

# BARODA BNP PARIBAS SMALL CAP FUND

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

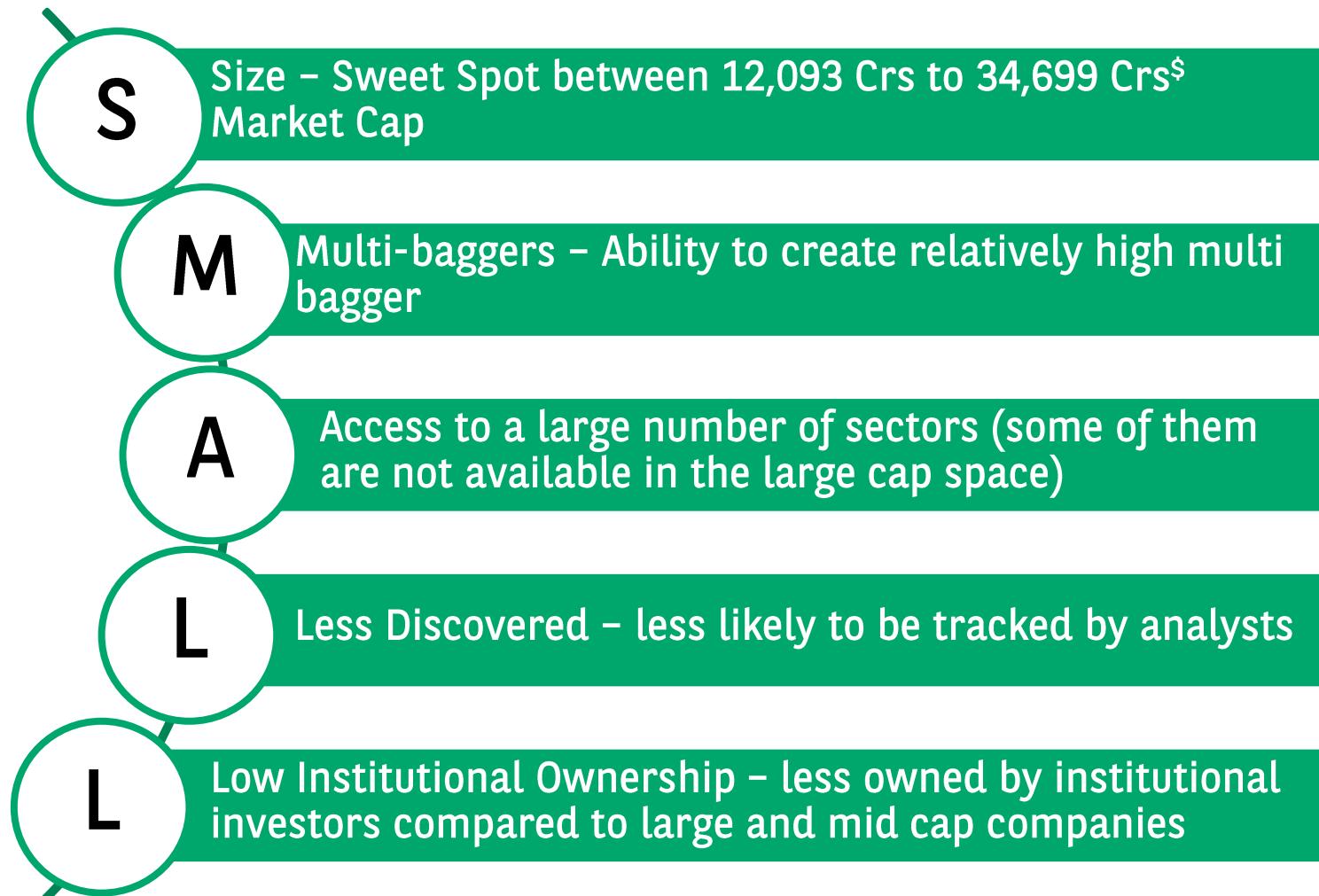
**DECEMBER 2025**



**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.

# S-M-A-L-L 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.  
\$Average market cap of 251<sup>st</sup> company for the period July 2025 to December 2025 is Rs 34699.19Crs.

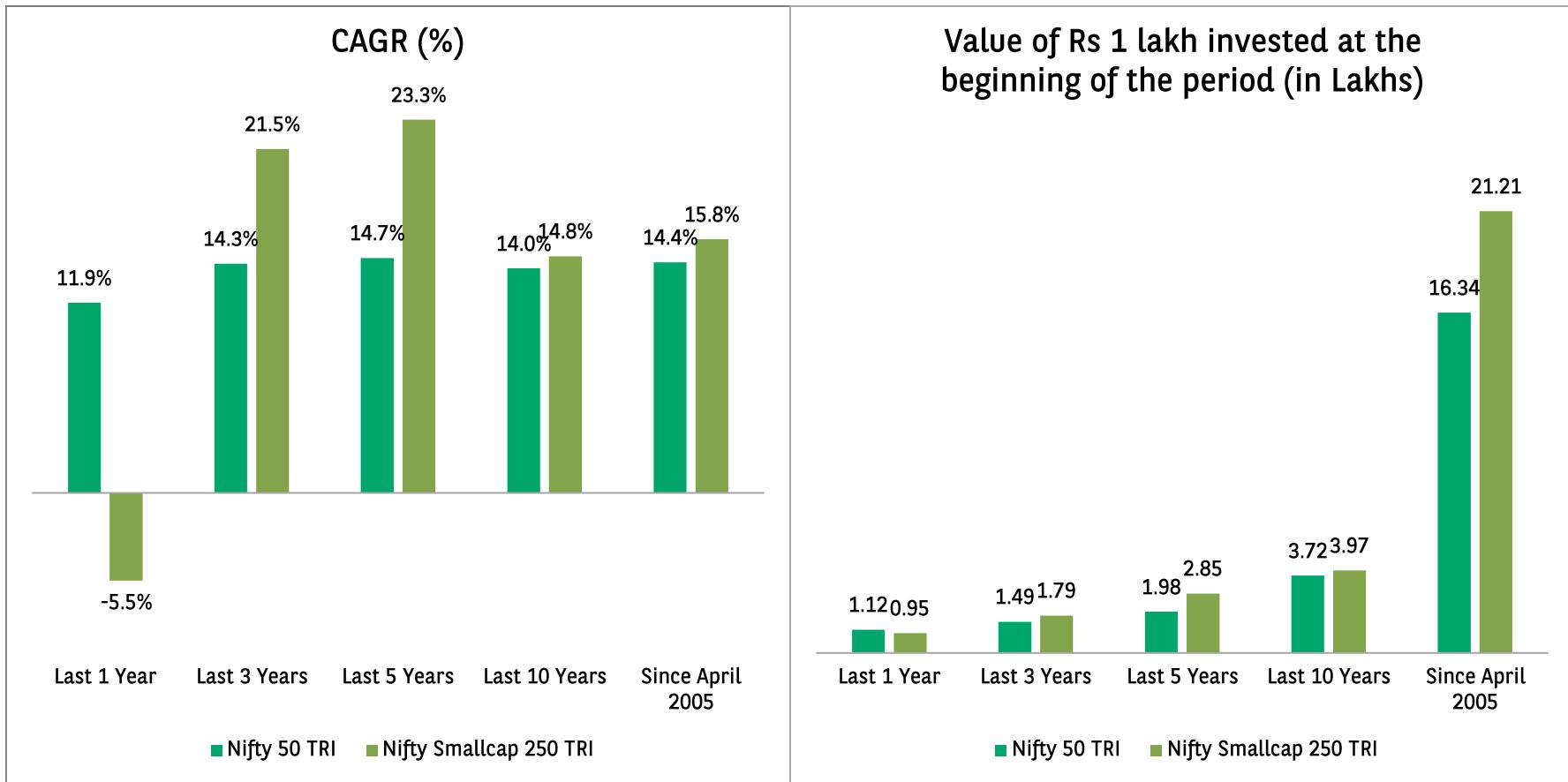
# THINK BIG START SMALL



Together for more



# Small Caps have outperformed Large Caps



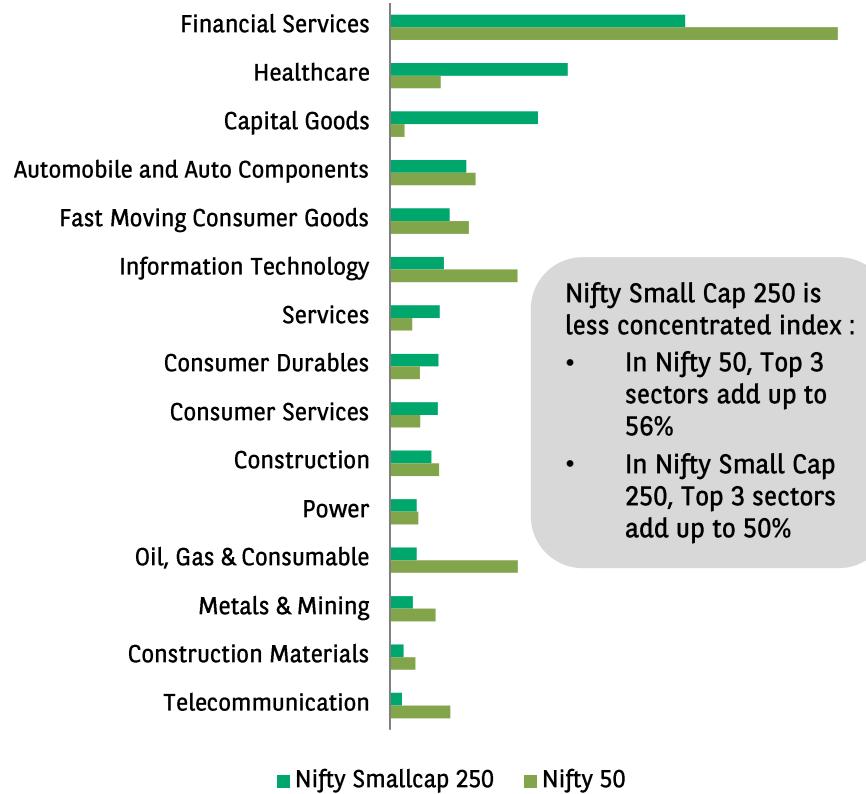
Source: MFI explorer. Data since Apr 01, 2005 (the inception of the Nifty Small cap Index), to December 31, 2025. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** The risks involved in investing in the small cap companies could be higher compared to the large/ mid cap ones and hence investor should consider their risk appetite at the time of investing in small cap funds. 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.

# Investing in a bigger slice of the economy

## Top Industries with no opportunities in Large Caps

Chemicals	6.02
Realty	1.57
Media, Entertainment & Publication	1.19
Textiles	0.7
Forest Materials	0.44

## Well Diversified: Large cap v/s Small Cap

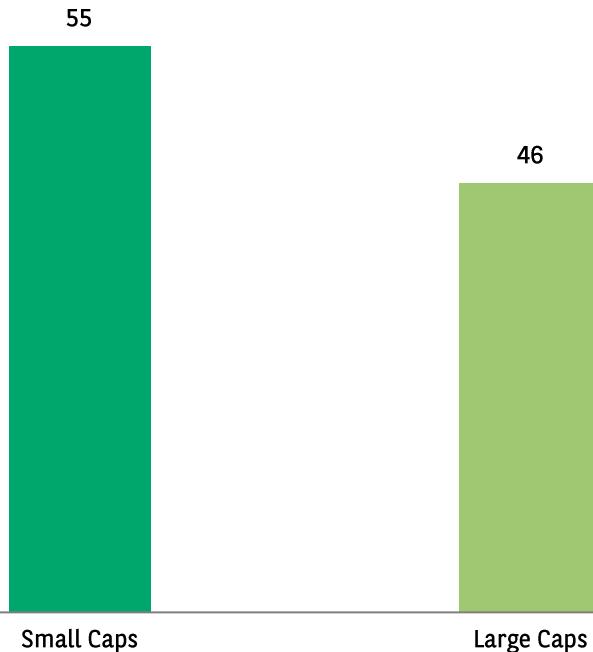


Source: Nifty Indices and Internal Data as on December 31, 2025. Large caps are represented by Nifty 50 TRI and Small caps by Nifty Small Cap 250 Index.

The sector(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](http://www.barodabnpparibasmf.in)).

# Higher Promoter Stake: more skin in the game

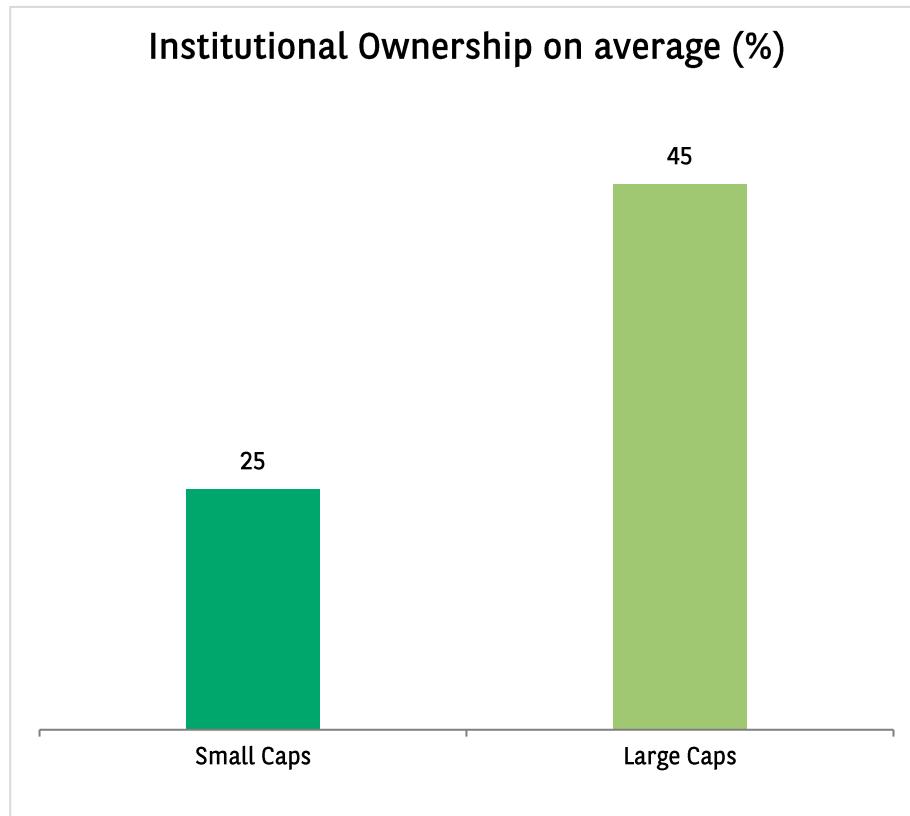
Promoters Ownership on average (%)



- Higher promoter ownership indicates more skin in the game.
- Greater alignment of interest.

Source: ACE Equity. Data as on March 31, 2025, which is latest available annual data. Large caps are represented by stocks in Nifty 50 TRI and small caps by stocks in the Nifty Small Cap 250 Index. The ownership pattern is calculated basis by taking the simple average of share holding pattern of individual stocks in the respective indices. The above graph is for illustration purpose only and 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.

# Low Institutional Ownership: Potential Hidden Gems

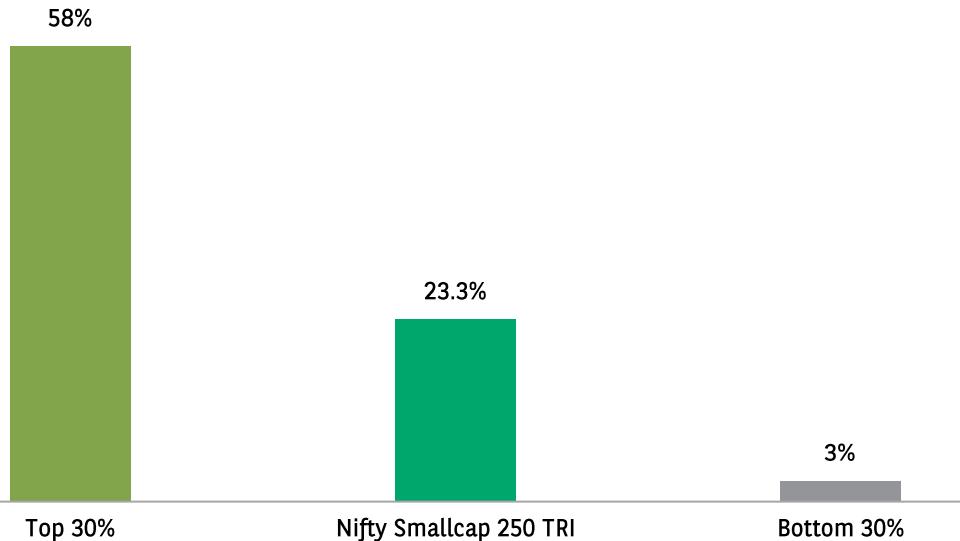


- Low institutional ownership indicates yet under-researched/un-discovered space
- This provides an opportunity to invest in good stocks at an early stage.

Source: ACE Equity. Data as on March 31, 2025, which is latest available annual data. Large caps are represented by stocks in Nifty 50 TRI and small caps by stocks in the Nifty Small Cap 250 Index. The ownership pattern is calculated basis by taking the simple average of share holding pattern of individual stocks in the respective indices. The above graph is for illustration purpose only and 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.

# Stock Picking is the Key: Tale of two Parts

Average 5 year CAGR (%) of Top 30% vs Bottom 30%



- Small Caps tend to have polarized returns
- Stark difference between top and bottom performers of the Nifty Small Cap 250 Index

Source: ACE Equity, Internal Research. Data as on December 31, 2025. Small Cap is represented by Nifty Small Cap 250 Index. The small cap universe used for study comprises of all companies in the Nifty Smallcap 250 Index. The returns are calculated on a compounded annualised growth rate (CAGR) basis from November 30, 2020 to November 30, 2025. 184 stocks of total 250 were in existence since November 2020. 30% consists of 55 companies. **Past performance may or may not be sustained in future and is not a guarantee of any future returns**

# WHY NOW?



Together for more



# Stock Returns are a blend of earnings and growth

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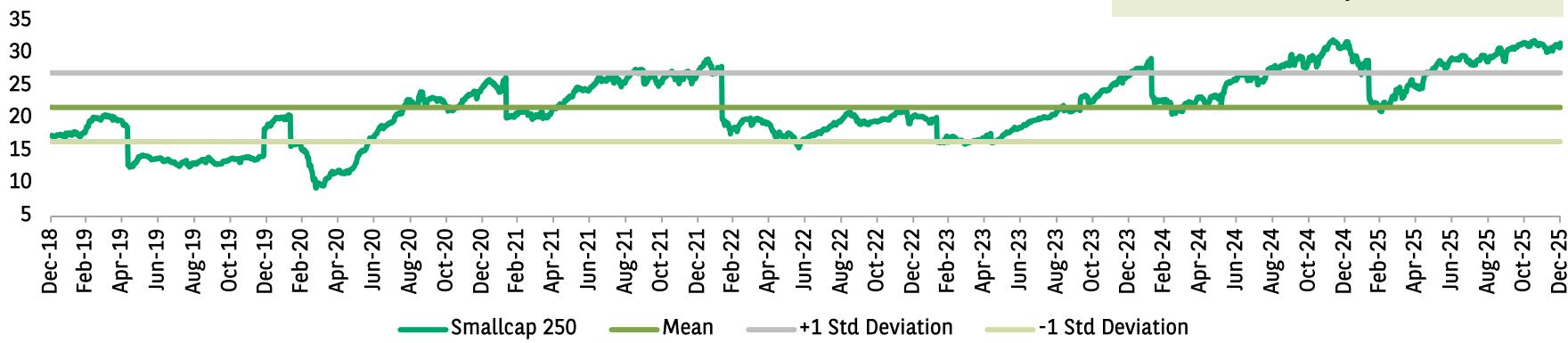
Stock  
Returns



# Valuations

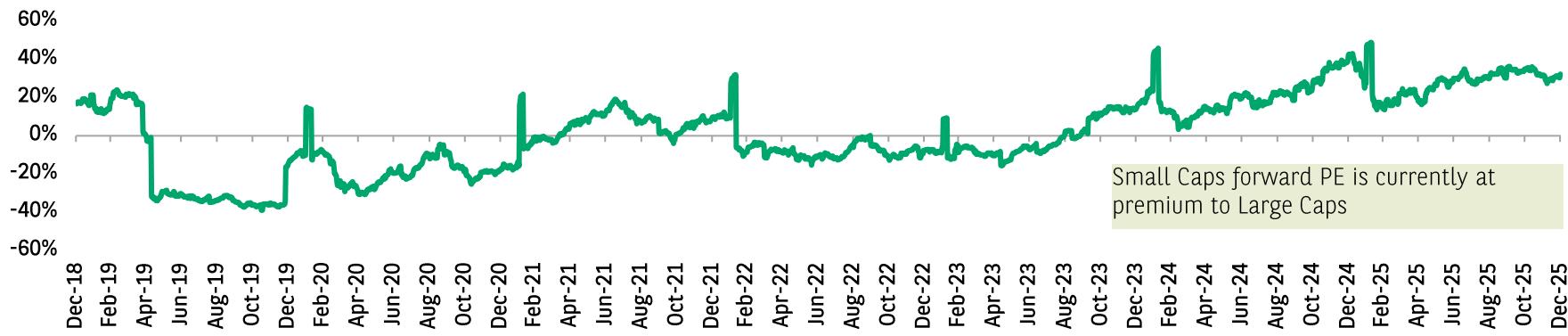
## 1 Year Forward PE

Smallcaps trading above the mean +1 SD levels at the end of December 2025



## Premium/Discount over Nifty 50 Forward PE

Small Caps forward PE is currently at premium to Large Caps

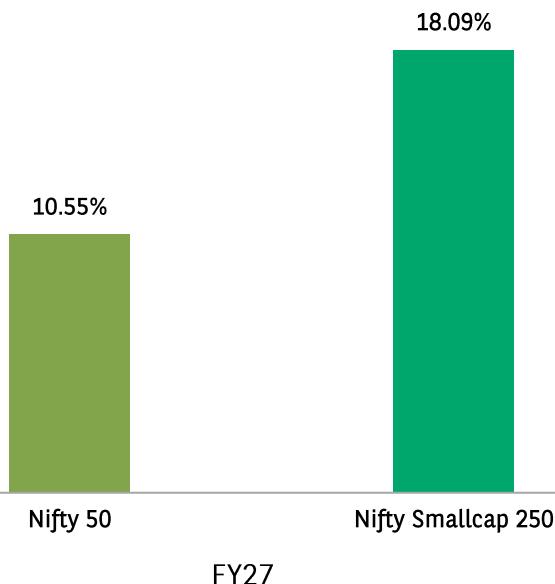


Source: Bloomberg and Internal. Data since December 1, 2018 to December 31, 2025. Bloomberg 1 yr Forward PE has been used. Large caps represented by Nifty 50 Index and Small Caps by Nifty Smallcap 250 Index. +1 Std Deviation (+1 SD) stands for mean plus standard deviation. -1 Std Deviation stands for mean minus standard deviation. Discount / Premium over Large cap is calculated by  $(\text{small cap PE} - \text{large cap PE}) / \text{large cap PE}$ . Past performance may or may not be sustained in future and is not a guarantee of any future returns.

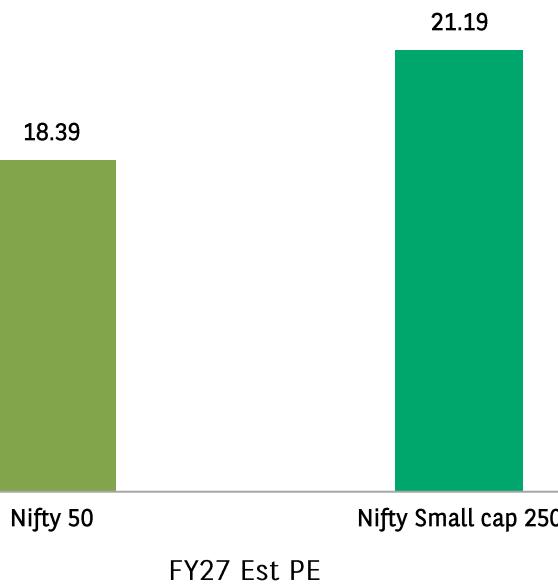
# Earnings Growth

The current increased interest in the small cap companies reflects the expected high earnings growth

EPS\* Growth: 2 Years CAGR (%)

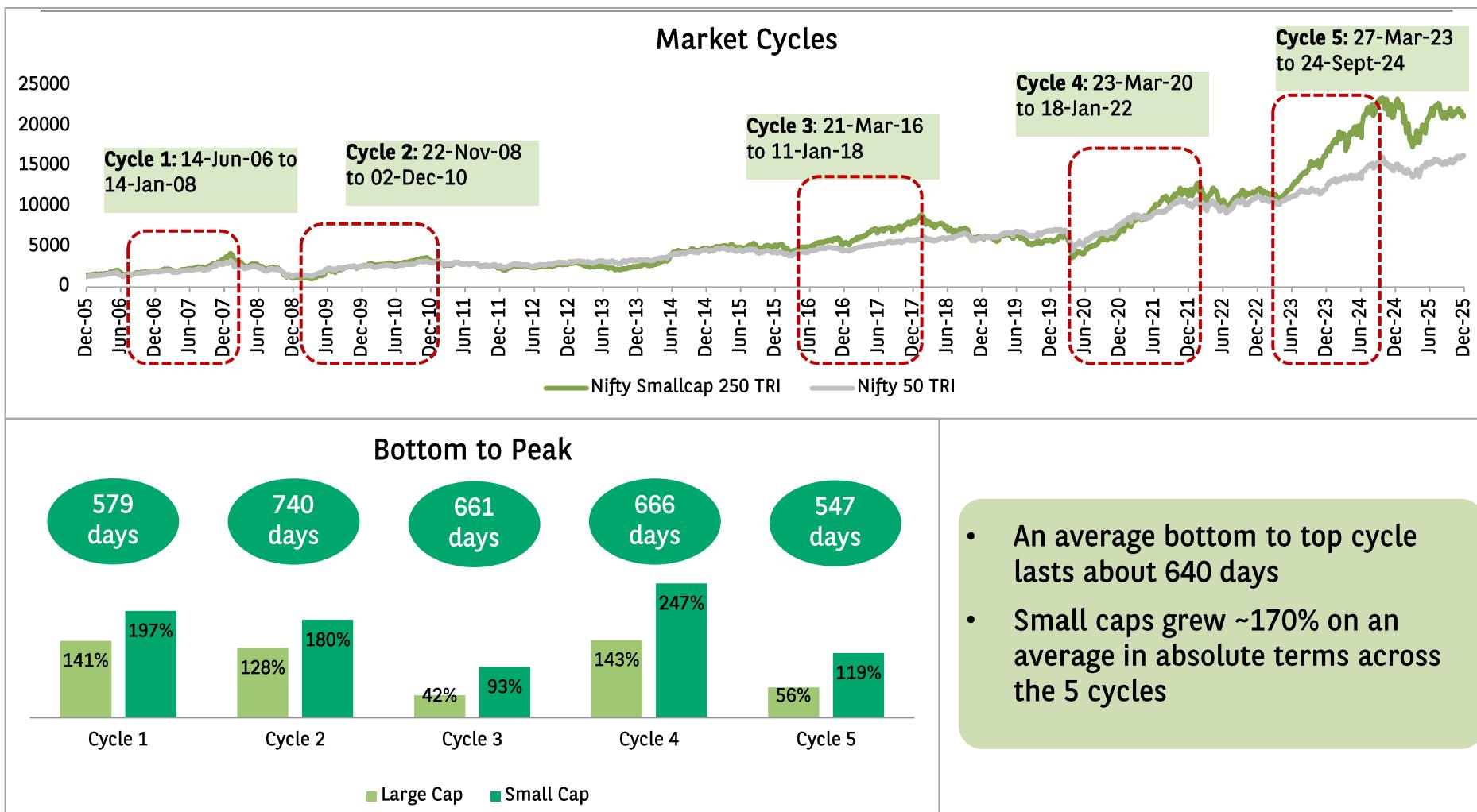


Large and Small Cap Est PE at similar levels



Source: Bloomberg. Data as on December 31, 2025. Bloomberg estimates have been considered for Nifty 50 Index and Nifty Small Cap 250 Index. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** \*EPS growth excluding extraordinary profit from FY26 and FY27 estimates has been considered for 2 yr CAGR calculations. CAGR stands for compounded annualized growth rate.

# Small Cap Cycle: Potential to grow



Source: NSE Indices and Internal Research. Data as of December 31 2025. The average is calculated by taking a simple average of returns in cycle 1, cycle 2, cycle 3, cycle 4, and cycle 5. Similarly average number of days is also calculated by taking a simple average of number day in cycle 1, cycle 2, cycle 3, cycle 4, and cycle 5. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**

INTRODUCING...

# BARODA BNP PARIBAS SMALL CAP FUND



Together for more

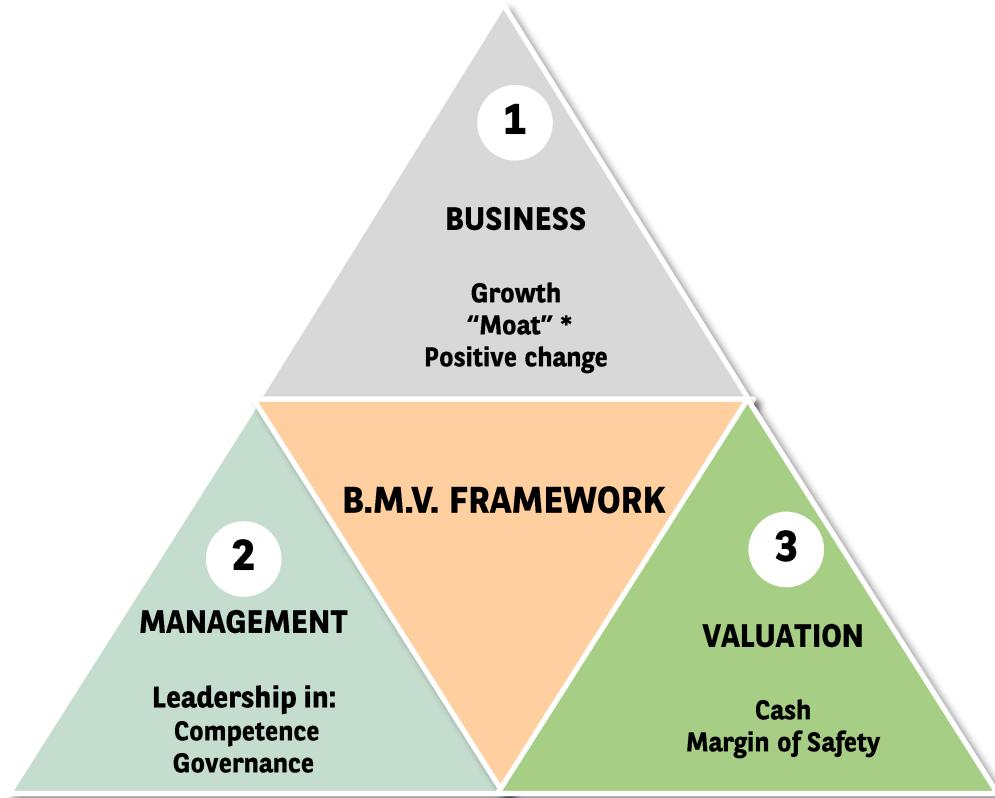
# Features

-  The fund will invest more than 65% of the net assets into small cap companies.
-  The fund aims to build wealth of investors by tapping into companies which have the potential to become leading companies of the future.
-  The fund will follow a bottom-up stock picking approach.
-  Emphasis will be on selecting companies with strong fundamentals, quality business models and high quality and reputation of management.
-  The fund will be sector agnostic.

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. Kindly refer to the Scheme Summary Document (SSD) available on the website ([barodabnpparibasmf.in](http://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.

# 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**

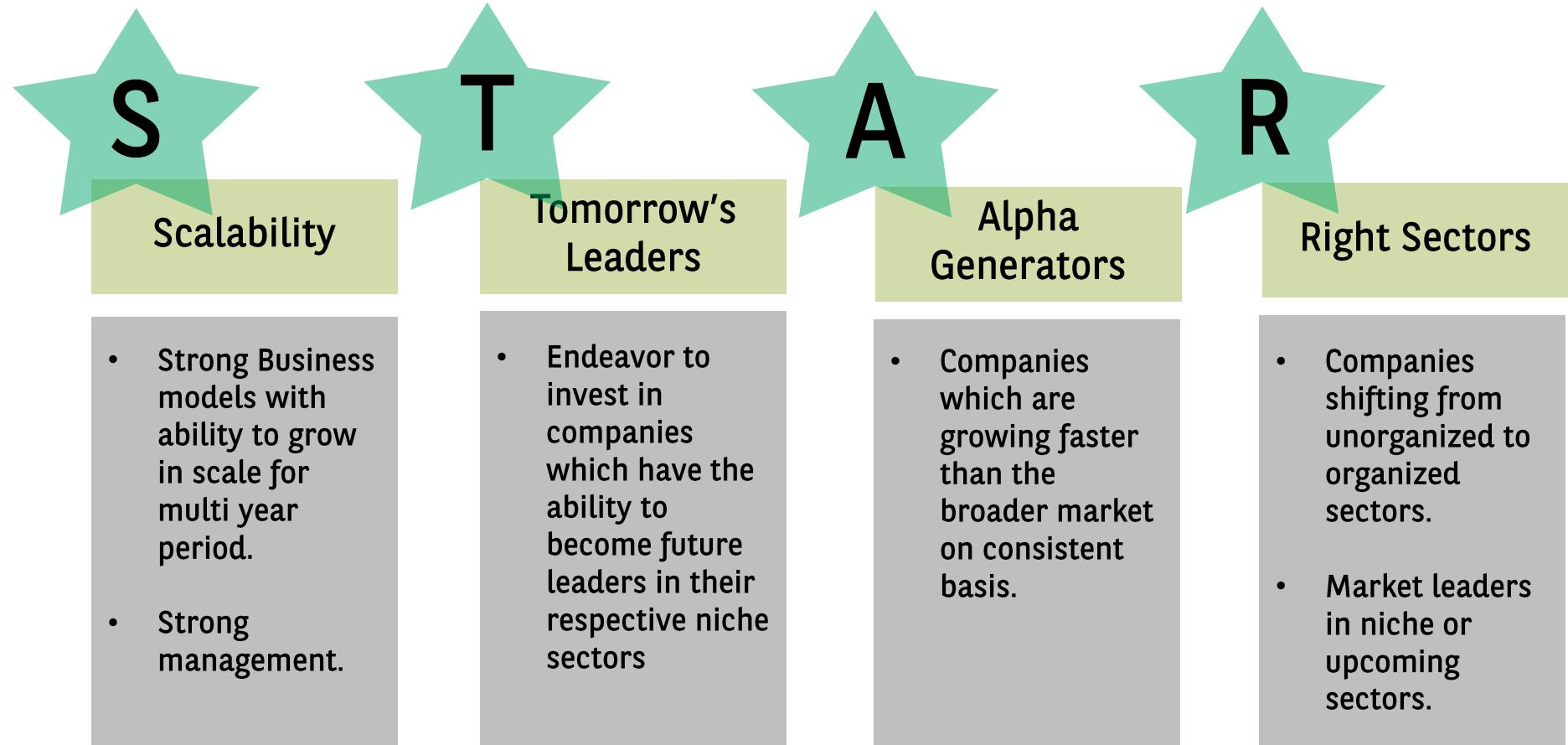
\* A sustainable competitive advantage

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

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.

# STAR\* Framework for Portfolio Construction

Portfolio stocks may fall in one of the following buckets:



\*STAR is acronym coined to define the portfolio construction strategy. 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.

# Product Positioning (as on December 31, 2025)

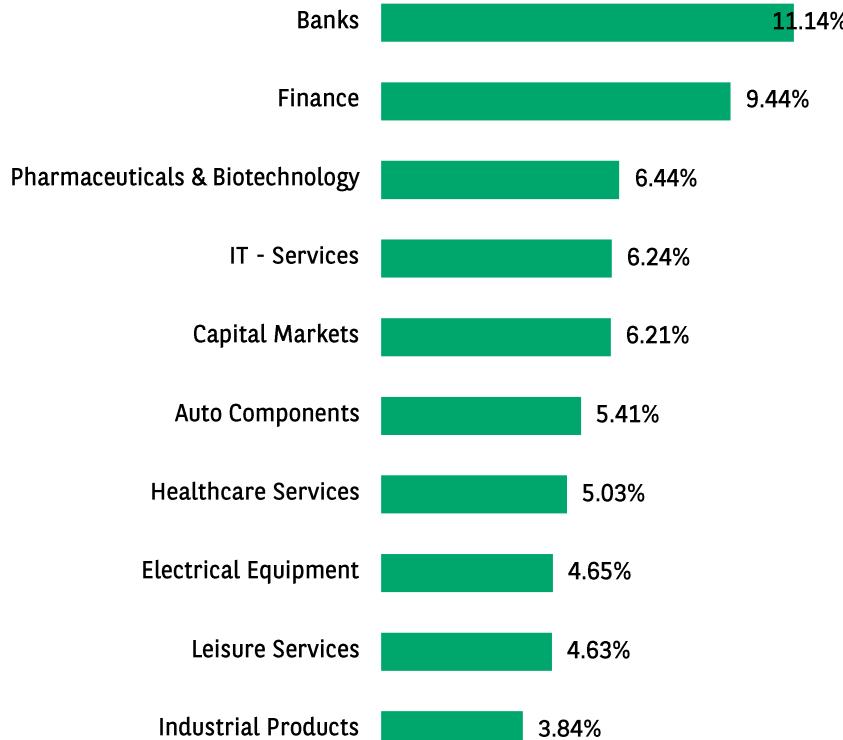
- We have increased allocations in Healthcare, IT, and Consumer Staples this month; however, Healthcare and IT remain underweight. Our underweight stance on IT Services reflects a cautious stance amid global uncertainty. Reduced exposure to Industrials and Consumer Discretionary, though still above benchmark.
- Financials and Consumer Discretionary remain key overweight sectors, with the latter supported by anticipated consumption recovery in H2 following GST rate cuts.
- Current portfolio allocation: Small Caps – 76.1%, Mid-Caps – 18.3%, Cash – 5.6% (as of December 31, 2025).
- We follow the bottom-up approach in small cap investing which is about identifying the champions of tomorrow.

Source: Internal Research. Data as on December 31, 2025.

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# Portfolio Details

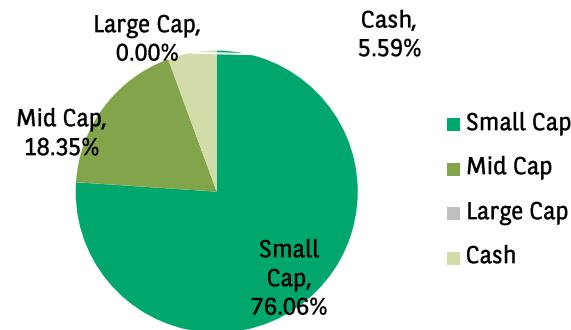
## Top Sectors Holdings (% of Net Assets)



## Top 10 Holdings

	% of Net Assets
City Union Bank Ltd.	3.22%
Karur Vysya Bank Ltd.	3.17%
BEML Ltd.	3.05%
Navin Fluorine International Ltd.	2.91%
Sagility Ltd.	2.90%
Can Fin Homes Ltd.	2.65%
Amber Enterprises India Ltd.	2.62%
PhysicsWallah Ltd.	2.59%
National Aluminium Company Ltd.	2.58%
eClerx Services Ltd.	2.50%

## Market Capitalization



Data as on December 31, 2025. Source: Internal.

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.barodabnpparibasmf.in](http://www.barodabnpparibasmf.in)). Market Capitalization as per AMFI - Large Cap: 1st - 100th company, Mid Cap: 101st - 250th company and Small Cap: 251st company onwards in terms of full market capitalization.

# Who is it Suitable For?

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Investors with predominant large and mid cap portfolio looking for diversification into small caps.

Long term investors looking for comparatively higher returns with higher risk.

Investors willing to invest for more than 5 years.

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.

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# Fund Facts

Scheme Name:	Baroda BNP Paribas Small Cap Fund																				
Scheme Type:	An open-ended equity Scheme investing in small Cap stocks.																				
Investment Objective:	The Scheme seeks to generate long-term capital appreciation by investing predominantly in equity and equity related securities of small cap companies. However, there is no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.																				
Asset Allocation:	<table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative Allocation (% of total assets)</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Equity &amp; Equity related instruments of small cap companies</td><td>65</td><td>100</td></tr> <tr> <td>Equity and equity related instruments of other than small cap companies</td><td>0</td><td>35</td></tr> <tr> <td>Debt &amp; Money Market instruments</td><td>0</td><td>35</td></tr> <tr> <td>Units issued by REITs &amp; InvITs</td><td>0</td><td>10</td></tr> <tr> <td>Units of Mutual Fund Scheme</td><td>0</td><td>10</td></tr> </tbody> </table> <p>For complete details refer SID</p>	Instruments	Indicative Allocation (% of total assets)		Minimum	Maximum	Equity & Equity related instruments of small cap companies	65	100	Equity and equity related instruments of other than small cap companies	0	35	Debt & Money Market instruments	0	35	Units issued by REITs & InvITs	0	10	Units of Mutual Fund Scheme	0	10
Instruments	Indicative Allocation (% of total assets)																				
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Debt & Money Market instruments	0	35																			
Units issued by REITs & InvITs	0	10																			
Units of Mutual Fund Scheme	0	10																			
Benchmark:	Nifty Small Cap 250 TR Index																				
Fund Manager:	Mr. Sanjay Chawla (Chief Investment Officer - Equity)*, Mr. Himanshu Singh (Fund Manager and Research Analyst)																				
Load Structure:	<p>Entry Load: Not applicable</p> <p>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 within 1 year from the date of allotment - Nil.</li> <li>If units of the scheme are redeemed or switched out in excess of the limit within 1 year from the date of allotment - 1% of the applicable NAV.</li> <li>If units of scheme are redeemed or switched out after 1 year from the date of allotment - Nil.</li> </ul>																				
Plans and Options:	<p>The Scheme offers following two plans:</p> <ul style="list-style-type: none"> <li>Baroda BNP Paribas Small Cap Fund - Regular Plan</li> <li>Baroda BNP Paribas Small Cap Fund - Direct Plan</li> </ul> <p>Each Plan offers Growth Option and Income Distribution cum Capital Withdrawal (IDCW) Option</p> <p>The IDCW option offers two options: Payout of Income Distribution cum capital withdrawal option and Reinvestment of Income Distribution cum capital withdrawal option.</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. There is no upper limit.</p> <p>The AMC reserves the right to change the minimum application amount from time to time.</p>																				

\*Mr. Sanjay Chawla was appointed as Fund Manager w.e.f November 29, 2025.

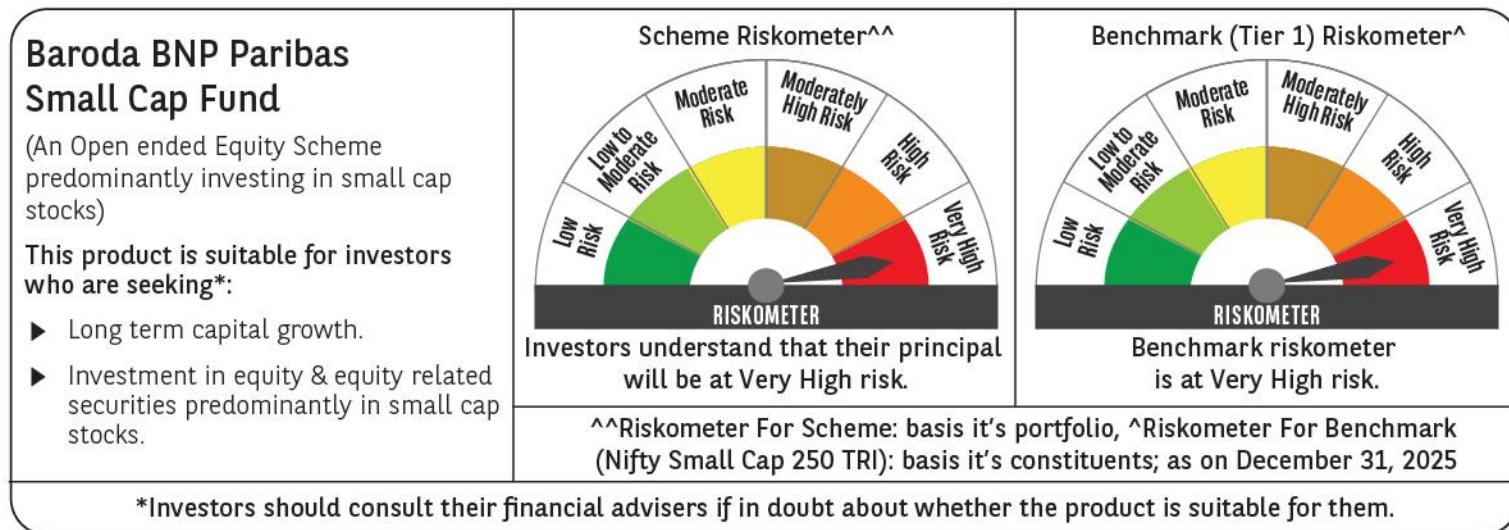
For Product Label and Riskometer of the Scheme please refer slide no. 23

# 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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In the preparation of the material contained in this document, Baroda BNP Paribas Asset Management India Pvt. 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 future and is not a guarantee of any future returns. 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