

Portfolio Published on 10th August 2020

QUANTUM LIQUID FUND (An Open Ended Liquid Scheme)					
Fact Sheet as on 07-Aug-2020					
<b>Fund Size as on (Rs. in crores) 07-Aug-2020</b>		<b>Absolute AUM</b>			
DIRECT PLAN GROWTH OPTION		417.9639			
DIRECT PLAN DAILY DIVIDEND OPTION		9.7827			
DIRECT PLAN MONTHLY DIVIDEND OPTION		2.2652			
REGULAR PLAN GROWTH OPTION		48.5923			
REGULAR PLAN DAILY DIVIDEND OPTION		18.8590			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0848			
<b>Total</b>		<b>497.5479</b>			
<b>Net Asset Value as on 07-Aug-2020</b>		<b>(Rs./Unit)</b>			
DIRECT PLAN GROWTH OPTION		27.2434			
DIRECT PLAN DAILY DIVIDEND OPTION		10.0060			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.0165			
REGULAR PLAN GROWTH OPTION		27.1860			
REGULAR PLAN DAILY DIVIDEND OPTION		10.0010			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.0150			
<b>Weighted Average Maturity (days)</b>		<b>No of days</b>			
At the end of the week		33			
Modified Duration		32			
Sr.No.	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
<b>Total of Debt instruments</b>				<b>NIL</b>	<b>NIL</b>
<b>MONEY MARKET INSTRUMENTS</b>					
a	<b>Commercial Papers (CP)</b>				
1	Indian Oil Corporation Ltd CP (MD 14/08/2020)	ICRA A1+	7	2,498.61	5.02%
2	NTPC Ltd CP (MD 23/10/2020)	CRISIL A1+	77	2,482.68	4.99%
<b>Total of CP</b>				<b>4,981.29</b>	<b>10.01%</b>
b	<b>Certificate of Deposits (CD)</b>			<b>NIL</b>	<b>NIL</b>
<b>Total of CD</b>				<b>NIL</b>	<b>NIL</b>
c	<b>Treasury Bills (T-bill)</b>				
1	84 Days CMB (MD 20/08/2020)	Sovereign	13	6,992.27	14.05%
2	91 Days Tbill (MD 03/09/2020)	Sovereign	27	4,988.33	10.03%
3	91 Days Tbill (MD 17/09/2020)	Sovereign	41	4,982.07	10.01%
4	91 Days Tbill (MD 29/10/2020)	Sovereign	83	4,466.98	8.98%
5	91 Days Tbill (MD 27/08/2020)	Sovereign	20	3,993.04	8.03%
6	91 Days Tbill (MD 10/09/2020)	Sovereign	34	2,492.56	5.01%
7	91 Days Tbill (MD 24/09/2020)	Sovereign	48	2,489.47	5.00%
8	91 Days Tbill (MD 22/10/2020)	Sovereign	76	2,483.27	4.99%
9	91 Days Tbill (MD 13/08/2020)	Sovereign	6	1,999.11	4.02%
10	182 Days Tbill (MD 24/09/2020)	Sovereign	48	1,493.68	3.00%
11	91 Days Tbill (MD 15/10/2020)	Sovereign	69	993.95	2.00%
<b>Total of T-Bills</b>				<b>37,374.73</b>	<b>75.12%</b>
d	<b>TREPS *</b>			<b>11,859.89</b>	<b>23.84%</b>
<b>Total of Money Market Instruments</b>				<b>54,215.91</b>	<b>108.97%</b>
<b>Net Receivable / (Payable)</b>				<b>(4,461.11)</b>	<b>(8.97%)</b>
<b>Grand Total</b>				<b>49,754.80</b>	<b>100.00%</b>

\* Cash & cash Equivalents

# Quantum Liquid Fund

## **RBI maintained status quo on rates**

The MPC of the RBI voted unanimously to keep policy rate unchanged whilst maintaining an accommodative stance. The overnight repo rate and reverse repo rate stands at 4.0% and 3.35% respectively. The RBI acknowledged the uncertainty around future trajectory of inflation and growth. It expects headline CPI inflation to come down in the second half led by easing in food prices thus “supporting the recovery of the economy assumes primacy”. The RBI noted that there is space available for further rate cuts.

Given the fact that the RBI has frontloaded the rate cuts and inflation remains elevated, the space for further rate cuts is limited. We are of the view that there is now uncertainty on when and whether there would be another rate cut and hence we may see bond yields drift higher.

## **Bond yield moved up post policy**

Going into policy the bond market started the week on a steady note and remained lackluster till the policy day. RBI's status quo on policy rates was broadly in line with the market expectations. However, in general market players were expecting some announcement on OMOs (open market operations to buy government bonds) and increase in HTM (Held till Maturity) limits for banks to absorb the increased supply of government bonds. The RBI didn't deliver on these expectations which was a disappointment for the market. Yet the bond market remained relatively calm after the policy. Yields moved up marginally by 3-5 basis points on the day.

At week end the 10 year benchmark government bond closed 5 basis points higher at yield of 5.89% as against closing of 5.84% in the previous week. The new 10 year benchmark Gsec which was auctioned at 5.77% a week earlier closed at 5.84%.

We maintain a cautious stance on the bond markets especially on the longer maturity bonds which tend to fall more in price terms when market interest rate (yield) rises. We expect that the increased supply of government bonds will put upward pressure on the long term yields while the shorter maturities bonds may remain supported by easy liquidity conditions and potential rate cuts.

## **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 remained in a tight band and closed the week almost flat. The rate on 2-3 months treasury bills were at 3.25%-3.30% and that on similar maturity PSU papers at 3.35%-3.40%.

We expect that the RBI will maintain surplus liquidity conditions until we get material 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 7<sup>th</sup> August 2020, the average maturity of Quantum Liquid Fund is 33 days.

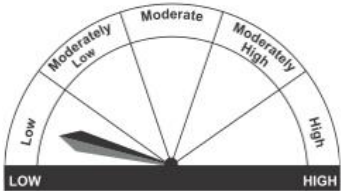
#### **Credit Exposures:**

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>
* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.		

#### **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.