

# BARODA BNP PARIBAS MIDCAP FUND

(AN OPEN-ENDED EQUITY SCHEME  
PREDOMINANTLY INVESTING IN MID CAP STOCKS)

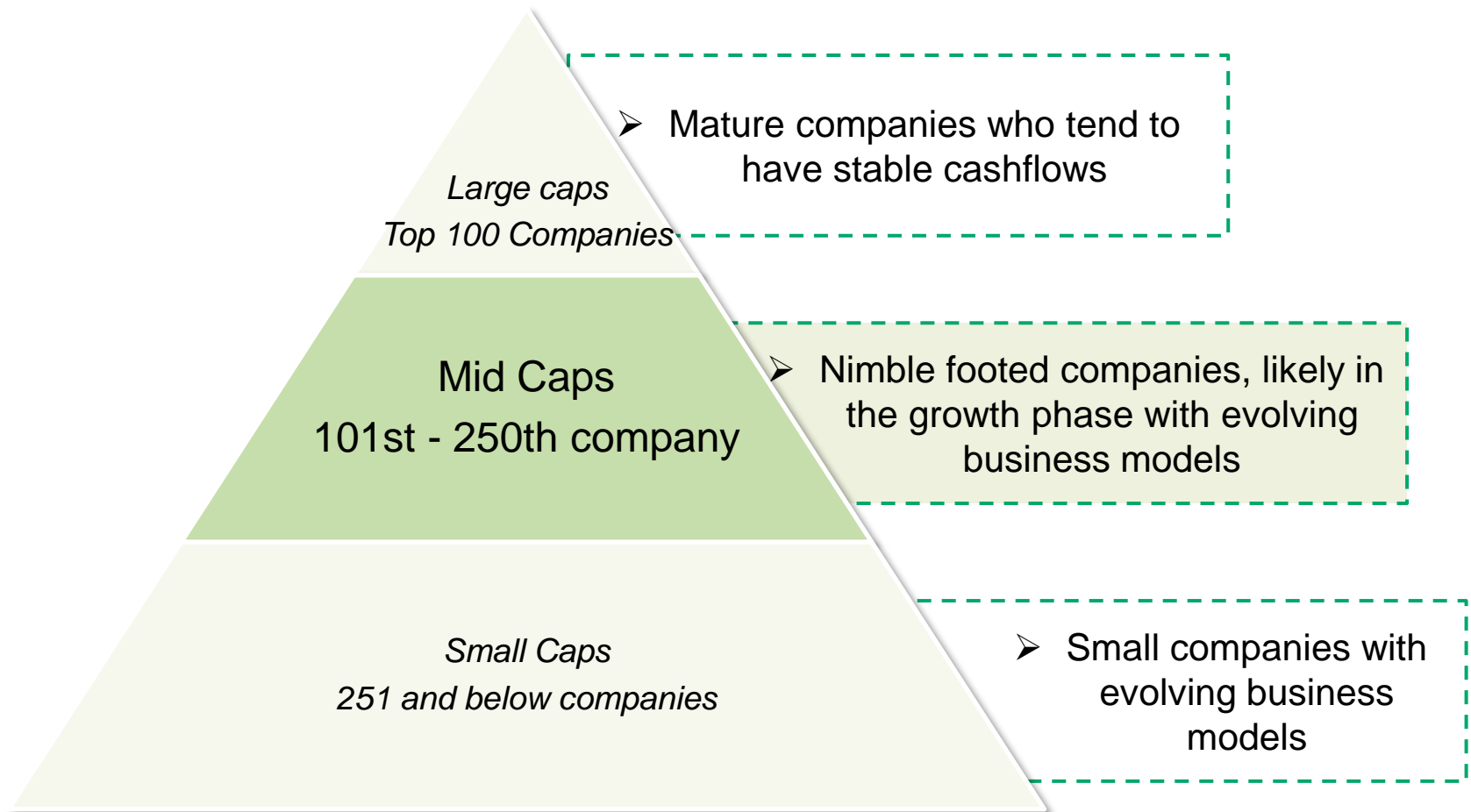
**April 2024**



**Together for more**

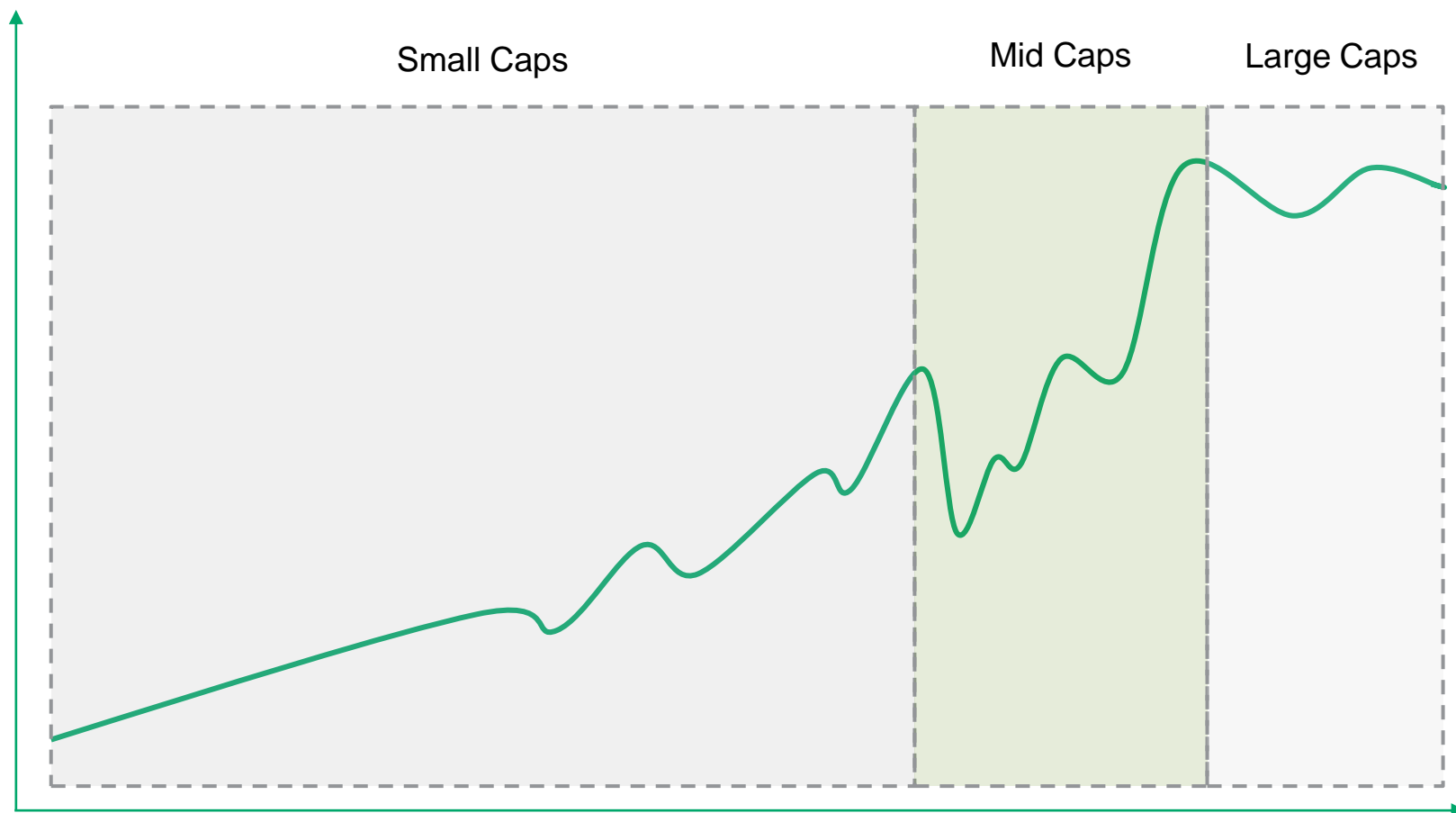
The word 'more' does not imply more returns or assurance of scheme performance. It refers to the additional value provided by the joint venture, as compared to Baroda AMC and BNP Paribas AMC individually.

# What are Mid Caps?



Market Capitalization as per AMFI - 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.

# Mid Caps tend to capture the growing phase



For illustration purpose only.

# Access to sectors not accessible by large caps

	Nifty Midcap 150 TRI	Nifty 100 TRI
Financial Services	20.00	32.50
Information Technology	5.99	9.91
Oil, Gas & Consumable Fuels	3.59	11.89
Fast Moving Consumer Goods	2.08	8.45
Automobile and Auto Components	7.91	7.36
Healthcare	10.92	3.80
Metals & Mining	3.34	3.89
Construction	0.56	3.43
Consumer Durables	3.57	2.71
Power	3.20	4.36
Telecommunication	1.87	2.78
Construction Materials	2.04	2.21
Consumer Services	3.93	2.88
Capital Goods	15.38	1.97
Chemicals	6.37	0.68
Services	2.55	1.24
Realty	4.52	0.46
Textiles	1.01	--
Media, Entertainment & Publication	0.66	--
Diversified	0.51	--

- Top 10 sectors for Nifty 100 Index is 88.47%
- Top 10 sectors of Nifty Midcap 150 Index is 82.18%
- Mid cap index is more diversified compared to Nifty 100.
- Mid cap Index gives access to additional sectors not covered in the Nifty 100, such as textile, media, entertainment & publication and diversified.

Source: Nse India. Data as on April 30, 2024.

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**WHY NOW?**



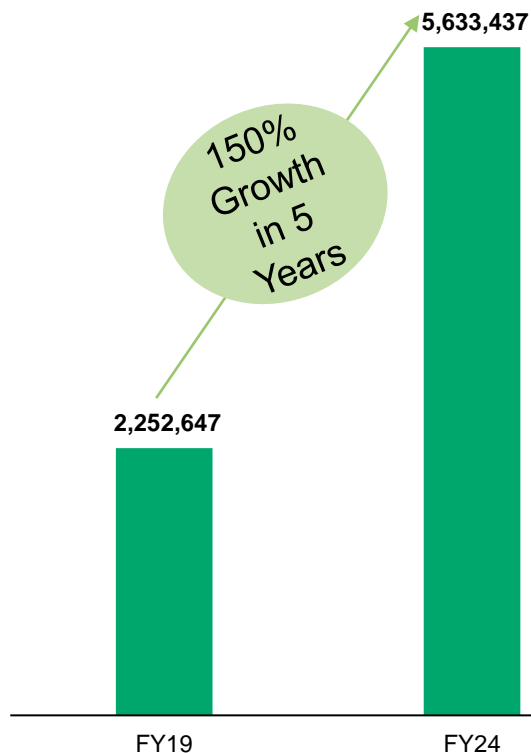
***Baroda***  
**BNP PARIBAS**  
MUTUAL FUND



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# Example - Chemicals Sector Growth

Market Cap Of Chemical Sectors



	No. of companies		Average price return
Mkt cap (INR bn)	FY19	FY24	FY19-24
>500	0	3	4.3
200-500	1	7	5.0
50-200	11	12	2.9
<50	16	6	1.9
Total	28	28	3.4

- As the sector grew in size, mid sized companies have shown the highest market cap growth
- Mid cap space has expanded, growing from 12 to 19 companies. Going ahead this space may continue to grow.
- The Average price returns of the companies in the Mid cap space have grown ~5x times in last 5 years.

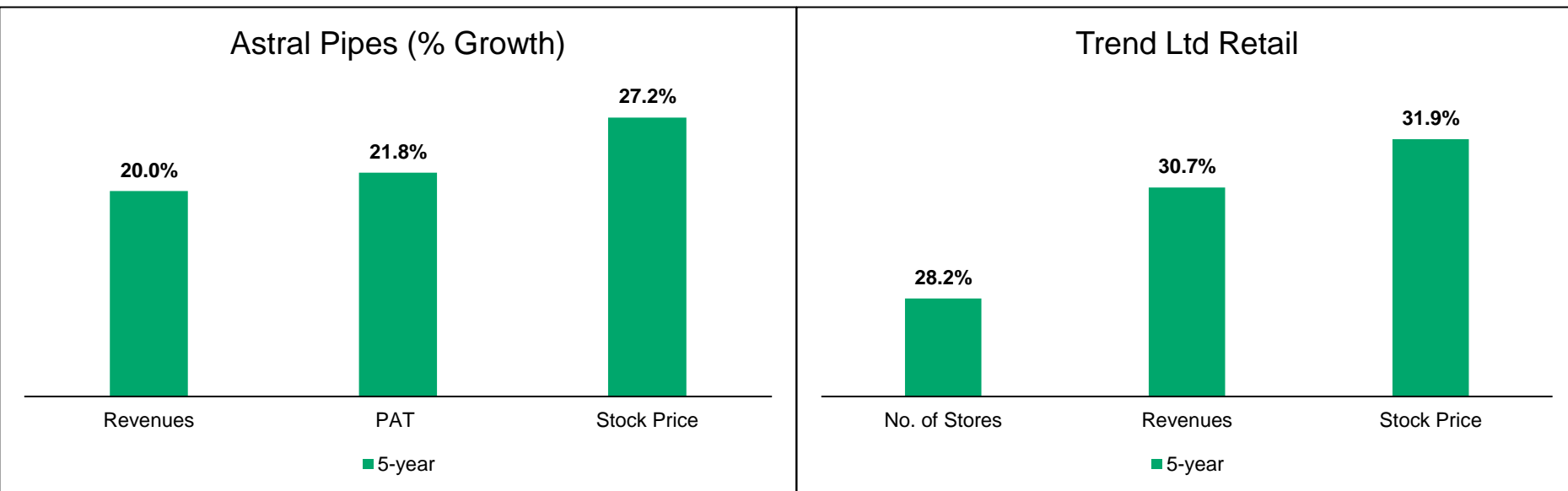
Source: Ministry of commerce, Bloomberg| Data as on March 31, 2024

Market Capitalization as per AMFI - 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.

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# Shift from Unorganised to Organised Sectors

- Companies who operate organised business in sectors full of unorganised businesses are likely to benefit from:
  - Shift in consumer preferences for brands and labels
  - Economies of scale

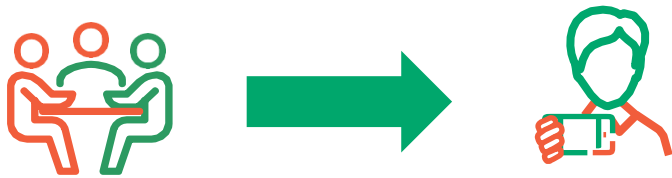


Source: NSE India. Data as on March 31, 2023

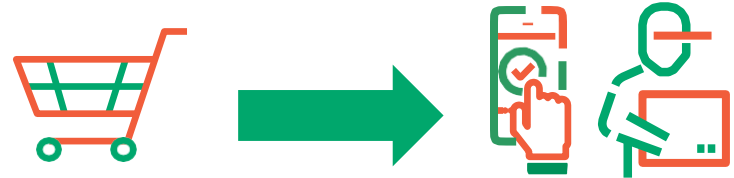
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# Mid caps provides space for Tech Disruptors

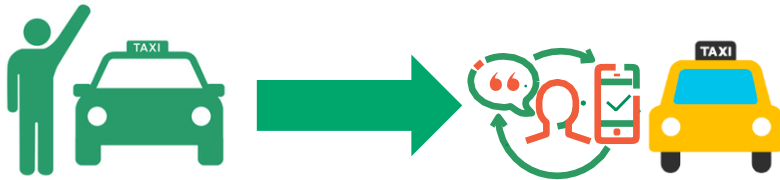
Food Delivery



Shopping



Travelling



Payments



- Mid-caps are breeding grounds for stable innovations and disruptive technologies
- Being larger than small caps, they tend to provide relative stability and nimble footing provides scope for pivoting towards change

For illustration purpose only.



# PLI to boost manufacturing

- The Government plans to give a big boost to the domestic manufacturing sector through Production Linked Schemes (PLI)
- The PLI schemes are likely to create a multiplier effect for the mid sized companies
- Some sectors where PLI schemes have been announced:

Auto & Auto  
Components

Mobile  
Manufacturers

Chemical  
Industry

Pharma &  
Healthcare  
Industry

Telecom

Textiles

Speciality  
Metals: Steel

Food Products  
& Processing

Source: [www.pib.gov.in](http://www.pib.gov.in) Data as on March 31, 2023

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# Ever Changing Mid cap space

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- The Pie Of Mid cap stocks is ever increasing
- Contributors to this mid cap space are:
  - New Listings:
    - There were 134 IPOs in 2021 and 138 in 2022.
    - 180 IPOs in CY 2023
  - Migration of Small Caps to Mid Caps:
    - Mid cap market cap is between 22000 crs to 64000 crs
    - There are about 152 listed small cap companies with market cap of 10,000 crs to 20,000 crs.
    - They are likely to join the mid caps in coming years

Source: AMFI database. Data as on April 30, 2024.

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# UPDATE ON BARODA BNP PARIBAS MIDCAP FUND

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For Product Label and Riskometer of the Scheme please refer slide no. 25

Together for more

# About the Fund

**Baroda BNP Paribas Midcap Fund aims to invests predominantly in mid-capitalization companies with high growth potential.**

## Midcaps are Uniquely Positioned

- Positioned between small developing companies and large mature companies.
- They are often in the “growth” phase of the business life cycle where they may be experiencing higher cash flows and earnings growth rates.

## High Risk – High Growth Potential

- Being in the middle of the growth stage usually lends a high risk with a high growth potential to midcaps.
- They tend to be more volatile than large caps but less than small caps.

## The portfolio has a mix of Leaders & Challengers

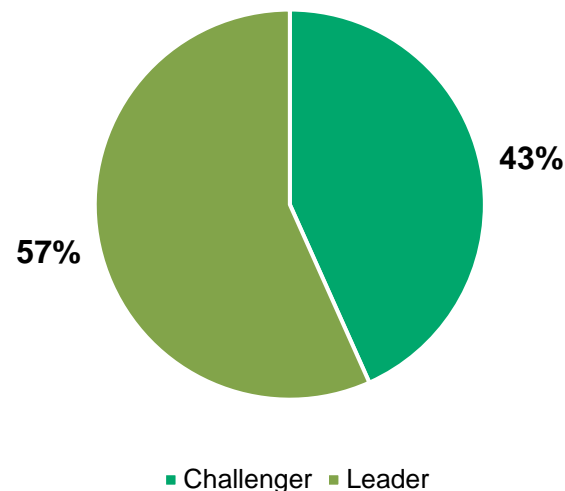
- Leader - companies having high market cap in their respective sectors.
- Challenger - companies ranked below the sector / industry leaders

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# Portfolio of Leaders and Challengers

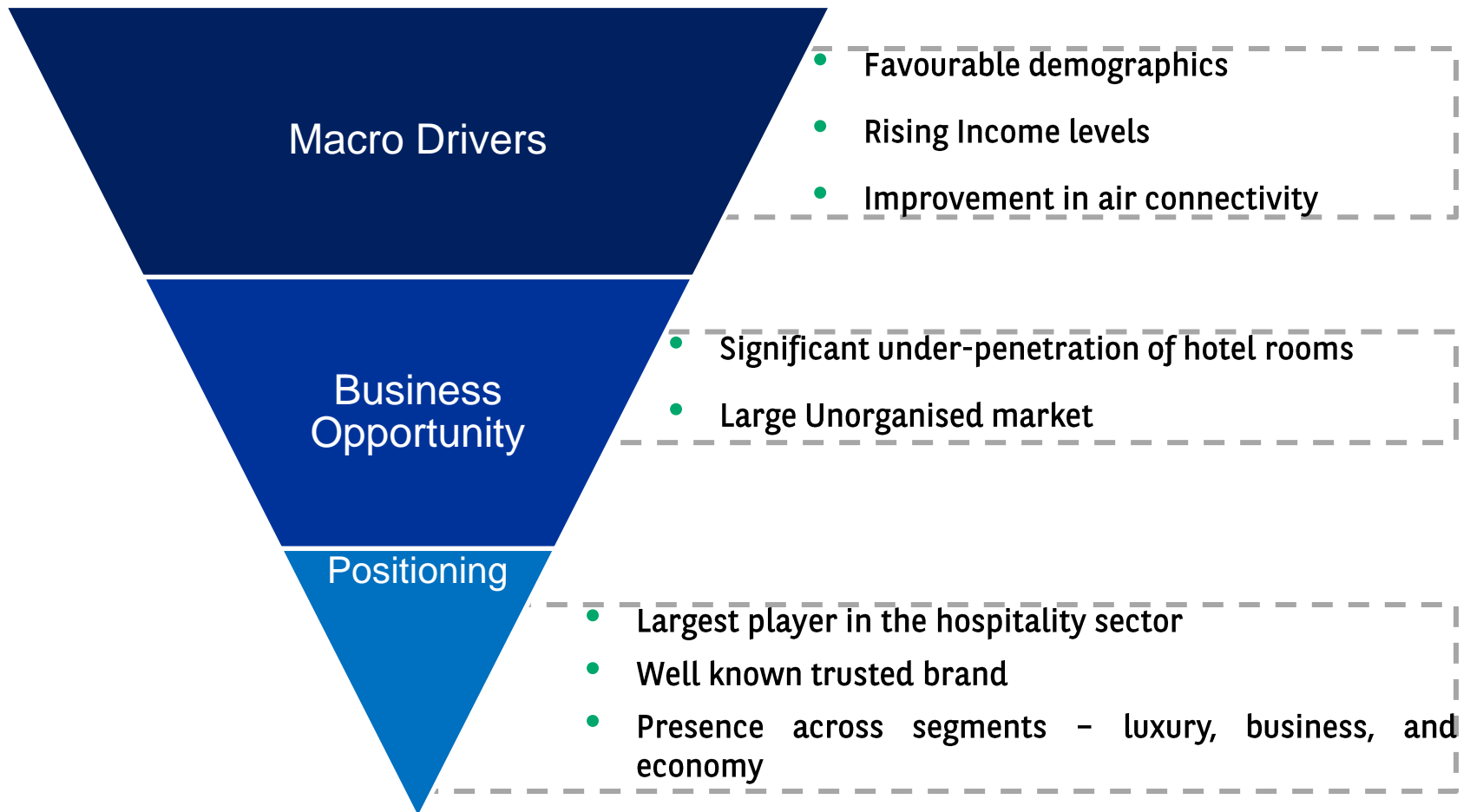
- Ideal mix of leaders and challengers
- In smaller or niche sectors the fund will look for leaders. While in bigger, more evolved sectors the fund will look for challengers.
- The focus is on identifying companies with
  - sustainable earnings growth,
  - leading market share,
  - better return ratios, and
  - healthy cash flows.
- The portfolio also has a blend of companies with healthy balance sheets and attractive valuations going through a favourable cycle.

Break up of Leaders and Challengers in portfolio



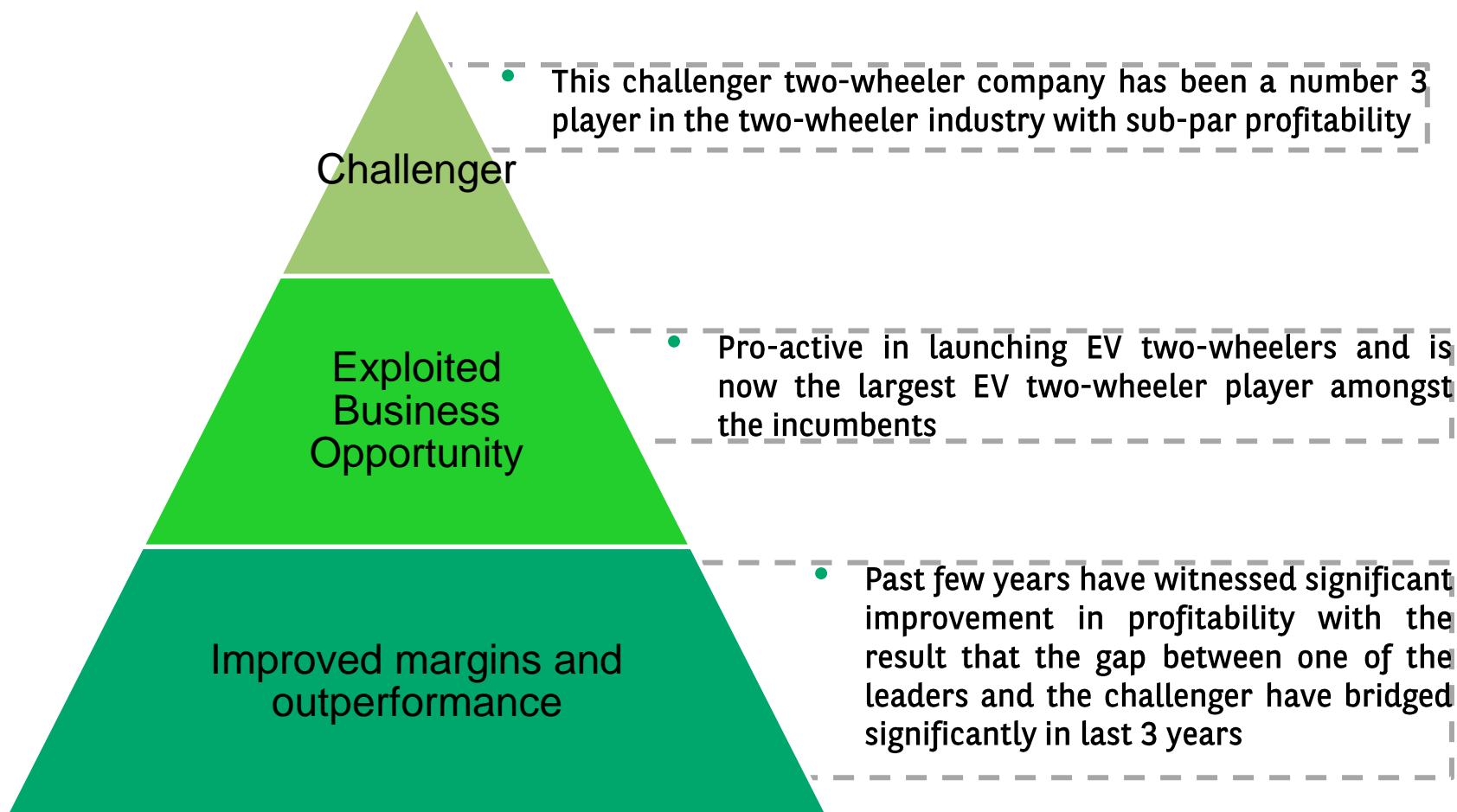
Data as on April 30, 2024. Portfolio details contained herein is for general information purposes only and does not indicate assurance of future Scheme performance. The sector(s)/stock(s) mentioned in this document do not constitute any recommendation of the same and Baroda BNP Paribas Mutual Fund may 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). The investment strategy stated above may change from time to time. However, the same shall be in line with the strategy stated in the SID. 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)).

# Case Study: Leader in Hospitality



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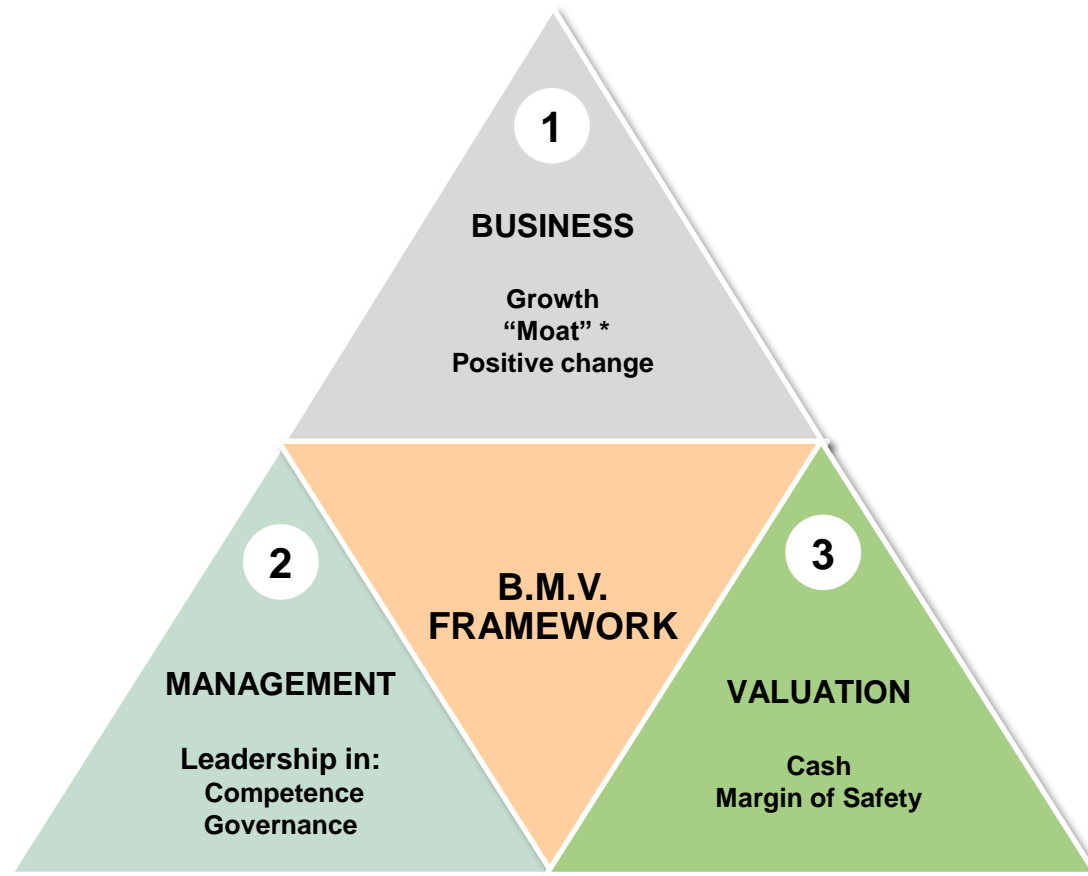
# Case Study: Challenger in two-wheeler industry



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# Core Belief: Companies create wealth, not markets

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



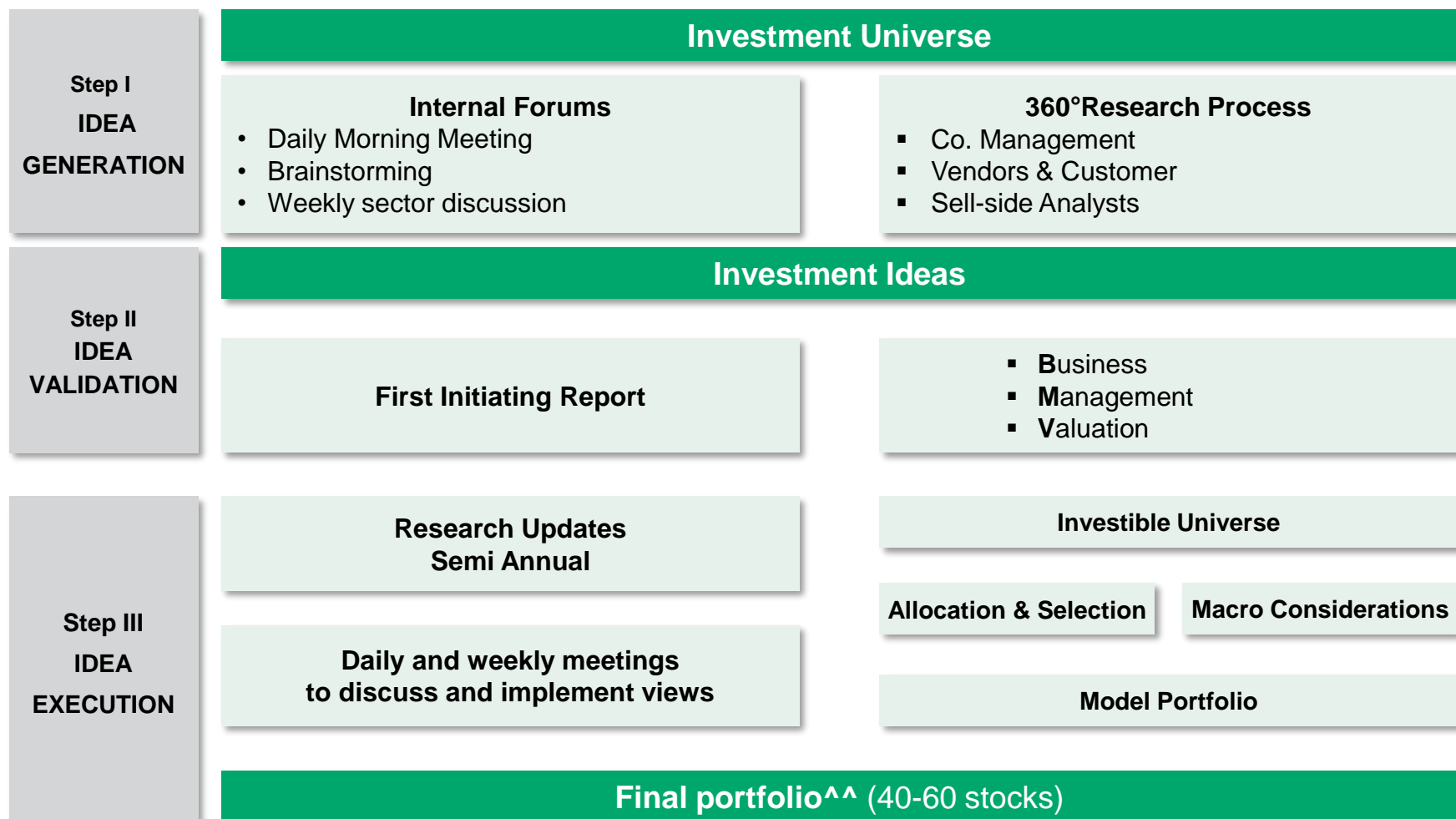
**Identify superior businesses, with strong management, at reasonable valuations**

\* A sustainable competitive advantage

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



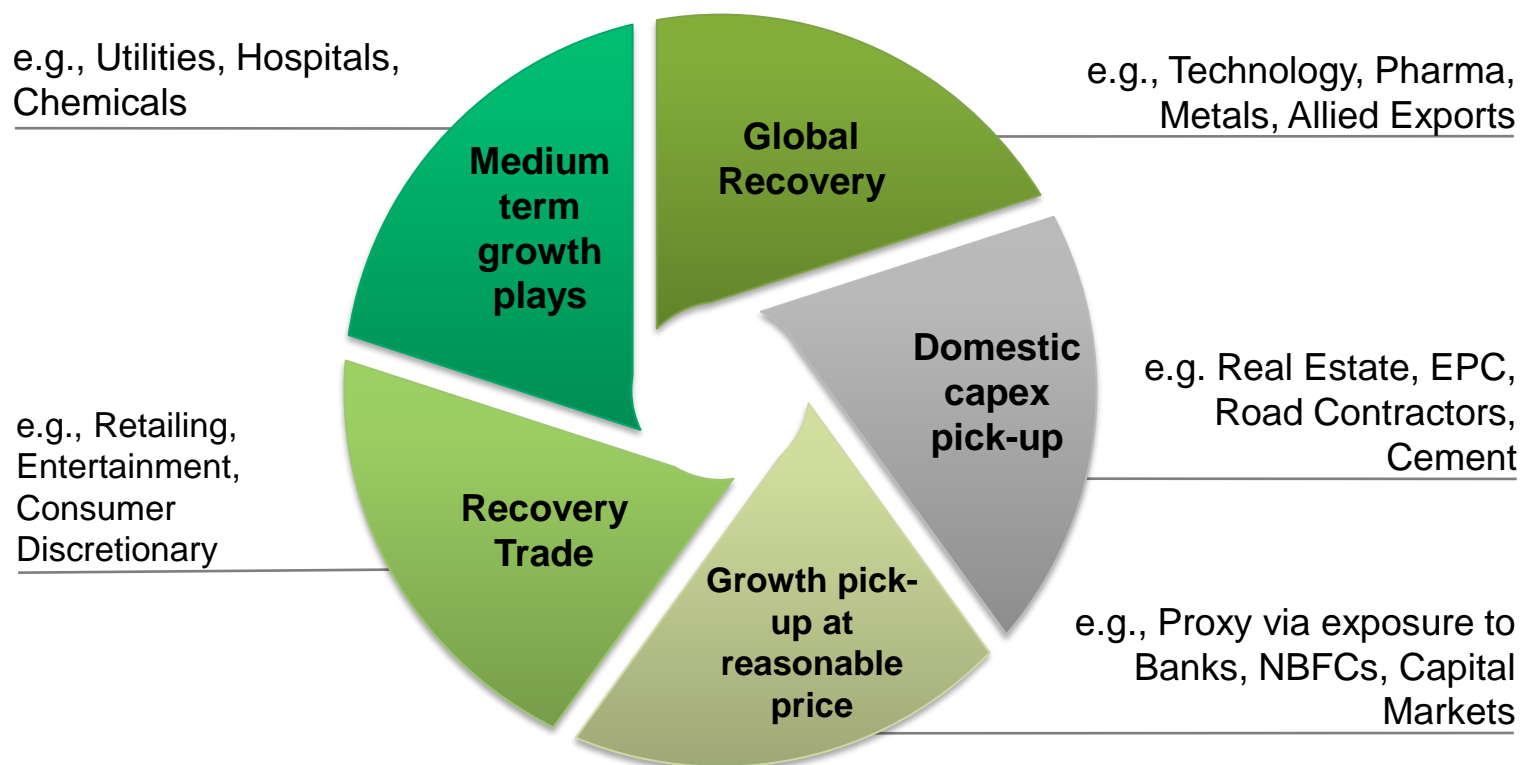
# Investment Process Overview



\*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.barodabnp-paribasmf.in](http://www.barodabnp-paribasmf.in)).

# Current Investment Themes



EPC: Engineering, procurement, and construction

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# Current Portfolio Positioning



## Overweight:

- Consumer Discretionary, Consumer Staples, Healthcare are key overweight sectors.
- Within Consumer discretionary, auto & auto ancillaries and retailing form the bulk of weights.
- Consumer staples is a bottom up approach where we believe earnings momentum can accelerate.
- We have been bullish on healthcare space for a while and we expect the tailwinds to continue for the sector.

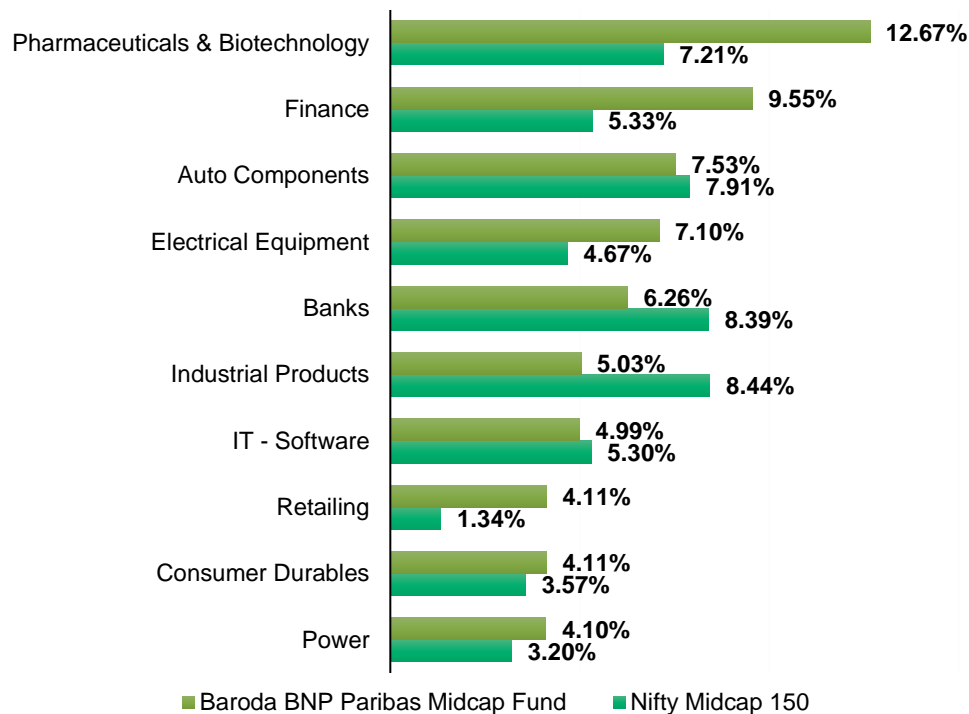
## Underweight:

- We are underweight on Materials, Energy and Real Estate.
- Our underweight in materials emanates from chemicals space where we are still looking out for turnaround.
- We have gone underweight in energy following the recent volatility in crude prices.

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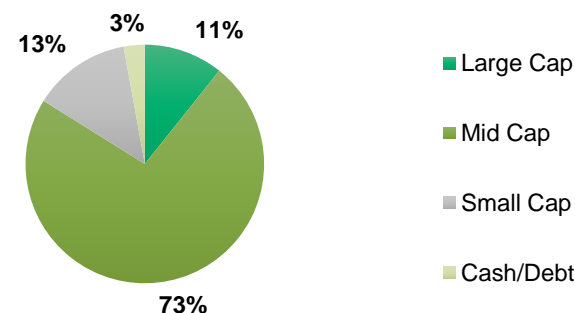
# Portfolio Details

## Top Sectors Holdings (% of Net Assets)



Top 10 Holdings	% of Net Assets
PB Fintech Ltd.	3.34%
Hitachi Energy India Ltd.	3.04%
NHPC Ltd.	2.95%
The Phoenix Mills Ltd.	2.92%
Lupin Ltd.	2.79%
The Indian Hotels Company Ltd.	2.75%
Thermax Ltd.	2.72%
Trent Ltd.	2.68%
Indian Bank	2.61%
KPIT Technologies Ltd.	2.61%

## Market Capitalization



Data as on April 30, 2024. Source: Internal.

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# Fund Facts

<b>Scheme Name</b>	Baroda BNP Paribas Midcap Fund			
<b>Type of Scheme</b>	An Open-ended Equity Scheme predominantly investing in mid cap stocks			
<b>Category</b>	Mid Cap Fund			
<b>Investment Objective</b>	<p>The investment objective of the Scheme seeks to generate long-term capital appreciation by investing primarily in companies with high growth opportunities in the mid capitalization segment. The fund will emphasize on companies that appear to offer opportunities for long term growth and will be inclined towards companies that are driven by dynamic style of management and entrepreneurial flair.</p> <p>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>			
<b>Asset Allocation</b>	<b>Type of Instruments</b>	<b>Minimum Allocation (% of Net Assets)</b>	<b>Maximum Allocation (% of Net Assets)</b>	<b>Risk Profile</b>
	Equity & equity related instruments of Mid Cap companies#	65	100	Medium to High
	Equity & equity related instruments of other than Mid Cap companies, Debt instruments* & Money Market Instruments (including cash and money at call)#	0	35	Medium to High
	Units issued by REITs & InvITs	0	10	Medium to High
<p># including investments in foreign equity and equity related securities, ADRs / GDRs upto 25% of the net assets, Exposure upto 50% of equity assets in equity derivatives instruments as permitted under the SEBI (Mutual Funds) Regulations, 1996 from time to time. The Scheme may use derivatives for such purposes as maybe permitted under the SEBI (Mutual Funds) Regulations, 1996, including but not limited for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time.</p> <p>*Debt instruments may include securitised debt upto 20% of the net assets, exposure in debt derivatives only for hedging and portfolio balancing upto 20% of the net assets. The scheme may invest in foreign debt securities including foreign securitised debt upto 10% of the net assets. For complete details, please refer to SID available on our website (<a href="http://www.barodabnpparibasmf.in">www.barodabnpparibasmf.in</a>).</p>				
<b>Benchmark</b>	Nifty Midcap 150 Total Return Index (TRI)			

For Product Label and Riskometer of the Scheme please refer slide no. 25

# Fund Facts

<b>Inception Date</b>	May 2, 2006
<b>Fund Manager~</b>	Mr. Shiv Chanani (Managing Fund since Jul 13, 2022) (Total experience: 24 years)
<b>Load Structure</b>	<p>Entry Load: Not Applicable.</p> <p>Exit Load:</p> <p>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,</p> <p>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,</p> <p>If units of scheme are redeemed or switched out after 12 months from the date of allotment - Nil.</p>
<b>Plans and Options</b>	<p>The Scheme offers following two plans: (a) Baroda BNP Paribas Midcap Fund- Regular Plan; (b) Baroda BNP Paribas Midcap Fund - Direct Plan. Each plan offers Growth Option and Income Distribution cum Capital Withdrawal (IDCW) Option*. The IDCW option offers payout and reinvestment facilities.</p> <p>*Amounts under IDCW option 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>
<b>Minimum Application Amount</b>	<p>Lumpsum Details:</p> <ul style="list-style-type: none"> <li>• Minimum Application Amount: Rs. 5,000 and in multiples of Rs. 1 thereafter.</li> <li>• Minimum Additional Application Amount: Rs. 1,000 and in multiples of Rs. 1 thereafter.</li> </ul> <p>SIP Details: Minimum Application Amount -</p> <ul style="list-style-type: none"> <li>• (i) Daily, Weekly, Monthly SIP: Rs. 500/- and in multiples of Rs. 1/- thereafter;</li> <li>• (ii) Quarterly SIP: Rs. 1500/- and in multiples of Rs. 1/- thereafter.</li> </ul> <p>Frequency Available: Daily, Weekly, Monthly &amp; Quarterly.</p>

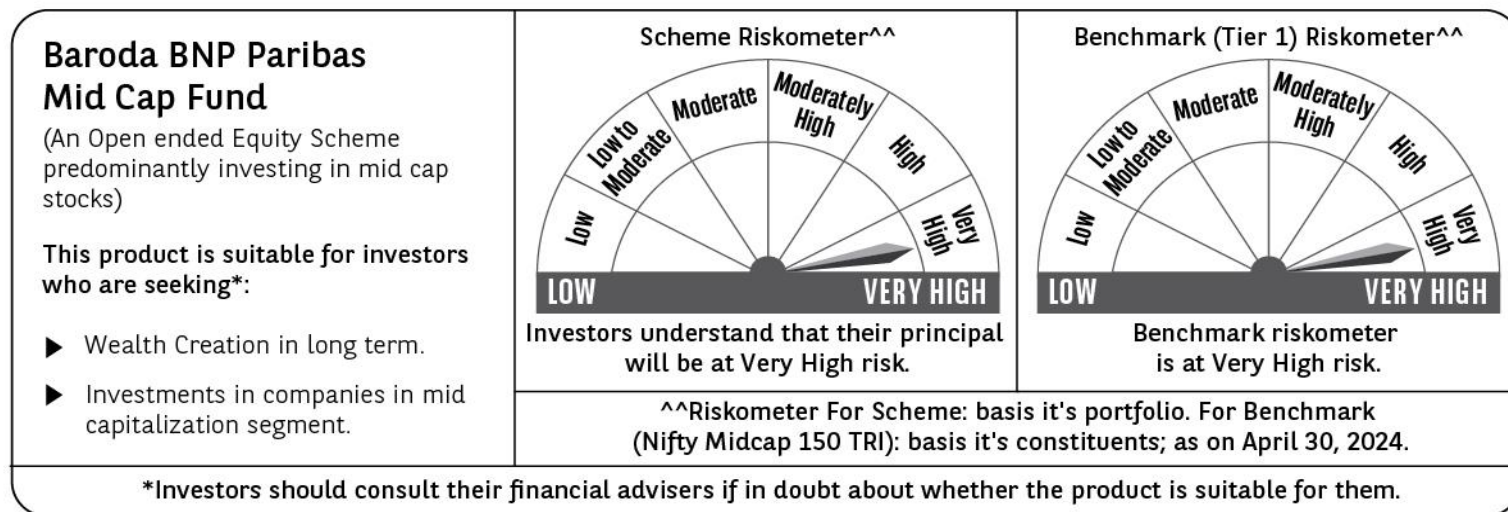
~Dedicated Fund Manager for Overseas Investments: Mr. Miten Vora (managing fund since December 01, 2022)

# 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.barodabnp-paribas-mf.in](http://www.barodabnp-paribas-mf.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**