

Portfolio Published as on 22 October 2018

QUANTUM LIQUID FUND
(An Open Ended Liquid Scheme)

Fact Sheet as on 19-Oct-18

| Fund Size as on (Rs. in crores) 19-Oct-18 | Absolute AUM |
|---|-----------------|
| DIRECT PLAN GROWTH OPTION | 134.6735 |
| DIRECT PLAN DAILY DIVIDEND OPTION | 32.9012 |
| DIRECT PLAN MONTHLY DIVIDEND OPTION | 5.6137 |
| REGULAR PLAN GROWTH OPTION | 3.3664 |
| REGULAR PLAN DAILY DIVIDEND OPTION | 3.0822 |
| REGULAR PLAN MONTHLY DIVIDEND OPTION | 0.0948 |
| Total | 179.7318 |

| Net Asset Value as on 19-Oct-18 | (Rs./Unit) |
|--------------------------------------|------------|
| DIRECT PLAN GROWTH OPTION | 24.7364 |
| DIRECT PLAN DAILY DIVIDEND OPTION | 10.0094 |
| DIRECT PLAN MONTHLY DIVIDEND OPTION | 10.0526 |
| REGULAR PLAN GROWTH OPTION | 24.7158 |
| REGULAR PLAN DAILY DIVIDEND OPTION | 10.0042 |
| REGULAR PLAN MONTHLY DIVIDEND OPTION | 10.0525 |

| Weighted Average Maturity (days) | No of days |
|----------------------------------|------------|
| At the end of the week | 39 |
| Modified Duration | 37 |

| Sr.No. | Name of Instrument | Rating | Residual Maturity (in days) | Market Value (Rs Lakhs) | % to Net Asset |
|--|---|------------|-----------------------------|-------------------------|----------------|
| DEBT INSTRUMENTS | | | | | |
| A) Listed/awaiting listing on Stock Exchanges | | | | | |
| i) | Non-Convertible debentures / Bonds | | | NIL | NIL |
| | B) Privately Placed/Unlisted | | | NIL | NIL |
| | C) Securitized Debt Instruments | | | NIL | NIL |
| | Total of Debt instruments | | | NIL | NIL |
| MONEY MARKET INSTRUMENTS | | | | | |
| a) | Commercial Papers (CP) | | | | |
| 1 | NTPC Ltd CP (MD 24/12/2018) | CRISIL A1+ | 66 | 1,481.04 | 8.24% |
| 2 | Indian Oil Corporation Ltd CP (MD 15/11/2018) | CRISIL A1+ | 27 | 995.02 | 5.54% |
| 3 | Power Grid Corporation Ltd CP (MD 29/11/2018) | CRISIL A1+ | 41 | 992.36 | 5.52% |
| 4 | Rural Electrification Corp Ltd CP (MD 03/12/2018) | CRISIL A1+ | 45 | 991.51 | 5.52% |
| 5 | National Bank For Agri & Rural CP (MD 31/10/2018) | CRISIL A1+ | 12 | 498.95 | 2.78% |
| 6 | National Bank For Agri & Rural CP (MD 05/11/2018) | CRISIL A1+ | 17 | 498.47 | 2.77% |
| | Total of Commercial Paper | | | 5,457.35 | 30.37% |
| b) | Treasury Bills (T-bill) | | | | |
| 1 | 91 Days Tbill (MD 01/11/2018) | Sovereign | 13 | 1,995.65 | 11.10% |
| 2 | 91 Days Tbill (MD 15/11/2018) | Sovereign | 27 | 1,990.58 | 11.08% |
| 3 | 91 Days Tbill (MD 10/01/2019) | Sovereign | 83 | 1,969.51 | 10.96% |
| 4 | 91 Days Tbill (MD 14/12/2018) | Sovereign | 56 | 1,484.90 | 8.26% |
| 5 | 91 Days Tbill (MD 22/11/2018) | Sovereign | 34 | 994.00 | 5.53% |
| 6 | 91 Days Tbill (MD 29/11/2018) | Sovereign | 41 | 992.74 | 5.52% |
| 7 | 91 Days Tbill (MD 03/01/2019) | Sovereign | 76 | 986.06 | 5.49% |
| 8 | 91 Days Tbill (MD 25/10/2018) | Sovereign | 6 | 499.55 | 2.78% |
| | Total of T-Bills | | | 10,912.99 | 60.72% |
| c) | Collateralised Borrowing & Lending Obligation (CBLO) * | | | 1,560.12 | 8.68% |
| | Total of Money Market Instruments | | | 17,930.46 | 99.77% |
| | Net Receivable / (Payable) | | | 42.72 | 0.23% |
| | Grand Total | | | 17,973.18 | 100.00% |

* Cash & cash Equivalents

Quantum Liquid Fund

MPC concerned about upside risks to inflation

The minutes of the October MPC meeting suggests that members are concerned about upside risks to inflation emanating from the MSP hike, higher crude oil prices, weaker INR and potential fiscal breach. In the October policy, the RBI kept the policy rates unchanged to allow the economy to adjust to the past two back-to-back rate hikes in June and August. However, they changed the policy stance to “Calibrated tightening” indicating the possibility of further rate hikes if an inflationary risk materializes.

Liquidity condition to tighten; RBI to increase OMO pace

Banking system liquidity tightened further in the week to deficit of over Rs. 1.1 trillion primarily due to high cash withdrawals from banks and the RBI’s foreign exchange sale. The RBI will have to increase the pace of open market operations (OMOs) of government securities to normalize the liquidity situation.

Bond yields continue to track Crude and INR

Bond market was broadly positive in the last week following lower than estimated retail inflation, lower trade deficit and fall in Brent crude oil below \$80 per barrel. The 10-year benchmark government bond yield softened by over 12 bps to intraday low of 7.86% before closing the week at 7.92%. The Indian rupee also regained some confidence appreciating by over 1% in the week. We still maintain a cautious stance on bonds as we expect inflation to move higher than the RBI’s projections and the fiscal deficit target looks challenging. Further, we are also concerned about the external markets and emerging market situation amid liquidity tightening in the developed economies.

With the RBI now conducting open market operations of government securities and given that government has cut its borrowing program, the 10-year government Bond yield may hover around 8.0% for now and move towards 8.25% if the market expects RBI to hike by more than 50 bps. As for now, we still do not expect 10-year government bond yields to go up considerably above 8.25% unless macro situation changes materially.

Portfolio Strategy

Quantum Liquid Fund (QLF)

We always stress on the primary objective of the liquid funds and advice investors to prioritize safety and liquidity over returns while investing in liquid funds.

In Quantum Liquid Fund we do not take any exposure in private sector corporations and invest only in government securities, treasury bills and highest quality instruments issued by public sector undertakings (PSUs) which are shortlisted under our proprietary credit research and review process.

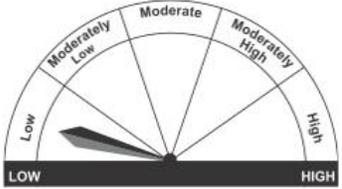
As on 19th October 2018, the average maturity of Quantum Liquid Fund is 39 days.

Credit Exposures:

With the QLF portfolios continuing to comprise of G-secs, T-bills and PSU securities, hence credit risk remains minimal.

Please [click here](#) to access the weekly portfolio disclosures of Quantum Liquid Fund.

PRODUCT LABEL

| Name of the Scheme | This product is suitable for investors who are seeking* | Riskometer |
|---|---|--|
| Quantum Liquid Fund (An Open Ended Liquid Scheme) | <ul style="list-style-type: none">• Income over the short term• Investments in debt / money market instruments |  <p>Investors understand that their principal will be at Low risk</p> |
| * Investors should consult their financial advisers if in doubt about whether the product is suitable for them. | | |

Disclaimer, Statutory Details & Risk Factors:

The views expressed here in this article are for general information and reading purpose only and do not constitute any guidelines and recommendations on any course of action to be followed by the reader. Quantum AMC / Quantum Mutual Fund is not guaranteeing / offering / communicating any indicative yield on investments made in the scheme(s). The views are not meant to serve as a professional guide / investment advice / intended to be an offer or solicitation for the purchase or sale of any financial product or instrument or mutual fund units for the reader. The article has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and views given are fair and reasonable as on date. Readers of this article should rely on information/data arising out of their own investigations and advised to seek independent professional advice and arrive at an informed decision before making any investments.

Mutual fund investments are subject to market risks read all scheme related documents carefully.

Please visit – www.QuantumMF.com to read scheme specific risk factors. Investors in the Scheme(s) are not being offered a guaranteed or assured rate of return and there can be no assurance that the schemes objective will be achieved and the NAV of the scheme(s) may go up and down depending upon the factors and forces affecting securities market. Investment in mutual fund units involves investment risk such as trading volumes, settlement risk, liquidity risk, default risk including possible loss of capital. Past performance of the sponsor / AMC / Mutual Fund does not indicate the future performance of the Scheme(s). **Statutory Details:** Quantum Mutual Fund (the Fund) has been constituted as a Trust under the Indian Trusts Act, 1882. **Sponsor:** Quantum Advisors Private Limited. (liability of Sponsor limited to Rs. 1,00,000/-) **Trustee:** Quantum Trustee Company Private Limited. **Investment Manager:** Quantum Asset Management Company Private Limited. The Sponsor, Trustee and Investment Manager are incorporated under the Companies Act, 1956.