

QUANTUM DYNAMIC BOND FUND

An Open Ended Dynamic Debt Scheme Investing Across Duration

Fact Sheet as on 18-Dec-2020

Fund Size as on (Rs. in crores) 18-Dec-2020	Absolute AUM
DIRECT PLAN GROWTH OPTION	70.8623
DIRECT PLAN MONTHLY DIVIDEND OPTION	0.6732
REGULAR PLAN GROWTH OPTION	2.7624
REGULAR PLAN MONTHLY DIVIDEND OPTION	0.0106
Total	74.3163

Net Asset Value as on 18-Dec-2020 (Rs./Unit)

Net asset value as on (Rs. in crores) 18-Dec-2020	NAV
DIRECT PLAN GROWTH OPTION	16.2676
DIRECT PLAN MONTHLY DIVIDEND OPTION	10.4099
REGULAR PLAN GROWTH OPTION	16.2008
REGULAR PLAN MONTHLY DIVIDEND OPTION	10.4978

Weighted Average Maturity

	No of years
At the end of the week	7.46
Modified Duration	5.60

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	955	521.28	7.21%
Total of NCD			521.28	7.21%
ii. Government Securities				
1. 5.77% GOI (MD 03/08/2030)	Sovereign	3515	3943.18	53.06%
2. 7.17% GOI (MD 08/01/2028)	Sovereign	2577	2264.85	30.48%
3. 7.37% GOI (MD 16/04/2023)	Sovereign	849	53.53	0.72%
Total of Government Securities			6261.56	84.26%
B. Privately Placed/Unlisted			NIL	NIL
C. Securitized Debt Instruments			NIL	NIL
Total of Debt Instruments			6782.84	91.27%
MONEY MARKET INSTRUMENTS				
A. Commercial Papers (CP)			NIL	NIL
Total of CP			NIL	NIL
B. Certificate of Deposits (CD)			NIL	NIL
Total of CD			NIL	NIL
C. Treasury Bills (T-bill)			NIL	NIL
Total of T-Bills			NIL	NIL
D. TREPS *			464.76	6.25%
Total of Money Market Instruments			464.76	6.25%
Net Receivable/(payable)			184.02	2.48%
Grand Total			7431.62	100%

* Cash & cash Equivalents

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📌 Bond Market Remains Lackluster

CPI inflation stood at 6.93% in November vs 7.6% in October. This CPI print came in better than the market expectation, but is still above the RBI range of 4%-6%. Core inflation (CPI Ex-Food Ex-Fuel) was marginally higher in November at 5.79% as against 5.76% in October 2020. With falling vegetable prices and softening in other food items, the retail inflation is expected to come down sharply in the coming months.

Indian Bond market was trading in the tight range throughout the week. In the operation twist conduct during the week, the RBI did not accept any offer in the longer maturity bonds. This weakened the market as investor sentiment turned bearish. This also led to subdued demand for on-the-run 15-Year government bond in the weekly government debt sale auction. Bond yields moved up marginally by the week end.

On weekly closing the 10-Year benchmark government bond (5.85% GS 2030) closed at yield of 5.91% vs previous week's closing at 5.89%. We believe that RBI will continue to conduct OMOs/twists which will put a cap on long term bond yields.

₹ Liquidity Keeping Rates Low

Liquidity condition tightened marginally in the week but still remained in high surplus. The amount under reverse repo decreased to about Rs. 6.0 trillion from over Rs. 7.3 trillion a week earlier. This was mainly on account of outflows of the advance tax payments. Yield on treasury bills of 2-3 month's maturities moved up marginally from about 3.08% in the previous week to about 3.12% on Friday.

We are of the view that the RBI will maintain surplus liquidity conditions until economic growth recovers significantly. Abundant liquidity will continue to 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.

Given the steep yield curve and RBI's tactical support to the long duration bonds, QDBF portfolio is positioned into 8-10 Year maturity government bonds for better accrual. This is a tactical position and we continue to look to trading opportunities within a narrow band.

As on December 18, 2020, the average maturity of Quantum Dynamic Bond Fund is 7.46 years and modified duration of 5.60 years.

📌 Credit Exposures:

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

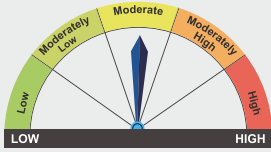
Please [click here](#) to access the weekly portfolio disclosures of Quantum Dynamic Bond Fund.

Data Source: RBI

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Product Labeling

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 appreciationInvestment 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.