

Reliance Nippon Life Asset Management Limited

September 18, 2018

Summary of rated instruments

Instrument	Current Rated Amount (Rs. crore)	Rating Action
Reliance Capital Protection Oriented Fund I – Plan A		Provisional [ICRA]AAAmfs(SO); assigned
Reliance Capital Protection Oriented Fund I – Plan B	-	Provisional [ICRA]AAAmfs(SO); assigned
Reliance Fixed Horizon Fund – XXXVI – Series 4	-	[ICRA]A1+mfs; withdrawn
Reliance Banking & PSU Debt Fund	-	[ICRA]AAAmfs; outstanding
Reliance Dynamic Bond Fund	-	[ICRA]AAAmfs; outstanding
Reliance Floating Rate Fund	-	[ICRA]AAAmfs; outstanding
Reliance Income Fund	-	[ICRA]AAAmfs; outstanding
Reliance Liquid Fund	-	[ICRA]A1+mfs; outstanding
Reliance Low Duration Fund	-	[ICRA]AAAmfs; outstanding
Reliance Money Market Fund	-	[ICRA]A1+mfs; outstanding
Reliance Prime Debt Fund	-	[ICRA]AAAmfs; outstanding
Reliance Short Term Fund	-	[ICRA]AAAmfs; outstanding
Reliance Strategic Debt Fund	-	[ICRA]AAmfs; outstanding
Reliance Ultra Short Duration Fund	-	[ICRA]A1+mfs; outstanding
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 Interval Fund - Quarterly Interval Fund - Series II	-	[ICRA]A1+mfs; outstanding

Rating action

ICRA has assigned the rating of Provisional [ICRA]AAAmfs(SO) (pronounced Provisional ICRA triple A m f s structured obligation) on Reliance Capital Protection Oriented Fund I – Plan A and Reliance Capital Protection Oriented Fund I – Plan B of Reliance Nippon Life Asset Management Limited¹. 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. The provisional ratings are subject to the scheme receiving the regulatory approvals and fulfilment of all conditions specified in the portfolio structure.

ICRA has also withdrawn the rating of [ICRA]A1+mfs (pronounced ICRA A one plus m f s) assigned earlier to the Reliance Fixed Horizon Fund – XXXVI – Series 4 of Reliance Nippon Life Asset Management Limited. The rating has been withdrawn as the scheme has matured and the units have been redeemed. The withdrawal is at the request of the fund house.

ICRA has outstanding 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 outstanding rating

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

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 outstanding rating of [ICRA]A1+mfs on Reliance Liquid Fund, Reliance Money Market Fund, Reliance Ultra Short Duration Fund, Reliance Fixed Horizon Fund – XXXVII – Series 7, Reliance Fixed Horizon Fund – XXXVII – Series 8, Reliance Interval Fund - Quarterly Interval Fund - Series II, 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. 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.

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.

The portfolio structure for the capital protection schemes have been designed to protect the unit holders' capital at maturity, which is ensured by investing a majority of the portfolio in debt securities maturing on or before the maturity of the schemes. The schemes will invest in debt securities only with a rating of [ICRA]AAA or equivalent, mitigating any concerns on credit risk. The proportion of debt securities is calculated such that the redemption value of debt less AMC expenses will be equal to or greater than the initial unit holder's capital, offering highest degree of protection of the unit holder's capital at maturity. ICRA has factored in the credit risk of debt investments, reinvestment risk of interim receipts, precondition of marginal tenure mismatches and obligor concentrations. The debt portion would be passively managed. The balance portion would be invested in equity and equity-linked instruments to provide any upside potential to the unit holders. At the same time, given the proportion of high credit quality debt investments and the portfolio structure, the downside is protected and the investor may not suffer loss of initial investment at the time of maturity.

The rating has been withdrawn as the scheme has matured and the units have been redeemed. The withdrawal is in accordance with ICRA's policy on withdrawal and suspension and is done on the basis of withdrawal request received from the company.

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](#)

[ICRA Policy on Withdrawal and Suspension of Credit Rating](#)

About the company:**Reliance Nippon Life Asset Management Limited**

Reliance Nippon Life Asset Management Limited (RNAM) 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 Capital Protection Oriented Fund I – Plan A and Plan B are envisaged to be twelve months to sixty-one months close ended schemes; the actual tenure of the schemes will be decided at the time of launch.

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	Type	Rate d amo unt	Current Rating (FY2019)			Chronology of Rating History for the past 3 years						
				Sep-18	Aug-18	May -18	FY2018		FY2017		FY2016		
							Mar-18	Feb-18	Jul-17	Oct-16	Apr-16	Aug-15	Jan-15
1	Reliance Capital Protection Oriented Fund I – Plan A	Long Term	-	Provisional [ICRA]AA Amfs(SO)	-	-	-	-	-	-	-	-	-
2	Reliance Capital Protection Oriented Fund I – Plan B	Long Term	-	Provisional [ICRA]AA Amfs(SO)	-	-	-	-	-	-	-	-	-
3	Reliance Fixed Horizon Fund – XXXVII – Series 7	Short Term	-	[ICRA]A1+ mfs;	[ICRA]A 1+mfs;	[ICRA]A 1+mfs;							
4	Reliance Fixed Horizon Fund – XXXVII – Series 8	Short Term	-	[ICRA]A1+ mfs;	[ICRA]A 1+mfs;	[ICRA]A 1+mfs;							
5	Reliance Interval Fund – Quarterly Interval Fund – Series III	Short Term	-	[ICRA]A1+ mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A1 +mfs	-	-	-	-	-	-
6	Reliance Interval Fund – Monthly Interval Fund – Series I	Short Term	-	[ICRA]A1+ mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A1 +mfs	-	-	-	-	-	-
7	Reliance Interval Fund – Monthly Interval Fund – Series II	Short Term	-	[ICRA]A1+ mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A1 +mfs	-	-	-	-	-	-
8	Reliance Fixed Horizon Fund – XXXVI – Series 4	Short Term	-	[ICRA]A1+ mfs; withdrawn	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A1 +mfs	[ICRA] A1+mfs	-	-	-	-	-
9	Reliance Interval Fund - Quarterly Interval Fund - Series II	Short Term	-	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	-	-	-	-	-
10	Reliance Liquid Fund	Short Term	-	[ICRA]A1+ mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A1 +mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs
11	Reliance Money Market Fund	Short Term	-	[ICRA]A1+ mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A1 +mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs
12	Reliance Ultra Short duration	Short	-	[ICRA]A1+ mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A1 +mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs

Sr. No.	Name of Scheme	Type	Current Rating (FY2019)			Chronology of Rating History for the past 3 years							
			Rate d amo unt	Sep-18	Aug-18	May - 18	FY2018		FY2017		FY2016		
						Mar-18	Feb-18	Jul-17	Oct-16	Apr-16	Aug-15	Jan-15	
	Fund	Term	mfs	1+mfs	1+mfs	+mfs	A1+mfs	A1+mfs	A1+mfs	A1+mfs	A1+mfs	A1+mfs	
13	Reliance Banking & PSU Debt Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs ²	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs
14	Reliance Income Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs*	-	-
15	Reliance Floating Rate Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs
16	Reliance Short Term Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs
17	Reliance Prime Debt Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs
18	Reliance Dynamic Bond Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs
19	Reliance Low Duration Fund	Long Term	-	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]A AAmfs	[ICRA]A AAmfs
20	Reliance Strategic Debt Fund	Long Term	-	[ICRA]AA mfs	[ICRA]A Amfs	[ICRA]A Amfs	[ICRA]AA mfs	[ICRA]A Amfs	[ICRA]A Amfs	[ICRA]A Amfs	-	-	-

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

² Rating of [ICRA]AAAmfs reassigned from [ICRA]A1+mfs

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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