

QUANTUM LIQUID FUND

An Open Ended Liquid Scheme

Fact Sheet as on 02-July-2021

Fund Size as on (Rs. in crores) 02-July-2021	Absolute AUM
DIRECT PLAN GROWTH OPTION	526.3834
DIRECT PLAN DAILY IDCW	11.6455
DIRECT PLAN MONTHLY IDCW	1.4552
REGULAR PLAN GROWTH OPTION	21.4286
REGULAR PLAN DAILY IDCW	4.2234
REGULAR PLAN MONTHLY IDCW	0.0582
Total	565.1943

Net Asset Value as on 02-July-2021 (Rs./Unit)

Net Asset Value as on 02-July-2021	NAV
DIRECT PLAN GROWTH OPTION	28.0080
DIRECT PLAN DAILY IDCW	10.0060
DIRECT PLAN MONTHLY IDCW	10.0141
REGULAR PLAN GROWTH OPTION	27.9238
REGULAR PLAN DAILY IDCW	10.0010
REGULAR PLAN MONTHLY IDCW	10.0109

Weighted Average Maturity (days)

	No of days
At the end of the week	33
Modified Duration	32

Name of Instrument	Rating	Residual Maturity (in days)	Market Value (Rs Lakhs)	% to Net Asset
DEBT INSTRUMENTS				
A. Listed/awaiting listing on Stock Exchanges			NIL	NIL
B. Privately Placed/Unlisted			NIL	NIL
C. Securitized Debt Instruments			NIL	NIL
Total of Debt Instruments			NIL	NIL
MONEY MARKET INSTRUMENTS				
A. Commercial Papers (CP)				
1. NTPC Ltd CP (MD 24/08/2021)	ICRA A1+	53	3,980.79	7.04%
2. Indian Oil Corporation Ltd CP (MD 16/07/2021)	ICRA A1+	14	2,497.00	4.42%
3. National Bank For Agri & Rural CP (MD 20/07/2021)	ICRA A1+	18	2,496.11	4.42%
Total of CP			8,973.90	15.88%
B. Certificate of Deposits (CD)			NIL	NIL
Total of CD			NIL	NIL
C. Treasury Bills (T-bill)				
1. 91 Days Tbill (MD 22/07/2021)	Sovereign	20	7,487.14	13.25%
2. 91 Days Tbill (MD 29/07/2021)	Sovereign	27	7,482.34	13.24%
3. 91 Days Tbill (MD 26/08/2021)	Sovereign	55	6,965.53	12.32%
4. 91 Days Tbill (MD 15/07/2021)	Sovereign	13	4,994.55	8.84%
5. 91 Days Tbill (MD 05/08/2021)	Sovereign	34	4,486.47	7.94%
6. 91 Days Tbill (MD 23/09/2021)	Sovereign	83	3,969.86	7.02%
7. 91 Days Tbill (MD 08/07/2021)	Sovereign	6	2,498.87	4.42%
8. 91 Days Tbill (MD 13/08/2021)	Sovereign	42	2,490.60	4.41%
9. 91 Days Tbill (MD 02/09/2021)	Sovereign	62	2,486.04	4.40%
Total of T-Bills			42,861.40	75.84%
D. TREPS *			4,664.59	8.25%
Total of Money Market Instruments			56,499.89	99.97%
Net Receivable/(payable)			19.55	0.03%
Grand Total			56,519.44	100.00%

*Cash & cash Equivalents

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Bond market continued its bearish run following sustained rise in crude oil prices. There were also talks of additional market borrowings to the tune of Rs. 1.5 trillion to fund GST compensation cess shortfall. G-Sec yields moved up by 4-6 basis points across the curve during the week. The 10-Year benchmark bond yield surged by 4 basis points to 6.07% vs 6.03% a week earlier.

The Finance Minister announced additional fiscal stimulus with benefits to the tune of Rs. 6.3 trillion, though actual cash outgo on these measures will be limited to around Rs. 1.3 trillion. This added to the negative bias in the market but market reaction was muted post the announcement.

In the weekly debt sale auction, the RBI once again devolved Rs. 105 billion out of Rs. 110 billion of 5-Year bond on primary dealers. There is lack of demand in debt auctions at current yield level. Thus, the RBI cancels or devolves the auctions to keep yields low.

Over the weekend, the RBI announced a change in government securities auction methodology. Benchmark securities of tenor 2-Year, 3-Year, 5-Year, 10-Year, 14-Year tenor and Floating Rate Bonds (FRBs) will be, henceforth, issued using 'uniform price auction' method. For other benchmark securities i.e. 30-year and 40-year, the auction will continue to be multiple price-based auction. Under uniform price method, all the qualified bidders will get the auctioned security at the cutoff price irrespective of their bidding level. This could provide some flexibility to market participants to bid at lower yield levels but we don't see any major impact on market levels due to this change.

Money market rates remained almost flat during the week. The 3-Months treasury bill yield remained between 3.35%-3.40%. We expect the RBI to maintain system liquidity in large surplus in foreseeable future. Thus short term money market rates may remain close to reverse repo rate which is currently at 3.35%.

Crude oil prices continue to move higher. The Brent crude oil price is holding above USD 75 per barrel now. Inflation is picking up globally forcing many central banks to move towards policy normalization/tightening. In India, CPI inflation is expected to average around the RBI's upper threshold of 6% in FY22. This could prompt the RBI to change its tone in the August monetary policy.

We expect the RBI will acknowledge the inflation risks and change its forward guidance. It may start the policy normalization by October or December policy review. Bond yields will likely move higher from current levels.

Portfolio Outlook

Quantum Liquid Fund (QLF)

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.

ⓘ Credit Exposures:

With the QLF and QDBF portfolios continuing to comprise of G-secs, T-bills and PSU securities, hence credit risk remains minimal.

Data Source: RBI

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Product Labeling

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 termInvestments 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.

The Risk Level of the Scheme in the Risk O Meter is based on the portfolio of the scheme as on May 31, 2021.

ⓘ 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.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.