

QUANTUM LIQUID FUND (An Open Ended Liquid Scheme)					
Fact Sheet as on 25-Sep-2020					
Fund Size as on (Rs. in crores) 25-Sep-2020		Absolute AUM			
DIRECT PLAN GROWTH OPTION		422.8559			
DIRECT PLAN DAILY DIVIDEND OPTION		11.3627			
DIRECT PLAN MONTHLY DIVIDEND OPTION		2.1474			
REGULAR PLAN GROWTH OPTION		47.5683			
REGULAR PLAN DAILY DIVIDEND OPTION		5.3060			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0347			
Total		489.2750			
Net Asset Value as on 25-Sep-2020		(Rs./Unit)			
DIRECT PLAN GROWTH OPTION		27.3551			
DIRECT PLAN DAILY DIVIDEND OPTION		10.0060			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.0074			
REGULAR PLAN GROWTH OPTION		27.2938			
REGULAR PLAN DAILY DIVIDEND OPTION		10.0010			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.0048			
Weighted Average Maturity (days)		No of days			
At the end of the week		38			
Modified Duration		36			
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	5	2,000.76	4.09%
Total of NCD				2,000.76	4.09%
b Privately Placed/Unlisted					
				NIL	NIL
c Securitized Debt Instruments					
				NIL	NIL
Total of Debt instruments				2,000.76	4.09%
MONEY MARKET INSTRUMENTS					
a Commercial Papers (CP)					
1	NTPC Ltd CP (MD 23/10/2020)	CRISIL A1+	28	2,493.73	5.10%
2	Export Import Bank of India CP (MD 13/11/2020)	CRISIL A1+	49	2,488.96	5.09%
Total of CP				4,982.69	10.19%
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	34	6,480.23	13.24%
2	91 Days Tbill (MD 08/10/2020)	Sovereign	13	4,494.93	9.19%
3	91 Days Tbill (MD 17/12/2020)	Sovereign	83	4,466.39	9.13%
4	91 Days Tbill (MD 15/10/2020)	Sovereign	20	3,992.93	8.16%
5	182 Days Tbill (MD 12/11/2020)	Sovereign	48	3,982.82	8.14%
6	182 Days Tbill (MD 26/11/2020)	Sovereign	62	3,480.52	7.11%
7	182 Days Tbill (MD 19/11/2020)	Sovereign	55	2,985.13	6.10%
8	182 Days Tbill (MD 22/10/2020)	Sovereign	27	2,493.99	5.10%
9	182 Days Tbill (MD 10/12/2020)	Sovereign	76	2,482.91	5.07%
10	91 Days Tbill (MD 22/10/2020)	Sovereign	27	997.60	2.04%
11	91 Days Tbill (MD 26/11/2020)	Sovereign	62	994.43	2.03%
Total of T-Bills				36,851.88	75.31%
d TREPS *					
				5,051.37	10.32%
Total of Money Market Instruments				46,885.94	95.82%
Net Receivable / (Payable)				40.81	0.09%
Grand Total				48,927.51	100.00%

* Cash & cash Equivalents

Quantum Liquid Fund

Yields moved up ahead of H2 borrowing program

Bond markets had a subdued week with lackluster market activity as investors await the release of the central government's second half borrowing calendar. Bond yields remained in a tight range hovering around 6.01% for most part of the week.

Sentiment turned negative towards the week end as the RBI did not accept any offer in the OMO and the weekly debt auction witnessed weak demand. The RBI once again, for the fourth time, devolved almost entire notified amount (Rs. 178.6 billion out of Rs. 180 billion) of the benchmark 10 year government bond on underwriters (primary dealers).

Bond yields moved up marginally in the later part of the week. The 10 year benchmark government bond yield ended the week 3 basis points higher at 6.04% as against 6.01% in the previous week.

This week the government will announce its second half borrowing program and the monetary policy committee (MPC) of the RBI will meet to review the policy rates. These are two crucial decisions for the bond market which will determine the course of interest rates in the near future.

Although we do expect the government to borrow more than the planned Rs. 12 trillion, they may not increase the borrowing as yet. They will probably review the fiscal position and borrowing program by the end of third quarter when they will have a better estimates of the revenue shortfall and spending requirements.

In the monetary policy we expect the RBI to maintain status quo on rates and continue to remain accommodative to support growth. The recent spike in inflation seems like a temporary phenomenon caused by disrupted supply chains and unfavorable base effect. We expect the inflation to cool down by the year end. If happens, that will open up some space for rate cut in December meeting.

From the bond markets' prospective, RBI's view on inflation will be a crucial factor to watch. Markets will also look out for some clarity on the RBI's plan to monetise the rising pile of government debt. Till now, the RBI has relied on tactical interventions in the market through OMOs and Operation Twists to control long term bond yields. But as the supply pressure started to weigh, there is an expectation of a proactive and more aggressive approach by the RBI.

In the last week, the RBI announced an Operation Twist (Simultaneous purchase of long maturity bonds and sale of short maturity bonds) of Rs. 100 billion. We expect the RBI will continue to 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/OMO might increase from the 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. The amount under reverse repo was close to ~ Rs. 4 trillion in the last week which is lower than ~Rs. 6 -7 trillion witnessed in the last 4 months. This drop in surplus liquidity is mainly due to reversal of earlier long 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 expect 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 25th September 2020, the average maturity of Quantum Liquid Fund is 38 days.

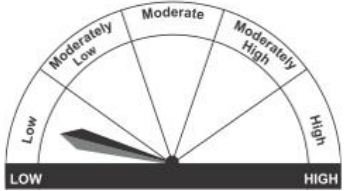
Credit Exposures:

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:

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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.