

Portfolio Published on 19th October 2020

QUANTUM DYNAMIC BOND FUND					
(An Open Ended Dynamic Debt Scheme Investing Across Duration)					
Fact Sheet as on 16-Oct-2020					
Fund Size as on (Rs. in crores) 16-Oct-2020		Absolute AUM			
DIRECT PLAN GROWTH OPTION		67.2925			
DIRECT PLAN MONTHLY DIVIDEND OPTION		0.6638			
REGULAR PLAN GROWTH OPTION		2.5503			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0102			
Total		70.5168			
Net Asset Value as on 16-Oct-2020		(Rs./Unit)			
DIRECT PLAN GROWTH OPTION		16.1398			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.4830			
REGULAR PLAN GROWTH OPTION		16.0768			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.5745			
Weighted Average Maturity		No of years			
At the end of the week		5.09			
Modified Duration		3.90			
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	1018	520.94	7.39%
Total of NCD				520.94	7.39%
ii)	Government Securities				
1	7.17% GOI (MD 08/01/2028)	Sovereign	2640	3,331.64	47.25%
2	5.77% GOI (MD 03/08/2030)	Sovereign	3578	988.51	14.02%
3	7.37% GOI (MD 16/04/2023)	Sovereign	912	53.38	0.76%
4	6.19% GOI (MD 16/09/2034)	Sovereign	5083	36.98	0.52%
Total of Government Securities				4,410.51	62.55%
b	Privately Placed/Unlisted				
c	Securitized Debt Instruments				
Total of Debt instruments				4,931.45	69.94%
MONEY MARKET INSTRUMENTS					
a	Commercial Papers (CP)				
Total of CP				NIL	NIL
b	Certificate of Deposits (CD)				
Total of CD				NIL	NIL
c	Treasury Bills (T-bill)				
Total of T-Bills				NIL	NIL
d	TREPS *				
Total of Money Market Instruments				262.61	3.72%
Net Receivable / (Payable)				1,857.62	26.34%
Grand Total				7,051.68	100.00%

* Cash & cash Equivalents

Quantum Dynamic Bond Fund

The Rise and Fall of Bond Yield

Bond market started on a positive note following the supportive measures announced by the RBI its monetary policy on preceding Friday. The RBI doubled the size of weekly OMO/Twist to Rs. 200 billion. It also announced unconventional OMO in State Development Loan (SDLs) to support the state government borrowing program. To start with the RBI announced to purchase Rs. 100 bn worth of SDLs and stated that it will increase the size of OMOs going ahead depending on the market response.

Bond markets cheered as bond yields continued to come down following the policy announcement. However, towards the end of the week the central government announced to borrow additional Rs. 1.1 trillion to meet the shortfall in GST compensation cess to be paid to States. As per the revised borrowing calendar the additional borrowing is concentrated in 3 -5 years maturity bonds. This led to surge in yields for the shorter maturity bonds. The 5 year government bond yield jumped by about 11 basis points while the yield on longer maturity changed marginally.

The 10 year benchmark government bond closed the week at yield of 5.93% compare to previous week's closing of 5.94%.

In near term market will take cues from RBI's market operations in center and state government securities. We expect yields to remain range bound, oscillating around 6% in near term.

Liquidity keeping rates low

Liquidity condition remained in high surplus. The amount under reverse repo continue to remain above Rs. 5 trillion.

Treasury bills yields of 2-3 months maturities came down to 3.15%-3.20% from the range of 3.20%-3.25% a week earlier.

We are of the view 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 expect bond yields to remain range bound in the near term as the RBI may continue to intervene in the bond markets through operation twist and outright OMOs to protect long term yields from rising too much while supply pressure will continue pushing yields higher.

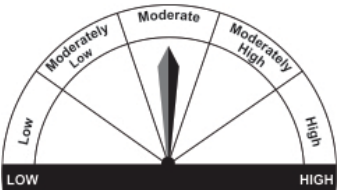
As yields came down closer to lower bound of trading range, we trimmed some of our long duration position and reduced the portfolio duration. As on 16th October 2020, the average maturity of Quantum Dynamic Bond Fund is 5.09 years and modified duration of 3.90.

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>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:

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.