury Plan, Reliance Money Manager Fund and Reliance Liquid Fund - Cash Plan. ICRA has also reaffirmed the credit risk rating of [ICRA]AAAmfs (pronounced ICRA triple A m f s) to Reliance Income Fund, Reliance Floating Rate Fund-Short Term Plan, Reliance Short Term Fund, Reliance Dynamic Bond Fund, Reliance Medium Term Fund and Reliance Banking & PSU Debt Fund. The ratings should, however, not be construed as an indication of the prospective 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 Reliance Mutual Fund (RMF) and are managed by Reliance Nippon Life Asset Management Limited (erstwhile Reliance Capital Asset Management Limited). The average assets managed by the AMC stood at Rs 167,009 crores for the quarter ended June 30, 2016.

Launched in June 2005, Reliance Liquidity Fund is an open-ended liquid scheme with high liquidity with a stated objective to generate optimal returns consistent with moderate levels of risk and high liquidity with investments predominantly in Debt and Money Market Instruments. The fund's average assets under management stood at Rs. 3,921.56 crore as on June 30, 2016 and had an average maturity of around 2 month. The fund continues to maintain a high proportion of its investments rated at highest credit quality and an average maturity of around 1-2 months in the recent past. The fund house manages the portfolios such that it meets the criteria to qualify for the [ICRA]A1+ mfs rating.

Launched in March 1998, Reliance Liquid Fund-Treasury Plan is an open-ended liquid scheme with a stated objective to generate optimal returns consistent with moderate levels of risk and high liquidity with investments predominantly in Debt and Money Market Instruments. The fund's average assets under management stood at Rs. 17,020.12 crore as on June 30, 2016 and had an average maturity of around 2 month. The fund house manages the portfolios such that it meets the criteria to qualify for the [ICRA]A1+ mfs rating.

Launched in March 2007, Reliance Money Manager Fund is an open ended scheme with a stated investment objective of the fund to generate optimal returns consistent with moderate levels of risk and liquidity by investing in debt securities and money market securities. The fund's average assets under management stood at Rs. 13,910.81 crore as on June 30, 2016 with an average maturity of around 11 months. The fund house manages the portfolios such that it meets the criteria to qualify for the [ICRA]A1+mfs rating.

Launched in December 2001, Reliance Liquid Fund - Cash Plan is an open ended fund with an objective to generate optimal returns consistent with moderate levels of risk and high liquidity. Accordingly, investments are predominantly made in Debt and Money Market Instruments. The fund's average assets under management stood at Rs. 4,268.81 crore as on June 30, 2016 and had an average maturity of around 2 months. The fund house manages the portfolios such that it meets the criteria to qualify for the [ICRA]A1+ mfs rating.

Launched in August 2004, Reliance Floating Rate Fund – Short Term Plan is an open-ended income scheme with a stated investment objective to generate regular income through investment in a portfolio comprising substantially in floating rate debt securities. The fund's average assets under management stood at Rs.

4,498.80 crore as on June 30, 2016 and had an average maturity of around 2 years. The fund house manages the portfolios such that it meets the criteria to qualify for the [ICRA]AAAmfs rating.

Launched in December 2002, Reliance Short Term Fund is an open-ended income scheme with a stated investment objective to generate stable returns for investors with short-term investment horizon by investing in fixed income securities of short-term maturity. The fund's average assets under management stood at Rs. 10,972.30 crore as on June 30, 2016 and had an average maturity of approximately 3 yrs. The fund house manages the portfolios such that it meets the criteria to qualify for the [ICRA]AAAmfs rating.

Reliance Medium Term Fund is an open ended income scheme launched in September 2000 with no assured returns. The objective of the plan is to generate regular income in order to make regular dividend payments to unit holders and the secondary objective is growth of capital. The fund's average assets under management stood at Rs. 5,222.76 crore as on June 30, 2016 and had an average maturity of around 1 year. The fund house manages the portfolios such that it meets the criteria to qualify for the [ICRA]AAAmfs rating.

Reliance Dynamic Bond Fund is an open ended income scheme launched in November 2004, the primary investment objective is to generate optimal returns consistent with moderate levels of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly, investments shall be predominantly made in debt and money market instruments. The fund's average assets under management stood at Rs. 5,156.87 crore as on June 30, 2016 and had an average maturity of around 11 years. The fund house manages the portfolios such that it meets the criteria to qualify for the [ICRA]AAAmfs rating. The scheme has high proportion of investments in long tenure government securities and AAA rated papers.

Launched in May 2015, Reliance Banking & PSU Debt Fund (RBPFD) Investments is an open ended income scheme investing in debt and money market instruments of various maturities, consisting predominantly of securities issued by Banks, Public Sector undertakings & Public Financial Institutions. The fund's average assets under management stood at Rs. 2,978.80 crore as on June 30, 2016 and had an average maturity of around 2 years. The fund house manages the portfolios such that it meets the criteria to qualify for the [ICRA]AAAmfs rating.

Launched in January 1998, Reliance Income Fund is an open ended income fund with stated objective to generate optimal returns consistent with moderate levels of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly, investments shall predominantly be made in Debt & Money Market Instruments. The fund's average assets under management stood at Rs. 1,765.64 crore (month end AUM) as on June 30, 2016 with average maturity of around 12 years. The fund has invested predominantly in Government Securities with the balance investments primarily being in AAA rated papers.

#### **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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