

# BARODA BNP PARIBAS INDIA CONSUMPTION FUND

(AN OPEN-ENDED EQUITY SCHEME FOLLOWING CONSUMPTION THEME)

May 2024



**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.

# Contents

---

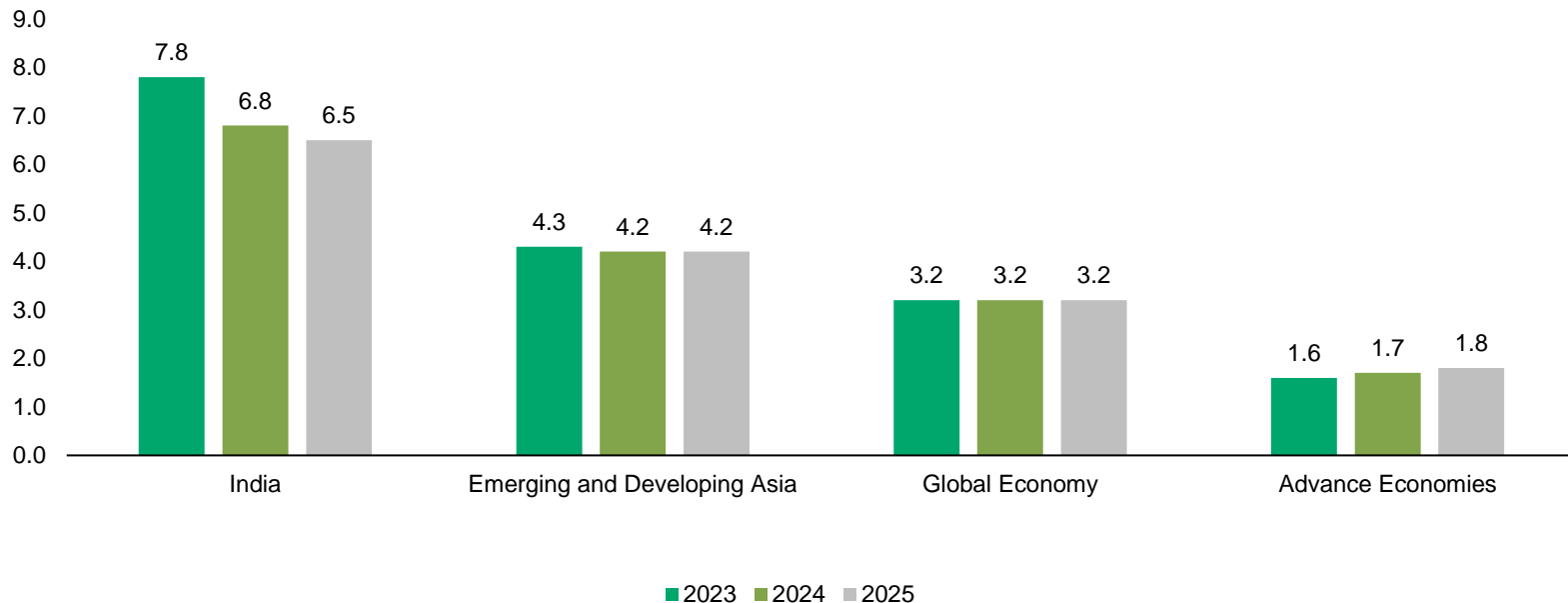
- 1 India Consumption: Multi Decade Growth and Demographic Advantage
- 2 India Consumption: A Diversified Long-Term Opportunity
- 3 Why Invest in B2C Businesses: Diversified Across Sectors
- 4 Update on Baroda BNP Paribas India Consumption Fund

# INDIA GROWTH: MULTI DECADE GROWTH AND DEMOGRAPHIC ADVANTAGE

# India: Rising Prosperity

## India – one of the fastest growing economies

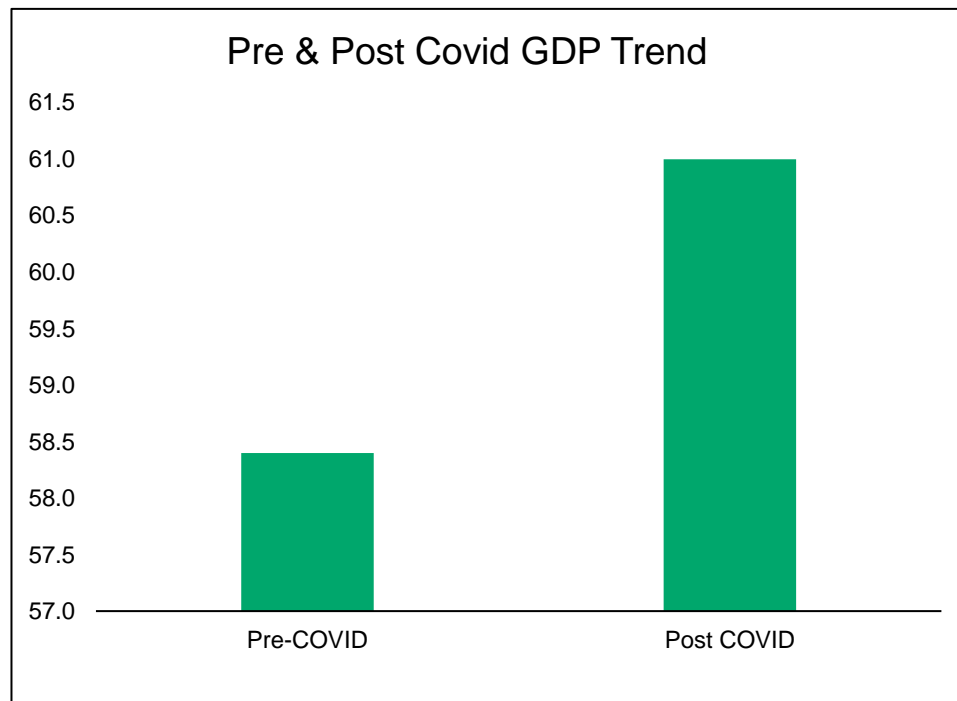
IMF Projected GDP growth (%)



- India's GDP growth is one of the fastest in the world
- There is decades of potential growth in per capita income in the future
- This increase would translate into increased consumption over multiple decades

Source: IMF world economic outlook 31<sup>st</sup> May 2024.

# Consumption Driving GDP growth



- The pre-Covid GDP trend typically showed steady growth, with fluctuations influenced by various economic factors such as consumer spending, investment, and government policies.
- The post-Covid GDP trend likely experienced a sharp decline initially due to the pandemic's impact on businesses, employment, and overall economic activity. Subsequently, there might have been a gradual recovery phase as governments implemented stimulus measures and vaccination efforts progressed, although the pace and extent of recovery varied across regions and industries.

Source: Handbook of Statistics on the Indian Economy, 2023-24 - RBI

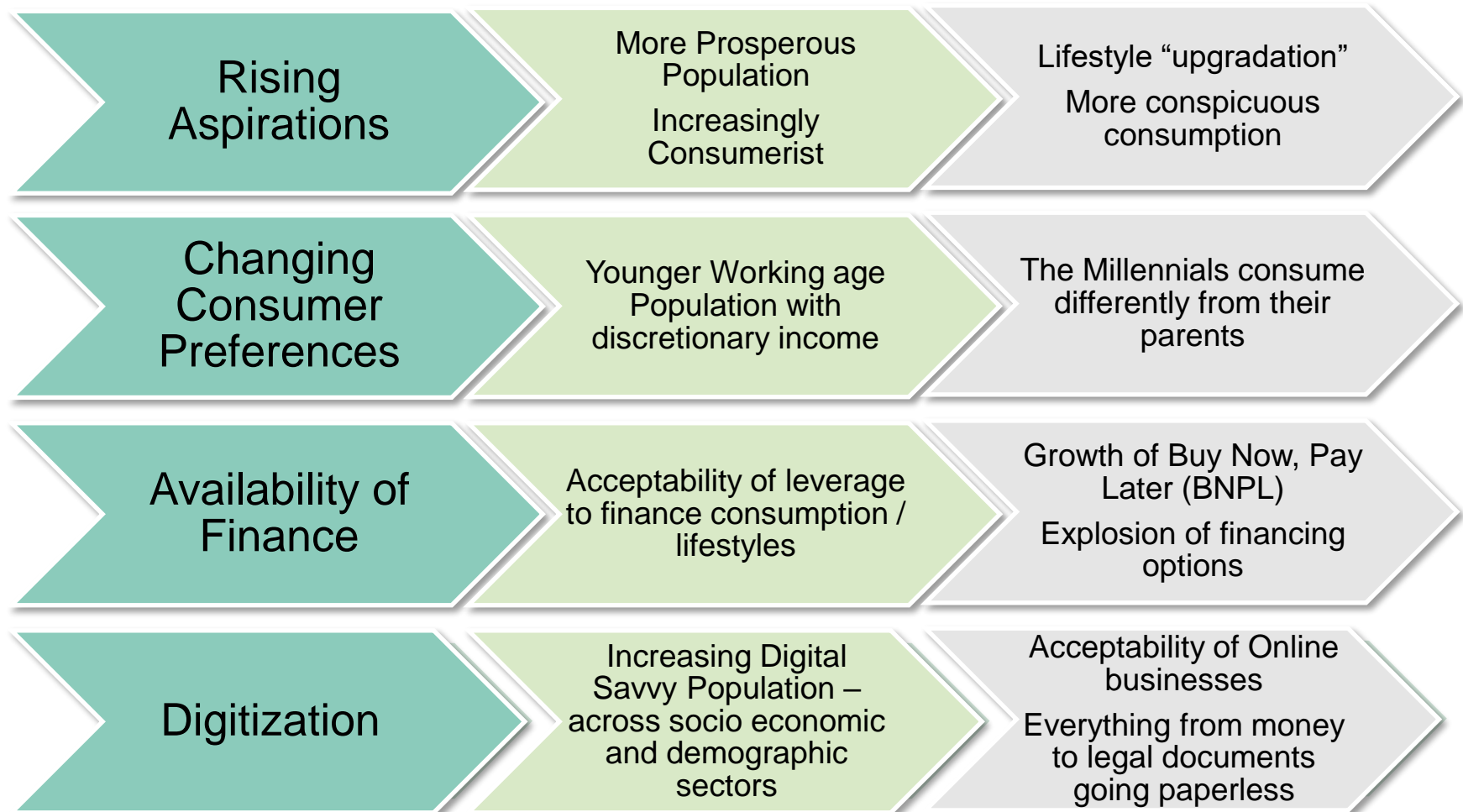
# INDIA CONSUMPTION: A DIVERSIFIED LONG-TERM OPPORTUNITY

For Product Label and Riskometer of the Scheme please refer slide no. 24



Together for more

# Consumption Drivers



# Consumption Preferences

---

## Rising Aspirations

- Preference Luxury Goods
- Upgrading to "Larger, Bigger, Lavish"
- Consumer Discretionary, Housing, Auto, etc.

## Changing Consumer Preferences

- Rise of the Gig Economy
- Increasing preference to spend now, save later
- New age businesses across media, retail, finance, etc.

## Availability of Finance

- Rise in retail finance across goods and services.
- "Buy Now, Pay later"; Acceptability of leverage
- Digital lending platforms, Private banks, Retail NBFCs

## Digitization

- Growth of digital businesses
- Digitalization across the value chain
- Opportunities in e commerce, fin-tech, etc.



# UPDATE ON BARODA BNP PARIBAS INDIA CONSUMPTION FUND

(AN OPEN-ENDED EQUITY SCHEME FOLLOWING CONSUMPTION THEME)

For Product Label and Riskometer of the Scheme please refer slide no. 18



Together for more

# About The Fund

---

- The Fund invests in secular growth stories aided by rising aspirations, high income levels, high working age population, digital influence, financialisation, policy reforms and urbanisation to name a few.
- **Pure bottom-up stock picking approach** focusing on companies having strong competitive advantage, with high earnings visibility over the long run. These are businesses which interact directly with their consumers, i.e., following primarily a B2C (business-to-consumer) model.
- **Thematic fund** with consumption as a core theme with minimum 80% of the net assets in the investible universe<sup>1</sup>
- Fund intends to participate **across market capitalizations**

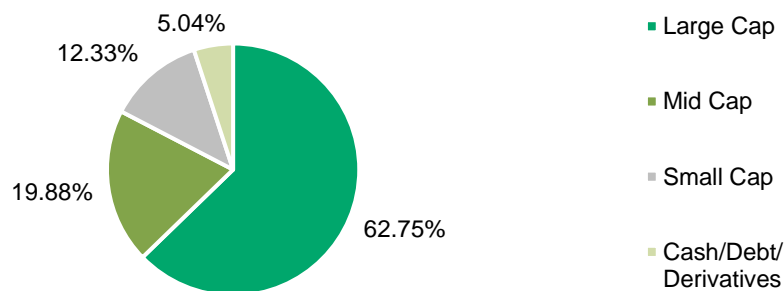
---

<sup>1</sup>Please refer to Scheme Information Document for further details on Asset allocation and Investment Pattern of the Scheme available on our website ([www.barodabnpparibasmf.in](http://www.barodabnpparibasmf.in))

# Current Portfolio Positioning

Top 10 Holdings	% of Net Assets
Bharti Airtel Ltd.	6.49%
Trent Ltd.	6.29%
Mahindra & Mahindra Ltd.	4.94%
Zomato Ltd.	4.80%
Maruti Suzuki India Ltd.	4.40%
TVS Motor Company Ltd.	4.12%
Hindustan Unilever Ltd.	3.67%
Tata Consumer Products Ltd.	3.34%
Nestle India Ltd.	3.18%
Dabur India Ltd.	2.47%

## Market Capitalization (% of Net Assets)



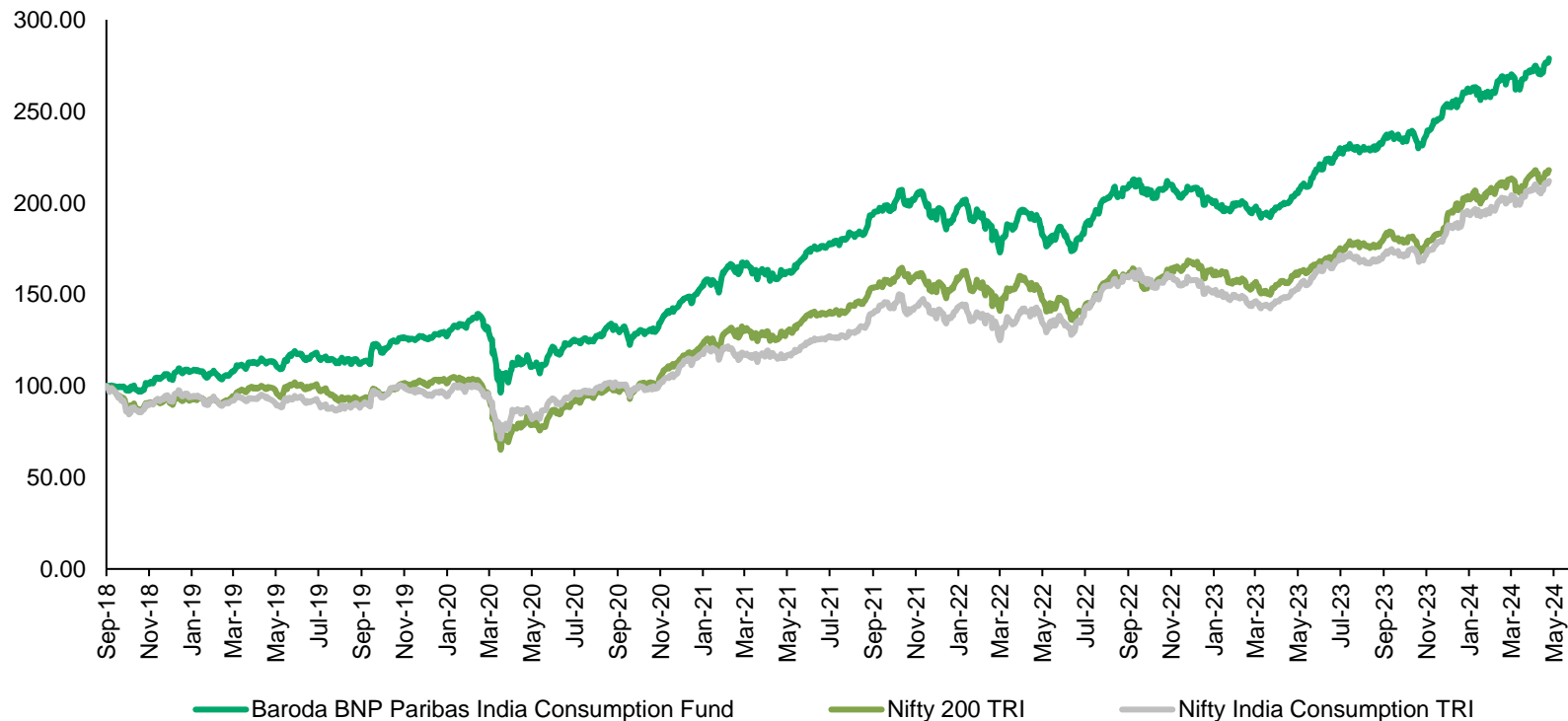
Data as on May 31, 2024

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). 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. For further details on asset allocation, investment strategy and risk factors of the Scheme please refer to SID available on our website ([www.barodabnpparibasmf.in](http://www.barodabnpparibasmf.in))

- We have exposure to consumer-facing companies in the Auto, FMCG, Building Materials and Retail that we believe have good growth potential. We believe that consumer space is well poised for a secular growth in India as the country moves up from current per capita income of US\$3,000 leading to inflection points in several consumption categories.
- We are overweight on Consumer discretionary mainly in the automobile sector which should benefit from rebound in demand.
- The financial sector remains one of the largest overweight sectors as we believe financial services segment is one of the important parts of the consumption story. We are participating in the same through a mix of select private banks, insurance companies and asset management companies.
- Consumption remains a secular investment theme on the back of improving per capita income within the country.
- The scheme has a mix of mid and small cap companies (32%) along with select large cap companies (63%) believed to be having stable and healthy cash flows. Our exposure to mid and small cap names is largely companies, which we believe have strong balance sheets, cash flows, leadership position in sector and strong track record. (Exposure as % of net assets as on May 31, 2024).

# Performance (May 31, 2024)

Outperformance Since Inception (values rebased to 100)



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

Absolute returns for period up to 1 year, CAGR for period greater than 1 year. Performance depicted above is for Regular Growth plan.

Inception date of fund: September 7, 2018. Data ending May 31, 2024

Data source: MFI Explorer

# Performance of the Fund

Schemes Managed by Mr. Shiv Chanani	Last 1 Year		Last 3 Year		Last 5 Year		Since Inception		Date of Inception of the Scheme
	Returns In INR	CAGR	Returns In INR	CAGR	Returns In INR	CAGR	Returns In INR	CAGR	
<b>Baroda BNP Paribas India Consumption Fund</b>	12923.56	29.15	16412.56	17.94	23796.54	18.91	28022.80	19.69	<b>07-Sep-18</b>
<b>Nifty India Consumption TRI</b>	13245.88	32.36	17441.44	20.35	23027.90	18.13	21347.82	14.14	
<b>Additional Benchmark Nifty 50 TRI Index</b>	12301.94	22.95	14991.22	14.44	20071.75	14.93	20777.92	13.60	

## PERFORMANCE OF OTHER SCHEMES MANAGED BY FUND MANAGER

Schemes Managed by Mr. Shiv Chanani	CAGR			
	Last 1 Year	Last 3 Year	Last 5 Year	
<b>Baroda BNP Paribas Mid Cap Fund (managing since July 13, 2022)</b>	48.39	23.01	23.01	
NIFTY Midcap 150 TRI	53.82	26.69	25.60	
Additional Benchmark Nifty 50 TRI	22.95	14.44	14.93	
Schemes Managed by Mr. Shiv Chanani (completed less than a year)	CAGR			
	Last 6 Months	Last 1 Year	Last 3 Year	Last 5 Year
<b>Baroda BNP Paribas Value Fund (managing since June 07, 2023)</b>	41.57	N.A.	N.A.	N.A.
Nifty 500 TRI	35.46	N.A.	N.A.	N.A.
Additional Benchmark Nifty 50 TRI	24.95	N.A.	N.A.	N.A.
Schemes Managed by Mr. Shiv Chanani (completed less than a year)	CAGR			
	Last 6 Months	Last 1 Year	Last 3 Year	Last 5 Year
<b>Baroda BNP Paribas Small Cap Fund (managing since October 30, 2023)</b>	34.01	N.A.	N.A.	N.A.
Nifty Small Cap 250 TRI Index	36.12	N.A.	N.A.	N.A.
Additional Benchmark Nifty 50 TRI	24.95	N.A.	N.A.	N.A.

Source: Internal Research, Data as on May 31, 2024.

NA - Since the scheme has not completed that many years, performance of the same has not been provided.

**Baroda BNP Paribas Mutual Fund does not guarantee returns on investments in the scheme.**

Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Returns do not take into account the load and taxes, if any. Different plans shall have a different expense structure. The performance details provided above are for Regular Plan - Growth Option. Different plans shall have a different expense structure.

# Fund Managers & Managing Since Details

---

Scheme Name	Fund Manager	Managing Fund Details
Baroda BNP Paribas India Consumption Fund^	Mr. Shiv Chanani	13-July-22
Baroda BNP Paribas Mid Cap Fund^	Mr. Shiv Chanani	13-July-22
Baroda BNP Paribas Value Fund^	Mr. Shiv Chanani	07-June-23
Baroda BNP Paribas Small Cap Fund^	Mr. Shiv Chanani	30-Oct-23

^Dedicated Fund Manager for overseas investment : Mr. Miten Vora

# Fund Facts

Scheme Name	Baroda BNP Paribas India Consumption Fund			
Type of Scheme	An open-ended equity scheme following consumption theme			
Category	Sectoral/Thematic Fund			
Investment Objective	<p>The primary investment objective of the Scheme is to seek to generate capital appreciation and provide long-term growth opportunities by investing in companies expected to benefit by providing products and services to the growing consumption needs of Indian consumers, which in turn is getting fueled by high disposable income. The Scheme also seeks to generate income by investing in debt and money market securities. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</p>			
Asset Allocation	Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
	Equity and equity related instruments#	80	100	Medium to High
	Equity and equity related instruments*	0	10	Medium to High
	Debt and Money market instruments and/or units of liquid fund**	0	20	Low
	Units issued by REITs & InvITs	0	10	Medium to High
<p># Investible universe as per AMFI industry classification includes auto, banks, cements, construction (real estate), consumer durables, consumer non-durables, fertilizers, finance, gas (consumer-oriented gas distribution), healthcare services, hotels, media &amp; entertainment, pesticides, pharmaceuticals, retailing, telecom services, textile products, textiles – cotton, textiles – synthetic and transportation. The scheme will maintain at least 80% of the net assets in this investible universe.</p> <p>*The scheme does not intend to invest in sectors like auto ancillaries, chemicals, commercial services, construction project, engineering services, ferrous metals, hardware, industrial capital goods, industrial products, minerals/mining, non - ferrous metals, oil, paper, petroleum products, power, software, telecom - equipment &amp; accessories and trading. However, at times a company belonging to the above-mentioned sectors can form a part of the portfolio, if the Fund Manager believes that the company has sizable exposure in form of their products and services to consumers / Indian households.</p> <p>**Debt instruments may include securitised debt up to 10% of the debt net assets.</p> <p>For further details on asset allocation, please refer to SID available on our website (<a href="http://www.barodabnpparibasmf.in">www.barodabnpparibasmf.in</a>).</p>				
Benchmark:	Nifty India Consumption Total Return Index			

# Fund Facts

Inception Date	September 7, 2018
Fund Manager	Mr. Shiv Chanani (managing fund since July 13, 2022) (Total Experience: 23 years)
Load Structure	<p>Entry Load: Nil Exit Load:</p> <ul style="list-style-type: none"> <li>• If units of the Scheme are redeemed or switched out up to 10% of the units (the limit) within 12 months from the date of allotment - Nil;</li> <li>• If units of the scheme are redeemed or switched out in excess of the limit within 12 months from the date of allotment - 1% of the applicable NAV</li> <li>• If units of scheme are redeemed or switched out after 12 months from the date of allotment – Nil.</li> </ul> <p>The above load shall also be applicable for switches between the schemes of the Fund and all Systematic Investment Plans, Systematic Transfer Plans, Systematic Withdrawal Plans. No load will be charged on units issued upon re-investment of amount of distribution under same IDCW option and bonus units.</p>
Plans and Options	<p>The Scheme offers following two plans: BNP Paribas India Consumption Fund - Regular Plan and BNP Paribas India Consumption Fund - Direct Plan. Each Plan offers Growth and Income Distribution cum Capital Withdrawal (IDCW). The IDCW offers Payout and Re-investment facilities. *Amounts can be distributed out of investors capital (equalization reserve), which is part of sale price that represents realized gains. However, investors are requested to note that amount of distribution under IDCW option is not guaranteed and subject to availability of distributable surplus.</p>
Minimum Application Amount	<p>Lumpsum investment: Rs. 5,000 and in multiples of Re. 1 thereafter. SIP: (i) Daily, Weekly, Monthly SIP: Rs. 500/- and in multiples of Re. 1/- thereafter; (ii) Quarterly SIP: Rs. 1500/- and in multiples of Re. 1/- thereafter. Additional Amount for Purchase: Rs. 1,000 and in multiples of Re. 1 thereafter</p>

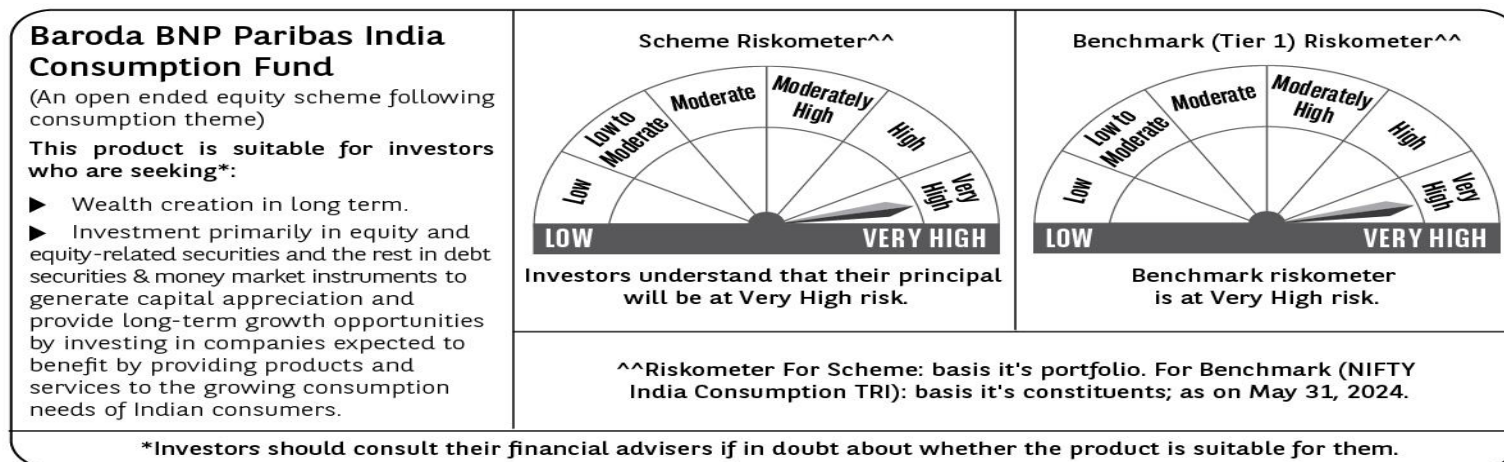


# Risk Factors

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](http://www.barodabnpparibasmf.in)) for detailed Risk Factors, assets allocation, investment strategy etc.



# Disclaimers

---

**Disclaimers:** The material contained herein has been obtained from publicly available information, internally developed data and other sources believed to be reliable, but BNP Paribas Asset Management India Private Limited (BNPPAMIPL) makes no representation that it is accurate or complete. BNPPAMIPL has no obligation to tell the recipient when opinions or information given herein change. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. This information is meant for general reading purpose only and is not meant to serve as a professional guide for the readers. Except for the historical information contained herein, statements in this publication, which contain words or phrases such as 'will', 'would', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. BNPPAMIPL undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. The words like believe/belief are independent perception of the Fund Manager and do not construe as opinion or advise. This information is not intended to be an offer to sell or a solicitation for the purchase or sale of any financial product or instrument. The information should not be construed as an investment advice and investors are requested to consult their investment advisor and arrive at an informed investment decision before making any investments. The sector(s) mentioned in this document do not constitute any recommendation of the same and BNP Paribas Mutual Fund may or may not have any future position in these sector(s). The Trustee, AMC, Mutual Fund, their directors, officers or their employees shall not be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages arising out of the information contained in this document.

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



**Thank You**