

BARODA BNP PARIBAS ELSS FUND

(AN OPEN-ENDED EQUITY LINKED SAVING SCHEME WITH A
STATUTORY LOCK IN OF 3 YEARS AND TAX BENEFIT)

February 2023

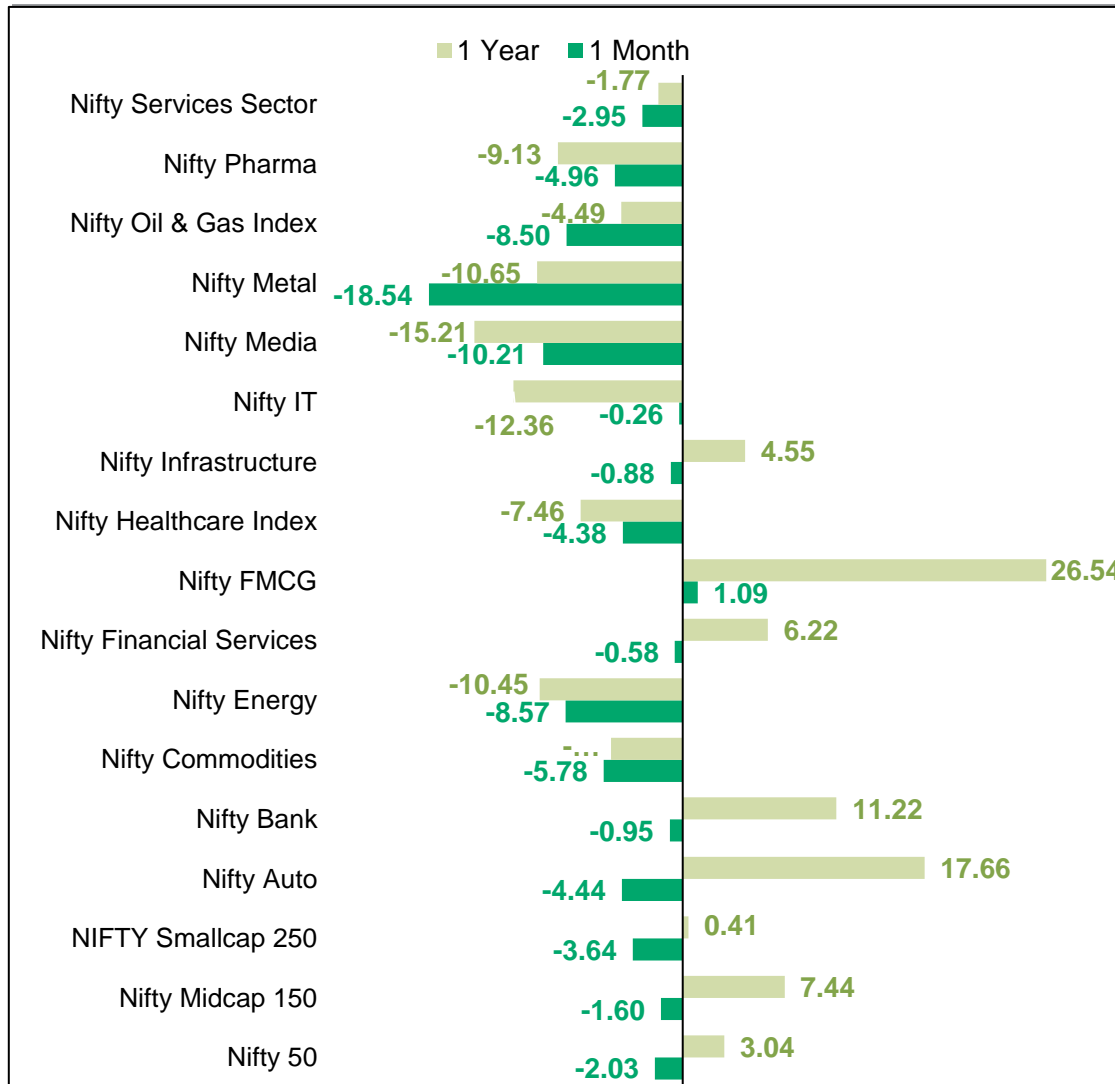


Together for more

The word 'more' does not imply more returns or assurance of scheme performance. It refers to the additional value provided by the joint venture, as compared to Baroda AMC and BNP Paribas AMC individually.

EQUITY MARKET OUTLOOK

Equity Market Performance



- **Nifty Midcap 150** outperformed both large & small cap indices on a 1-year basis.
- On 1 month basis, the sectoral indices like **Nifty FMCG** has outperformed while **all other indices** have closed in red.
- On 1 year basis, **Nifty FMCG, Nifty Auto and Nifty Bank** have shown superior performance whereas **Nifty Media, Nifty IT, Nifty Metal & Nifty Energy index** have been laggards.

Source: Bloomberg. Data as on February 28, 2023.
Absolute returns shown above.
Past performance, including such scenarios, is not an indication of future performance.

Most economic indicators continue to improve

	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23
Banking													
Currency in circulation (%YoY)	8.6	9.9	10.4	8.8	8.0	8.1	8.1	8.3	9.3	7.7	8.2	8.5	
M3 (%YoY)	8.7	8.7	9.5	8.8	7.8	8.6	8.9	8.6	9.1	8.9	8.7	9.8	
Bank non-food credit growth (%YoY)	8.2	8.7	10.3	11.6	12.4	15.1	16.0	15.7	16.3	16.0	15.3	16.7	
Personal credit (%YoY)	12.3	12.4	14.7	16.4	18.1	18.8	19.5	19.6	20.2	19.7	20.2	20.4	
Credit to industry (%YoY)	6.5	7.1	8.1	8.7	9.5	10.5	11.4	12.6	13.6	13.1	8.7	8.7	
Credit to services (%YoY)	5.6	8.9	11.1	12.9	12.8	16.5	17.2	20.0	22.5	19.7	19.6	21.5	
Deposit growth (%YoY)	8.6	8.9	10.0	8.6	8.6	9.2	9.5	9.2	8.4	9.6	9.2	10.5	
Credit to deposit ratio (%)	71.8	72.2	71.9	72.6	73.3	72.9	73.3	74.2	74.9	74.9	75.0	75.3	
10 year G-Sec yields (%)	6.77	6.84	7.14	7.41	7.45	7.32	7.19	7.40	7.45	7.28	7.33	7.34	7.43
Weighted average deposit rate of banks (%)	5.02	5.03	5.03	5.07	5.13	5.22	5.29	5.39	5.49	5.62	5.78	5.90	
Weighted average lending rate of banks (%)	8.81	8.74	8.72	8.79	8.93	8.99	9.13	9.22	9.35	9.42	9.52	9.58	
Median MCLR (%)	7.20	7.25	7.25	7.25	7.40	7.55	7.65	7.75	7.90	8.05	8.21	8.35	8.45
Commercial Paper issuance (%YoY)	(6.7)	(3.3)	(2.6)	(1.1)	(1.0)	(9.8)	4.7	8.1	(1.6)	(6.7)	2.7	(8.1)	
Industry													
Cement production (%YoY)	4.2	9.0	7.4	26.2	19.7	6.0	1.8	12.5	(4.3)	29.0	9.5	4.6	
Steel production (%YoY)	5.6	4.1	2.2	14.6	3.7	2.3	5.2	5.7	6.5	11.7	6.3	6.2	
IIP (%YoY)	1.5	2.2	6.7	19.6	12.7	2.2	(0.7)	3.5	(4.2)	7.3	4.3		
Mining (%YoY)	4.5	3.9	8.0	11.2	7.8	(3.3)	(3.9)	5.2	2.5	9.7	9.8		
Manufacturing (%YoY)	0.5	1.4	5.8	20.6	13.0	3.0	(0.5)	2.2	(5.9)	6.4	2.6		
Electricity (%YoY)	4.5	6.1	11.8	23.5	16.4	2.3	1.4	11.6	1.2	12.7	10.4		
Capital goods production (%YoY)	2.0	2.0	13.3	54.4	29.1	5.7	4.3	11.4	(1.7)	21.6	7.6		
Consumer durable production (%YoY)	(8.7)	(2.6)	7.4	58.4	25.1	2.3	(2.5)	(3.2)	(17.8)	5.3	(10.4)		
Consumer non-durable production (%YoY)	(5.8)	(4.6)	(0.6)	1.0	3.0	(2.8)	(9.5)	(6.3)	(13.4)	9.1	7.2		
PMI Manufacturing Index	54.9	54.0	54.7	54.6	53.9	56.4	56.2	55.1	55.3	55.7	57.8	55.4	55.3
PMI Services Index	51.8	53.6	57.9	58.9	59.2	55.5	57.2	54.3	55.1	56.4	58.5	57.2	59.4
PMI Composite Index	53.5	54.3	57.6	58.3	58.2	56.6	58.2	55.1	55.5	56.7	59.4	57.5	59.0

10-year G-sec yields hardened somewhat in the last weeks of February amid concerns of the borrowing program of the government as well as a global reset of expectations on rate hikes in the US and other developed economies.

The deposit and lending rates have been inching upwards as the impact of the RBI's tight monetary policy is felt through the banking system.

Deposit rates have also been picking up as Banks push to garner deposits amid a growth in credit offtake in the economy.

The PMI Index indicated a continued expansion in economic activity driven by the Services Sector. The Manufacturing index was almost flat vis-à-vis the previous month, though firmly in expansionary territory.

Source: BBNPP AMC, RBI, Central Statistical Organization, Government of India, Bloomberg, Nirmal Bang Institutional Equities Research
The data mentioned above is as per their date of release and availability as on February 28, 2023.

Most economic indicators continue to improve (contd...)

	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23
Consumer													
Rural wage (%YoY)	5.1	4.7	5.0	5.4	5.5	5.5	5.8	5.8	6.7	7.8			
Urban unemployment (%)	7.6	8.3	9.2	8.2	7.3	8.2	9.6	7.7	7.2	9.0	10.1	8.6	7.9
Rural unemployment (%)	8.4	7.3	7.2	6.6	8.0	6.1	7.7	5.8	8.0	7.6	7.4	6.5	7.2
Naukri job speak index (%YoY)	30.5	16.3	38.2	39.9	22.0	20.8	5.8	12.7	(2.7)	42.9	4.3	1.7	
Motorvehicle sales (%YoY)	(23.5)	(17.8)	5.2	226.7	28.0	13.7	20.2	23.4	7.9	22.5	8.3	10.9	
Passenger vehicle (%YoY)	(6.5)	(3.9)	(3.8)	185.1	19.1	11.1	21.1	92.0	28.6	28.1	7.2	17.2	
Commercial vehicle (%YoY)	25.6	16.9	66.9	249.1	87.3	28.8	28.8	44.5	43.0	16.7	16.8	20.9	
Two wheeler (%YoY)	(27.3)	(20.9)	15.4	255.3	24.0	10.2	17.0	13.5	2.3	17.7	3.9	5.0	
Tractor sales	(31.3)	(14.3)	40.6	47.4	(14.4)	(15.3)	(1.9)	23.0	6.8	6.5	25.6	24.4	
Petrol consumption (%YoY)	3.5	6.2	17.3	51.5	23.2	6.8	11.6	8.8	8.8	8.1	5.9	14.2	
Diesel consumption (%YoY)	(0.7)	6.7	7.9	31.7	23.9	8.2	13.0	13.4	5.5	19.2	6.5	12.7	
Air traffic (%YoY)	(1.3)	37.3	92.7	493.0	247.1	98.2	54.6	50.2	29.9	11.5	14.2	95.6	
Foreign tourist arrivals (%YoY)	141.8	177.9	399.2	2043.7	1349.2	783.9	437.3	363.7	243.2	191.3	204.2		
Freight													
Major port traffic (%YoY)	(4.5)	1.2	5.5	8.9	13.5	15.1	8.0	14.9	3.6	2.0	10.4	12.2	
Rail freight traffic (%YoY)	6.6	6.7	9.4	14.6	11.3	8.3	7.9	9.1	1.4	5.2	3.1	3.8	
E-way bills generated (%YoY)	8.3	9.7	28.0	84.1	36.2	17.8	18.7	23.7	4.6	32.0	17.5	19.7	
Foreign Trade													
Export growth (%YoY)	25.1	19.8	30.7	20.6	23.5	8.2	10.9	4.8	(11.6)	9.7	(3.1)	(6.6)	
Import growth (%YoY)	36.1	24.2	31.0	62.8	57.5	43.6	41.7	14.9	10.0	9.8	(0.2)	(3.6)	
Non-oil, non-gold imports (%YoY)	35.5	41.0	32.2	32.5	42.3	44.7	40.6	20.5	2.4	6.8	1.1	(11.6)	
Capital goods imports (%YoY)	15.5	(0.5)	11.3	5.3	16.8	38.5	32.3	12.2	2.0	15.4	5.3	2.8	
Fiscal													
Central Government expenditure (%YoY)	11.0	(6.1)	21.2	23.7	5.4	(2.2)	(3.3)	24.1	59.5	20.7	(15.9)	21.2	
Indirect tax (%YoY)	(7.1)	0.32	6.2	14.5	25.5	2.3	(1.0)	8.8	18.7	(4.0)	3.5	8.1	
GST Collections (Rs.bn)	1330	1421	1675	1409	1446	1490	1436	1477	1517	1459	1495	1559	1496
Inflation													
CPI (%YoY)	6.1	7.0	7.8	7.04	7.01	6.71	7.00	7.4	6.77	5.88	5.72	6.5	
Core CPI (%YoY)	5.95	6.4	7.0	6.09	5.91	5.79	5.85	6.1	5.97	6.04	6.1	6.1	
WPI (%YoY)	13.11	14.55	15.10	15.88	15.18	13.93	12.41	10.70	8.39	5.85	4.95	4.73	
Negative (+)	16	14	9	5	8	7	3	8	17	9	11	11	2
Positive (+)	34	36	41	45	41	24	2	42	33	41	38	30	5

■ Negative
 ■ Watch
 ■ Neutral
 ■ Positive

E-way bills generated as well as freight and port traffic are high frequency indicators pointing towards the strength of the ongoing economic recovery.

GST Collections continued to be robust with collections being above 14 lakh crores for the 12th straight month. The collections for fiscal year 2022-23 have been significantly higher than the budgetary estimates, providing an important cushion for the Govt's fiscal health.



Equity Markets Outlook

- The **Nifty** Index **declined 2%** in February— third consecutive month of decline.
- global markets corrected. **Hong Kong (-9%), Brazil (-7%) and US Dow Jones (-4%)** lost the most, while **France (+3%), Germany (+2%) and Taiwan (+2%)** gained the most.
- The **US FOMC**, in line with expectations, **hiked** the target range for the **federal funds rate by 25 bps**. In the first week of February, central banks - **US, BoE and ECB raised rates by 25 bps, 50 bps and 50 bps** respectively, in line with consensus expectations.
- The **RBI MPC hiked the repo rate by 25 bps** and remained concerned about elevated inflation, especially core inflation, while being **optimistic about growth**.
- **December IIP** moderated to **4.3%** compared to 7.4% in November.
- **January exports fell by 6.6% (YOY) to US \$32.9 bn. January imports fell by 3.6% (YOY) to US \$50.7 bn.**
- **GST collections and E-way bills** recorded the **second-best monthly performance** in Jan 2023. **Electricity consumption, Purchasing Managers Index and merchandise trade deficit improved sustainably.**
- **Strong earnings growth (YOY)** was seen in **Automobiles, FMCG, Banks, Capital Goods, NBFCs** and **Telecom** while **substantial contraction** was recorded in **Metals & Mining and Cement**.
- **Markets are in consolidation phase** currently with one-year returns at 5%, **outperforming emerging markets**. Globally sentiments likely to remain in check with FED firm on its path to curtail inflation levels at 2%.
- Key to watch: **capex spends**, rural recovery considering worries on rains this year and governments continued thrust on infrastructure spends.

Source: Kotak Securities. Data as on 28th February 2023

FOMC- Federal open market committee BoE- Bank of England ECB: European Central Bank.

INVESTMENT CASE FOR EQUITY LINKED SAVINGS SCHEMES (ELSS)

Income Tax Saving Tools

Investment Options:	Equity Linked Savings Scheme (ELSS)	Public Provident Fund (PPF)~	Savings Bank Term Deposits	National Saving Certificate (NSC)	National Pension Scheme
Lock-in period:	3 years	15 years	5 years	5 year	Till retirement^
Rate of return:	Current ELSS Category Average returns (CAGR)* 3 years: 13.95% (as on February 28, 2023)	7.90% p.a.	5.40% p.a. (5-year SBI Bank rate for deposit <Rs. 1 cr)	6.8%	NPS Plans Average returns (CAGR)* 3 years: 6 to 11% (as on Nov 11, 2022)
Tax Treatment:	Taxable	Tax free	Taxable	Taxable	Taxable
Amount of Tax Deduction u/s 80C:	Rs. 1.5 lakhs^^	Rs. 1.5 lakhs	Rs. 1.5 lakhs	Rs. 1.5 lakhs	Rs. 1.5 lakhs u/s 80C + Rs. 50,000 u/s 80CCD(1B)
Potential for Distributor of amount	Yes	No	No	No	No

Source: India Post, SBI Bank, Value Research. Data as of February 28, 2023. ELSS category and NPS Category as per Value Research classification. For more details, please visit <https://www.valueresearchonline.com/nps/performance> & [Baroda BNP Paribas ELSS Fund - Regular plan: Overview, Performance, Portfolio | Mutual Fund | Value Research \(valueresearchonline.com\)](#).

~Premature withdrawals are allowed after the completion of five years from the end of the year in which the initial investment was made. However, the amount is capped at the lower of the two - 50% of the balance at the end of the fourth financial year or 50% of the balance at the end of the preceding year.

^Partial withdrawals possible subject to the applicable guidelines in this regard. For more details, please visit [Withdrawal \(nsdl.co.in\)](https://www.nsdl.co.in)

***Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments.** The comparison of ELSS Vs other tax savings investment avenues has been given for the purpose of general information only. Investment in ELSS carry higher risk, does not guarantee any returns/ dividends. The investments in the Scheme shall be locked-in for a period of 3 years from the date of allotment. The above information on taxation is provided for only general information purposes. Investors are requested to note that fiscal laws may change from time to time and there can be no guarantee that the current tax position may continue in the future.

^^Tax deductions available u/s 80C are subject to conditions specified herein. Further, for Individuals and HUFs who would opt for optional new tax regime pursuant to Section 115BAC of Income Tax Act, 1961, please note that deductions of Rs.150,000 u/s 80C will not be available for them. Investors are advised to consult their tax advisor in view of individual nature of tax implications.

Features of ELSS Funds

Tax Deduction

- Ideal for investors seeking tax deduction on investments up to Rs. 1.5 lakhs^{^^} under section 80C of Income Tax Act, 1961.

Inflation-Adjusted Returns

- Known to deliver inflation-beating returns as against traditional fixed income-heavy tax-saving instruments

Power of Equity

- Gives your savings an opportunity to create wealth over the long term by investing in equities and diversifying your portfolio. It also gives the benefits of professional management by mutual funds

Invest at your convenience

- Offers convenience of systematic investment plans thereby addressing concerns of timing the market and rupee-cost averaging. *(Each SIP installment shall be subject to lock-in of 3 years)*

Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments.

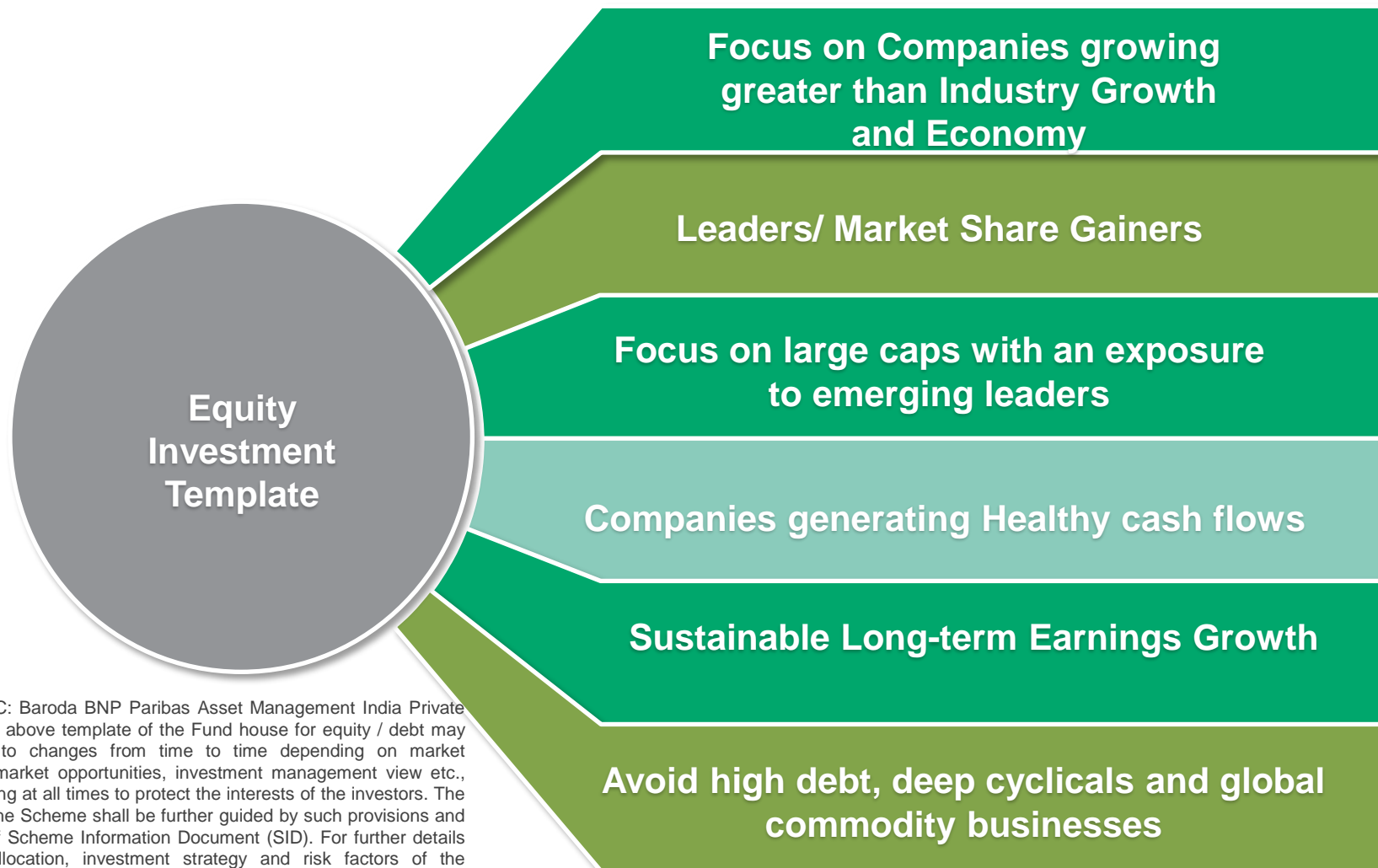
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UPDATE ON BARODA BNP PARIBAS ELSS FUND

About the Fund

- Baroda BNP Paribas ELSS Fund is an Equity Linked Savings Scheme (ELSS) where tax deduction of up to Rs.1.5 lakhs^{^^} (per financial year) from total income is available under section 80C of the Income Tax Act, 1961. The three-year lock-in period enables participation in long-term growth potential of the equity market.
- This is an **actively managed** scheme with the aim to capture suitable long term investment opportunities. The scheme follows the broad **investment philosophy of Business-Management-Valuation (BMV)** framework which aims to scout for companies with superior and sustainable earnings growth potential at reasonable valuations.
- It is a **diversified scheme with a large cap bias**. It aims to capture the advantages of relatively low volatility of large caps along with high growth potential of mid and small caps.
- The lock-in period makes the Scheme less vulnerable to volatility in cash flows and the fund manager can manage the portfolio more efficiently with a relatively longer-term perspective.
- The Scheme is suitable for investors who have a long-term investment horizon.

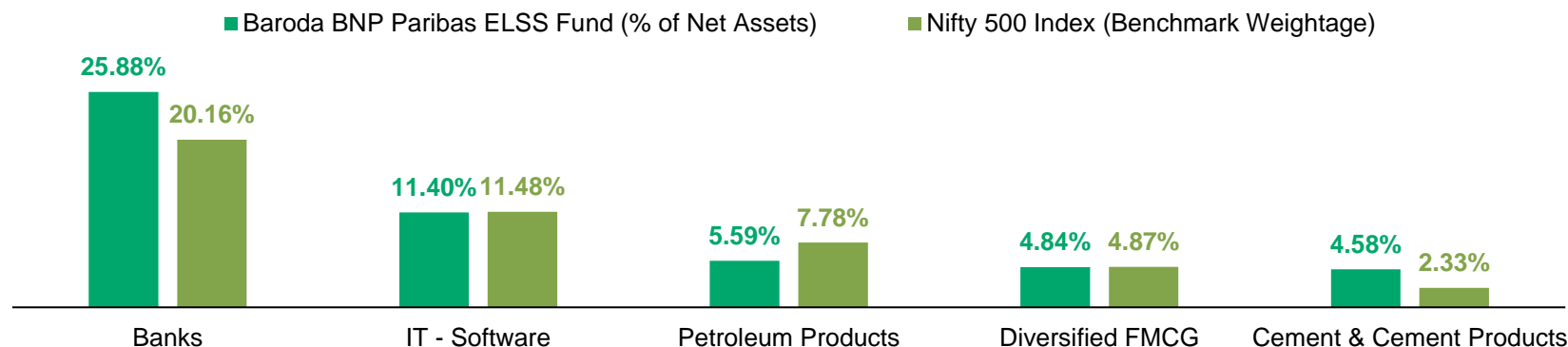
BBNPP AMC Equity Investment Template (as on February 28, 2023)



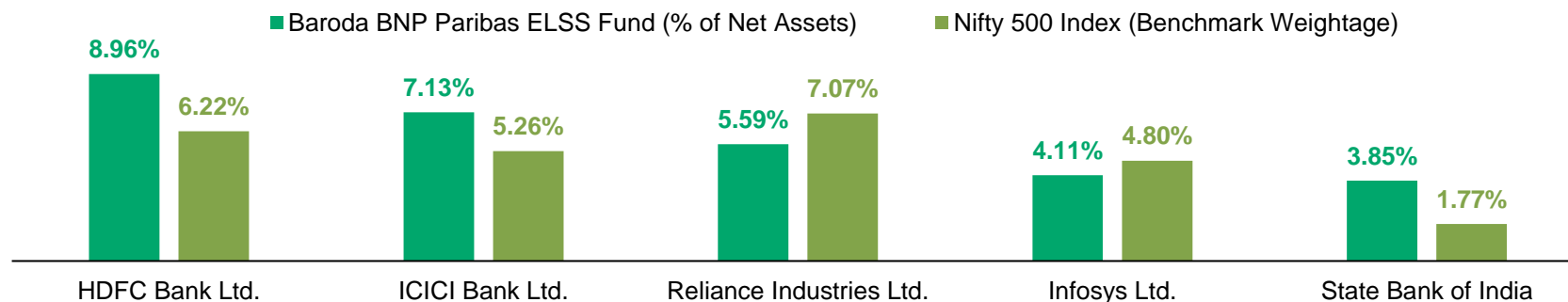
BBNPP AMC: Baroda BNP Paribas Asset Management India Private Limited. The above template of the Fund house for equity / debt may be subject to changes from time to time depending on market conditions, market opportunities, investment management view etc., intention being at all times to protect the interests of the investors. The portfolio of the Scheme shall be further guided by such provisions and limitations of Scheme Information Document (SID). For further details on asset allocation, investment strategy and risk factors of the Scheme, please refer to SID available on our website (www.barodabnp-paribasmf.in). Data as of February 2023.

Portfolio Holdings

Top 5 Sectors (% of Net Assets)



Top 5 Holdings (% of Net Assets)



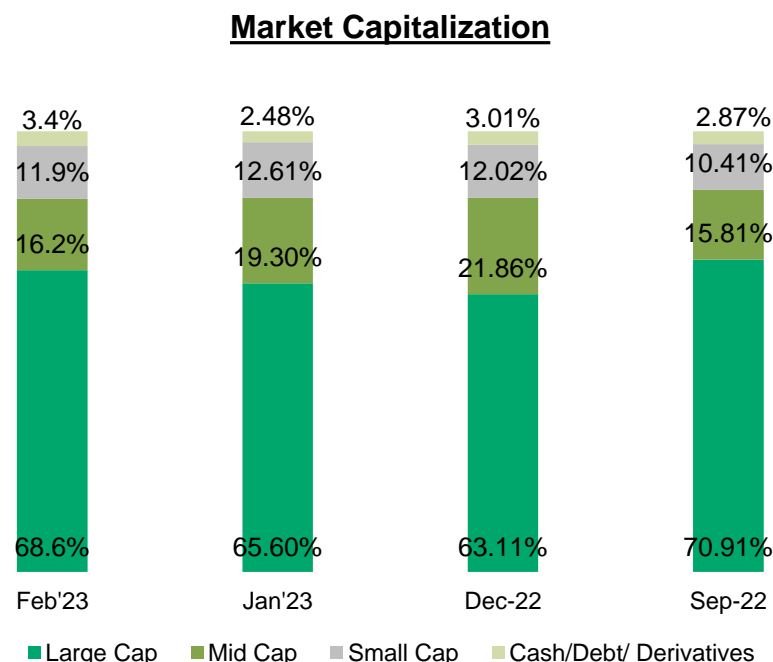
Data as on February 28, 2023. Source: Internal and Nifty Indices.

Portfolio details contained herein shows the current performance and does not indicate assurance of future Scheme performance. The sector(s)/stock(s) mentioned in this document do not constitute any recommendation of the same and Baroda BNP Paribas Mutual Fund may or may not have any future position in these sector(s)/stock(s). Further, the portfolio of the Scheme is subject to changes within the provisions and limitations of Scheme Information Document (SID).

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Market Cap Allocation Trend

- Currently the scheme is **more focused on growth companies** having structural cashflows and we believe it displays long term quality.
- **Diversified scheme with large cap bias** and intends to focus on quality names exhibiting sound management and fundamentals with sustainable earnings growth potential.
- **Select exposure to Mid and Small cap names** is largely to companies, which we believe have strong balance sheets, cash flows, leadership position in sector and strong track record.



Market Capitalization as per SEBI - Large Cap: 1st - 100th company, Mid Cap: 101st - 250th company and Small Cap: 251st company onwards in terms of full market capitalization.

Source: Internal. Data as on 28 February 2023. Portfolio details contained herein is for general information purposes only and does not indicate assurance of future Scheme performance. The sector(s)/stock(s) mentioned in this document do not constitute any recommendation of the same and Baroda BNP Paribas Mutual Fund may or may not have any future position in these sector(s)/stock(s). Further, the portfolio of the Scheme is subject to changes within the provisions and limitations of Scheme Information Document (SID). For further details on asset allocation, investment strategy and risk factors of the Scheme, please refer to SID available on our website (www.barodabnp-paribasmf.in).

Fund Facts

Scheme Name:	Baroda BNP Paribas ELSS Fund				
Type of the Scheme:	An open-ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit.				
Category:	ELSS Fund				
Investment Objective:	The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities along with income tax rebate, as may be prevalent from time to time. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.				
Asset Allocation:	Type of Instruments	Normal Allocation (% of Net Assets)	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
	Equities and Equity Related Securities of companies #	95	80	100	High
	Debt Instruments* and Money Market instruments (including money at call)	5	0	20	Low
<p># including investments in foreign equity and equity related securities, ADR / GDR upto 20% of the net assets, exposure in equity derivatives for hedging and portfolio balancing upto 50% of the net assets. Exposure in derivatives will be subject to the specified limits as per the SEBI circular dated September 14, 2005, as amended from time to time.</p> <p>*Debt instruments may include securitized debt upto 20% of the net assets, exposure in debt derivatives for hedging and portfolio balancing upto 20% of the net assets. It may be noted that the AMC must adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</p> <p>For further details on asset allocation, please refer to SID available on our website (www.barodabnpparibasmf.in).</p>					
Benchmark:	Nifty 500 Total Return Index				
Inception Date:	January 05, 2006				
Fund Manager~:	Mr. Sanjay Chawla (Total Experience: 33 years) (managing fund since 14 March 2022) Mr. Pratish Krishnan (Total Experience: 22 years) (managing fund since 14 March 2022)				
Load Structure:	Entry Load: Not Applicable Exit Load: Nil.				

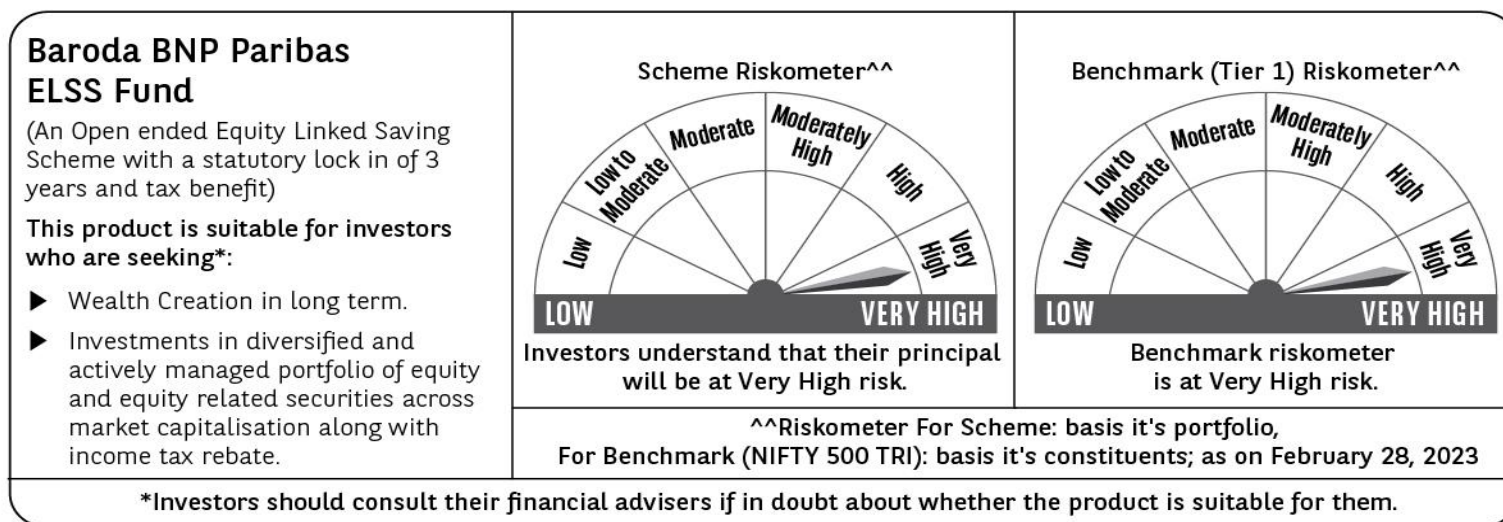
~Dedicated Fund Manager for Overseas Investments: Mr. Miten Vora (managing fund since December 01, 2022)

Risk Factors

The risks associated with investments in equities include fluctuations in prices, as stock markets can be volatile and decline in response to political, regulatory, economic, market and stock-specific development etc. Please refer to scheme information document for detailed risk factors, asset allocation, investment strategy etc.

Further, to the extent the scheme invests in fixed income securities, the Scheme shall be subject to various risks associated with investments in Fixed Income Securities such as Credit and Counterparty risk, Liquidity risk, Market risk, Interest Rate risk & Re-investment risk etc., Further, the Scheme may use various permitted derivative instruments and techniques which may increase the volatility of scheme's performance. Also, the risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

Please refer to Scheme Information Document available on our website (www.barodabnpparibasmf.in) for detailed Risk Factors, assets allocation, investment strategy etc.



Disclaimers

In the preparation of the material contained in this document, Baroda BNP Paribas Asset Management India Ltd. (“AMC”) has used information that is publicly available, including information developed in-house. The AMC, however, does not warrant the accuracy, reasonableness and/or completeness of any information. This document may contain statements/opinions/ recommendations, which contain words, or phrases such as “expect”, “believe” and similar expressions or variations of such expressions that are “forward looking statements”. Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, etc. The AMC (including its affiliates), Baroda BNP Paribas Mutual Fund (“Mutual Fund”), its sponsor / trustee and any of its officers, directors, personnel and employees, shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this document in any manner. The recipient alone shall be fully responsible / liable for any decision taken based on this document. All figures and other data given in this document are dated and may or may not be relevant at a future date. Prospective investors are therefore advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of the schemes of Baroda BNP Paribas Mutual Fund . Past performance may or may not be sustained in the future. Please refer to the Scheme Information Document of the schemes before investing for details of the scheme including investment objective, asset allocation pattern, investment strategy, risk factors and taxation.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.



THANK YOU