

Portfolio Published on 7th December 2020

QUANTUM DYNAMIC BOND FUND					
(An Open Ended Dynamic Debt Scheme Investing Across Duration)					
Fact Sheet as on 04-Dec-2020					
Fund Size as on (Rs. in crores) 04-Dec-2020		Absolute AUM			
DIRECT PLAN GROWTH OPTION		69.4104			
DIRECT PLAN MONTHLY DIVIDEND OPTION		0.6637			
REGULAR PLAN GROWTH OPTION		2.7624			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0138			
Total		72.8503			
Net Asset Value as on 04-Dec-2020		(Rs./Unit)			
DIRECT PLAN GROWTH OPTION		16.2884			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.4232			
REGULAR PLAN GROWTH OPTION		16.2222			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.5153			
Weighted Average Maturity		No of years			
At the end of the week		7.67			
Modified Duration		5.78			
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				
1	6.4% NABARD Sr 20K NCD (MD 31/07/2023)	ICRA AAA	969	522.53	7.17%
	Total of NCD			522.53	7.17%
ii)	Government Securities				
1	5.77% GOI (MD 03/08/2030)	Sovereign	3529	3,962.13	54.39%
2	7.17% GOI (MD 08/01/2028)	Sovereign	2591	2,269.00	31.15%
3	7.37% GOI (MD 16/04/2023)	Sovereign	863	53.56	0.74%
	Total of Government Securities			6,284.69	86.28%
b	Privately Placed/Unlisted			NIL	NIL
c	Securitized Debt Instruments			NIL	NIL
	Total of Debt instruments			6,807.22	93.45%
	MONEY MARKET INSTRUMENTS				
a	Commercial Papers (CP)			NIL	NIL
	Total of CP			NIL	NIL
b	Certificate of Deposits (CD)			NIL	NIL
	Total of CD			NIL	NIL
c	Treasury Bills (T-bill)			NIL	NIL
	Total of T-Bills			NIL	NIL
d	TREPS *			342.77	4.71%
	Total of Money Market Instruments			342.77	4.71%
	Net Receivable / (Payable)			135.04	1.84%
	Grand Total			7,285.03	100.00%

* Cash & cash Equivalents

Quantum Dynamic Bond Fund

RBI Keeps Rate Unchanged

Indian Bond market started on a weaker note following better than expected GDP numbers. GDP growth came in at (-)7.5% in Q2 FY21 as against market expectation of contraction of about (-) 9%. Bond markets reacted negatively on perception that more monetary accommodation may not be required and the RBI can soon switch its focus to inflation. However, throughout the week bonds were trading in a narrow range ahead of the crucial MPC monetary policy decision schedule to be announced on December 4th.

The MPC kept the policy rate unchanged and also reiterated to maintain its accommodative stance in the current financial year and going into the next financial year. Although this was in line with the market expectation, RBI's commentary did bring in some cheers for the bond markets. Despite raising its inflation and growth forecasts upward, the RBI's tone was much softer. The RBI also stated that it will continue to maintain the excess liquidity in the banking system and will continue to conduct OMOs/twists as and when required. This led softening of the yield especially in shorter end of the curve.

On weekly closing the 10 year benchmark government bond (5.77% GS 2030) closed at yield of 5.90% vs previous closing at 5.91%. Going ahead, we expect long term yields to remain capped by the RBI's OMO/twists while the shorter maturity bond yields may come down further if excess liquidity situation persists for long.

Liquidity Keeping Rates Low

Liquidity condition remained in high surplus. The amount under reverse repo continue to remain above Rs. 6.5 trillion.

Yield on treasury bills of 2-3 months maturities moved up marginally from about 2.9% in the previous week to about 3.00% on Friday.

We expect that the RBI will maintain surplus liquidity conditions until 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 Dynamic Bond Fund (QDBF)

In the Quantum Dynamic Bond 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. However, the fund does take interest rate risk depending on our assessment of the market outlook.

The gap between the short and long maturity bonds have widened in the last few months. Currently the 2 year government bond yield is around 3.9% while the yield on 10 year bond is at 5.9%. Given this high term premium and stable interest rate outlook, longer maturity bonds look attractive from accrual stand point.

As on 4th December 2020, the average maturity of Quantum Dynamic Bond Fund is 7.7 years and modified duration of 5.78.

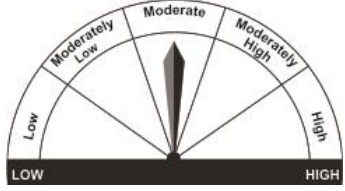
Credit Exposures:

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 Dynamic Bond Fund.

Data Source: RBI

PRODUCT LABEL

Name of the Scheme	This product is suitable for investors who are seeking*	Riskometer
Quantum Dynamic Bond Fund (An Open Ended Dynamic Debt Scheme Investing Across Duration)	<ul style="list-style-type: none"> • Regular income over short to medium term and capital appreciation • Investment in Debt / Money Market Instruments / Government Securities. 	 <p style="text-align: center;">Investors understand that their principal will be at Moderate Risk</p>
<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>		

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.QuantumAMC.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.