

Reliance Nippon Life Asset Management Limited

December 17, 2018

Summary of rating action

Instrument	Current Rated Amount (Rs. crore)	Rating Action
Reliance Overnight Fund	-	[ICRA]A1+mfs; assigned
Reliance Capital Protection Oriented Fund I – Plan A	-	Provisional [ICRA]AAAmfs(SO); outstanding
Reliance Capital Protection Oriented Fund I – Plan B	-	Provisional [ICRA]AAAmfs(SO); outstanding
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

Rationale and key rating drivers

The ratings indicate ICRA’s opinion on the credit quality of the portfolios held by the funds. They do not indicate the AMC’s willingness or ability to make timely payments to the fund’s investors. The ratings should not be construed as an indication of expected returns, prospective performance of the mutual fund scheme, net asset value (NAV) or volatility in its returns.

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 ratings have been assigned following ICRA's analysis of the credit risk profile of the month-end portfolio position of the schemes. The credit risk scores for the schemes were comfortably within the benchmark limits for the current rating levels.

Liquidity position: Not applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA- Mutual Fund Credit Risk Rating Methodology
Parent/Group Support	Not applicable
Consolidation / Standalone	Not applicable

About the company

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 Q2 FY2019, the average assets under management (AUM) of RNAM stood at Rs. 2,44,843.44 crore.

Reliance Overnight Fund

Reliance Overnight Fund (ROF) is an open-ended debt scheme investing in overnight securities. The objective of the scheme is to generate optimal returns with low risk and high liquidity by investing in debt and money market instruments with overnight maturity.

Reliance Banking & PSU Debt Fund

Launched in May 2015, Reliance Banking & PSU Debt Fund (RBPFD) is an open-ended debt scheme predominantly investing in the debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds. The fund's month-end AUM stood at Rs. 3,488.95 crore as on November 30, 2018 and had an average maturity of around 2 – 3 years.

Reliance Dynamic Bond Fund

Launched in November 2004, Reliance Dynamic Bond Fund is an open-ended debt scheme investing across durations. The investment strategy will be implemented through high-grade assets like G-Secs/state development loans (SDLs)/corporate bonds. The mandate is flexible in terms of duration rather than credit. The strategy is to generate alpha by actively using G-Secs, interest rate future (IRF) and IRS curves with the primary investment objective being 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 made predominantly in debt and money market instruments. The fund's month-end AUM stood at Rs. 1,244.12 crore as on November 30, 2018 and had an average maturity of around 6 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 AUM stood at Rs. 5,537.18 crore as on November 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 and 7 years. The fund's month-end AUM stood at Rs. 292.71 crore as on November 30, 2018 with an average maturity of around 7 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 maximising returns while ensuring adequate liquidity through investments in various money market and debt instruments with maturity of 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 AUM stood at Rs. 44,551.79 crore as on November 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 and 12 months. The fund's month-end AUM stood at Rs. 10,257.95 crore as on November 30, 2018 with an average maturity of around 8 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 invests in money market instruments like certificates of deposit (CDs), commercial papers (CPs), etc. The portfolio duration will be maintained between 80 and 120 days. The fund's month-end AUM stood at Rs. 1,682.95 crore as on November 30, 2018 and had an average maturity of around 3 months.

Reliance Prime Debt Fund

Reliance Prime Debt Fund is an open-ended debt scheme predominantly investing in corporates rated AA+ and above. The fund seeks to benefit from opportunities available in the corporate bond market space at different points in time. Therefore, this fund's investments are based on short-to-medium-term interest rate views and the shape of the yield curve. It typically maintains a moderate duration between 1.1 and 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 AUM stood at Rs. 3,389.79 crore as on November 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 and 3 years. The fund's month-end AUM stood at Rs. 8,586.98 crore as on November 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 and 4 years. The fund's month-end AUM stood at Rs. 6,420.18 crore as on November 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 and 6 months. The fund invests in debt and money market instruments with a portfolio duration between 165 and 180 days. The fund aims to generate higher gross yields through a portfolio investing across credit categories. The carry will protect against volatility. The fund's month-end AUM stood at Rs. 4,252.04 crore as on November 30, 2018 and had an average maturity of around 5 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	Type	Rated amount	Current Rating (FY2019)										
				FY2019		FY2018			FY2017			FY2016		
				Dec-18	Sep-18	Aug-18	May-18	Mar-18	Feb-18	Jul-17	Oct-16	Apr-16	Aug-15	Jan-15
1	Reliance Overnight Fund	Short Term	-	[ICRA]A1+ mfs;	-	-	-	-	-	-	-	-	-	-
2	Reliance Capital Protection Oriented Fund I – Plan A	Long Term	-	Provisional [ICRA]AAA mfs(SO)	Provisional [ICRA]AAA mfs(SO)	-	-	-	-	-	-	-	-	-
3	Reliance Capital Protection Oriented Fund I – Plan B	Long Term	-	Provisional [ICRA]AAA mfs(SO)	Provisional [ICRA]AAA mfs(SO)	-	-	-	-	-	-	-	-	-
4	Reliance Fixed Horizon Fund – XXXVII – Series 7	Short Term	-	[ICRA]A1+ mfs;	[ICRA]A1+m fs;	[ICRA]A 1+mfs;	[ICRA]A 1+mfs;							
5	Reliance Fixed Horizon Fund – XXXVII – Series 8	Short Term	-	[ICRA]A1+ mfs;	[ICRA]A1+m fs;	[ICRA]A 1+mfs;	[ICRA]A 1+mfs;							
6	Reliance Interval Fund – Quarterly Interval Fund – Series III	Short Term	-	[ICRA]A1+ mfs	[ICRA]A1+m fs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	-	-	-	-	-	-
7	Reliance Interval Fund – Monthly Interval Fund – Series I	Short Term	-	[ICRA]A1+ mfs	[ICRA]A1+m fs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	-	-	-	-	-	-
8	Reliance Interval Fund – Monthly Interval Fund – Series II	Short Term	-	[ICRA]A1+ mfs	[ICRA]A1+m fs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	-	-	-	-	-	-
9	Reliance Fixed Horizon Fund – XXXVI – Series 4	Short Term	-	[ICRA]A1+ mfs; withdrawn	[ICRA]A1+m fs; withdrawn	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA]A 1+mfs	[ICRA] A1+mfs	-	-	-	-	-

10	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	[ICRA] A1+mfs	-	-	-	-	-
11	Reliance Liquid Fund	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A 1+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
12	Reliance Money Market Fund	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A 1+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
13	Reliance Ultra Short Duration Fund	Short Term	-	[ICRA]A1+mfs	[ICRA]A1+mfs	[ICRA]A 1+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
14	Reliance Banking & PSU Debt Fund	Long Term	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs[1]	[ICRA] A1+mfs	[ICRA] A1+mfs	[ICRA] A1+mfs
15	Reliance Income Fund	Long Term	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]AA Amfs*	-	-
16	Reliance Floating Rate Fund	Long Term	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]A AAmfs
17	Reliance Short Term Fund	Long Term	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]A AAmfs
18	Reliance Prime Debt Fund	Long Term	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]A AAmfs
19	Reliance Dynamic Bond Fund	Long Term	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]A AAmfs
20	Reliance Low Duration Fund	Long Term	-	[ICRA]AAA mfs	[ICRA]AAA mfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]A AAmfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]AA Amfs	[ICRA]A AAmfs
21	Reliance Strategic Debt Fund	Long Term	-	[ICRA]AAmfs	[ICRA]AAmfs	[ICRA]A Amfs	[ICRA]A Amfs	[ICRA]A Amfs	[ICRA]A Amfs	[ICRA]A Amfs	[ICRA]AA mfs	-	-	-

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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