

**FOR IMMEDIATE RELEASE**

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ICRA reaffirms highest credit quality ratings to DSP BlackRock Mutual Funds debt schemes

Scheme Name	Rating
DSP BlackRock Strategic Bond Fund	mfAAA
DSP BlackRock Money Manager Fund	mfAAA

ICRA has reaffirmed the credit risk rating of mfAAA (pronounced m f triple A) to DSP BlackRock Strategic Bond Fund and DSP BlackRock Money Manager Fund. The rating indicates that the underlying portfolio has the lowest credit risk and highest degree of safety from credit losses.

The ratings should, however, not be construed as an indication of the prospective performance of the Mutual Fund scheme or of volatility in its returns.

Asset Management Company and Fund Details

The above funds are mutual fund schemes of DSP BlackRock Mutual Fund ('Fund') which was established as a Trust under the Indian Trusts Act, 1882. DSP ADIKO Holdings Pvt. Ltd., DSP HMK Holdings Pvt. Ltd. and BlackRock Inc. are the Sponsors to the Fund and DSP BlackRock Investment Managers Private Ltd. is the Asset Management Company to the Fund. The AMC had average assets under management of Rs. 214.16 billion during the month of June 2010.

Launched in April 2007, DSP BlackRock Strategic Bond Fund is an open ended income scheme with an investment objective to generate optimal returns with high liquidity through active management of portfolio by investing in high quality debt and money market securities. The scheme's assets under management stood at Rs. 10.26 billion as on April 30, 2010 and had an average residual maturity of around one and a half months as on that date. The scheme maintains a high proportion of its investments rated at highest credit quality and an average residual maturity of around 2-3 months in the recent past.

Launched in July 2006, DSP BlackRock Money Manager Fund is an open ended income scheme, which aims at generating reasonable returns commensurate with low risk and a high degree of liquidity from a portfolio constituted of money market securities and high quality debt securities. The scheme's assets under management stood at Rs. 5.68 billion as of April 30, 2010 and had an average residual maturity of around 5 months as on that date. The scheme maintains a high proportion of its investments rated at highest credit quality and an average residual maturity of around 4-5 months in the recent past.

ICRA Credit Quality Rating Methodology for debt mutual fund schemes

ICRA's mutual fund rating methodology is based on evaluating the inherent credit quality of the funds 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 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 for various 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 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 credit quality.

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Disclosure: A Member of the Board of Directors of ICRA Limited is also an Independent Director on the Board of Directors of DSP BlackRock Investment Managers Private Limited. This Director was not involved in any of the discussions and processes related to the Rating of the instrument(s) mentioned herein.

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