

# BARODA BNP PARIBAS LARGE & MID CAP FUND

(AN OPEN-ENDED EQUITY SCHEME INVESTING IN BOTH LARGE CAP  
AND MID CAP STOCKS)

Presenting a portfolio with a combination of **Large & Mid Cap stocks**

**JANUARY 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.

# LARGE CAPS & MID CAPS

Combining Established and Emerging Companies



Together for more

# Combining Established and Emerging Companies

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## Large Caps



- Long term earnings growth
- Well researched stocks
- Reasonable valuations
- Consistent performance over market cycles
- Stable & experienced management with larger bandwidth
- Lower Volatility

## Mid Caps

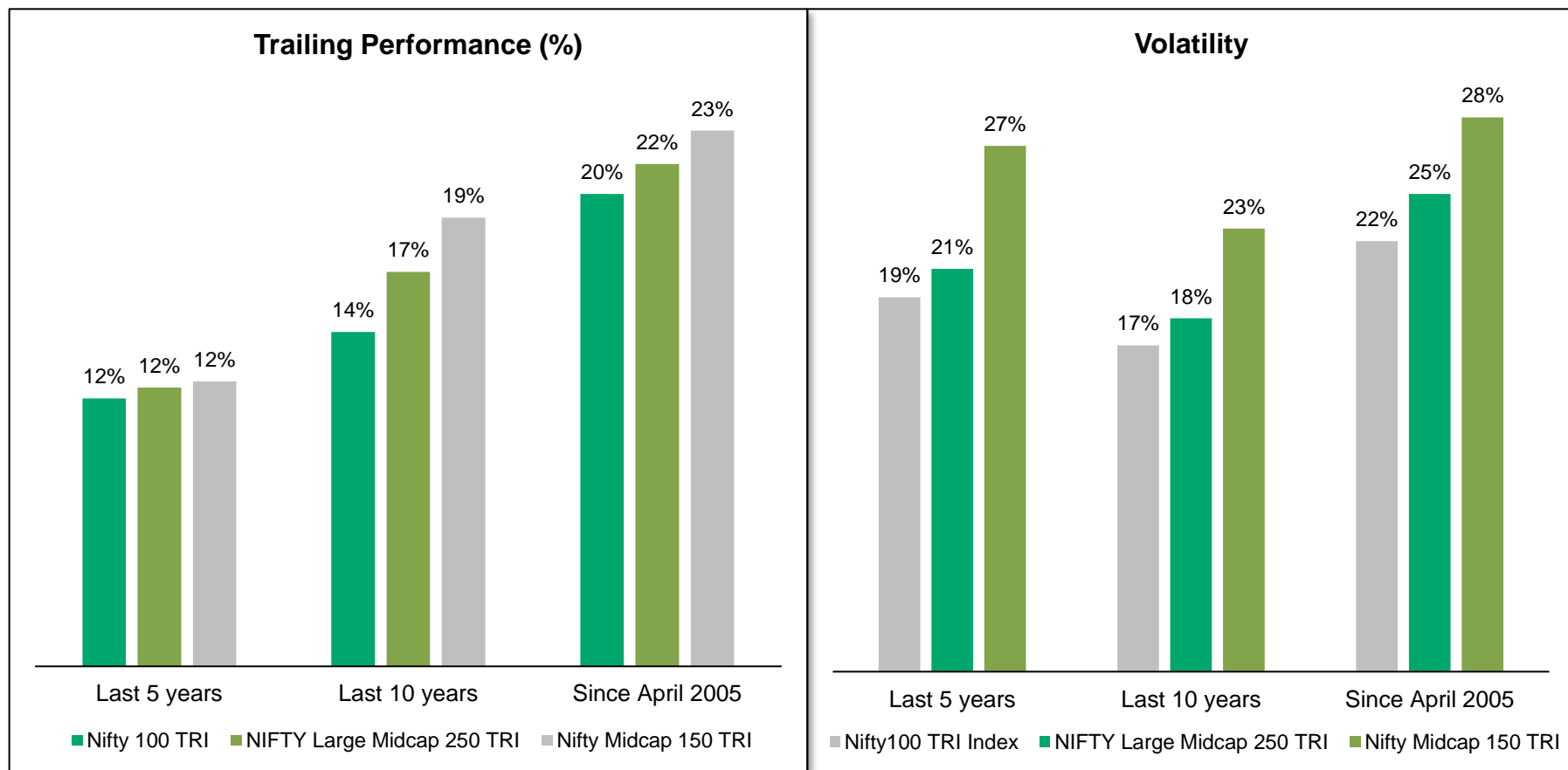


- Provides earnings potential
- Nimble footed companies
- Potential higher rates of growth
- Opportunities to pick leaders in niche markets
- Potential large caps of tomorrow

**A combination of Large Caps and Mid Caps aims to provides BOTH Established and Emerging Companies**

Large Cap stocks due to their company size, management quality, reputation built over time and relatively stronger balance sheets, are less likely to be affected by volatile market situations, as compared to smaller firms. Mid cap companies are expected to be fast-growing companies but could be volatile in nature.

# Large & Mid Cap: Returns with Lower volatility



A Large and Mid Cap Portfolio potentially delivers returns with volatility lower than a mid cap portfolio.

Source: nseindia.com. Data as on January 31, 2023.

Past performance may or may not be sustained in the future.

# Large & Mid Cap: Historic Returns

	Nifty 100 TRI	NIFTY Large Midcap 250 TRI	Nifty Midcap 150 TRI
FY 22	20.6%	22.9%	25.0%
FY 21	71.2%	85.9%	101.6%
FY 20	-24.9%	-27.5%	-30.1%
FY 19	14.0%	6.5%	-0.6%
FY 18	12.2%	14.6%	16.7%
FY 17	22.6%	29.9%	37.2%
FY 16	-6.9%	-4.3%	-1.7%
FY 15	30.8%	44.8%	59.7%
FY 14	19.9%	19.5%	18.0%
FY 13	8.8%	6.5%	4.5%
FY 12	-7.8%	-6.3%	-4.6%
FY 11	11.4%	7.1%	4.7%
FY 10	84.9%	107.6%	135.8%
FY 09	-36.6%	-42.9%	-48.5%
FY 08	23.9%	23.2%	21.5%
FY 07	13.5%	5.6%	-1.1%
FY 06	65.1%	68.9%	74.8%

- The market, evidently, moves in phases.
- There are significant phases when the Large Caps do well and significant phases when the Midcaps do well.
- The Large & MidCap Index has always been in the middle – like a Large and MidCap portfolio.
- The ability to switch between Large and Midcap at the “opportune” time would be ideal.
- Therefore, stock selection is key to generating alpha in this section of the market.

Latest Data as on March 31, 2022. Source: nseindia.com.  
Past performance may or may not be sustained in the future.

# Large & Mid Cap: Diversified Sectors

Sectors (%)	Nifty 100 Index	Nifty Midcap 150	Nifty Large and Midcap 250
Financial Services	34.2	20.4	27.2
Information Technology	13.3	5.2	9.2
Oil, Gas & Consumable Fuels	11.8	4.0	7.9
Fast Moving Consumer Goods	9.4	3.8	6.6
Automobile and Auto Components	5.4	8.5	7.0
Metals & Mining	3.9	2.9	3.4
Healthcare	3.7	10.4	7.1
Power	3.1	1.7	2.4
Consumer Durables	2.9	5.5	4.2
Construction	2.8	0.0	1.4
Construction Materials	2.4	1.9	2.1
Telecommunication	2.3	1.4	1.8
Consumer Services	1.5	5.6	3.6
Chemicals	1.5	6.6	4.1
Services	0.8	2.0	1.4
Capital Goods	0.9	13.1	7.1
Realty	0.2	3.1	1.7
Textiles	0.0	1.9	1.0
Media, Entertainment & Publication	0.0	1.4	0.7
Diversified	0.0	0.5	0.3

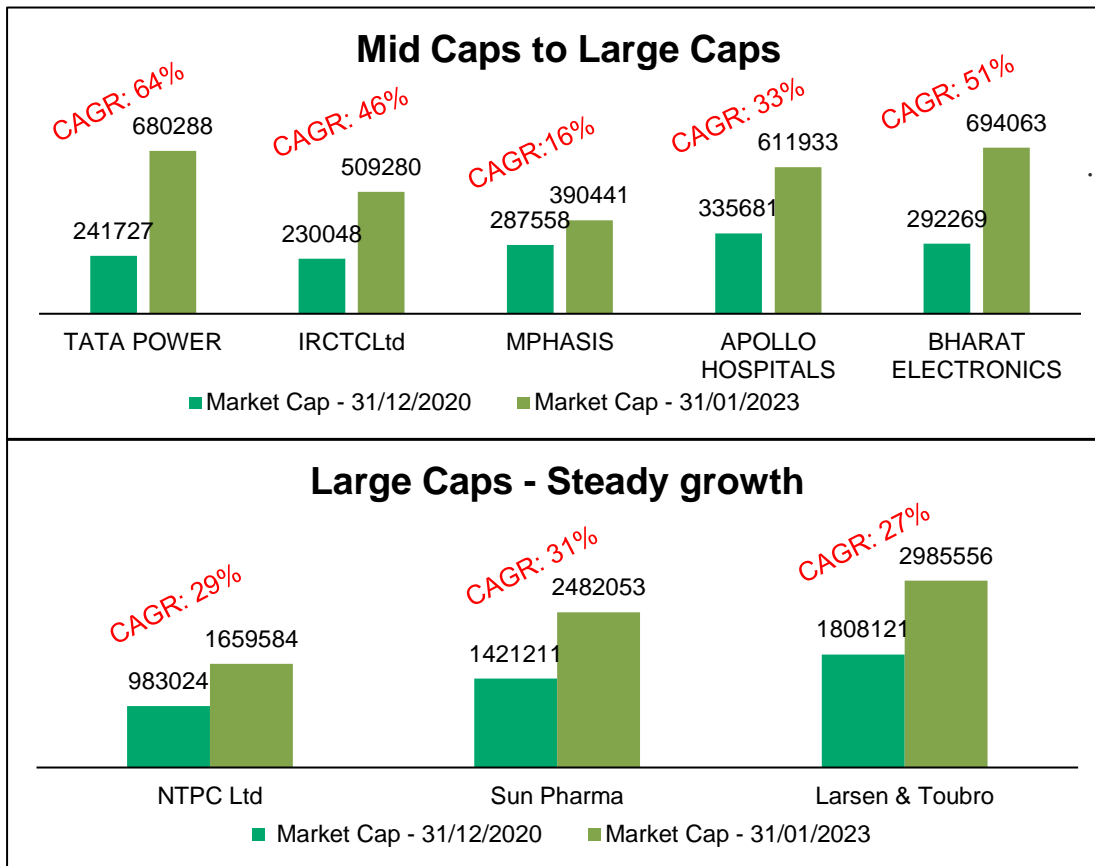
Nifty Large and Midcap 250 has well diversified sectors.

Source: nseindia.com, Data as on January 31, 2023.

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).

# Mid Cap – potentially adding alpha to a portfolio

Mid caps have the potential to become large caps



Identification of such mid cap stocks at an early stage could help gain access to the growth trajectory that would be witnessed in them over time.

Large cap stocks offer growth over longer periods of time & have more predictability in their returns potential.

Source: Bloomberg. Data as on January 31, 2023.

The scrips mentioned herein are for general and comparison purposes only and not a complete disclosure of every material fact. It should not be construed as investment advice to any party. The scrips may or may not be part of our portfolio/strategy/scheme. Market Capitalization as per SEBI - Large Cap: 1st - 100th company, Mid Cap: 101st - 250th company and Small Cap: 251<sup>st</sup> company onwards in terms of full market capitalization. **Past performance may or may not be sustained in the future.**

# Large Caps and Mid Caps: Ideal Combination

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Low volatility and Growth  
of Large Cap Stocks



Growth Potential of Mid  
Cap Stocks

## Large & Mid Cap Companies

Mix of Large Caps & Mid Caps could deliver higher growth with lesser volatility

Optimised risk adjusted returns as the Large cap stocks likely to mitigate the volatile nature of the Mid cap stocks



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# Why Invest in Baroda BNP Paribas Large & Mid Cap Fund



The fund offers an optimal mix – low volatility of Large caps with the potential of growth of Mid cap. Changes in Market cap exposure can be done (within the prescribed limits, as per SID) if a particular sector is doing well or reduced during bad times.



An inbuilt discipline of Market cap allocation - Minimum of 35% in Large & Mid cap sector each, could help in giving better risk adjusted returns.



The diversity of the investment strategy in the fund aims to garner gains from exposure to Mid caps and could also provide stability through Large caps.



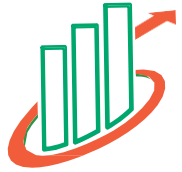
Exposure to Large caps potentially limits the funds' downside and provides less volatility for the investors.



The flexibility to invest across large and mid caps & sectors makes it one of the ideal fund to ride the economic and sectoral cycles.

Large Cap stocks due to their company size, management quality, reputation built over time and relatively stronger balance sheets, are less likely to be affected by volatile market situations, as compared to smaller firms. Mid cap companies are expected to be fast-growing companies but could be volatile in nature.

# Baroda BNP Paribas Large & Mid Cap Fund: Investment Strategy



Disciplined allocation to Large and Mid Caps (within the prescribed regulatory limits)



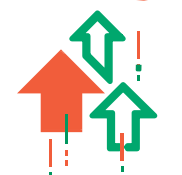
High Quality Stocks at a reasonable price



Preference for Mid Cap Stocks with high growth and high return potential



Top-Down approach for Sectoral Calls



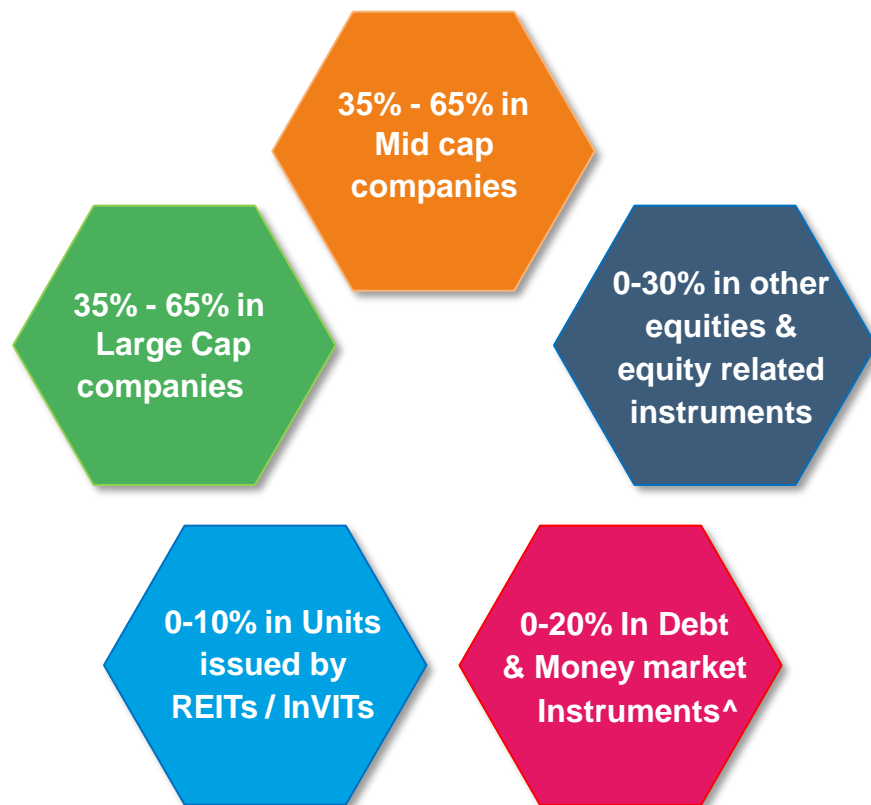
Bottom-Up Approach for stock selection



Diversified Portfolio of 50 to 60 stocks

The investment strategy is subject to change basis the fund managers view and within the prescribed limits as mentioned in the Scheme Information Document (SID) available on our website ([www.barodabnpparibasmf.in](http://www.barodabnpparibasmf.in))

# Baroda BNP Paribas Large & Mid Cap Fund – Asset Allocation



Market Cap	Large Cap	Mid Cap	Small Cap
Rank	1 <sup>st</sup> - 100 <sup>th</sup> company	101 <sup>st</sup> to 250 <sup>th</sup> company	251 <sup>st</sup> company onwards
Range	47,461 Crores and higher	47,461 to 16,441 Crores	16,367 Crores and lower

The exposure across these stocks will be in line with limits/classification defined by AMFI/SEBI from time to time. The above limits are published by AMFI and applicable for investments for the period July 2022 to December 2022.

<sup>^</sup>Investment in securitized debt will not exceed 20% of the net assets of the scheme. The scheme may take derivatives positions up to 50% of the equity assets of the scheme. The scheme will not invest in foreign securitized debt.

For details on the complete asset allocation, please refer to the Scheme Information Document (SID) available on our website ([www.barodabnpparibasmf.in](http://www.barodabnpparibasmf.in))

# EQUITY INVESTMENT PHILOSOPHY AND PROCESS

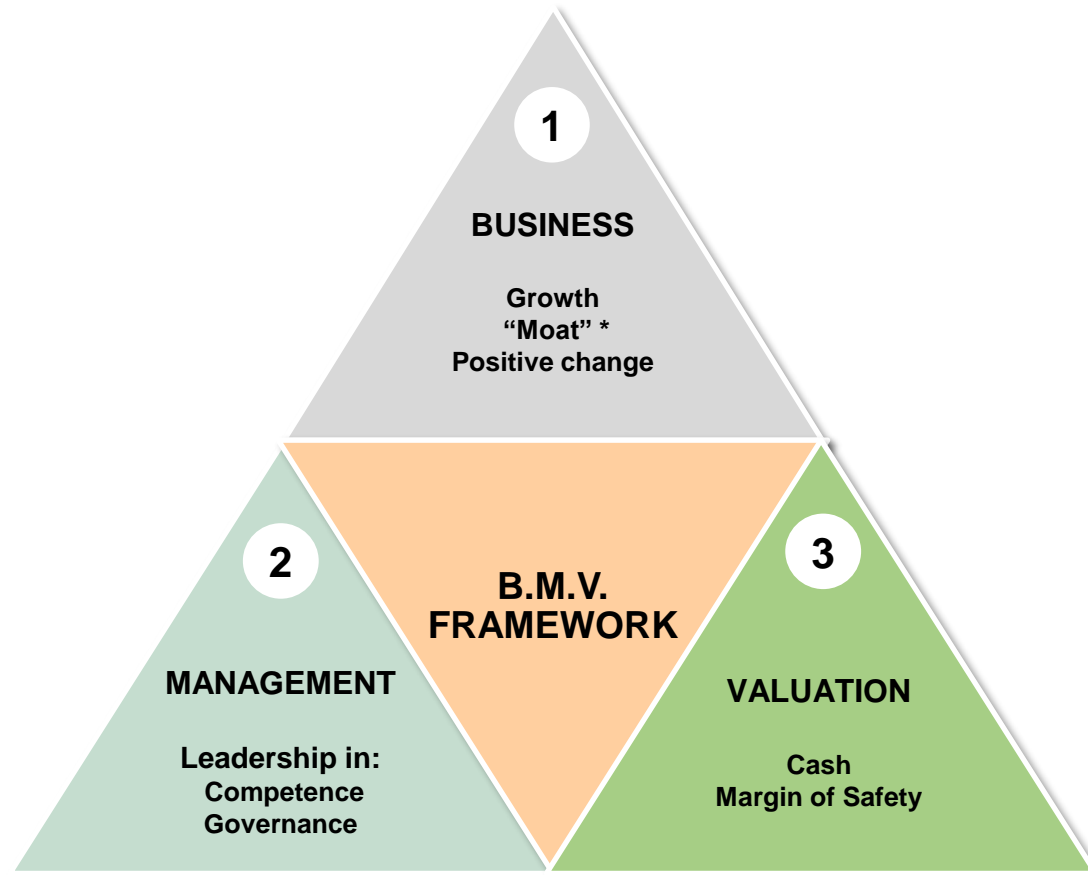


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# Core Belief: Companies create wealth, not markets

In search of companies with **superior** and **sustainable** earnings growth

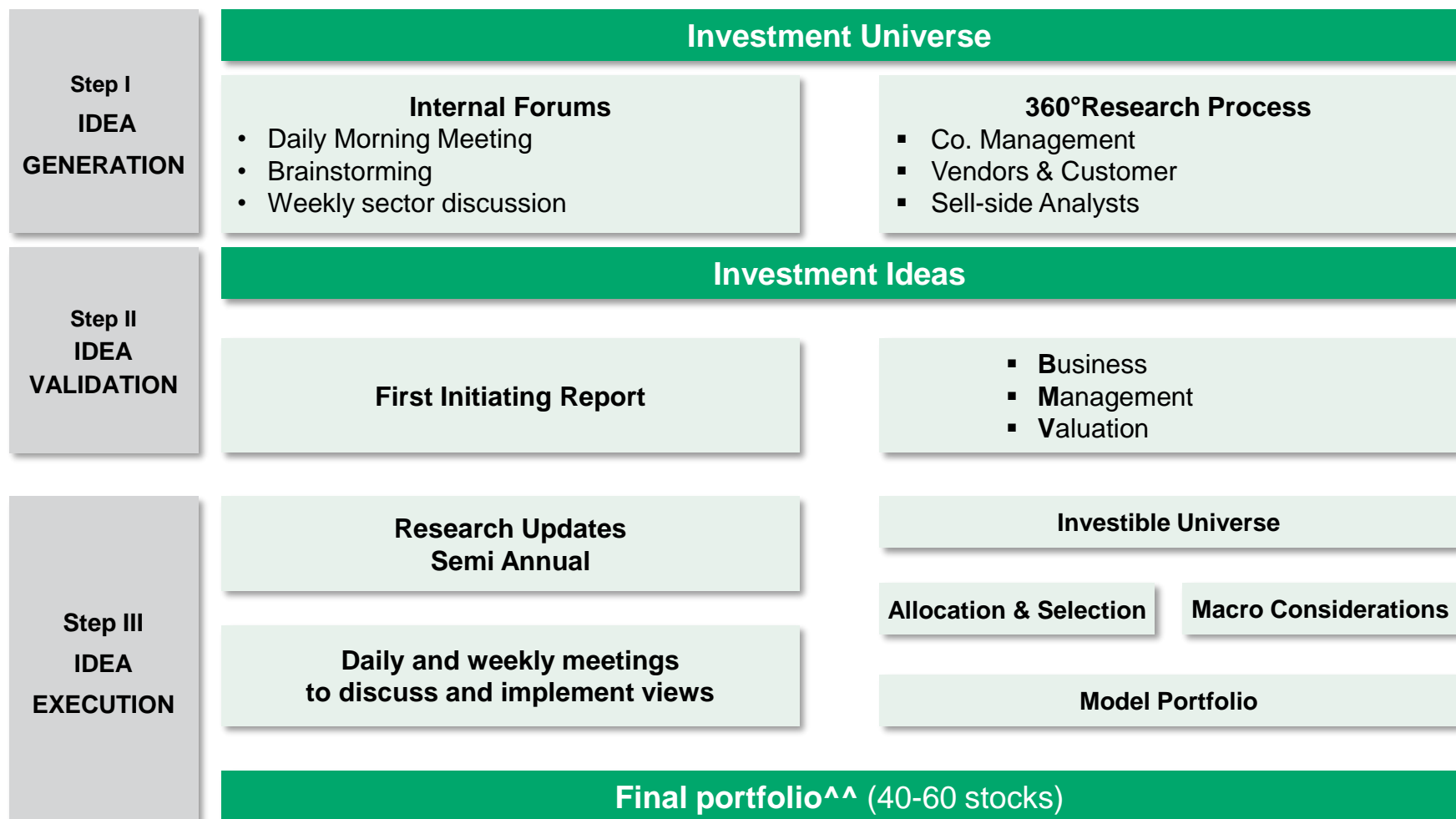


**Identify superior businesses, with strong management, at reasonable valuations**

\* A sustainable competitive advantage

B.M.V.: Business, Management, Valuation. Source: Source: Internal Research

# Investment Process Overview

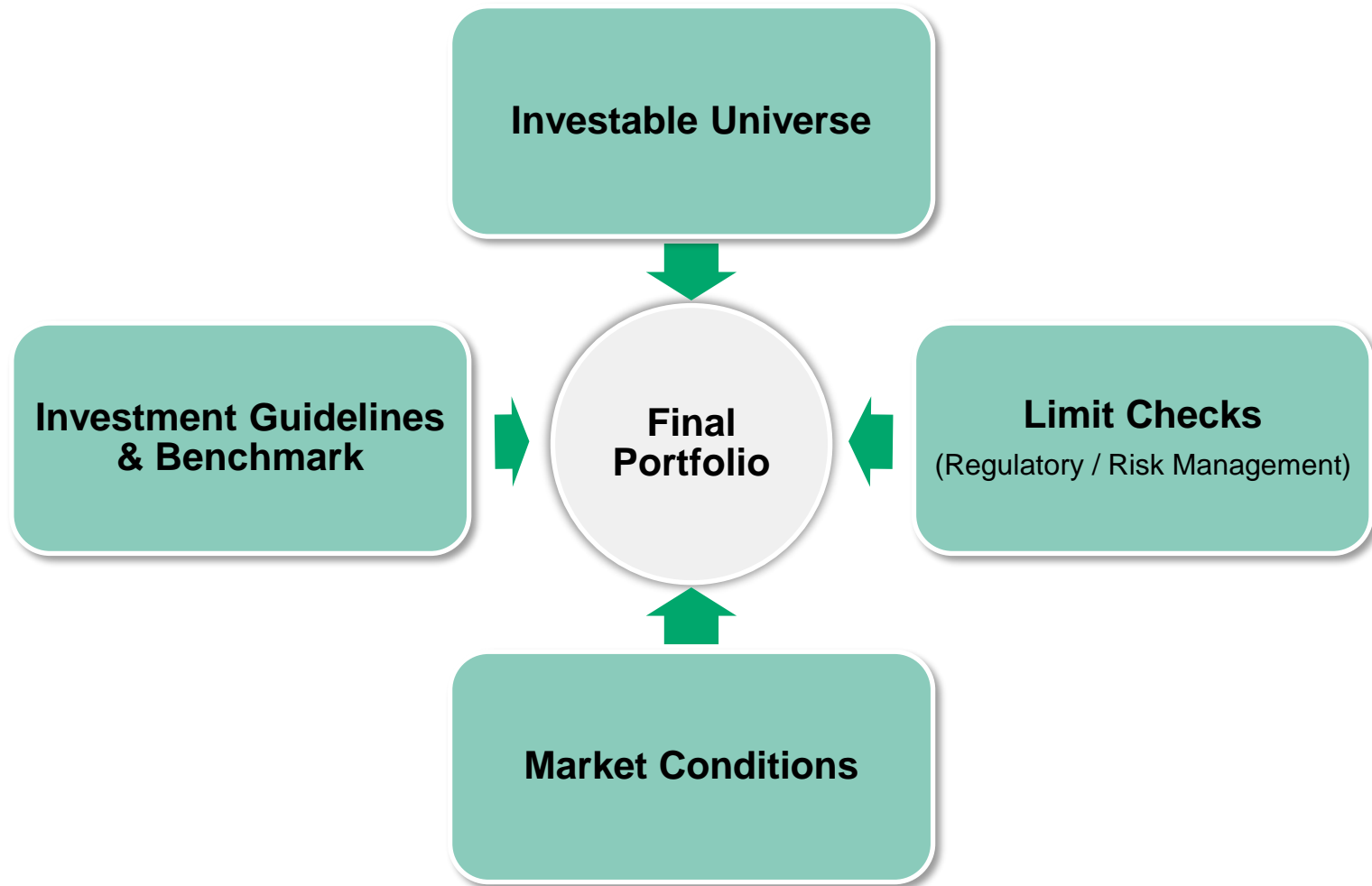


\*All stocks with the market cap higher than the company with the lowest market cap in the Nifty 500 Index.

^^ The number of stocks in the portfolio would be based on market conditions, investment environment and other related factors and, as such, is subject to change without notification. For further details on asset allocation, investment strategy and risk factors of the Scheme please refer to SID available on our website ([www.barodabnpbparibasmf.in](http://www.barodabnpbparibasmf.in)).

# Portfolio Construction

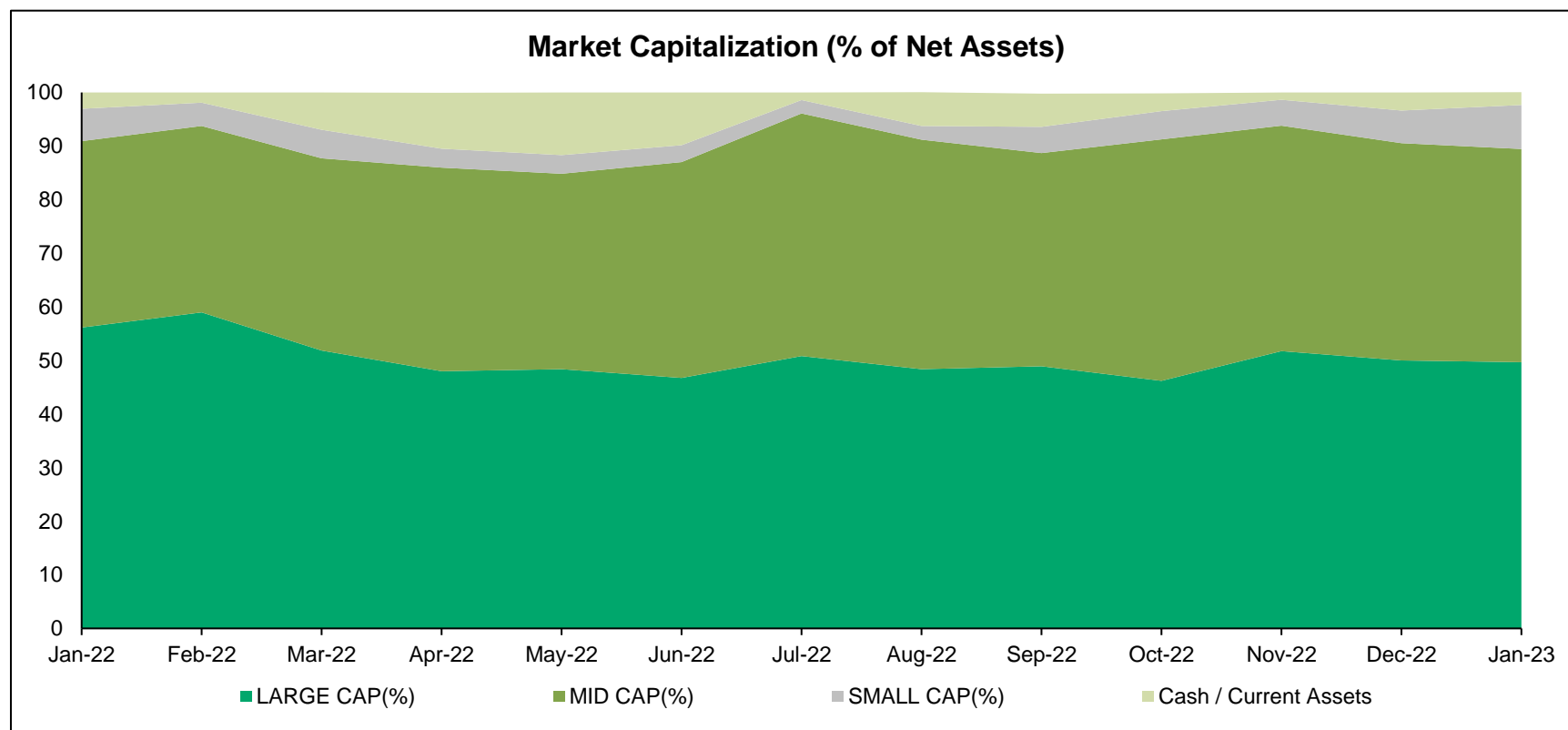
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# CURRENT PORTFOLIO HIGHLIGHTS

# Investing Across Market Caps

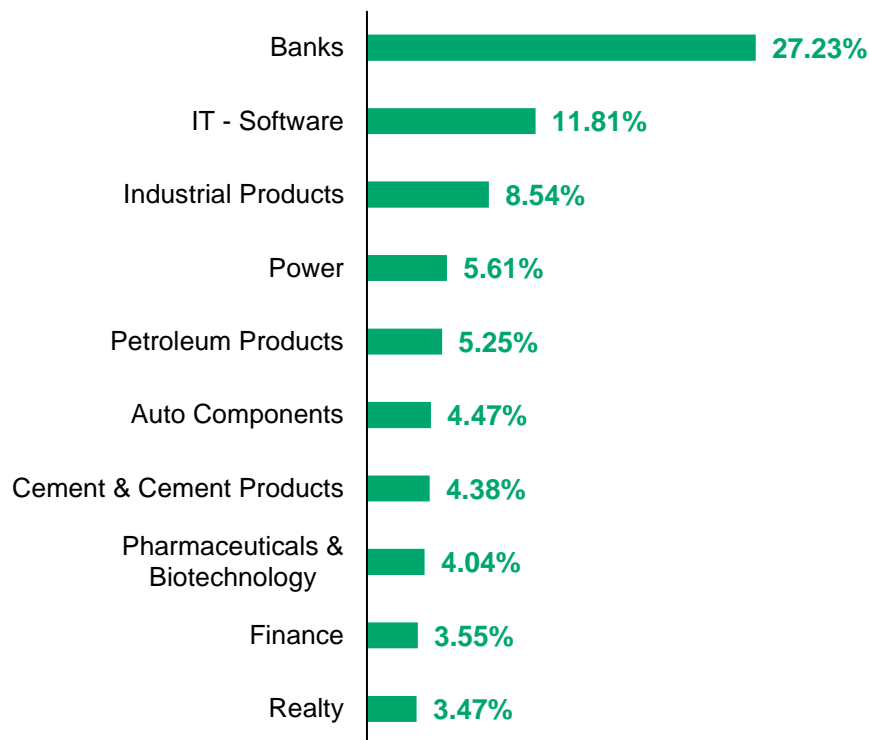


The fund has maintained an optimal mix of Large Cap and Mid Cap stocks in its portfolio with relatively smaller allocation to small caps.

Source: MFI Explorer, Internal Research. Data as on January 31, 2023. 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. The allocation may change with the prescribed limits as per the Scheme Information Document (SID) available on our website ([www.barodabnpparibasmf.in](http://www.barodabnpparibasmf.in))

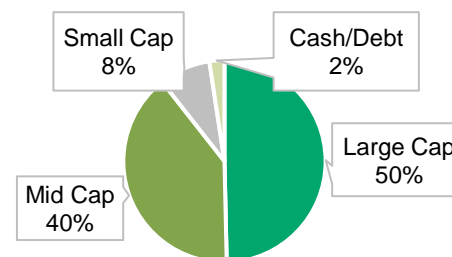
# Current Portfolio Positioning

## Top 10 Sectors (% of Net Assets)



Top 10 Holdings	% of Net Assets	Market Cap
HDFC Bank Ltd.	7.59%	Large Cap
ICICI Bank Ltd.	6.95%	Large Cap
Infosys Ltd.	5.34%	Large Cap
NHPC Ltd.	4.52%	Mid Cap
Reliance Industries Ltd.	4.42%	Large Cap
Coforge Ltd.	3.05%	Mid Cap
Cummins India Ltd.	3.00%	Mid Cap
Larsen & Toubro Ltd.	2.81%	Large Cap
APL Apollo Tubes Ltd.	2.78%	Mid Cap
Schaeffler India Ltd.	2.62%	Mid Cap

## Market Capitalization



Data as on January 31, 2023. Source: Internal Research. 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: 251<sup>st</sup> company onwards in terms of full market capitalization. For complete portfolio details please refer to the website ([www.barodabnp-paribasmf.in](http://www.barodabnp-paribasmf.in)) The stocks mentioned above, may or not form part of the portfolio in future.

# Current Portfolio Positioning

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- The key overweight positions are in:
  - IT
  - Financial sector
  - Industrial Products
- The key underweight positions are in:
  - Consumer discretionary
  - Automobiles
  - Consumer staples



Data as on January 31, 2023. Source: Internal. For complete portfolio details please refer to the website ([www.barodabnpparibasmf.in](http://www.barodabnpparibasmf.in)) The stocks and sectors mentioned above, may or not form part of the portfolio in future.

# Fund Facts

Scheme Name	Baroda BNP Paribas Large & Mid Cap Fund			
Type of the Scheme	An open-ended equity scheme investing in both large cap and mid cap stocks.			
Category	Large & Mid Cap Fund			
Investment Objective	The primary objective of the Scheme is to seek long term capital growth through investments in both large cap and mid cap stocks. 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	Minimum (% of Net Assets)	Maximum (% of Net Assets)	Risk Profile
	Equity & Equity related instruments of large cap* companies (including derivatives)	35	65	High
	Equity & Equity related instruments of mid cap* companies (including derivatives)	35	65	High
	Other Equities* and Equity Related Instruments	0	30	High
	Debt & Money Market instruments#	0	20	Low to Medium
	Units issued in REITs & INvITs	0	10	Medium to High
	<p>*Large Cap: 1st - 100th company in terms of full market capitalization, Mid Cap: 101st - 250th company in terms of full market capitalization. Other equities may include small cap stocks and Small Cap: 251st company onwards in terms of full market capitalization. The exposure across these stocks will be in line with limits/classification defined by AMFI/SEBI from time to time.</p> <p>#Investment in securitized debt will not exceed 20% of the net assets of the Scheme. The scheme will not invest in foreign securitized debt. For complete details, please refer to SID available on our website (<a href="http://www.barodabnpparibasmf.in">www.barodabnpparibasmf.in</a>).</p>			
Benchmark	S&P BSE 250 Large Midcap TRI			
Inception Date	September 4, 2020			
Fund Manager~	Mr. Sanjay Chawla (Managing since September 04, 2020) (Total experience: 33 years)			
Load Structure	<p>Entry Load: Not Applicable.</p> <p>Exit Load: If units are redeemed up to 10% of the units held, on or before 365 days from the date of allotment: Nil</p> <ul style="list-style-type: none"> <li>• If units are redeemed over and above the 10% limits, on or before 365 days from the date of allotment: 1% of the applicable Net asset Value (NAV)</li> <li>• If units of scheme are redeemed after 365 days from the date of allotment: Nil</li> </ul>			

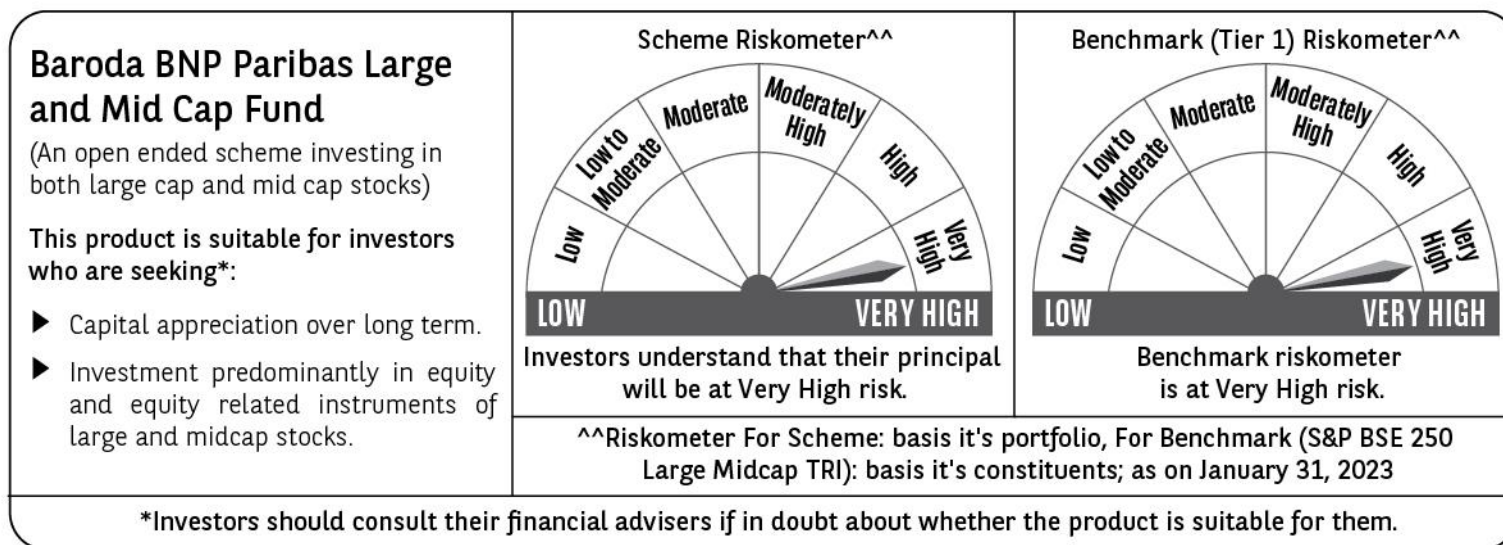
~Dedicated Fund Manager for Overseas Investments: Mr. Miten Vora (managing fund since December 01, 2022)

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



# Disclaimers

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



**THANK YOU**