

Infomerics Valuation and Rating Pvt Ltd



RATIONALE

Infomerics has assigned IVR AAAMfs / Stable Outlook (pronounced IVR triple A mfs) rating to the Indiabulls Short Term Fund).

Rating & Definition

Infomerics has assigned a rating of IVR AAAMfs / (pronounced IVR triple A mfs) to the Indiabulls Short Term Fund (IBSTF). The scheme is supposed to have the highest degree of safety regarding timely receipt of payments from the investments that they have made.

Rating Rationale

The aforesaid rating derives comfort from the established stature of the sponsor (Indiabulls Housing Finance Ltd.), its financial strength, its position of being one of the largest private sector housing finance companies of the country, commitment towards the fund (alongwith its group companies) and the experience of the Investment Manager & presence of highly qualified and experienced management team. In addition, robust investment process and well laid down post-investment monitoring mechanism have been considered. The rating also factors in the comprehensive risk management system, being in place, backed by strong technological & operational platform, satisfactory portfolio mix with consistent high credit quality, relatively low interest rate risk of the portfolio and muted return potential. Continuous support from the sponsor, adherence to the existing investment strategies & risk management process and sustenance of credit quality of the fund portfolio are the key rating drivers.

Fund Background

Indiabulls Short Term Fund (IBSTF) is a short-term open ended fund in terms of SEBI regulations. The underlying investment strategies of the fund include generating stable return over a short term on low risk liquid papers and maintaining liquidity of the portfolio through a mix of money market & capital market debt instruments. The fund invests in highly rated Certificate of Deposits (CDs), Commercial Papers (CPs) and Non Convertible Debentures (NCDs) with a low term to maturity. It is also a participant in the Collateralized Borrowing and Lending Obligation (CBLO). This facility allows borrowing and lending of



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funds to market participants (like banks, Primary Dealers, Insurance companies, Mutual Funds, etc.) against collateral for a term up to a year. In line with its investment strategies, the fund attracts investors who want to park their short term surplus and look at options beyond bank Fixed Deposits.

The sponsor of the fund is Indiabulls Housing Finance Co. Ltd. (IBHFL) and the Investment Manager is Indiabulls Asset Management Co. Ltd.

Disclaimer: Infomerics' Mutual Fund rating is not a recommendation to buy, sell, or hold a security / fund. It neither comments on the current market price, suitability for a particular investor nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings are based on current information furnished to Infomerics by the fund or obtained by Infomerics from sources it considers reliable. Infomerics does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Infomerics does not perform an audit in connection with any rating and may, on certain occasions, rely on. The ratings may be changed, suspended, or withdrawn as a result of changes in, or non-availability of, such information, or based on other circumstances / information. Funds rated by Infomerics have paid a rating fee.