

# Rating Release



December 29, 2006

## SUNDARAM BNP PARIBAS ASSET MANAGEMENT COMPANY LIMITED

Sundaram BNP Paribas Money Fund	AAAf (Reaffirmed)
Sundaram BNP Paribas Floating Rate Fund - Short Term Plan	AAAf (Reaffirmed)

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The ratings indicate that the portfolio holdings of Sundaram BNP Paribas Money Fund and Sundaram BNP Paribas Floating Rate Fund - Short Term Plan provide **very strong** protection against losses from credit defaults. The funds are managed by Sundaram BNP Paribas Asset Management Company Limited (SBNPAMCL). The ratings are not an opinion on SBNPAMCL's willingness or ability to make timely payments to investors or on the stability of the fund's net asset value, which could vary with market developments.

CRISIL's assessment of a bond fund's credit quality is based on the creditworthiness of its portfolio. CRISIL has developed a credit quality matrix to assess the aggregate credit quality of a fund's underlying portfolio. The matrix is a set of credit factors and credit scores derived scientifically from the default and transition rates of CRISIL's long-term ratings. The credit factors reflect the expected default behaviour of the respective securities in the portfolio and the expected deterioration in their credit quality. For each individual security, the lower the credit factor, the higher is its inherent credit quality. The credit factors are applied to the proportion of securities in each rating category to arrive at the credit score for the portfolio. The schemes' ratings are assigned on the basis of the credit score given to the portfolio.

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The schemes need to maintain, at all times, the credit score that corresponds to its assigned rating. SBNPAMCL has furnished warranties to this effect. In case a particular investment in the schemes' portfolios is downgraded, resulting in the schemes' credit score crossing the specified limit, the AMC has 30 days to restructure the portfolio to achieve the target credit score.

Sundaram BNP Paribas Asset Management Company Limited, the Asset Management Company (AMC) of Sundaram Mutual Fund, is a public limited company, incorporated under the Companies Act, 1956. It is a wholly owned subsidiary of Sundaram Finance Limited. Sundaram BNP Paribas Asset Management Company Limited has been appointed as the Investment Manager vide Investment Management Agreement (IMA) dated August 24, 1996 executed between the Trustees and the AMC. The AMC manages the Schemes of the Fund in accordance with the provisions of the Investment Management Agreement, the Trust Deed, the Regulations and the objectives of each Scheme. SBNPAMCL currently manages 81 schemes (including Options) with total Assets under Management (AUM) of Rs 68.55 billions as on November 30, 2006.

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