

# QUANTUM LIQUID FUND

An Open Ended Liquid Scheme

## Fact Sheet as on 21-May-2021

Fund Size as on (Rs. in crores) 21-May-2021	Absolute AUM
DIRECT PLAN GROWTH OPTION	501.7319
DIRECT PLAN DAILY IDCW	12.4733
DIRECT PLAN MONTHLY IDCW	2.3734
REGULAR PLAN GROWTH OPTION	37.6597
REGULAR PLAN DAILY IDCW	5.5750
REGULAR PLAN MONTHLY IDCW	0.0562
<b>Total</b>	<b>559.8695</b>

## Net Asset Value as on 21-May-2021 (Rs./Unit)

Net Asset Value as on 21-May-2021	NAV
DIRECT PLAN GROWTH OPTION	27.9043
DIRECT PLAN DAILY IDCW	10.0060
DIRECT PLAN MONTHLY IDCW	10.0288
REGULAR PLAN GROWTH OPTION	27.8236
REGULAR PLAN DAILY IDCW	10.0010
REGULAR PLAN MONTHLY IDCW	10.0252

Weighted Average Maturity (days)	No of days
At the end of the week	43
Modified Duration	41

Name of Instrument	Rating	Residual Maturity (in days)	Market Value (Rs Lakhs)	% to Net Asset
<b>DEBT INSTRUMENTS</b>				
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
<b>MONEY MARKET INSTRUMENTS</b>				
<b>A. Commercial Papers (CP)</b>				
1. National Bank For Agri & Rural CP (MD 20/07/2021)	ICRA A1+	60	2,486.14	4.44%
Total of CP			2,486.14	4.44%
<b>B. Certificate of Deposits (CD)</b>				
Total of CD			NIL	NIL
<b>C. Treasury Bills (T-bill)</b>				
1. 91 Days Tbill (MD 22/07/2021)	Sovereign	62	9,943.99	17.76%
2. 91 Days Tbill (MD 29/07/2021)	Sovereign	69	9,937.79	17.75%
3. 91 Days Tbill (MD 15/07/2021)	Sovereign	55	4,975.45	8.89%
4. 91 Days Tbill (MD 05/08/2021)	Sovereign	76	4,469.05	7.98%
5. 91 Days Tbill (MD 27/05/2021)	Sovereign	6	3,498.43	6.25%
6. 364 Days Tbill (MD 03/06/2021)	Sovereign	13	3,496.25	6.24%
7. 364 Days Tbill (MD 10/06/2021)	Sovereign	20	3,494.09	6.24%
8. 91 Days Tbill (MD 08/07/2021)	Sovereign	48	2,489.41	4.45%
9. 364 Days Tbill (MD 27/05/2021)	Sovereign	6	999.55	1.79%
10. 91 Days Tbill (MD 03/06/2021)	Sovereign	13	998.93	1.78%
11. 182 Days Tbill (MD 17/06/2021)	Sovereign	27	997.69	1.78%
Total of T-Bills			45,300.63	80.91%
D. TREPS *			5,654.43	10.10%
Total of Money Market Instruments			53,441.20	95.45%
Net Receivable/(payable)			2,545.75	4.55%
Grand Total			55,986.95	100.00%

\*Cash & cash Equivalents

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## Yields Remain below 6%

Bond market remained in a tight range during the week. The 10-Year benchmark government bond traded between 5.95%-6.0% band throughout the week. The RBI purchased G-Sec worth Rs. 350 billion under the second tranche of GSAP 1.0. RBI's bond buying continues to support the market sentiment and kept yields below 6% mark. On weekly closing the 10-Year benchmark G-Sec closed at yield of 5.98% vs 5.99% in the previous week.

### Risk of Taper Tantrum 2.0

RBI's bond purchases will continue to support the bond market in near future. However, risk of policy reversal in developed markets particularly in the US has increased. The [minutes](#) of the April meeting of the Federal Open Market Committee, released last week, said - "A number of participants suggested that if the economy continued to make rapid progress toward the committee's goals, it might be appropriate at some point in upcoming meetings to begin discussing a plan for adjusting the pace of asset purchases." Fed is currently buying bonds worth USD 120 billion every month. Any substantial reduction asset purchases would be seen negatively by the bond markets.

### Policy Normalization on Backburner

In India, cases of covid-19 continue to rise though at slower pace than two weeks ago. A large part of economy is still under lockdown. The economic uncertainty caused by restricted activities will push the expectation of liquidity normalization and potential increases in policy rates further into future. However, bond yields have already come down and are near bottom of its range of 5.95% - 6.25%. We expect yields to remain range bound in near future.

## Money Markets Rate remain Anchored to Reverse Repo

Liquidity condition remains in large surplus of around Rs. 4.5 trillion. This continues to keep the short term interest rates low. Yield of 3-Month treasury bills rose marginally in the week from 3.35% to 3.37%. 3-Month commercial papers issued by PSUs also moved up marginally from 3.40% to around 3.44%.

Given the uncertainty caused by the second wave of covid-19, the RBI may delay the further liquidity normalization. Short term T-bill and CP/CD rates may remain close to the reverse repo rate for extended period.

## 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 priorities 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 May 21, 2021 the average maturity of Quantum Liquid Fund is about 43 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.

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"><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>

\*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 April 30, 2021.

## 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](http://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.