

Portfolio Published on 14th September 2020

QUANTUM LIQUID FUND (An Open Ended Liquid Scheme)					
Fact Sheet as on 11-Sep-2020					
<b>Fund Size as on (Rs. in crores) 11-Sep-2020</b>		<b>Absolute AUM</b>			
DIRECT PLAN GROWTH OPTION		417.7103			
DIRECT PLAN DAILY DIVIDEND OPTION		11.4784			
DIRECT PLAN MONTHLY DIVIDEND OPTION		2.5456			
REGULAR PLAN GROWTH OPTION		64.4522			
REGULAR PLAN DAILY DIVIDEND OPTION		5.3024			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0598			
<b>Total</b>		<b>501.5487</b>			
<b>Net Asset Value as on 11-Sep-2020</b>		<b>(Rs./Unit)</b>			
DIRECT PLAN GROWTH OPTION		27.3224			
DIRECT PLAN DAILY DIVIDEND OPTION		10.0060			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.0212			
REGULAR PLAN GROWTH OPTION		27.2622			
REGULAR PLAN DAILY DIVIDEND OPTION		10.0010			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.0195			
<b>Weighted Average Maturity (days)</b>		<b>No of days</b>			
At the end of the week		37			
Modified Duration		36			
Sr.No.	Name of Instrument	Rating	Residual Maturity (in days)	Market Value (Rs Lakhs)	% to Net Asset
<b>DEBT INSTRUMENTS</b>					
<b>a Listed/awaiting listing on Stock Exchanges</b>					
1	6.98% NABARD NCD SR 18 G (MD 30/09/2020)	CRISIL AAA	19	2,003.44	3.99%
<b>Total of NCD</b>				<b>2,003.44</b>	<b>3.99%</b>
<b>b Privately Placed/Unlisted</b>					
				<b>NIL</b>	<b>NIL</b>
<b>c Securitized Debt Instruments</b>					
<b>Total of Debt instruments</b>				<b>2,003.44</b>	<b>3.99%</b>
<b>MONEY MARKET INSTRUMENTS</b>					
<b>a Commercial Papers (CP)</b>					
1	NTPC Ltd CP (MD 23/10/2020)	CRISIL A1+	42	2,490.56	4.97%
2	Export Import Bank of India CP (MD 13/11/2020)	CRISIL A1+	63	2,485.86	4.96%
<b>Total of CP</b>				<b>4,976.42</b>	<b>9.93%</b>
<b>b Certificate of Deposits (CD)</b>					
<b>Total of CD</b>				<b>NIL</b>	<b>NIL</b>
<b>c Treasury Bills (T-bill)</b>					
1	91 Days Tbill (MD 29/10/2020)	Sovereign	48	6,472.19	12.90%
2	91 Days Tbill (MD 17/09/2020)	Sovereign	6	4,997.68	9.96%
3	91 Days Tbill (MD 08/10/2020)	Sovereign	27	4,489.29	8.95%
4	91 Days Tbill (MD 15/10/2020)	Sovereign	34	3,987.92	7.95%
5	182 Days Tbill (MD 12/11/2020)	Sovereign	62	3,977.86	7.93%
6	182 Days Tbill (MD 26/11/2020)	Sovereign	76	3,476.21	6.93%
7	182 Days Tbill (MD 19/11/2020)	Sovereign	69	2,981.50	5.94%
8	182 Days Tbill (MD 22/10/2020)	Sovereign	41	2,490.89	4.97%
9	182 Days Tbill (MD 24/09/2020)	Sovereign	13	1,498.35	2.99%
10	91 Days Tbill (MD 24/09/2020)	Sovereign	13	1,498.32	2.99%
11	91 Days Tbill (MD 22/10/2020)	Sovereign	41	996.36	1.99%
12	91 Days Tbill (MD 26/11/2020)	Sovereign	76	993.20	1.98%
<b>Total of T-Bills</b>				<b>37,859.77</b>	<b>75.48%</b>
<b>d TREPS *</b>					
				<b>5,382.37</b>	<b>10.73%</b>
<b>Total of Money Market Instruments</b>				<b>48,218.56</b>	<b>96.14%</b>
<b>Net Receivable / (Payable)</b>				<b>(67.13)</b>	<b>(0.13%)</b>
<b>Grand Total</b>				<b>50,154.87</b>	<b>100.00%</b>

\* Cash & cash Equivalents

## Quantum Liquid Fund

### Supply concerns to weigh on market

The bonds market started the week on a negative note and sold off further during the week. This was mainly due to concerns over possible increase in central government's market borrowing in the second half of FY21. Remember, the Government has already increased the market borrowing limit for FY21 from the budgeted Rs. 7.8 trillion to Rs. 12 trillion in the month of May. Further increase in supply of government bonds could create more pressure on the market and keep the yields elevated.

Market sentiment also got dampened by the escalating tension at the border between India and China after reports of warning shots fired by the two sides. Bond yields moved up across the curve. The 10 year benchmark yield moved up by 12 basis points in the week to end at 6.05% compared to closing of 5.93% in the previous week.

The RBI once again came in to rescue the falling bond market. In the weekly debt auction the RBI once again devolved almost entire amount (Rs. 179.7 billion out of Rs. 180 billion) of the 10 year benchmark bond on primary dealers at a cutoff yield much lower than the market expectations. It set the cutoff at 6.02% for the 10 year bond as against the market expectation of 6.08%. This was a clear signal from the RBI that they are not comfortable with the higher yields on the long term bonds.

We expect the RBI will continue intervene in the bond markets through Open Market Purchases and Operation Twists to put a lid on long term bond yields. The weekly size of operation twists/OMOs might increase from current Rs. 100 billion in a week to make it more effective. At current levels we see scope for long term bond yields to go down.

### Abundant liquidity keeping money markets rates low

Liquidity condition remained in high surplus though it came down somewhat during the last week. Banks are still parking more than Rs. 6 trillion with the RBI under its Reverse Repo Facility. 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 further owing to the RBI's selling of Tbills under Operation Twists. The yield on 2-3 months treasury bills moved by about 5 basis points to range between 3.30%-3.35%.

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 11<sup>th</sup> September 2020, the average maturity of Quantum Liquid Fund is 37 days.

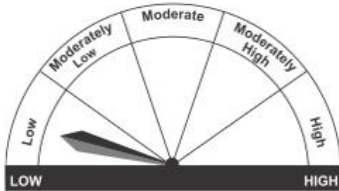
**Credit Exposures:**

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"> <li>Income over the short term</li> <li>Investments in debt / money market instruments</li> </ul>	 <p>Investors understand that their principal will be at Low 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:**

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**Mutual fund investments are subject to market risks read all scheme related documents carefully.**

Please visit – [www.QuantumMF.com](http://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.