

BARODA BNP PARIBAS MULTI ASSET FUND

(AN OPEN-ENDED SCHEME INVESTING IN EQUITY, DEBT AND GOLD ETF)

May 2024



Baroda
BNP PARIBAS
MUTUAL FUND



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.

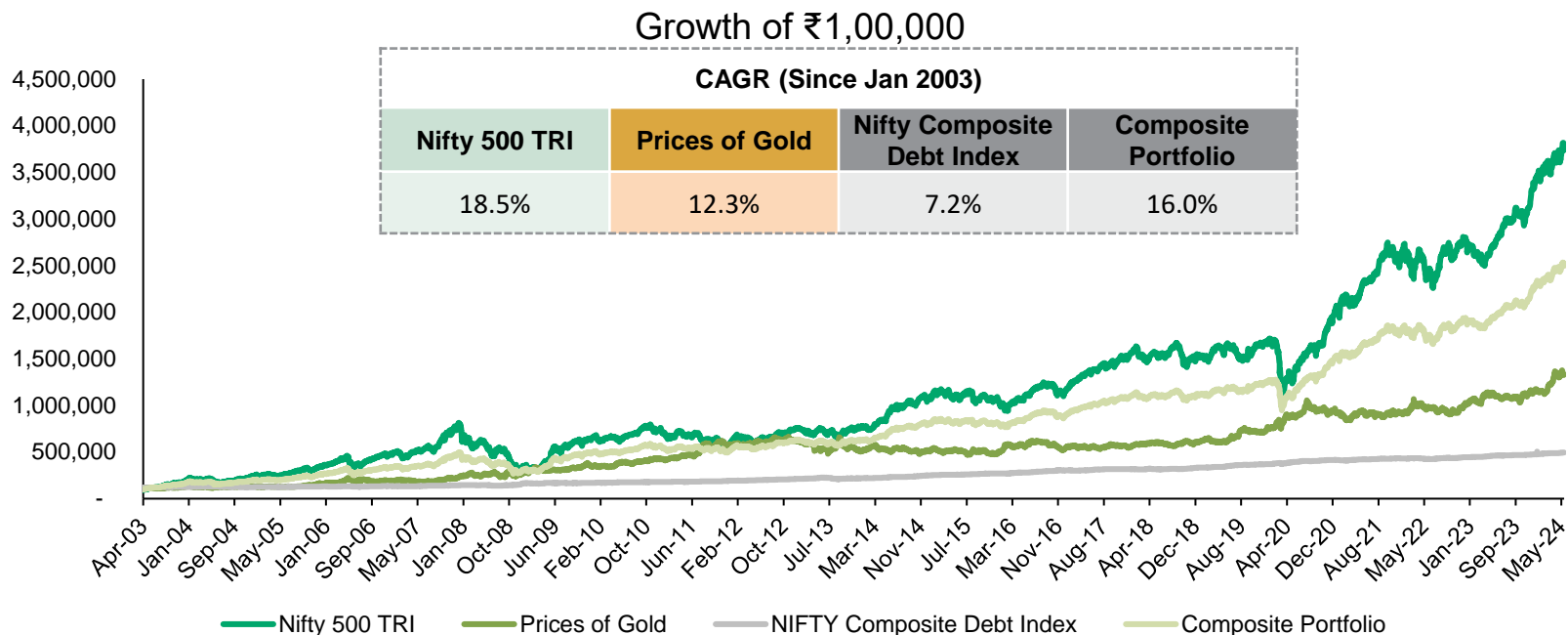
Investing is like having a wholesome meal



- Individually each component of food i.e. proteins, carbohydrates, vitamins and minerals, have unique characteristics.
- When all the components of the food come together in the right proportion, they make a person healthy.
- Similarly, each Asset class has unique characteristics.
- But when combined together, it creates a portfolio that aims to capture the upside and protect the downside!

DIFFERENT ASSET CLASSES BEHAVE DIFFERENTLY

Multiple Asset Classes: Differing Returns Profiles



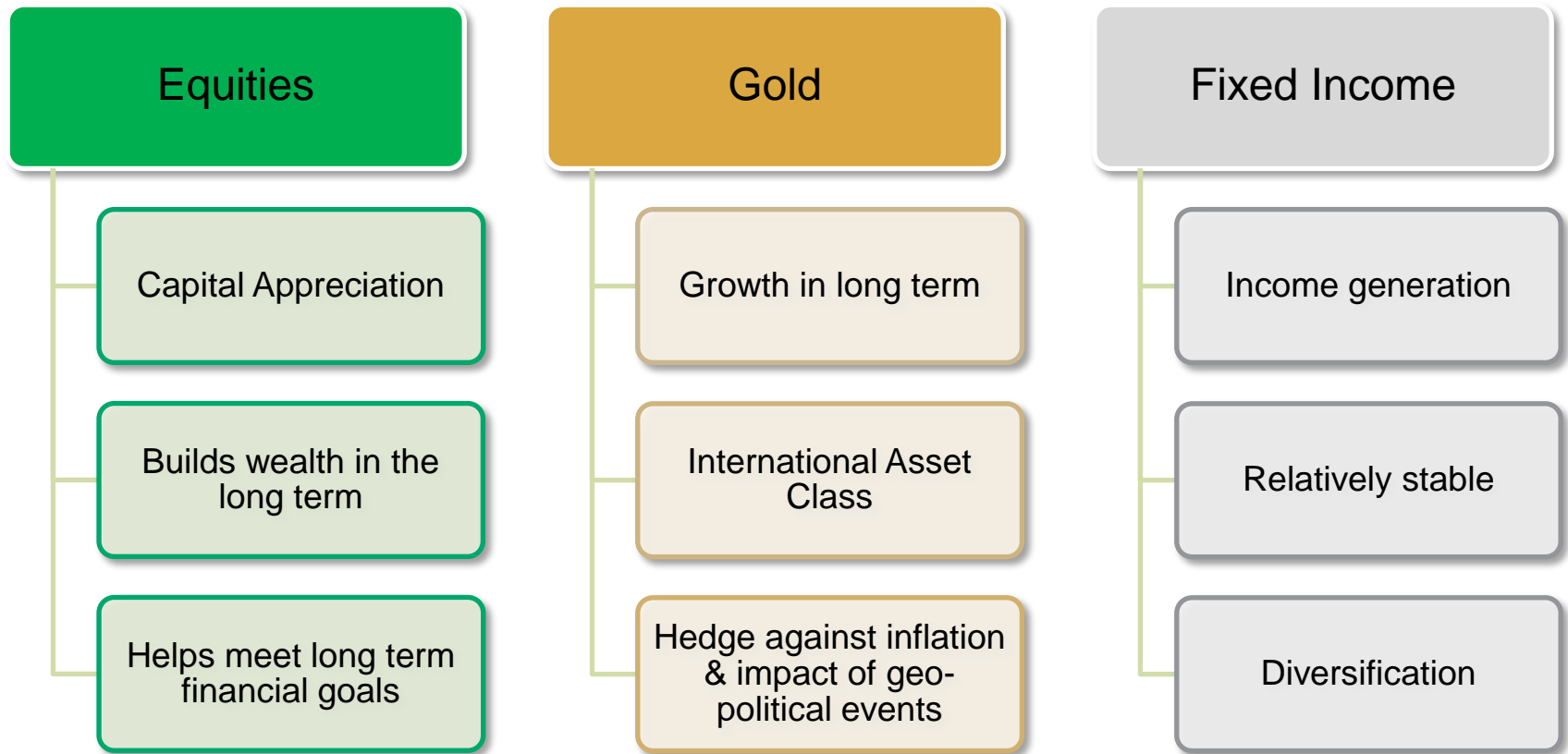
Composite Portfolio is a composite Index of 65% of Equity, 15% of Gold & 20% of Debt. Equity is represented by Nifty 500 TRI, Debt by Nifty Composite Debt Index and Gold by MCX day end spot prices.

- Equity has delivered highest returns, but with high volatility!!

Source: Internal research, NSE Indices for equity and debt index levels and world gold council for gold prices | Data from 30 April 2003, to May 31, 2024. |The above illustration is for comparison purpose only and should not constitute as investment advise.

Baroda BNP Paribas Mutual Fund does not guarantee returns on investments in the scheme. **Past performance is no guarantee for future returns.**

Different Asset Classes Play Different Roles

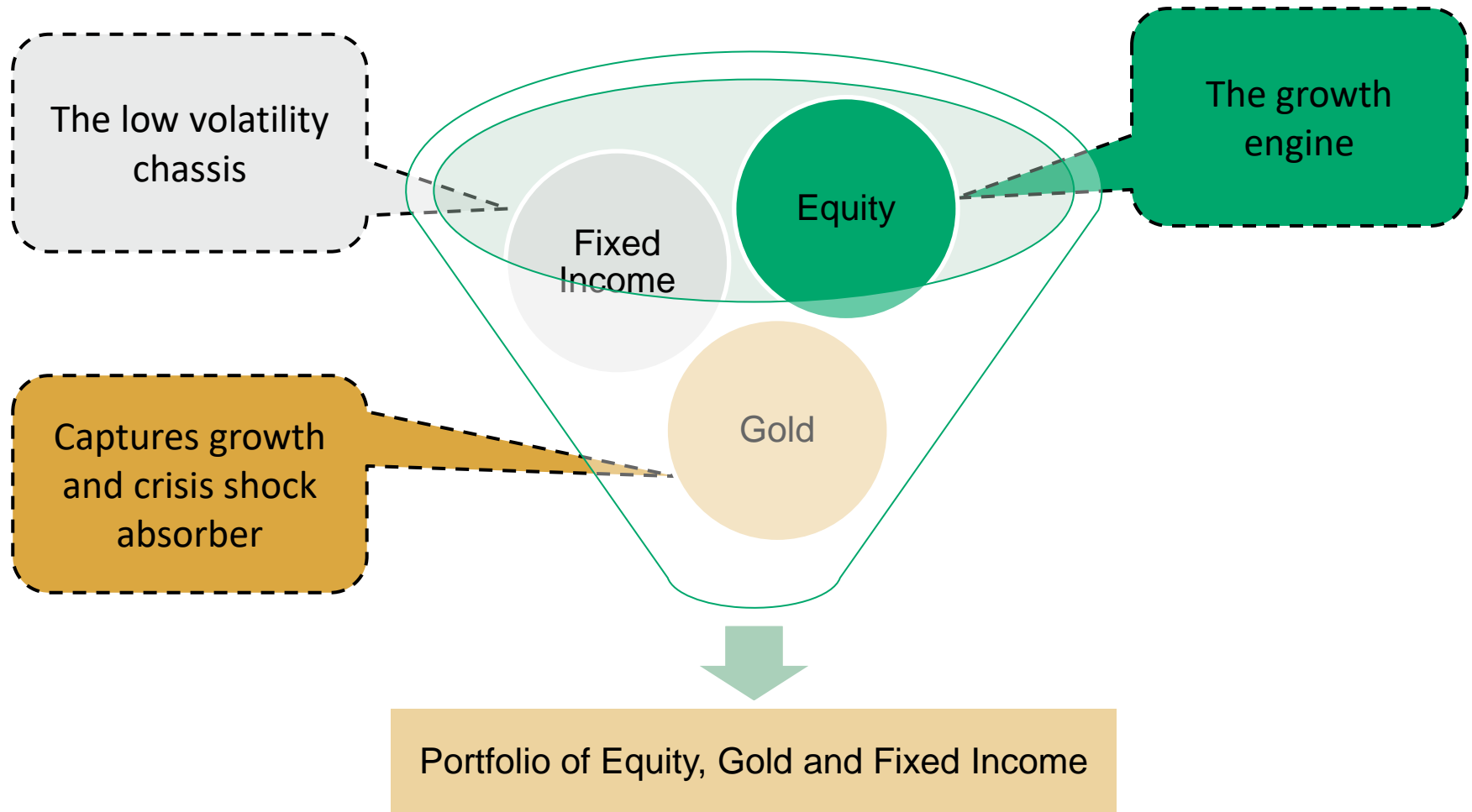


Because of the unique characteristics of each asset class, each of them is suited for a different and complementary role in the portfolio.

BUT...
WHEN THE POWER OF ALL THREE ASSET
CLASSES COMBINE...

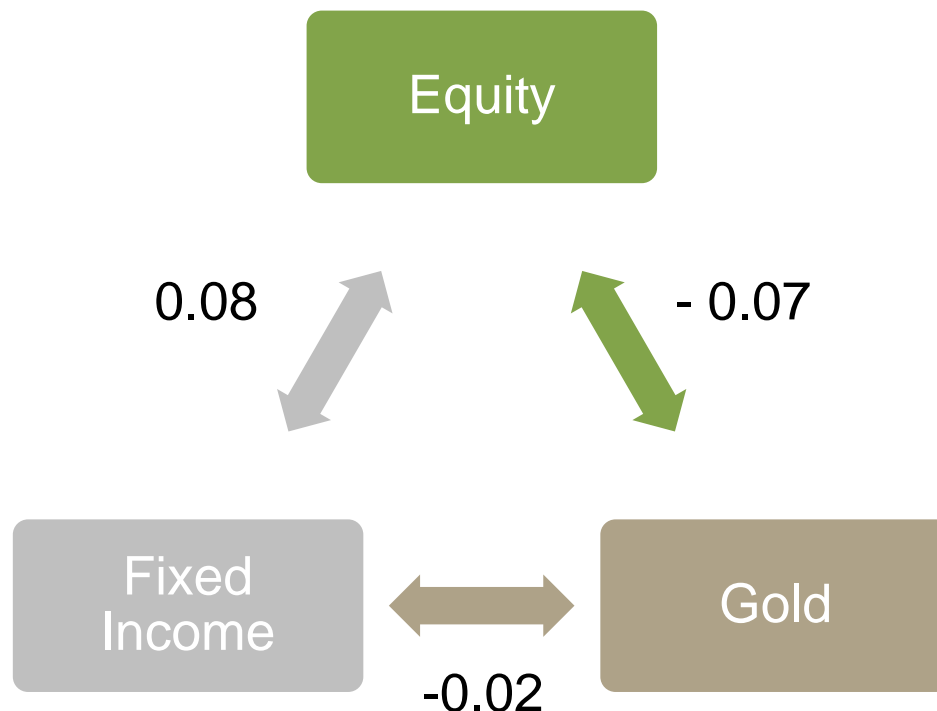
...WE GET AN **ASSET ALLOCATION
STRATEGY** WITH **OPTIMAL RISK-
RETURN** TRADE OFF

Power of each asset classes



Benefit of Low Correlation

“To reduce Risk, it is necessary to avoid a portfolio whose securities are all highly correlated with each other.” - Harry Markowitz



- Correlation measures the movement of asset classes against each other.
- The negative correlation between Gold & Equity and Gold & Fixed Income, denotes that when one asset class falls, the other rises.

Source: Internal research, NSE Indices for equity (Nifty 500 TRI) and debt index (Nifty Composite Debt Index) levels and world gold council for gold prices. Data from April 1, 2002, to May 31, 2024. To calculate the correlation, we have considered the standard deviation of monthly returns. **Past performance is no guarantee for future returns.**

INTRODUCING...
**BARODA BNP PARIBAS MULTI
ASSET FUND**



Together for more

Benefits of the Fund

Convenience

- One fund gives access to multiple asset classes. Saves the hassle of investing, tracking and maintaining investments in multiple strategies / funds.

Diversification Benefits

- Helps you lower risk by spreading investment across different asset classes

Optimal Risk Adjusted Returns

- By investing in different asset classes with varying returns and risks, the fund aims to provide better returns for risk undertaken

Strategic gold allocation

- Historically, portfolio with higher gold allocation has given higher risk adjusted returns, compared to individual assets

Equity Taxation

- Aims to provide the benefits of equity taxation for investors

Past performance, including such scenarios, is not an indication of future performance.

Who is the fund suitable for?

First time
investors

Seasoned
Investors
looking for
asset class
diversification

Investors
looking for a
portfolio with
allocation to
gold

Investors
wanting to
create
wealth in
the long
term

Investors
looking for
asset
allocation
through one
fund

Adding Gold: Improved performance, low volatility

3 Year Rolling Returns	Nifty 500 TRI	Prices of Gold	NIFTY Composite Debt Index	Equity 65%+ Fixed Income 35%	65% Equity + 15% Gold + 20% Fixed Income
Min	-9.5%	-10.0%	0.8%	-2.6%	-0.7%
Max	68.9%	36.7%	12.2%	43.2%	47.2%
Average	17.9%	12.9%	7.1%	14.4%	15.5%
Median	14.4%	13.9%	7.4%	12.8%	13.4%
Distribution of returns					
Negative Observations	6.2%	8.6%	0.0%	0.6%	0.0%
0-5%	10.9%	14.1%	17.7%	10.2%	6.9%
5-10%	13.3%	16.4%	74.8%	19.6%	19.3%
More than 10%	69.6%	60.9%	7.5%	69.6%	73.8%

Median returns of the strategy are in line with the equity returns with **negligible negative returns**

Historically, the probability of negative returns was low.

The no. of times the returns have been more than 10% is the highest compared to other asset classes

Source: Internal research, NSE Indices for equity (Nifty 500 TRI) and debt index (Nifty Composite Debt Index) levels and world gold council for gold prices. Data from April 2002, to April 30, 2024. Returns are average of daily 3-year rolling calculated on daily basis since 30th April 2005 till April 30, 2024. **Past performance, including such scenarios, is not an indication of future performance.** The above is provided for information and understanding purpose only and should not be construed as investment advise/recommendation.

Current Investment Themes

Advantageous	Neutral	Disadvantageous
<p>Domestic B2C Sectors:</p> <ul style="list-style-type: none"> • Banking • Consumer Discretionary (like Auto) • Media 	<p>Export related:</p> <ul style="list-style-type: none"> • IT • Healthcare 	<p>Tightening global monetary policy, cuts to global growth disadvantage to global commodities:</p> <ul style="list-style-type: none"> • Metals • Energy
<p>PLI¹, China Plus One², India manufacturing theme, Diversification from Europe:</p> <ul style="list-style-type: none"> • Capital Goods • Defence 		

1. PLI: Production Linked Incentives; 2. China-Plus-One refers manufacturing companies' strategy in which companies avoid investing only in China and diversify their businesses to alternative destinations. 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.barodabnpparibasmf.in). **Investment strategy shall be in accordance with the investment objective and strategy stated in the SID of the scheme.**

Current Portfolio Positioning (as on 31st May 2024)

Equity:

- Equity exposure raised from ~71% in April to ~72.8% in May.
- Of the equity component large caps accounted for ~75% of the exposure with the balance stemming from mid and small caps.
- Compared to the prior month we added to weights in industrials (an automation equipment play) and staples while we took some profits in the autos and financials space.
- Precious metals have had a good return in the past few months. In the month of May the performance was in line with large cap equity at ~70bps. Gold exposures have inched up over the month by 30bps at 15.1%.

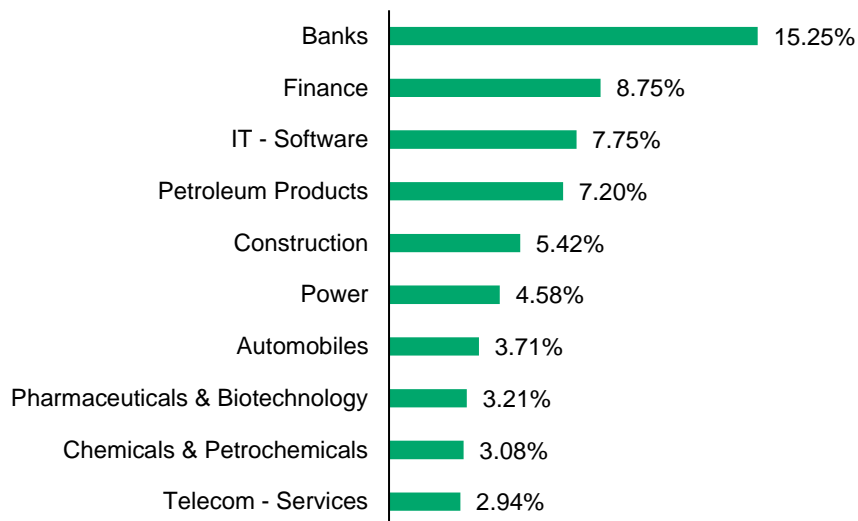
Debt:

- RBI Transferred the highest dividend of INR 2.1 trillion or 0.64% of GDP, which will impact fiscal balances positively and it will also affect the government spending as well as the government borrowing for the year.
- Inflation has remained on a downward trend for India and provided RBI the comfort of rate pause with a conscious lean towards improving the liquidity in the banking system.
- We intend to maintain AAA Liquid Security for a shorter duration and maintain the duration between 1.25-2.00 years.
- The scheme remains open to taking tactical duration calls.

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Current Equity Holdings

Top 10 Sectors (% of Net Assets)

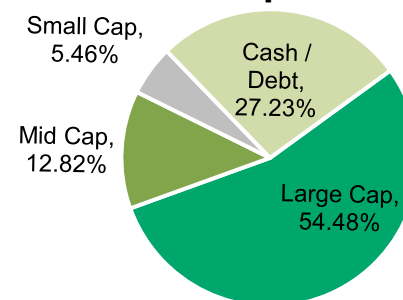


Net Equity Holdings	71.3%
Total Equity Holdings	72.8%

Top 10 Stocks (% of Net Assets)

Security Name	% of Net Assets
Reliance Industries Ltd.	7.20%
HDFC Bank Ltd.	6.31%
ICICI Bank Ltd.	6.15%
Larsen & Toubro Ltd.	5.32%
Tata Consultancy Services Ltd.	3.92%
Infosys Ltd.	3.22%
Linde India Ltd.	3.08%
Bharti Airtel Ltd.	2.83%
Trent Ltd.	2.78%
Hero MotoCorp Ltd.	2.58%

Market Capitalization



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

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Current Gold and Debt Holdings

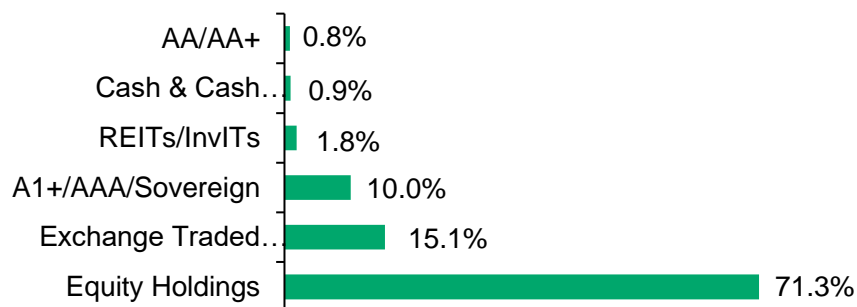
Top Gold Holdings (% of Net Assets)

Security Name	% of Net Assets
NIPPON INDIA ETF GOLD BEES	6.08%
Baroda BNP Paribas Gold ETF-RG	5.71%
HDFC Gold Exchange Traded Fund	3.30%
Total Gold Holdings	15.09%

Top 5 Debt Holdings (% of Net Assets)

Security Name	% of Net Assets	Credit Rating
Tata Capital Housing Finance Ltd.	2.11%	CRISIL AAA
National Housing Bank	2.11%	CRISIL AAA
Canara Bank	1.46%	CRISIL A1+
Mindspace Business Parks Reit	1.27%	CRISIL AAA
Small Industries Development Bank of India	0.85%	CRISIL AAA

Credit Quality Profile (% of Net Assets)



Debt Quants

Yield to Maturity	Average Maturity	Modified Duration	Macaulay Duration
7.67%	1.61 years	1.36 years	1.45 years

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

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PORTFOLIO CONSTRUCTION AND INVESTMENT APPROACH



Baroda
BNP PARIBAS
MUTUAL FUND



Together for more

Allocation Strategy

Allocation across asset classes

65% to
80%



Equity

Multi cap
Investment
approach

10% to
25%



Gold

Units of Gold ETF

10% to
25%



Fixed Income

Quality fixed income
papers with low
credit risks

0% to
10%



REITs and INVITs

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). Allocation -strategy stated above may change , from time to time and shall be in accordance with the investment objective and strategy stated in the SID of the scheme.

Equity Investment Approach

The fund
aims to
invest
across
different
market-
caps

Diversified
Strategy:
Diversified
allocation
across
sectors

Stock
Holdings:
Aims to
hold
around
40 – 60
stocks

Research
driven,
robust
investment
process

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). Investment strategy stated above may change from time to time and shall be in accordance with the investment objective and strategy stated in the SID of the scheme. **(same comment as previous)**

Gold & Fixed Income Strategy

Gold Strategy

Current Expected Allocation: 10% to 25%

Will invest in Units of Gold ETF

Fixed Income Strategy

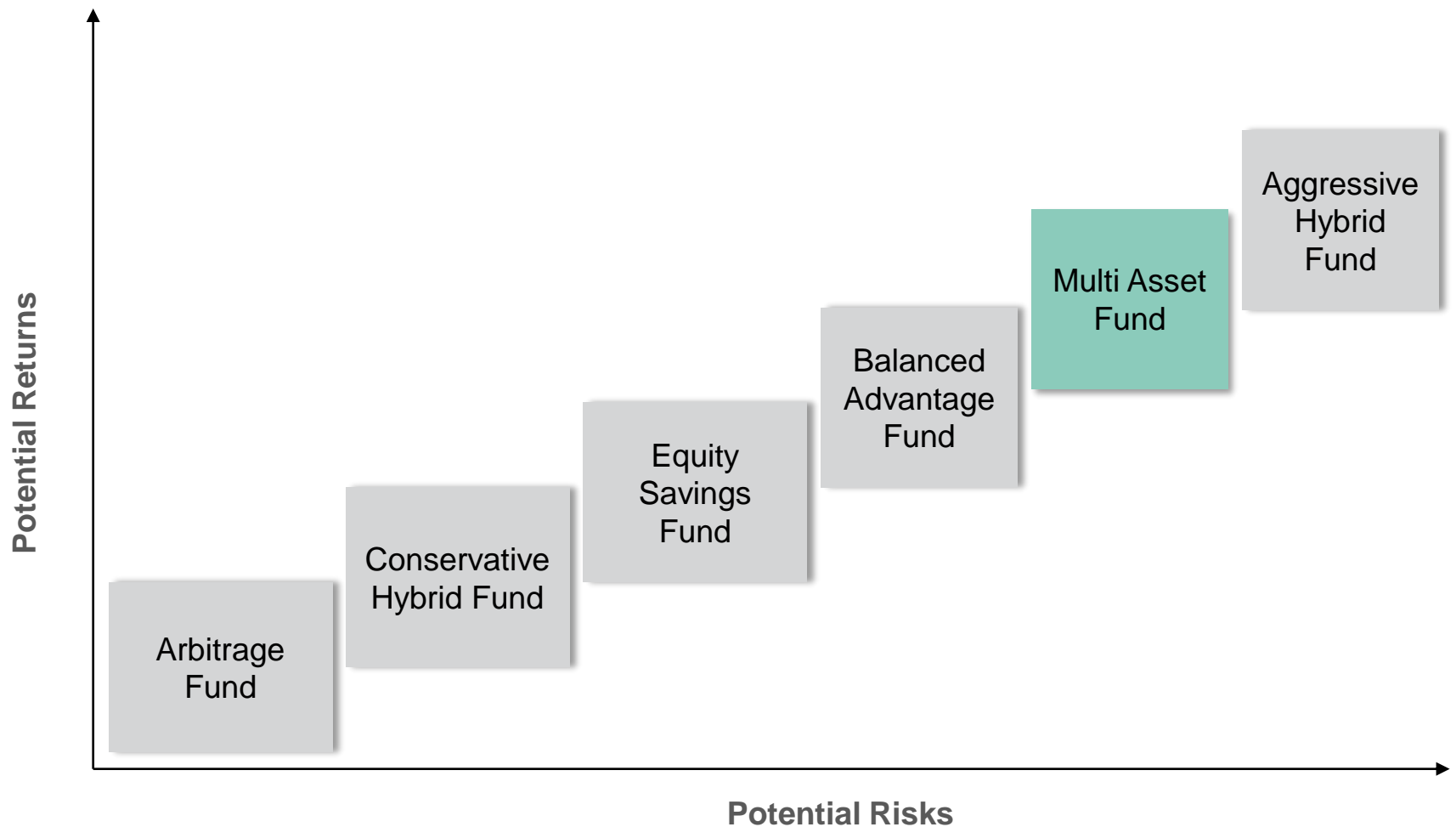
Focus is predominantly on High Rated, Sovereign and Leadership Businesses

Forming an Interest Rate view remains core to our investment thesis

Reliance on Duration Management and Asset Allocation relative to Credit Allocation

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Positioning



Fund Facts

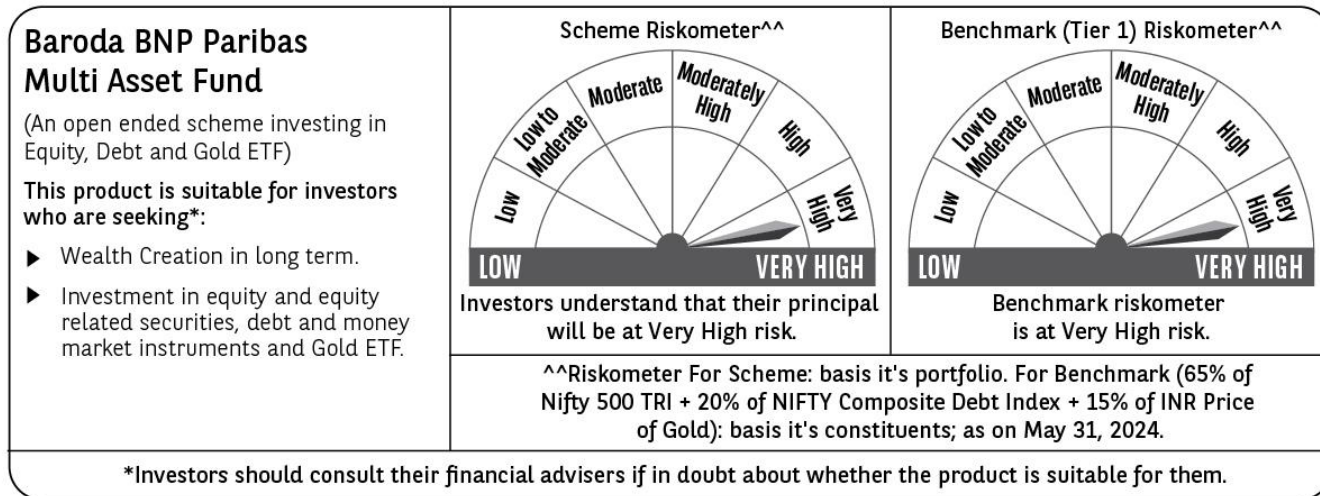
Scheme Name	Baroda BNP Paribas Multi Asset Fund			
Category	Multi Asset Allocation			
Type of the Scheme	An open-ended scheme investing in Equity, Debt and Gold ETF.			
Investment Objective	The investment objective of the scheme is to seek long term capital growth by investing in equity and equity related securities, debt & money market instruments, REITs / InVITs and Gold ETF. 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 Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
	Equity and Equity Related Instruments^	65	80	Very High
	Debt* & Money Market instruments	10	25	Low to Medium
	Gold ETFs	10	25	High
	Units issued by REITs & InVITs	0	10	Very High
<p>^The Scheme may invest 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 equity derivatives for such purposes as may be 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. The scheme shall not invest in debt derivative instruments.</p> <p>*Debt instruments may include securitised debt upto 20% of the net assets. Debt instruments include units of liquid schemes launched by SEBI registered Mutual Fund or schemes that invest predominantly in money market instruments. Debt instruments also include debt derivative instruments include Interest Rate Swaps, Interest Rate Forwards, Interest Rate Futures, Forward Rate Agreements and any such other derivative instruments permitted by SEBI/RBI from time to time. 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).</p>				
Benchmark	65% of Nifty 500 TRI + 20% of NIFTY Composite Debt Index + 15% of INR Price of Gold			
Fund Manager~	Mr. Jitendra Sriram (Equity Portion) (Total experience – 26 years) (Managing fund since December 19, 2022) and Mr. Vikram Pamnani (Fixed Income Portion) (Total experience – 14 years) (Managing fund since December 19, 2022)			
Load Structure	<p>Entry Load: NA Exit Load:</p> <ul style="list-style-type: none"> 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. 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. If units of scheme are redeemed or switched out after 12 months from the date of allotment - Nil. <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>			

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

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



THANK YOU