

Reliance Nippon Life Asset Management Limited

August 30, 2018

Summary of rated instruments

Instrument	Current Rated Amount(Rs. crore)	Rating Action
Reliance Banking & PSU Debt Fund	-	[ICRA]AAAmfs; reaffirmed
Reliance Dynamic Bond Fund	-	[ICRA]AAAmfs; reaffirmed
Reliance Floating Rate Fund	-	[ICRA]AAAmfs; reaffirmed
Reliance Income Fund	-	[ICRA]AAAmfs; reaffirmed
Reliance Liquid Fund	-	[ICRA]A1+mfs; reaffirmed
Reliance Low Duration Fund	-	[ICRA]AAAmfs; reaffirmed
Reliance Money Market Fund	-	[ICRA]A1+mfs; reaffirmed
Reliance Prime Debt Fund	-	[ICRA]AAAmfs; reaffirmed
Reliance Short Term Fund	-	[ICRA]AAAmfs; reaffirmed
Reliance Strategic Debt Fund	-	[ICRA]AAmfs; reaffirmed
Reliance Ultra Short Duration Fund	-	[ICRA]A1+mfs; reaffirmed
Reliance Fixed Horizon Fund –XXXVII – Series 7	-	[ICRA]A1+mfs; outstanding
Reliance Fixed Horizon Fund – XXXVII – Series 8	-	[ICRA]A1+mfs; outstanding
Reliance Interval Fund – Quarterly Interval Fund – Series III	-	[ICRA]A1+mfs; outstanding
Reliance Interval Fund – Monthly Interval Fund – Series I-	-	[ICRA]A1+mfs; outstanding
Reliance Interval Fund – Monthly Interval Fund – Series II	-	[ICRA]A1+mfs; outstanding
Reliance Fixed Horizon Fund – XXXVI – Series 4	-	[ICRA]A1+mfs; outstanding
Reliance Interval Fund - Quarterly Interval Fund - Series II	-	[ICRA]A1+mfs; outstanding

Rating action

ICRA has reaffirmed the rating of [ICRA]AAAmfs (pronounced ICRA triple A m f s) on Reliance Banking & PSU Debt Fund, Reliance Dynamic Bond Fund, Reliance Floating Rate Fund, Reliance Income Fund, Reliance Low Duration Fund, Reliance Prime Debt Fund and Reliance Short Term 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. ICRA also has reaffirmed a rating of [ICRA]AAmfs (pronounced ICRA double A m f s) on Reliance Strategic Debt Fund. Schemes with this rating are considered to have high degree of safety regarding timely receipt of payments from the investments that they have made.

ICRA also has reaffirmed the rating of [ICRA]A1+mfs on Reliance Liquid Fund, Reliance Money Market Fund and Reliance Ultra Short Duration Fund. Schemes with [ICRA]A1mfs rating are considered to have a very strong degree of safety regarding the timely receipt of payments from the investments that they have made. The modifier {"+" (plus)} can be used with the rating symbol to reflect the comparative standing within the category.

ICRA has the outstanding rating of [ICRA]A1+mfs (pronounced ICRA A one plus m f s) to the Reliance Fixed Horizon Fund – XXXVII – Series 7 and Reliance Fixed Horizon Fund – XXXVII – Series 8 , Reliance Interval Fund - Quarterly Interval Fund - Series II, Reliance Fixed Horizon Fund – XXXVI – Series 4, Reliance Interval Fund – Quarterly Interval Fund – Series III, Reliance Interval Fund – Monthly Interval Fund – Series I and Reliance Interval Fund – Monthly Interval Fund – Series II of Reliance Nippon Life Asset Management Limited.

The ratings indicate ICRA's opinion on the credit quality of the portfolios held by the funds and do not indicate the Asset Management Company (AMC's) willingness or ability to make timely payments to the funds' investors. The ratings should

not be construed as an indication of expected returns, prospective performance of the mutual fund scheme, NAV or of volatility in its returns.

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's 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 the credit quality.

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:

Reliance Nippon Life Asset Management Limited

Reliance Nippon Life Asset Management Limited (RNAM) (formerly Reliance Capital Asset Management Limited) is the asset manager of Reliance Mutual Fund (RMF). At present, Reliance Capital Limited and Nippon Life Insurance Company (NLI) hold 42.88% each of the total issued and paid-up equity share capital of RNAM. During Q1 FY2019, the average assets under management of RNAM stood at Rs. 240,445 crore.

Reliance Banking & PSU Debt Fund

Launched in May 2015, Reliance Banking & PSU Debt Fund (RBPFD) is an open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds. The fund's month end assets under management stood at Rs. 3,835 crore as on June 30, 2018 and had an average maturity of around 2 years.

Reliance Dynamic Bond Fund

Launched in November 2004, Reliance Dynamic Bond Fund is an open ended debt scheme investing across duration. Investment strategy will be implemented through high grade assets like GSecs/SDLs/Corporate Bonds. Mandate is flexible in terms of duration range rather than credit. Strategy is to generate alpha by actively using GSecs, IRF and IRS curve with the primary investment 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 be predominantly made in debt and money market instruments. The fund's month end assets under management stood at Rs. 1,983 crore as on June 30, 2018 and had an average maturity of around 8 years.

Reliance Floating Rate Fund

Launched in August 2004, Reliance Floating Rate Fund is an open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives). The fund's month end assets under management stood at Rs. 6,362 crore as on June 30, 2018 and had an average maturity of around 2 years.

Reliance Income Fund

Launched in January 1998, Reliance Income Fund is an open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 to 7 years. The fund's month end assets under management stood at Rs. 377 crore as on June 30, 2018 with average maturity of around 9 years.

Reliance Liquid Fund

Launched in December 2003, Reliance Liquid Fund is an open-ended liquid scheme. The fund will focus on reasonable carry with a view to maximize returns while ensuring adequate liquidity through investments in various money market and debt instruments with maturity up to 91 days. The average maturity of the portfolio will be in the range of 30-60 days under normal market conditions. The fund's month end assets under management stood at Rs. 39,634 crore as on June 30, 2018 and had an average maturity of around 2 months.

Reliance Low Duration Fund

Launched in March 2007, Reliance Low Duration Fund is an open ended low duration debt scheme investing in debt and money market instruments such that the Macaulay duration of the portfolio is between 6–12 months. The fund's month end assets under management stood at Rs. 13,390 crore as on June 30, 2018 with an average maturity of around 9 months.

Reliance Money Market Fund

Launched in June 2005, Reliance Money Market Fund is an open ended debt scheme investing in money market Instruments. The fund would invest in money market instruments like Certificate of Deposits (CD), Commercial Papers (CP), etc. The portfolio duration would be maintained between 80 - 120 days. The fund's month end assets under management stood at Rs. 1,146 crore as on June 30, 2018 and had an average maturity of around 4 months.

Reliance Prime Debt Fund

Reliance Prime Debt Fund is an open ended debt scheme predominantly investing in AA+ and above rated corporate. The fund seeks to benefit from opportunities available in the corporate bond market space at different points in time. Therefore, this fund invests based on short to medium term interest rate view and shape of the yield curve. It typically maintains a moderate duration between 1.1-1.5 years and invests in well researched credits/ structures for yield enhancement. The fund is suitable for investors with a 6-12 month investment horizon. The fund's month end assets under management stood at Rs. 6,290 crore as on June 30, 2018 and had an average maturity of around 1 year.

Reliance Short Term Fund

Launched in December 2002, Reliance Short Term Fund is an open-ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 to 3 years. The fund's month end assets under management stood at Rs. 10,746 crore as on June 30, 2018 and had an average maturity of approximately 2 yrs.

Reliance Strategic Debt Fund

Launched in June 2014, Reliance Strategic Debt Fund is an open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 to 4 years. The fund's month end assets under management stood at Rs. 7,828 crore as on June 30, 2018 and had an average maturity of around 3 years.

Reliance Ultra Short Duration Fund

Launched in December 2001, Reliance Ultra Short Duration Fund is an open ended ultra-short term debt scheme investing in debt and money market instruments such that the Macaulay duration of the portfolio is between 3 - 6 months. The fund will invest in debt and money market instruments with portfolio duration between 165 – 180 days. The fund aims to generate higher gross yield through a portfolio investing across credit categories. Carry will protect against volatility. The fund's month end assets under management stood at Rs. 3,029 crore as on June 30, 2018 and had an average maturity of around 6 months.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Sr. No.	Name of Scheme	Current Rating (FY2019)	Type	Rat ed amount	Chronology of Rating History for the past 3 years								
					Aug-18	May -18	FY2018		FY2017		FY2016		
						Mar-18	Feb-18	Jul-17	Oct-16	Jul-16	Apr-16	Aug-15	Jan-15
1	Reliance Fixed Horizon Fund – XXXVII – Series 7	Short Term	-	[ICRA] A1+m fs;	[ICRA] A1+m fs;								
2	Reliance Fixed Horizon Fund – XXXVII – Series 8	Short Term	-	[ICRA] A1+m fs;	[ICRA] A1+m fs;								
3	Reliance Interval Fund – Quarterly Interval Fund – Series III	Short Term	-	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA]A 1+mfs	-	-	-	-	-	-	-
4	Reliance Interval Fund – Monthly Interval Fund – Series I	Short Term	-	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA]A 1+mfs	-	-	-	-	-	-	-
5	Reliance Interval Fund – Monthly Interval Fund – Series II	Short Term	-	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA]A 1+mfs	-	-	-	-	-	-	-
6	Reliance Fixed Horizon Fund – XXXVI – Series 4	Short Term	-	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA]A 1+mfs	[ICRA] A1+m fs	-	-	-	-	-	-
7	Reliance Interval Fund - Quarterly Interval Fund - Series II	Short Term	-	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+mfs	[ICRA] A1+m fs	-	-	-	-	-	-
8	Reliance Liquid Fund	Short Term	-	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA]A 1+mfs	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+mfs	[ICRA] A1+m fs	[ICRA] A1+m fs
9	Reliance Money Market Fund	Short Term	-	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA]A 1+mfs	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+mfs	[ICRA] A1+m fs	[ICRA] A1+m fs
10	Reliance Ultra Short duration Fund	Short Term	-	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA]A 1+mfs	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+m fs	[ICRA] A1+mfs	[ICRA] A1+m fs	[ICRA] A1+m fs
11	Reliance Banking & PSU Debt Fund	Long Term	-	[ICRA] AAA mfs	[ICRA] AAA mfs	[ICRA]A AAmfs	[ICRA] AAA mfs	[ICRA] AAA mfs	[ICRA] AAAm fs ¹	[ICRA] A1+m fs	[ICRA] A1+mfs	[ICRA] A1+m fs	[ICRA] A1+m fs
12	Reliance Income Fund	Long Term	-	[ICRA] AAA mfs	[ICRA] AAA mfs	[ICRA]A AAmfs	[ICRA] AAA mfs	[ICRA] AAA mfs	[ICRA] AAAm fs	[ICRA] AAA mfs	[ICRA]A AAmfs*	-	-
13	Reliance Floating	Long	-	[ICRA]	[ICRA]	[ICRA]A	[ICRA]	[ICRA]	[ICRA]	[ICRA]	[ICRA]A	[ICRA]	[ICRA]

¹ Rating of [ICRA]AAA mfs reassigned from [ICRA]A1+mfs

Sr. No.	Name of Scheme	Current Rating (FY2019)	Type	Rat ed amount	Chronology of Rating History for the past 3 years									
					Aug-18	May -18	FY2018			FY2017		FY2016		
						Mar-18	Feb-18	Jul-17	Oct-16	Jul-16	Apr-16	Aug-15	Jan-15	
	Rate Fund	Term			AAA mfs	AAA mfs	AAmfs]AAA mfs]AAA mfs	AAAm fs]AAA mfs	AAmfs]AAA mfs]AAA mfs
14	Reliance Short Term Fund	Long Term	-	[ICRA] AAA mfs	[ICRA] AAA mfs	[ICRA]A AAmfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]A AAmfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs
15	Reliance Prime Debt Fund	Long Term	-	[ICRA] AAA mfs	[ICRA] AAA mfs	[ICRA]A AAmfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]A AAmfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs
16	Reliance Dynamic Bond Fund	Long Term	-	[ICRA] AAA mfs	[ICRA] AAA mfs	[ICRA]A AAmfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]A AAmfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs
17	Reliance Low Duration Fund	Long Term	-	[ICRA] AAA mfs	[ICRA] AAA mfs	[ICRA]A AAmfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]A AAmfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs	[ICRA]]AAA mfs
18	Reliance Strategic Debt Fund	Long Term	-	[ICRA] AAmf s	[ICRA] AAmf s	[ICRA]A AAmfs	[ICRA]]AAm fs	[ICRA]]AAm fs	[ICRA]]AAm fs	-	-	-	-	-

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.

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