

Portfolio Published on 7th September 2020

QUANTUM LIQUID FUND					
(An Open Ended Liquid Scheme)					
Fact Sheet as on 04-Sep-2020					
Fund Size as on (Rs. in crores) 04-Sep-2020		Absolute AUM			
DIRECT PLAN GROWTH OPTION		415.9944			
DIRECT PLAN DAILY DIVIDEND OPTION		10.7852			
DIRECT PLAN MONTHLY DIVIDEND OPTION		2.5330			
REGULAR PLAN GROWTH OPTION		64.0934			
REGULAR PLAN DAILY DIVIDEND OPTION		5.3060			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0701			
Total		498.7821			
Net Asset Value as on 04-Sep-2020		(Rs./Unit)			
DIRECT PLAN GROWTH OPTION		27.3099			
DIRECT PLAN DAILY DIVIDEND OPTION		10.0060			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.0166			
REGULAR PLAN GROWTH OPTION		27.2503			
REGULAR PLAN DAILY DIVIDEND OPTION		10.0010			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.0151			
Weighted Average Maturity (days)		No of days			
At the end of the week		40			
Modified Duration		38			
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	26	2,005.12	4.02%
Total of NCD				2,005.12	4.02%
b Privately Placed/Unlisted					
				NIL	NIL
c Securitized Debt Instruments					
				NIL	NIL
Total of Debt instruments				2,005.12	4.02%
MONEY MARKET INSTRUMENTS					
a Commercial Papers (CP)					
1	NTPC Ltd CP (MD 23/10/2020)	CRISIL A1+	49	2,489.52	4.99%
2	Export Import Bank of India CP (MD 13/11/2020)	CRISIL A1+	70	2,484.62	4.98%
Total of CP				4,974.14	9.97%
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	55	6,469.37	12.97%
2	91 Days Tbill (MD 17/09/2020)	Sovereign	13	4,994.91	10.01%
3	91 Days Tbill (MD 08/10/2020)	Sovereign	34	4,487.12	9.00%
4	91 Days Tbill (MD 15/10/2020)	Sovereign	41	3,986.13	7.99%
5	182 Days Tbill (MD 12/11/2020)	Sovereign	69	3,976.04	7.97%
6	182 Days Tbill (MD 26/11/2020)	Sovereign	83	3,474.79	6.97%
7	91 Days Tbill (MD 10/09/2020)	Sovereign	6	2,498.96	5.01%
8	182 Days Tbill (MD 22/10/2020)	Sovereign	48	2,489.74	4.99%
9	182 Days Tbill (MD 24/09/2020)	Sovereign	20	1,497.58	3.00%
10	91 Days Tbill (MD 24/09/2020)	Sovereign	20	1,497.58	3.00%
11	91 Days Tbill (MD 22/10/2020)	Sovereign	48	995.90	2.00%
12	91 Days Tbill (MD 26/11/2020)	Sovereign	83	992.80	1.99%
Total of T-Bills				37,360.92	74.90%
d TREPS *					
				5,515.39	11.06%
Total of Money Market Instruments				47,850.45	95.93%
Net Receivable / (Payable)				22.64	0.05%
Grand Total				49,878.21	100.00%

* Cash & cash Equivalents

Quantum Liquid Fund

RBI measures to lower bond yields

As the bond yields remained above 6% for the second week, the RBI came up with additional measures to calm the market nerves. It extended the 'operation twist' (purchase of long term bond and simultaneous sale of short term bond/treasury bills) with two more tranches of Rs. 100bn each in September taking the total amount of operation twists to Rs. 400bn.

The RBI also increased the HTM limit (Hold to Maturity) for banks to allow them to hold higher quantity of centre and state government bonds without having mark to market on those. HTM (Hold to Maturity) limit for banks has been raised from 19.5% to 22.0% of NDTL (Net Demand and Time Liabilities). This increase can boost banks' demand for government bonds by about INR 3.5 trillion. Additionally, it also assured the markets that it will conduct market operations whenever required to ensure orderly functioning of markets.

The impact on the market was immediate. On September 1st, bond yields fell by 20 bps across the curve, with the 10 year bond fell to ~5.95% on early trades. This has convinced the bond markets for now that the RBI will not tolerate any large increase in bond yields.

The 10Y benchmark government bond closed the week at 5.93% compared to previous closing of 6.14%.

With its actions, the RBI has given a clear signal that they are not comfortable with the current yield levels. We expect the RBI will continue to conduct more such operations to suppress the long term bond yields. Furthermore, the weekly size of operation twists/OMOs might increase to make it more effective. At current levels we see scope for long term bond yields to go down even further.

Abundant liquidity keeping money markets rates low

Liquidity condition remained in high surplus. Banks liquidity surplus increased during the week as they were parking close to Rs. 7 trillion under Reverse Repo Facility of RBI. The excess liquidity continues to put downwards pressure on the money market rates with the entire treasury bill curve hovering around the reverse repo rate.

In the last week money market rates moved up after the announcement of Operation Twist by the RBI. The interest rate on 2-3 months treasury bills remained in the range of 3.25%-3.30%.

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 4th September 2020, the average maturity of Quantum Liquid Fund is 40.6 days.

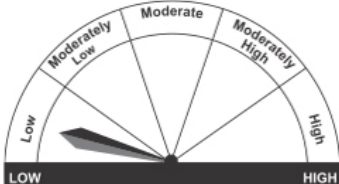
Credit Exposures:

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.