

BARODA BNP PARIBAS VALUE FUND

(AN OPEN-ENDED EQUITY SCHEME FOLLOWING A VALUE INVESTMENT STRATEGY)

May 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.

What is Value Investing?

Views on Value

“Price is what you pay; value is what you get.”

- Benjamin Graham

Views on Measuring Value

“All intelligent investing is value investing, acquiring more than you are paying for. You must value the business in order to value the stock.”

- Charlie Munger

Views on Investment Behaviour

“The big money is not in the buying or selling, but in the waiting.”

- Charlie Munger

The views and investment tips expressed by experts are their own and are meant for informational purposes only and should not be construed as an investment advice. Investors should check with their financial advisors before taking any investment decisions.

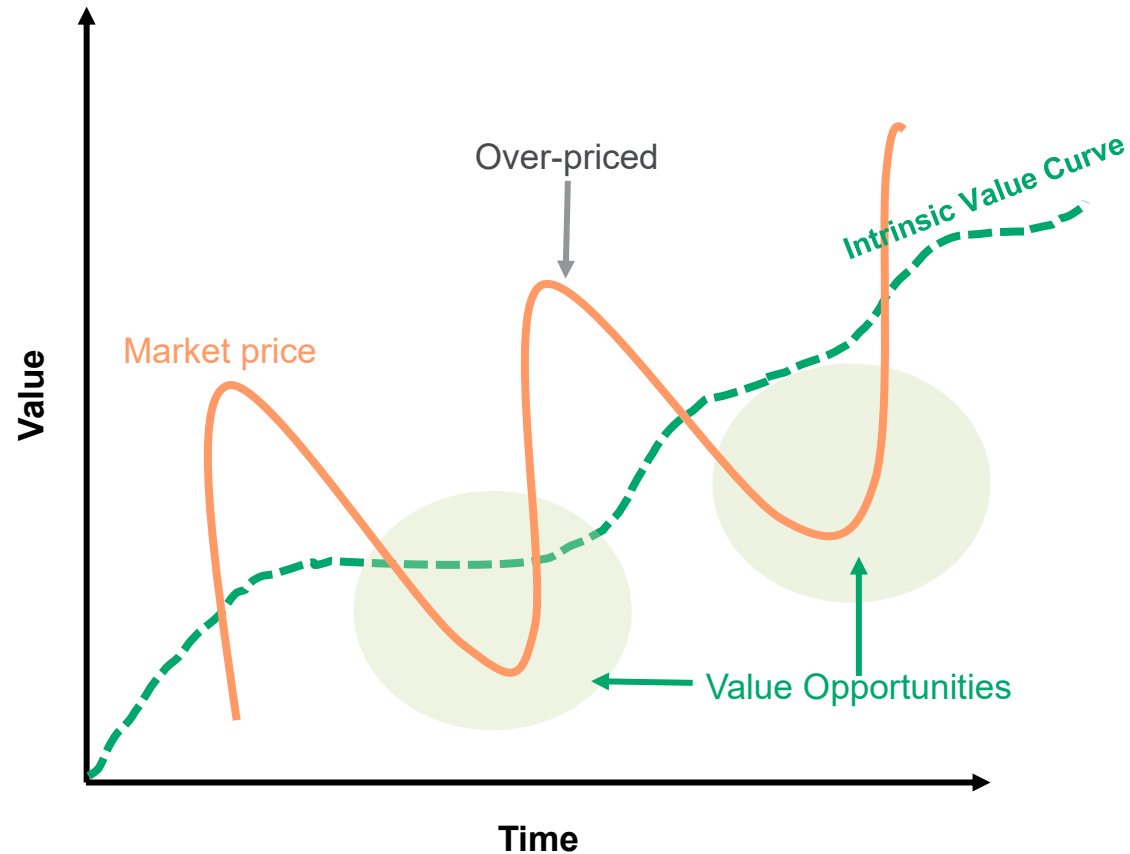
Understanding Value Investing!

What is Value Investing?

- Value investing is about identifying and investing in stocks that are under-priced or are at a discount to their intrinsic value.
- **Intrinsic value** is the true potential of the stock

Reasons for mis-match between price and value:

- Over-reaction by market participants
- Temporary / short term issue



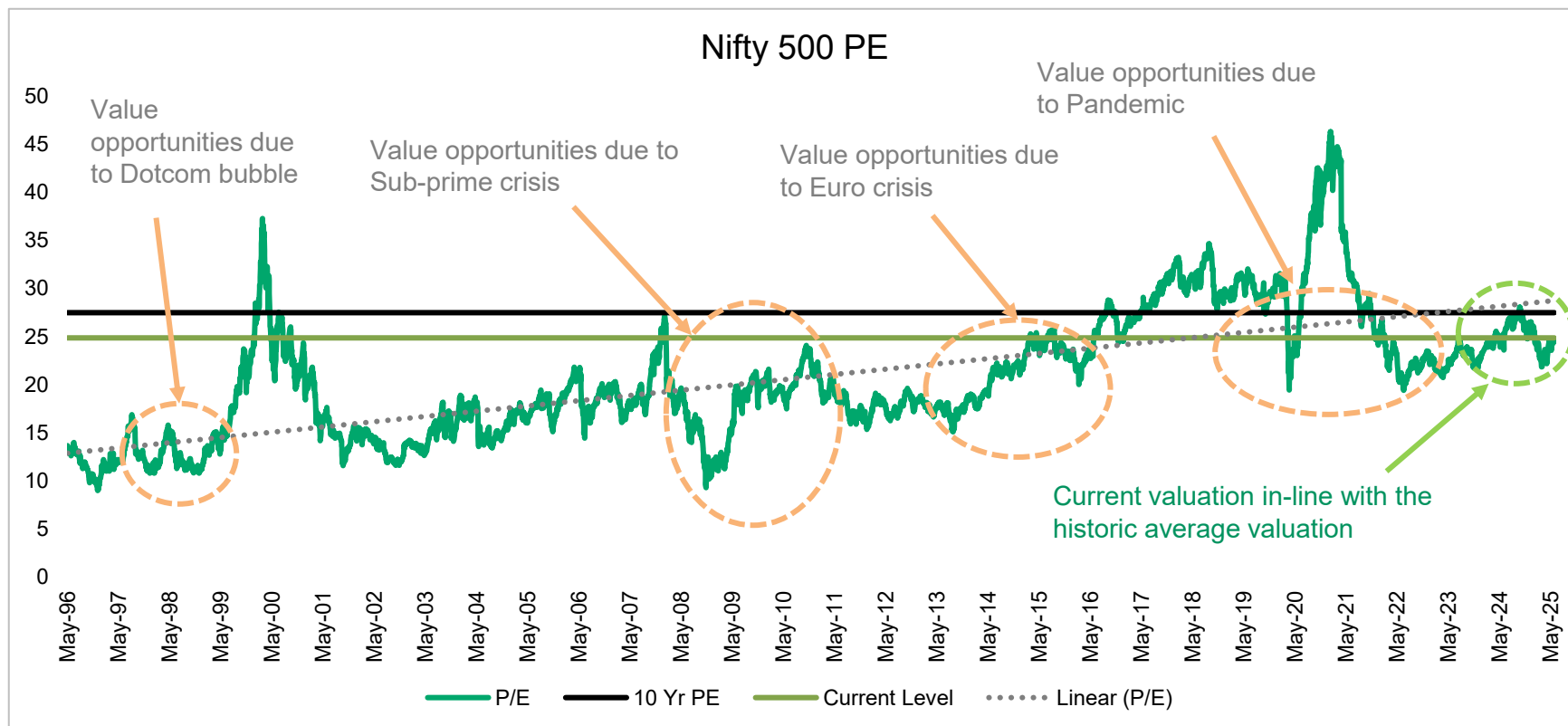
The above illustration is to explain the concept only and should not be considered as investment advice.

Where to look for value opportunities?

Value opportunities can be found across **Markets, Sectors and Stocks**



Value Opportunities in Markets



During periods of crisis, the market indices fell, creating value opportunities

Source: Nifty Indices and Internal Research. Data from May 31, 1996 to May 31, 2025.

Past performance may or may not be sustained in future and is not a guarantee of any future returns.



Real life case studies



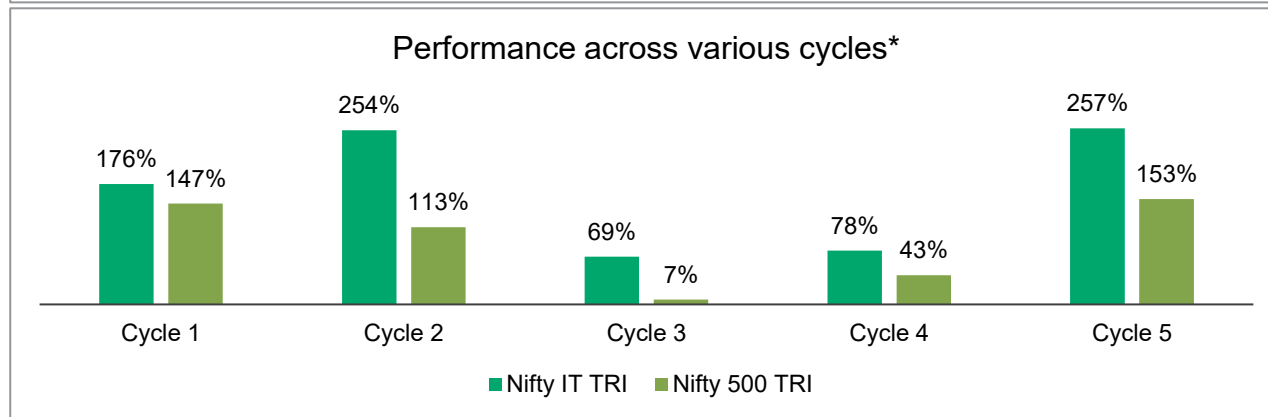
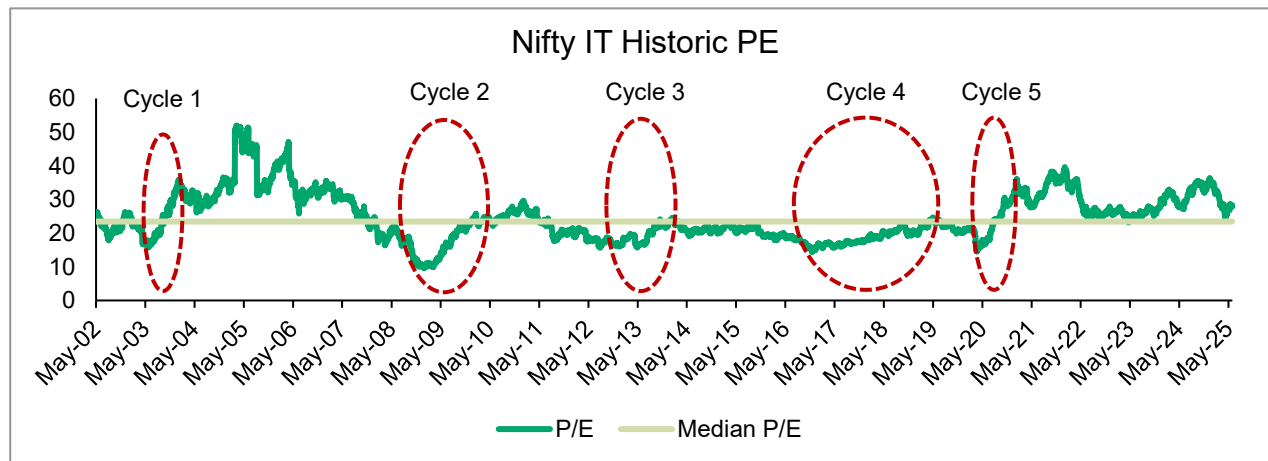
Baroda
BNP PARIBAS
MUTUAL FUND



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Value Opportunities in Sectors: Information Technology

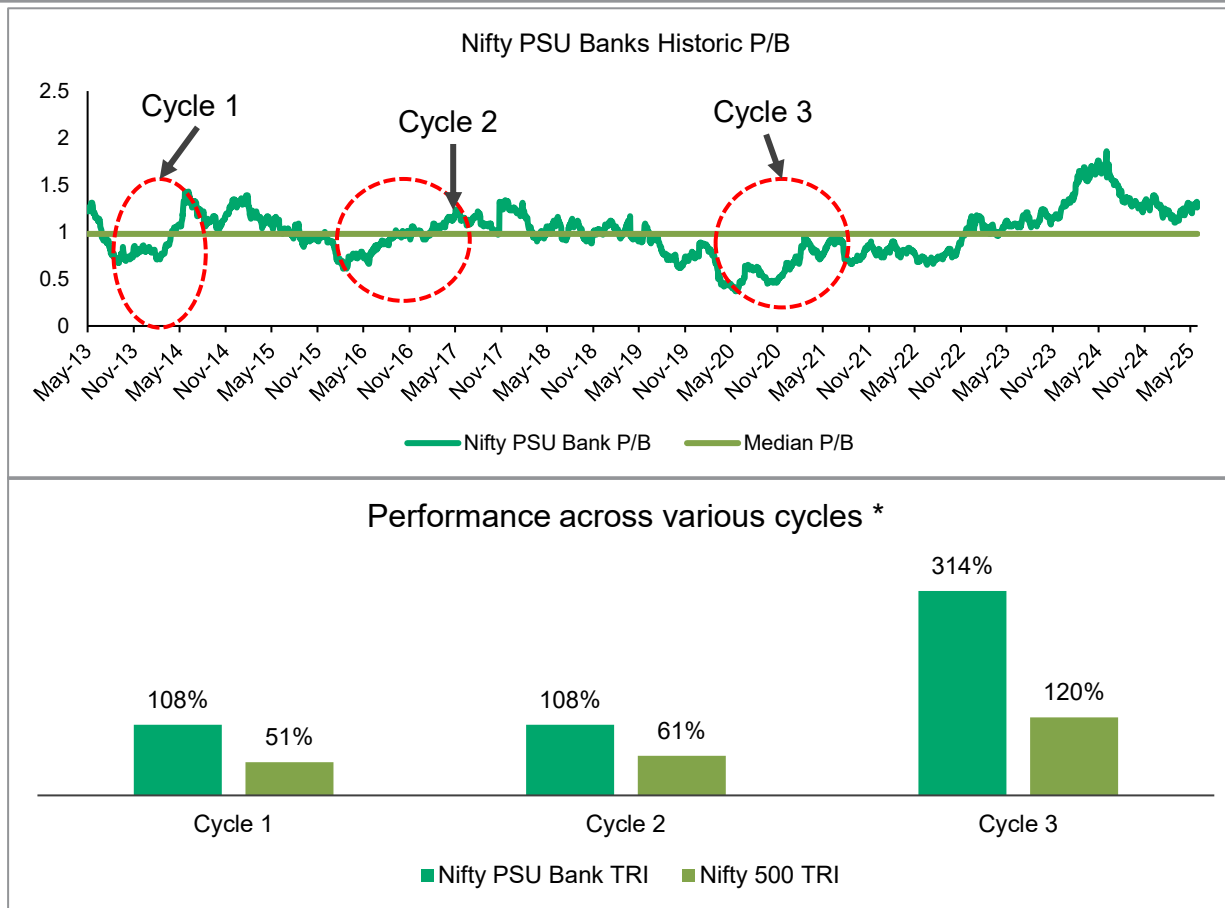
- Global slowdowns had caused the PE ratio of technology sector to fall
- This created value opportunities
- When the sector bounced back, it delivered better returns than Nifty 500 Index.



Source: Nifty Indices and Internal Research. Data as on May 31, 2025.

*Performance is the absolute performance from the bottom of the cycle to the peak. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** The above-mentioned sector is for illustration purposes only and not a recommendation for investment. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Value Opportunities in Sectors: BFSI



- PSU Banking sector had gone through difficult phases in the past
- Credit quality issues resulted in PSU banks trading at a significant discount to book value
- This had created potentially attractive investment opportunities

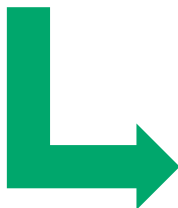
Source: Nifty Indices and Internal Research. Data as on May 31, 2025.

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Value Opportunities in Stocks: M&A

Before Acquisition

- A pharma company operating in a lucrative segment
- The management was happy with average business and could not capitalise on full potential
- Consequently, the stock under-performed its peers

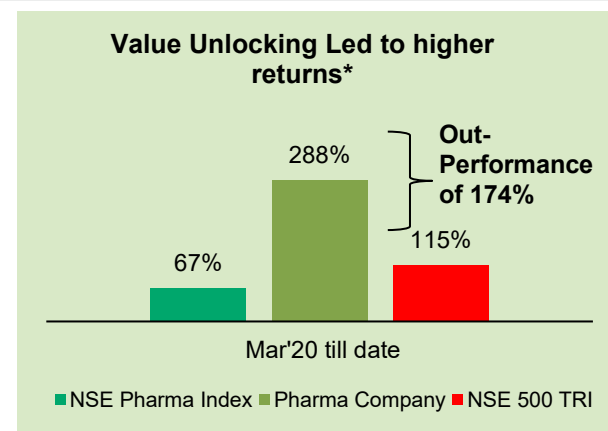
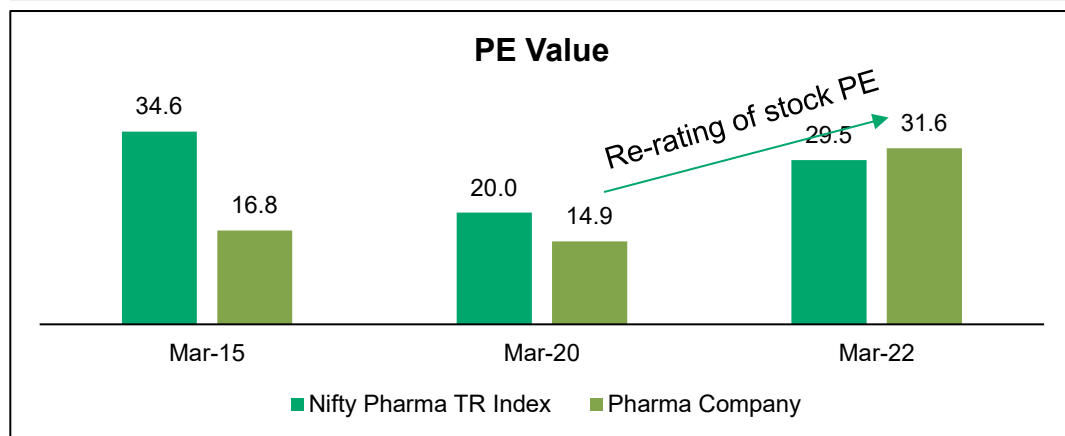
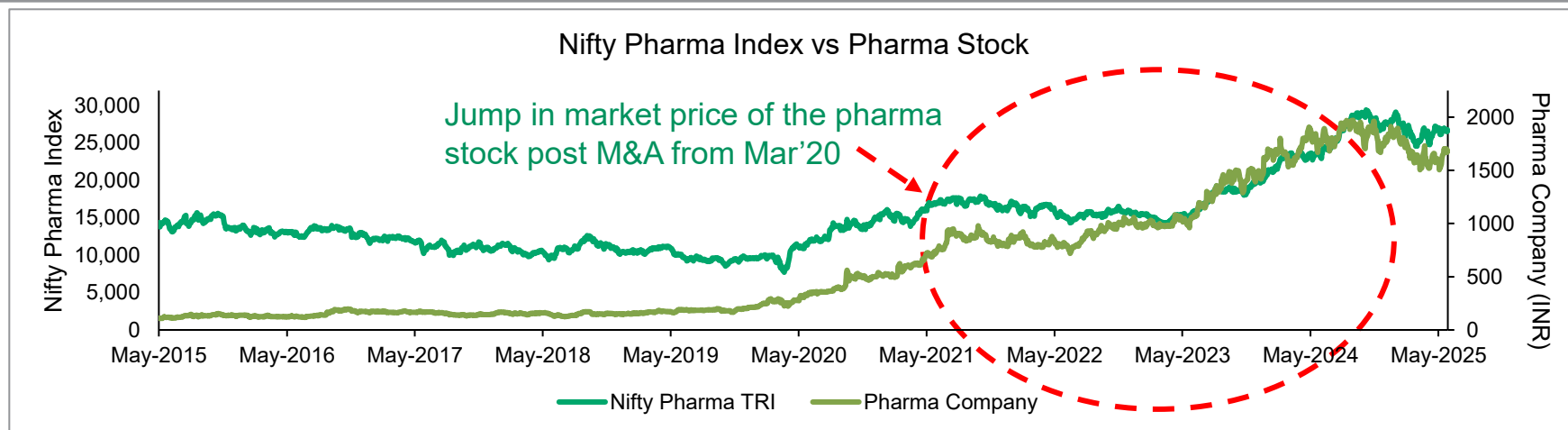


After Acquisition (By a PE investor in 2020)

- The company became aggressive and focused on both organic and inorganic growth opportunities
 - Focused on achieving full potential of its well-established brands
 - Entered new attractive segments
 - Acquired businesses and brands to create size and enter into adjacent therapies
- The stock got significantly re-rated and has been one of the best performing stock in the pharma sector

The above-mentioned company is just to explain how the value of the company changed and is not a recommendation for investment. **Past performance, including such scenarios, is not an indication of future performance**

Value Opportunities in Stocks: M&A (cont...)



Source: Bloomberg and Internal. Data as on May 31, 2025] * Returns in absolute terms

The above-mentioned company is for illustration purposes only and not a recommendation for investment. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

What is not Value Investing?

There is a thin line between value investing and value traps.

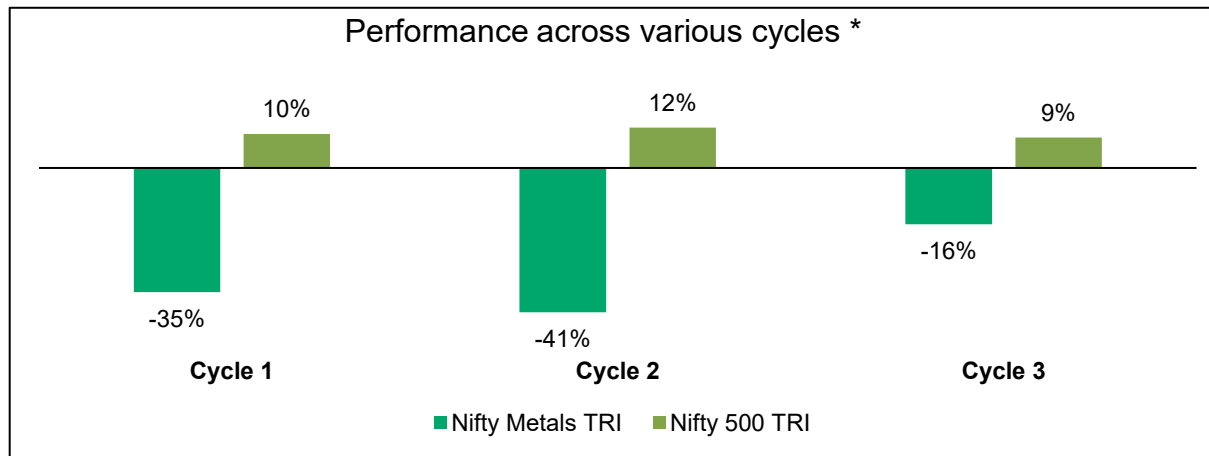
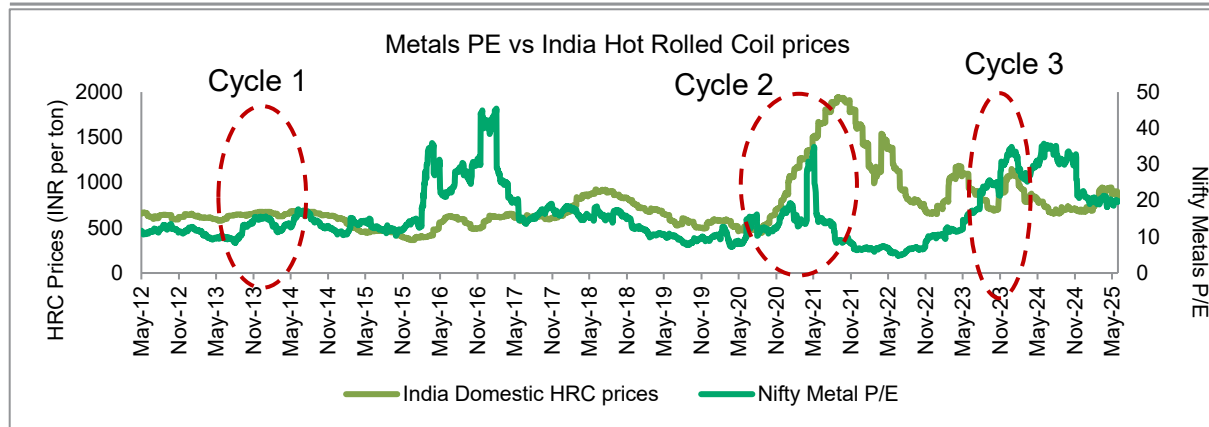
1. What are value traps?

- Investing in companies which appear to be trading at discount
- Such companies may have poor fundamentals
- May erode investors' value over long term

2. How to avoid value traps?

- Do not use only one metric – P/E, to look for value opportunities
- Thorough due diligence on the fundamentals of the company
- Being cognizant of industries who may appear “cheap” because of their cyclic nature
- Looking for companies with sound management

Value Traps: Case Study for Metal Industry

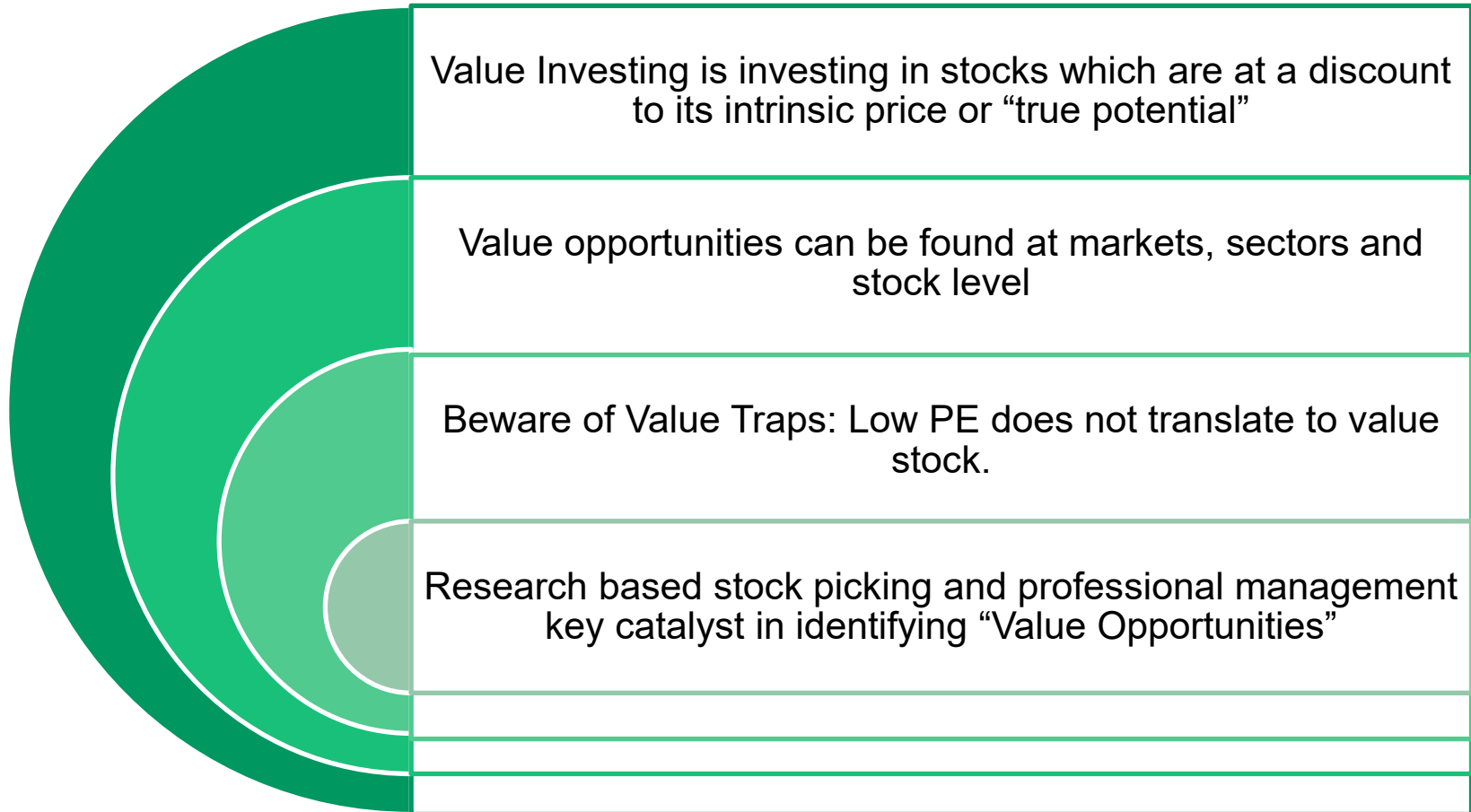


Focus on the cycle than low PE

- Earnings in sector like Metals and Oil & Gas are highly dependent on the underlying commodity prices.
- Consequently, when the underlying commodity prices are high, earnings are likely to seem exaggerated and the implied PE ratio looks low.
- This may not be a good indicator to buy as earnings can decline significantly

Source: Bloomberg and Internal. Data as on May 31, 2025. * Returns in absolute terms. The above-mentioned company is for illustration purposes only and not a recommendation for investment. **Past performance may or may not be sustained in future and is not a guarantee of any future returns** Hot-rolled coil (HRC) is the predominant finished steel form in the US domestic and global steel industry, and the foundation for many steel-based industrial products. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the fund may or may not have any future position in these sector(s)/stock(s)/issuer(s)

To Sum it up...



INTRODUCING....

BARODA BNP PARIBAS VALUE FUND



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About the Fund

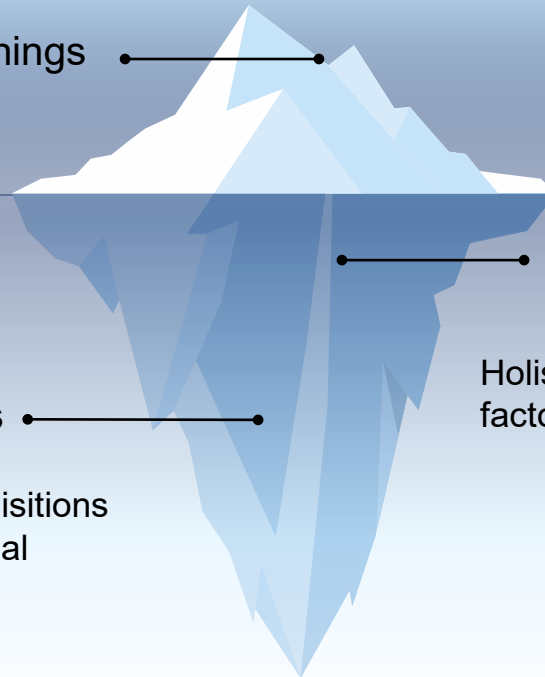
- The fund follows the value investing philosophy
- The fund aims to invest in companies which aims to generate wealth in the long term.
- The fund has a unique investment approach which focuses on picking value opportunities available at **market, sector and stock levels**.
- The fund evaluates parameters like:
 - Present value of discounted projected cash flows
 - PE; PB; EV/EBITDA; EV / Ton ; etc.
 - Value unlocking opportunities
- The fund aims to look for companies with strong fundamentals across market caps and sectors without any bias to either.
- The Fund's investment process incorporates strong screeners to avoid allocations to value traps

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.

How we define Value? The Iceberg Approach

Iceberg Approach: Going beyond PE

Commonly used valuation parameters like price to earnings



Different valuation markers for different industry / sectors

Stock Picking Opportunities

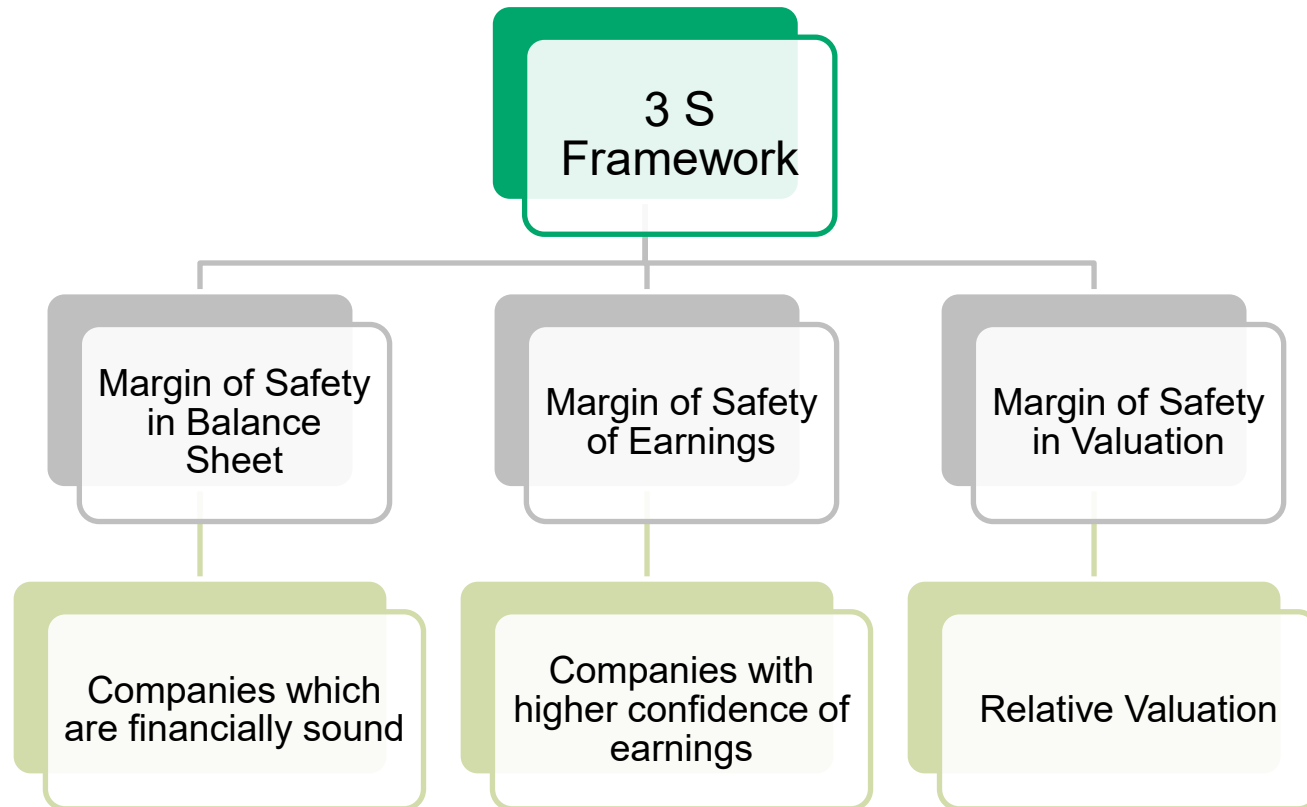
- Mergers/ De-mergers and acquisitions
- Restructuring / recovery potential

Holistic approach to value incorporating factors like:

- Market cycles
- Business cycles
- Company specific factors

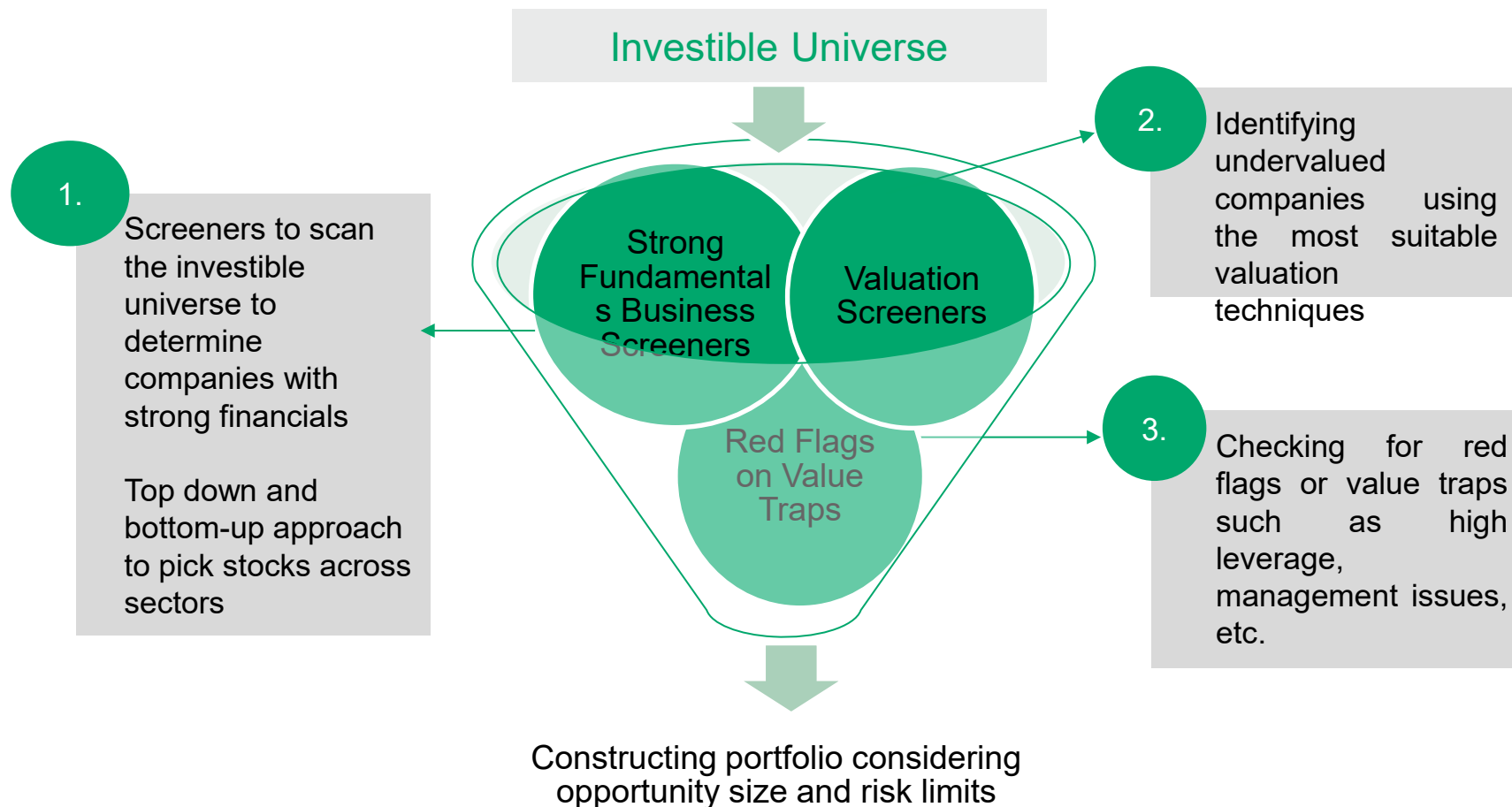
Investment Philosophy – 3 S Framework

- “Safety” is in the core of our investment philosophy



Safety here does not mean safety market price. This illustration is to show the investment philosophy only. The fund does not guarantee any returns.

Investment Approach



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Advantages of investing in Value Funds

Catching Potential Gems

- Value investing is all about looking for stocks with unrealized potential

Less Volatile

- Involves buying long term stocks which tend to be less volatile

Focus on Long Term

- Value investing involves selecting stocks and staying invested for long term till the value is realised

Leveraging on market sentiments

- Markets tend to move according to investors' emotions fuelled by fear and greed.
- This creates opportunities for research based rational value fund manager

Who should Invest?

Patient Long Term Investors

- Investors looking to invest in value stocks with adequate margin of safety.
- Investors looking to stay invested for more than 3 years
- Investors who are investing for long term goals

Investors looking for diversification from growth oriented portfolios

- Investors who hold growth stocks and want to diversify their investment using value stocks

Investors looking for benefits

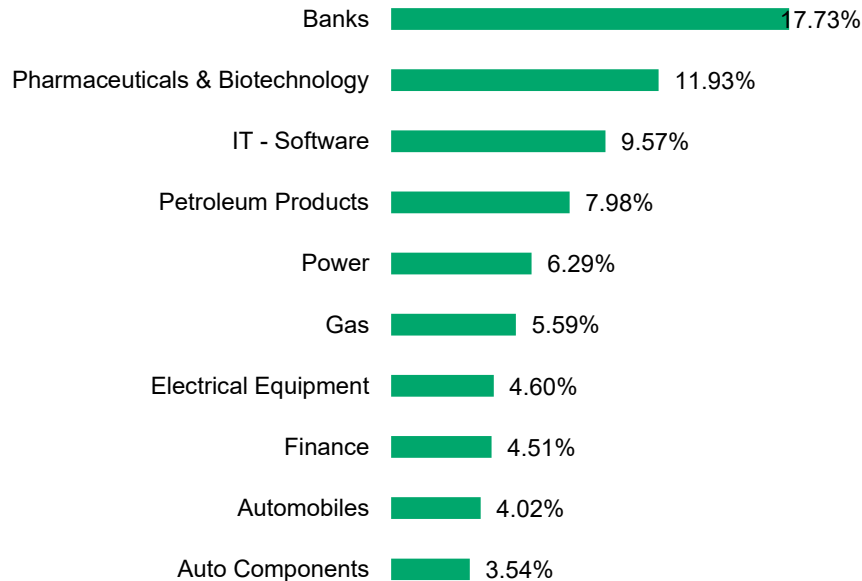
- The fund aims to benefit from potential earnings growth as well as valuation re-rating

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PORTFOLIO DETAILS

Baroda BNP Paribas Value Fund

Top 10 Sectors (% of Net Assets)



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

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).

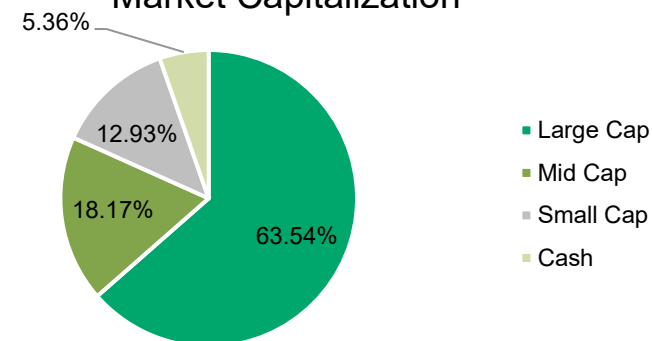
For further details on asset allocation, investment strategy and risk factors of the Scheme please refer to SID available on our website (www.barodabnp-paribasmf.in).

Top 10 Holdings

% of Net Assets

HDFC Bank Ltd.	6.64%
ICICI Bank Ltd.	5.92%
Infosys Ltd.	5.63%
Reliance Industries Ltd.	5.39%
Tata Consultancy Services Ltd.	3.94%
Kotak Mahindra Bank Ltd.	3.93%
Coal India Ltd.	2.86%
Larsen & Toubro Ltd.	2.79%
NTPC Ltd.	2.78%
Mahanagar Gas Ltd.	2.71%

Market Capitalization



Fund Facts

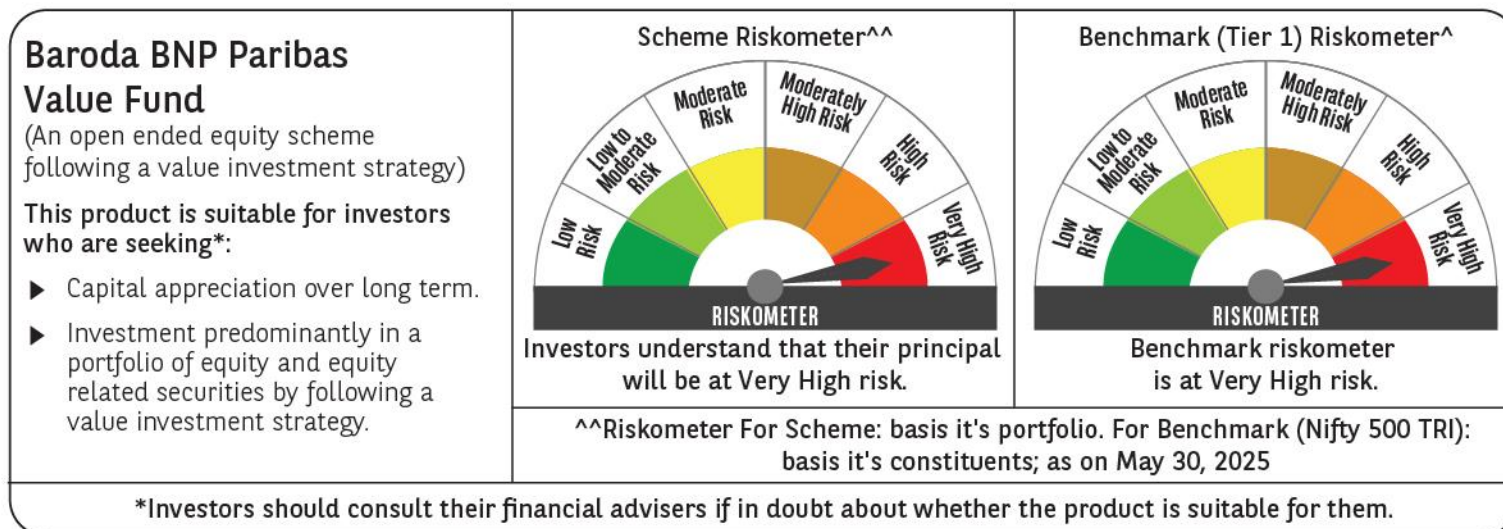
Scheme Name	Baroda BNP Paribas Value Fund																	
Type of Scheme	An open-ended equity scheme following a value investment strategy																	
Category	Value Fund																	
Investment Objective	The Scheme seeks to generate long term capital appreciation from a diversified portfolio of predominantly equity and equity related instruments by following a value investment strategy. 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	<table><thead><tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th></tr></thead><tbody><tr><td>Equity and Equity Related Instruments^</td><td>65</td><td>100</td></tr><tr><td>Debt* & Money Market instruments</td><td>0</td><td>35</td></tr><tr><td>Units issued by REITs & 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>*Debt instruments may include securitised debt upto 20% of the net assets. ^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. For detailed information, kindly refer to the SID available on our website - barodabnpparibasmf.in</p>			Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Equity and Equity Related Instruments^	65	100	Debt* & Money Market instruments	0	35	Units issued by REITs & INVITs	0	10	Units of Mutual Fund Scheme	0	10
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Units issued by REITs & INVITs	0	10																
Units of Mutual Fund Scheme	0	10																
Benchmark	NIFTY 500 TRI																	
Fund Manager	Mr. Shiv Chanani (Total experience: 21 years) (Managing fund since 07th June 2023) Mr. Himanshu Singh (Total experience: 10 years) (Managing fund since 21 st October 2024)																	
Load Structure	Entry Load: NA Exit Load: • If units are redeemed upto 10% of the units, on or before 12 months from the date of allotment: Nil • If units are redeemed over and above the 10% limit, on or before 12 months from the date of allotment: 1% of the applicable Net asset Value (NAV) • If the units are redeemed after 12 months from the date of allotment: Nil For detailed load structure please refer Scheme Information Document.																	

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