

Portfolio Published on 26th October 2020

QUANTUM DYNAMIC BOND FUND					
(An Open Ended Dynamic Debt Scheme Investing Across Duration)					
Fact Sheet as on 23-Oct-2020					
<b>Fund Size as on (Rs. in crores) 23-Oct-2020</b>		<b>Absolute AUM</b>			
DIRECT PLAN GROWTH OPTION		67.5728			
DIRECT PLAN MONTHLY DIVIDEND OPTION		0.6661			
REGULAR PLAN GROWTH OPTION		2.5511			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0103			
<b>Total</b>		<b>70.8003</b>			
<b>Net Asset Value as on 23-Oct-2020</b>		<b>(Rs./Unit)</b>			
DIRECT PLAN GROWTH OPTION		16.1893			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.5152			
REGULAR PLAN GROWTH OPTION		16.1258			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.6067			
<b>Weighted Average Maturity</b>		<b>No of years</b>			
At the end of the week		8.91			
Modified Duration		6.42			
Sr.No.	Name of Instrument	Rating	Residual Maturity (in days)	Market Value (Rs Lakhs)	% to Net Asset
<b>DEBT INSTRUMENTS</b>					
<b>a</b>	<b>Listed/awaiting listing on Stock Exchanges</b>				
<b>i)</b>	<b>Non-Convertible debentures / Bonds</b>				
1	6.4% NABARD Sr 20K NCD (MD 31/07/2023)	ICRA AAA	1011	520.21	7.35%
<b>Total of NCD</b>				<b>520.21</b>	<b>7.35%</b>
<b>ii)</b>	<b>Government Securities</b>				
1	7.17% GOI (MD 08/01/2028)	Sovereign	2633	3,343.88	47.23%
2	6.19% GOI (MD 16/09/2034)	Sovereign	5076	1,994.88	28.18%
3	5.77% GOI (MD 03/08/2030)	Sovereign	3571	992.96	14.02%
4	7.37% GOI (MD 16/04/2023)	Sovereign	905	53.48	0.76%
<b>Total of Government Securities</b>				<b>6,385.20</b>	<b>90.19%</b>
<b>b</b>	<b>Privately Placed/Unlisted</b>			<b>NIL</b>	<b>NIL</b>
<b>c</b>	<b>Securitized Debt Instruments</b>			<b>NIL</b>	<b>NIL</b>
<b>Total of Debt instruments</b>				<b>6,905.41</b>	<b>97.54%</b>
<b>MONEY MARKET INSTRUMENTS</b>					
<b>a</b>	<b>Commercial Papers (CP)</b>			<b>NIL</b>	<b>NIL</b>
<b>Total of CP</b>				<b>NIL</b>	<b>NIL</b>
<b>b</b>	<b>Certificate of Deposits (CD)</b>			<b>NIL</b>	<b>NIL</b>
<b>Total of CD</b>				<b>NIL</b>	<b>NIL</b>
<b>c</b>	<b>Treasury Bills (T-bill)</b>			<b>NIL</b>	<b>NIL</b>
<b>Total of T-Bills</b>				<b>NIL</b>	<b>NIL</b>
<b>d</b>	<b>TREPS *</b>			<b>2,046.49</b>	<b>28.91%</b>
<b>Total of Money Market Instruments</b>				<b>2,046.49</b>	<b>28.91%</b>
<b>Net Receivable / (Payable)</b>				<b>(1,871.87)</b>	<b>(26.45%)</b>
<b>Grand Total</b>				<b>7,080.03</b>	<b>100.00%</b>

\* Cash & cash Equivalents

## Quantum Dynamic Bond Fund

### **Bonds all set to rally**

Bond market maintained its positive momentum in the last week. Bond yields came down (prices moved up) across the maturity curve supported by OMO purchases by the RBI. The 10 year benchmark government bond yield fell 9 basis points in the week to close at 5.84% as against 5.93% in the previous week.

The RBI released minutes of the MPC meeting on Friday. It indicates that the MPC members are tilted towards supporting growth at this juncture than tackling inflation problem. The MPC has given a forward guidance to remain accommodative in this year and the next year to allow economy to recover. The MPC expects the recent jump in inflation to be transient and the headline CPI is expected to cool off in coming quarters. Governor Das highlighted room for further rate cut.

RBI's decision to remain accommodative for longer period and expectation of weekly OMOs will continue to support the bond market in near term. We expect long term bond yields to fall from current levels. However, we need to be watchful of the inflation risk and fiscal risks over medium term.

### **Liquidity keeping rates low**

Liquidity condition remained in high surplus. The amount under reverse repo continue to remain above Rs. 5.5 trillion.

Treasury bills yields of 2-3 months maturities came down in the week and are currently in the range of 3.10%-3.15%. 2-3 months maturity PSU papers are quoting in the range of 3.15%-3.20%

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.

We are tactically positive on the long term bonds as we expect that the RBI will continue to conduct OMOs on weekly basis. Long term bond yields are expected to fall further.

Given our positive view on the long term bonds, we re-deployed cash in the Quantum Dynamic Bond fund portfolio and raised the duration of the fund. As on 23<sup>rd</sup> October 2020, the average maturity of Quantum Dynamic Bond Fund is 8.91 years.

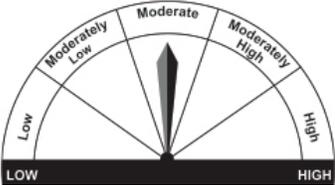
#### **Credit Exposures:**

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"><li>• Regular income over short to medium term and capital appreciation</li><li>• Investment in Debt / Money Market Instruments / Government Securities.</li></ul>	 <p>Investors understand that their principal will be at Moderate 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.**

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