

# QUANTUM DYNAMIC BOND FUND

An Open Ended Dynamic Debt Scheme Investing Across Duration

## Fact Sheet as on 01-Jan-2021

Fund Size as on (Rs. in crores) 01-Jan-2021	Absolute AUM
DIRECT PLAN GROWTH OPTION	72.0465
DIRECT PLAN MONTHLY DIVIDEND OPTION	0.7092
REGULAR PLAN GROWTH OPTION	2.7952
REGULAR PLAN MONTHLY DIVIDEND OPTION	0.0106
<b>Total</b>	<b>75.5615</b>

## Net Asset Value as on 01-Jan-2021 (Rs./Unit)

Net Asset Value as on 01-Jan-2021	NAV
DIRECT PLAN GROWTH OPTION	16.3544
DIRECT PLAN MONTHLY DIVIDEND OPTION	10.4124
REGULAR PLAN GROWTH OPTION	16.2865
REGULAR PLAN MONTHLY DIVIDEND OPTION	10.5011

## Weighted Average Maturity

## No of years

At the end of the week

7.72

Modified Duration

5.77

Name of Instrument	Rating	Residual Maturity (in days)	Market Value (Rs Lakhs)	% to Net Asset
<b>DEBT INSTRUMENTS</b>				
<b>A. Listed/awaiting listing on Stock Exchanges</b>				
<b>i. Non-Convertible debentures / Bonds</b>				
1. 6.4% NABARD Sr 20K NCD (MD 31/07/2023)	ICRA AAA	941	521.84	6.91%
<b>Total of NCD</b>			<b>521.84</b>	<b>6.91%</b>
<b>ii. Government Securities</b>				
1. 5.77% GOI (MD 03/08/2030)	Sovereign	3501	3,962.80	52.44%
2. 6.45% GOI (MD 07/10/2029)	Sovereign	3201	2,066.46	27.35%
3. 7.17% GOI (MD 08/01/2028)	Sovereign	2563	108.32	1.43%
4. 7.37% GOI (MD 16/04/2023)	Sovereign	835	53.51	0.71%
<b>Total of Government Securities</b>			<b>6,191.09</b>	<b>81.93%</b>
<b>B. Privately Placed/Unlisted</b>			NIL	NIL
<b>C. Securitized Debt Instruments</b>			NIL	NIL
<b>Total of Debt Instruments</b>			<b>6,712.93</b>	<b>88.84%</b>
<b>MONEY MARKET INSTRUMENTS</b>				
<b>A. Commercial Papers (CP)</b>			NIL	NIL
<b>Total of CP</b>			NIL	NIL
<b>B. Certificate of Deposits (CD)</b>			NIL	NIL
<b>Total of CD</b>			NIL	NIL
<b>C. Treasury Bills (T-bill)</b>			NIL	NIL
<b>Total of T-Bills</b>			NIL	NIL
<b>D. TREPS *</b>			<b>690.47</b>	<b>9.14%</b>
<b>Total of Money Market Instruments</b>			<b>690.47</b>	<b>9.14%</b>
<b>Net Receivable/(payable)</b>			152.75	2.02%
<b>Grand Total</b>			<b>7,556.15</b>	<b>100%</b>

\* Cash & cash Equivalents

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## 📌 Bonds Stuck in Range though Sentiment Improving

Bond market remained stuck in a tight range in absence of any material directional cue. Nevertheless, investor's sentiment improved somewhat in the last week owing to RBI's intervention in the market. In the special OMO conducted during the week, the RBI purchased higher proportion on longer dated bonds at a higher than expected prices. This along with announcement of another special OMO of Rs. 100 billion helped in maintaining a positive bias in the last week.

On weekly closing, the 10-Year benchmark government bond (5.85% GS 2030) closed flat at yield of 5.88%.

While the old 10-Year bond (5.77% GS 2030) closed 3 basis points lower at 5.90% vs 5.93% in the previous week. We are of the view that RBI will continue to conduct OMOs/twists which will put a cap on long term bond yields. Given the yield curve is extremely steep there is an opportunity in the longer maturity segment which is offering relatively higher accrual yield.

## 📌 Money Market Rates Fell on Liquidity Influx

Liquidity condition remained in high surplus. The amount under reverse repo increased during the week to over Rs. 7.5 trillion possibly due to pick up in government spending at the quarter end.

The liquidity influx caused the money market yields to fall further in the last week. Yield on treasury bills of 2-3 months maturities came down from ~3.10% to about 2.95% in the last week.

The RBI is likely to maintain surplus liquidity condition 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 January 1, 2021 the average maturity of Quantum Dynamic Bond Fund is 7.72 years and modified duration of 5.77.

## 📌 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"><li>Regular income over short to medium term and capital appreciation</li><li>Investment in Debt / Money Market Instruments / Government Securities.</li></ul>	 <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](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.