

Portfolio Published on 24th August 2020

QUANTUM LIQUID FUND (An Open Ended Liquid Scheme)					
Fact Sheet as on 21-Aug-2020					
Fund Size as on (Rs. in crores) 21-Aug-2020		Absolute AUM			
DIRECT PLAN GROWTH OPTION		434.5369			
DIRECT PLAN DAILY DIVIDEND OPTION		11.2637			
DIRECT PLAN MONTHLY DIVIDEND OPTION		2.5758			
REGULAR PLAN GROWTH OPTION		62.1478			
REGULAR PLAN DAILY DIVIDEND OPTION		5.8124			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0699			
Total		516.4065			
Net Asset Value as on 21-Aug-2020		(Rs./Unit)			
DIRECT PLAN GROWTH OPTION		27.2791			
DIRECT PLAN DAILY DIVIDEND OPTION		10.0065			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.0296			
REGULAR PLAN GROWTH OPTION		27.2205			
REGULAR PLAN DAILY DIVIDEND OPTION		10.0010			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.0277			
Weighted Average Maturity (days)		No of days			
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
DEBT INSTRUMENTS					
a Listed/awaiting listing on Stock Exchanges					
1	6.98% NABARD NCD SR 18 G (MD 30/09/2020)	CRISIL AAA	40	2,007.89	3.89%
Total of NCD				2,007.89	3.89%
b Privately Placed/Unlisted					
				NIL	NIL
c Securitized Debt Instruments					
				NIL	NIL
Total of Debt instruments				2,007.89	3.89%
MONEY MARKET INSTRUMENTS					
a Commercial Papers (CP)					
1	NTPC Ltd CP (MD 23/10/2020)	CRISIL A1+	63	2,486.53	4.82%
2	Export Import Bank of India CP (MD 13/11/2020)	CRISIL A1+	84	2,481.88	4.81%
Total of CP				4,968.41	9.63%
b Certificate of Deposits (CD)					
				NIL	NIL
Total of CD				NIL	NIL
c Treasury Bills (T-bill)					
1	91 Days Tbill (MD 29/10/2020)	Sovereign	69	6,461.80	12.51%
2	91 Days Tbill (MD 03/09/2020)	Sovereign	13	4,994.88	9.67%
3	91 Days Tbill (MD 17/09/2020)	Sovereign	27	4,988.88	9.66%
4	91 Days Tbill (MD 27/08/2020)	Sovereign	6	3,998.28	7.74%
5	91 Days Tbill (MD 10/09/2020)	Sovereign	20	2,495.95	4.83%
6	91 Days Tbill (MD 24/09/2020)	Sovereign	34	2,492.90	4.83%
7	182 Days Tbill (MD 22/10/2020)	Sovereign	62	2,486.99	4.82%
8	91 Days Tbill (MD 22/10/2020)	Sovereign	62	2,486.70	4.82%
9	182 Days Tbill (MD 12/11/2020)	Sovereign	83	2,482.27	4.81%
10	182 Days Tbill (MD 24/09/2020)	Sovereign	34	1,495.74	2.90%
11	91 Days Tbill (MD 15/10/2020)	Sovereign	55	995.35	1.93%
12	91 Days Tbill (MD 08/10/2020)	Sovereign	48	497.97	0.96%
Total of T-Bills				35,877.71	69.48%
d TREPS *					
				8,754.42	16.95%
Total of Money Market Instruments				49,600.54	96.06%
Net Receivable / (Payable)				32.23	0.05%
Grand Total				51,640.66	100.00%

* Cash & cash Equivalents

Quantum Liquid Fund

Bond sold off on hawkish MPC minutes and weak auction bidding

Indian bonds market had been witnessing selling since the RBI policy on August 6, 2020. The selling got intensified in the last week as market participants dialed back their rate cut expectations after the minutes of the MPC meeting. The minutes suggest that MPC members are worried about the elevated inflation trajectory and it could limit the scope for further rate cuts despite weak growth outlook. This further dampened the already weak market sentiment and led to sharp rise in bond yields.

The weekly government bond auction on Friday witnessed muted demand and cutoff came much lower than market expectations. It triggered more selling in the bond markets and yields spiked on the Friday by 10-14 basis points. On the weekly basis, yield the new 10 year benchmark government bond moved up by 14 bps in the last week to end at 6.09% compared to 5.95% in the previous week.

In near term bonds outlook depend on RBI's support. There is an expectation that the RBI will conduct OMOs or Operation Twist to contain bond yields at lower level. In absence of RBI support, yield could move up substantially due to heavy supply pressure.

Abundant liquidity keeping money markets rates low

Liquidity condition remained in high surplus. On average, banks continue to park more than Rs. 6 trillion under Reverse Repo Facility of RBI. 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 came down by 5-10 basis points. The interest rate on 2-3 months treasury bills were around 3.15% and that on similar maturity PSU papers were around 3.25%.

We expect that the RBI will maintain surplus liquidity conditions until we get a sustainable 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 recommend investors to not hunt for returns from this category and always aim to 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 21st August 2020, the average maturity of Quantum Liquid Fund is 37 days.

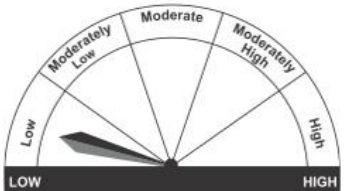
Credit Exposures:

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"> • Income over the short term • Investments in debt / money market instruments 	 <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:

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.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.