

Portfolio Published on 7th December 2020

QUANTUM DYNAMIC BOND FUND					
(An Open Ended Dynamic Debt Scheme Investing Across Duration)					
Fact Sheet as on 04-Dec-2020					
<b>Fund Size as on (Rs. in crores) 04-Dec-2020</b>		<b>Absolute AUM</b>			
DIRECT PLAN GROWTH OPTION		69.4104			
DIRECT PLAN MONTHLY DIVIDEND OPTION		0.6637			
REGULAR PLAN GROWTH OPTION		2.7624			
REGULAR PLAN MONTHLY DIVIDEND OPTION		0.0138			
<b>Total</b>		<b>72.8503</b>			
<b>Net Asset Value as on 04-Dec-2020</b>		<b>(Rs./Unit)</b>			
DIRECT PLAN GROWTH OPTION		16.2884			
DIRECT PLAN MONTHLY DIVIDEND OPTION		10.4232			
REGULAR PLAN GROWTH OPTION		16.2222			
REGULAR PLAN MONTHLY DIVIDEND OPTION		10.5153			
<b>Weighted Average Maturity</b>		<b>No of years</b>			
At the end of the week		7.67			
Modified Duration		5.78			
Sr.No.	Name of Instrument	Rating	Residual Maturity (in days)	Market Value (Rs Lakhs)	% to Net Asset
	<b>DEBT INSTRUMENTS</b>				
<b>a</b>	<b>Listed/awaiting listing on Stock Exchanges</b>				
<b>i)</b>	<b>Non-Convertible debentures / Bonds</b>				
1	6.4% NABARD Sr 20K NCD (MD 31/07/2023)	ICRA AAA	969	522.53	7.17%
	<b>Total of NCD</b>			<b>522.53</b>	<b>7.17%</b>
<b>ii)</b>	<b>Government Securities</b>				
1	5.77% GOI (MD 03/08/2030)	Sovereign	3529	3,962.13	54.39%
2	7.17% GOI (MD 08/01/2028)	Sovereign	2591	2,269.00	31.15%
3	7.37% GOI (MD 16/04/2023)	Sovereign	863	53.56	0.74%
	<b>Total of Government Securities</b>			<b>6,284.69</b>	<b>86.28%</b>
<b>b</b>	<b>Privately Placed/Unlisted</b>			<b>NIL</b>	<b>NIL</b>
<b>c</b>	<b>Securitized Debt Instruments</b>			<b>NIL</b>	<b>NIL</b>
	<b>Total of Debt instruments</b>			<b>6,807.22</b>	<b>93.45%</b>
	<b>MONEY MARKET INSTRUMENTS</b>				
<b>a</b>	<b>Commercial Papers (CP)</b>			<b>NIL</b>	<b>NIL</b>
	<b>Total of CP</b>			<b>NIL</b>	<b>NIL</b>
<b>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>
<b>c</b>	<b>Treasury Bills (T-bill)</b>			<b>NIL</b>	<b>NIL</b>
	<b>Total of T-Bills</b>			<b>NIL</b>	<b>NIL</b>
<b>d</b>	<b>TREPS *</b>			<b>342.77</b>	<b>4.71%</b>
	<b>Total of Money Market Instruments</b>			<b>342.77</b>	<b>4.71%</b>
	<b>Net Receivable / (Payable)</b>			<b>135.04</b>	<b>1.84%</b>
	<b>Grand Total</b>			<b>7,285.03</b>	<b>100.00%</b>

\* Cash & cash Equivalents

## Quantum Dynamic Bond Fund

### **RBI Keeps Rate Unchanged**

Indian Bond market started on a weaker note following better than expected GDP numbers. GDP growth came in at (-)7.5% in Q2 FY21 as against market expectation of contraction of about (-) 9%. Bond markets reacted negatively on perception that more monetary accommodation may not be required and the RBI can soon switch its focus to inflation. However, throughout the week bonds were trading in a narrow range ahead of the crucial MPC monetary policy decision schedule to be announced on December 4th.

The MPC kept the policy rate unchanged and also reiterated to maintain its accommodative stance in the current financial year and going into the next financial year. Although this was in line with the market expectation, RBI's commentary did bring in some cheers for the bond markets. Despite raising its inflation and growth forecasts upward, the RBI's tone was much softer. The RBI also stated that it will continue to maintain the excess liquidity in the banking system and will continue to conduct OMOs/twists as and when required. This led softening of the yield especially in shorter end of the curve.

On weekly closing the 10 year benchmark government bond (5.77% GS 2030) closed at yield of 5.90% vs previous closing at 5.91%. Going ahead, we expect long term yields to remain capped by the RBI's OMO/twists while the shorter maturity bond yields may come down further if excess liquidity situation persists for long.

### **Liquidity Keeping Rates Low**

Liquidity condition remained in high surplus. The amount under reverse repo continue to remain above Rs. 6.5 trillion.

Yield on treasury bills of 2-3 months maturities moved up marginally from about 2.9% in the previous week to about 3.00% on Friday.

We expect that the RBI will maintain surplus liquidity conditions until 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 Dynamic Bond Fund**

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.

The gap between the short and long maturity bonds have widened in the last few months. Currently the 2 year government bond yield is around 3.9% while the yield on 10 year bond is at 5.9%. Given this high term premium and stable interest rate outlook, longer maturity bonds look attractive from accrual stand point.

As on 4<sup>th</sup> December 2020, the average maturity of Quantum Dynamic Bond Fund is 7.7 years and modified duration of 5.78.

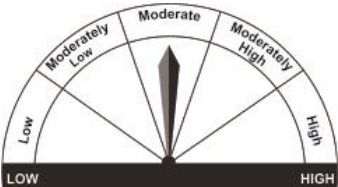
**Credit Exposures:**

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**

**PRODUCT LABEL**

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"> <li>• Regular income over short to medium term and capital appreciation</li> <li>• Investment in Debt / Money Market Instruments / Government Securities.</li> </ul>	 <p style="text-align: center;">Investors understand that their principal will be at Moderate 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.**

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