

Portfolio Published on 21st September 2020

QUANTUM LIQUID FUND					
(An Open Ended Liquid Scheme)					
Fact Sheet as on 18-Sep-2020					
Fund Size as on (Rs. in crores) 18-Sep-2020		Absolute AUM			
DIRECT PLAN GROWTH OPTION		397.1853			
DIRECT PLAN DAILY DIVIDEND OPTION		11.3759			
DIRECT PLAN MONTHLY DIVIDEND OPTION		2.4689			
REGULAR PLAN GROWTH OPTION		47.3899			
REGULAR PLAN DAILY DIVIDEND OPTION		5.3041			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0598			
Total		463.7839			
Net Asset Value as on 18-Sep-2020		(Rs./Unit)			
DIRECT PLAN GROWTH OPTION		27.3391			
DIRECT PLAN DAILY DIVIDEND OPTION		10.0060			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.0273			
REGULAR PLAN GROWTH OPTION		27.2783			
REGULAR PLAN DAILY DIVIDEND OPTION		10.0010			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.0254			
Weighted Average Maturity (days)		No of days			
At the end of the week		36.91			
Modified Duration		35.51			
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					
1	6.98% NABARD NCD SR 18 G (MD 30/09/2020)	CRISIL AAA	12	2,002.11	4.32%
Total of NCD				2,002.11	4.32%
b Privately Placed/Unlisted					
				NIL	NIL
c Securitized Debt Instruments					
				NIL	NIL
Total of Debt instruments				2,002.11	4.32%
MONEY MARKET INSTRUMENTS					
a Commercial Papers (CP)					
1	NTPC Ltd CP (MD 23/10/2020)	CRISIL A1+	35	2,492.20	5.37%
2	Export Import Bank of India CP (MD 13/11/2020)	CRISIL A1+	56	2,487.39	5.36%
Total of CP				4,979.59	10.73%
b Certificate of Deposits (CD)					
				NIL	NIL
Total of CD				NIL	NIL
c Treasury Bills (T-bill)					
1	91 Days Tbill (MD 29/10/2020)	Sovereign	41	6,476.22	13.96%
2	91 Days Tbill (MD 08/10/2020)	Sovereign	20	4,492.13	9.69%
3	91 Days Tbill (MD 15/10/2020)	Sovereign	27	3,990.34	8.60%
4	182 Days Tbill (MD 12/11/2020)	Sovereign	55	3,980.45	8.58%
5	182 Days Tbill (MD 26/11/2020)	Sovereign	69	3,478.49	7.50%
6	182 Days Tbill (MD 19/11/2020)	Sovereign	62	2,983.45	6.43%
7	182 Days Tbill (MD 22/10/2020)	Sovereign	34	2,492.47	5.37%
8	182 Days Tbill (MD 24/09/2020)	Sovereign	6	1,499.31	3.23%
9	91 Days Tbill (MD 24/09/2020)	Sovereign	6	1,499.31	3.23%
10	91 Days Tbill (MD 17/12/2020)	Sovereign	90	1,487.99	3.21%
11	91 Days Tbill (MD 22/10/2020)	Sovereign	34	996.99	2.15%
12	91 Days Tbill (MD 26/11/2020)	Sovereign	69	993.85	2.14%
Total of T-Bills				34,371.00	74.09%
d TREPS *					
				4,995.74	10.77%
Total of Money Market Instruments				44,346.33	95.59%
Net Receivable / (Payable)				29.96	0.09%
Grand Total				46,378.40	100.00%

* Cash & cash Equivalents

Quantum Liquid Fund

Yields eased on positive inflation surprise

The market started the week with a positive surprise as the CPI inflation for the month of August 2020 came in at 6.7% yoy as against the market expectation of about 7.0%. The reading for the month July also got revised downward from 6.9% to 6.7%.

Lower than expected inflation print supported the market sentiment and fueled a short rally in bonds especially in the shorter maturity segment. Though it was not enough to revive the market sentiment completely as participants remain concerned over potential increase in government's market borrowing in the second half of FY21. The second half borrowing calendar is expected later this week.

Remember, the Government has already increased the market borrowing limit for FY21 from the budgeted Rs. 7.8 trillion to Rs. 12 trillion in the month of May. Any further increase in supply of government bonds could create pressure on the market and keep the yields elevated.

The RBI announced an OMO (open market operation) to purchase government bonds worth Rs. 100 billion. This kind of ad-hoc interventions could provide temporary relief to the market but won't be sufficient to ease the supply pressure.

Bond yields remained in a tight range in the later part of the week. The 10 year benchmark government bond yield closed the week 3 basis points lower at 6.01% as against 6.04% in the previous week.

We expect the RBI will continue intervene in the bond markets through Open Market Purchases and Operation Twists to put a lid on long term bond yields. The weekly size of operation twists/OMOs might increase from current Rs. 100 billion to make it more effective. At current levels we see scope for long term bond yields to go down.

Abundant liquidity keeping money markets rates low

Liquidity condition remained in high surplus though it has come down in the last two weeks. The amount under reverse repo has come down to Rs. 4 trillion in the last week as against ~Rs. 6 -7 trillion witnessed in the last 4 months. This drop in surplus liquidity is mainly due to reversal of earlier long term term repos (LTRO) and outflows on account of advance tax payments.

Money market rates remained almost flat with 2-3 months treasury bills yields quoting in the range of 3.30%-3.35%.

We are of the view that the RBI will maintain surplus liquidity conditions till we get a sustained revival in economic activity. Abundant liquidity and potential rate cuts will likely keep yields on short term treasury bills and PSU papers suppressed near reverse repo rate.

Portfolio Outlook

Quantum Liquid Fund (QLF)

Given the low overnight rates and excess liquidity situation, returns from liquid funds will remain muted. However, we still advise investors to not hunt for returns from this category and always prioritize safety and liquidity over returns while investing in liquid funds.

In Quantum Liquid Fund we have not taken any exposure in private sector companies and invested only in

government securities, treasury bills and highest quality instruments issued by public sector undertakings (PSU) which are shortlisted under our proprietary credit research and review process.

As on 18th September 2020, the average maturity of Quantum Liquid Fund is 37 days.

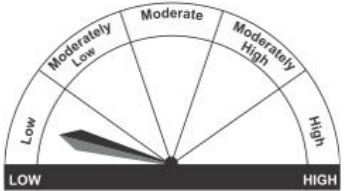
Credit Exposures:

With the QLF and QDBF 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

Data Source: RBI

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.