



**A fund for all Reasons.
A fund for all Seasons.**



The All-in-One Equity Fund

NFO Period:

25th July to 5th August, 2022

Baroda BNP Paribas
FLEXICAP
FUND

(An Open ended dynamic equity scheme investing across large cap, mid cap, small cap companies)

Life Keeps on Changing.... Our day to day activities also keep on changing

The way we socialise has changed



The way we work has changed



The way we shop has changed



Our Consumption patterns are changing!

From terrestrial Tv to
Satellite TV to OTT platforms



Owning a car to
hiring / renting



Rent / Self Drive



Top companies keep on changing....

Top 10 companies by market cap in the Nifty 50 Index

| June 2002 | June 2012 | June 2022 |
|-----------------------------------|--------------------------------|-----------------------------------|
| Hindustan Unilever Ltd. | Tata Consultancy Services Ltd. | Reliance Industries Ltd |
| Reliance Industries Ltd | ONGC Ltd. | Tata Consultancy Services Ltd. |
| Infosys Ltd. | Reliance Industries Ltd | HDFC Bank Ltd. |
| ITC Ltd. | Coal India Ltd. | Infosys Ltd. |
| State Bank Of India, | ITC LTD | Hindustan Unilever Ltd. |
| Reliance Petroleum | State Bank Of India, | ICICI Bank |
| Ranbaxy Laboratories | Infosys Ltd. | State Bank of India Ltd. |
| Hindustan Petroleum | HDFC Bank Ltd. | Housing Development Finance Corp. |
| MTNL | NTPC Ltd. | Bharti Airtel Ltd. |
| Housing Development Finance Corp. | Bharti Airtel Ltd | ITC Ltd. |

How to thrive in an ever changing world?

Be Flexible

Be Flexible to manage Change

*"Change is the only
Constant in Life"*

- Heraclitus,
Greek Philosopher

*"When you are finished changing,
you are finished"*

- Benjamin Franklin,
American Polymath

*"It is not the strongest of the
species that survives,
nor the most intelligent; it is the
one most adaptable to change"*

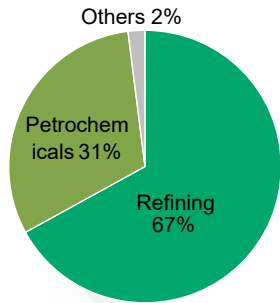
- Charles Darwin,
British naturalist

*"All fixed set patterns are incapable
of adaptability or pliability.
The truth is outside of all fixed patterns."*

- Bruce Lee

Reliance – From Textiles to E-Commerce / Digital Biz

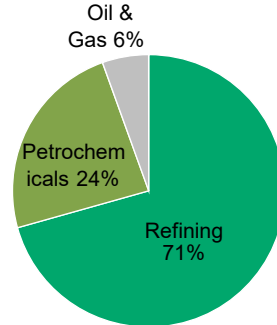
2006 – Revenue Breakup



2006

Refining was the core business

2010 – Revenue Breakup



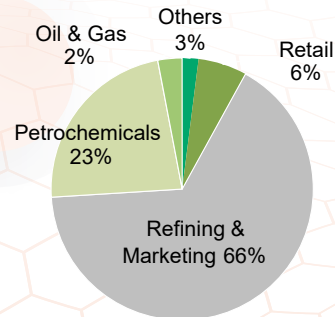
2010

Ventured in Oil & Gas Business

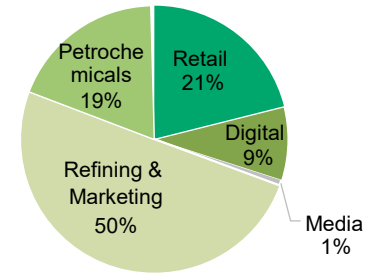
Reinvests by entering the retail

2016

2016 – Revenue Breakup



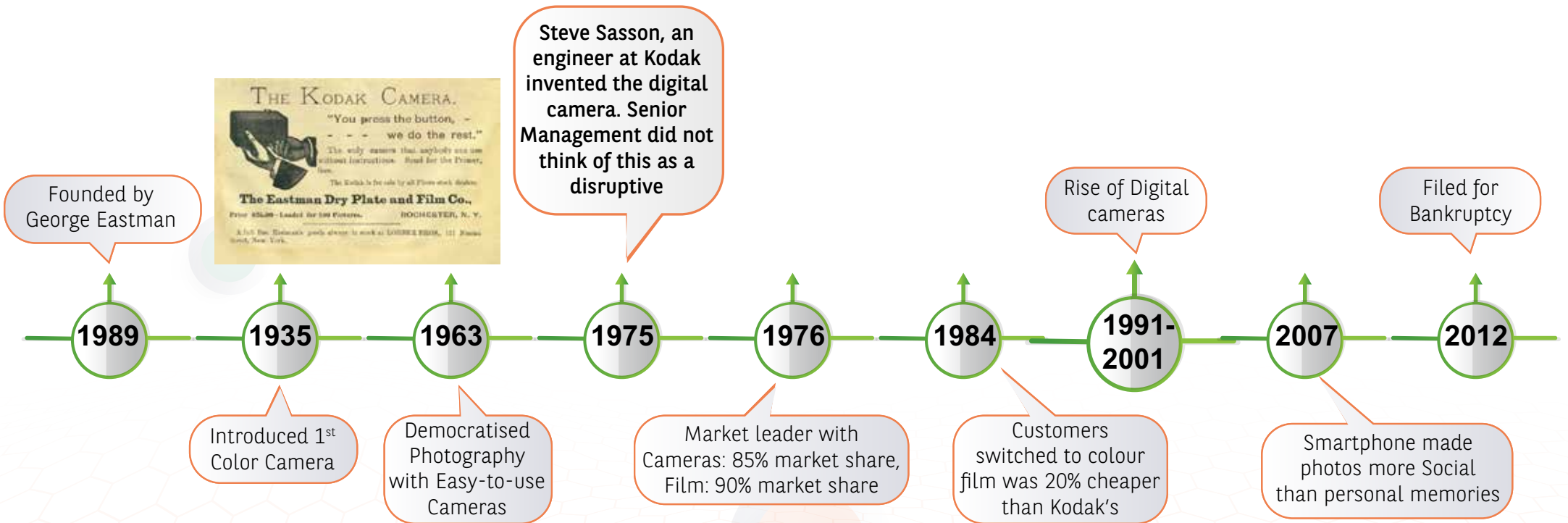
2022 – Revenue Breakup



2022

Retail Segment grows to form 21% of the total revenue. Digital and media segments are sources of revenue

Kodak – Lack of flexibility in innovation



Only the Flexible Thrive

Be Flexible

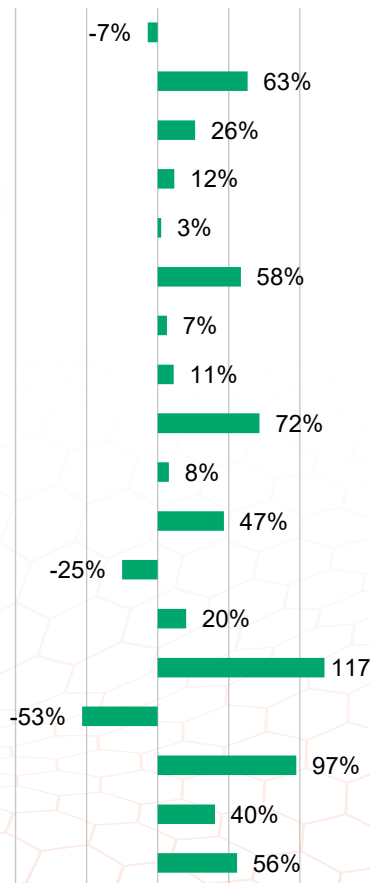
Why Flexi Cap Funds? – Pecking order changes



Best Performer



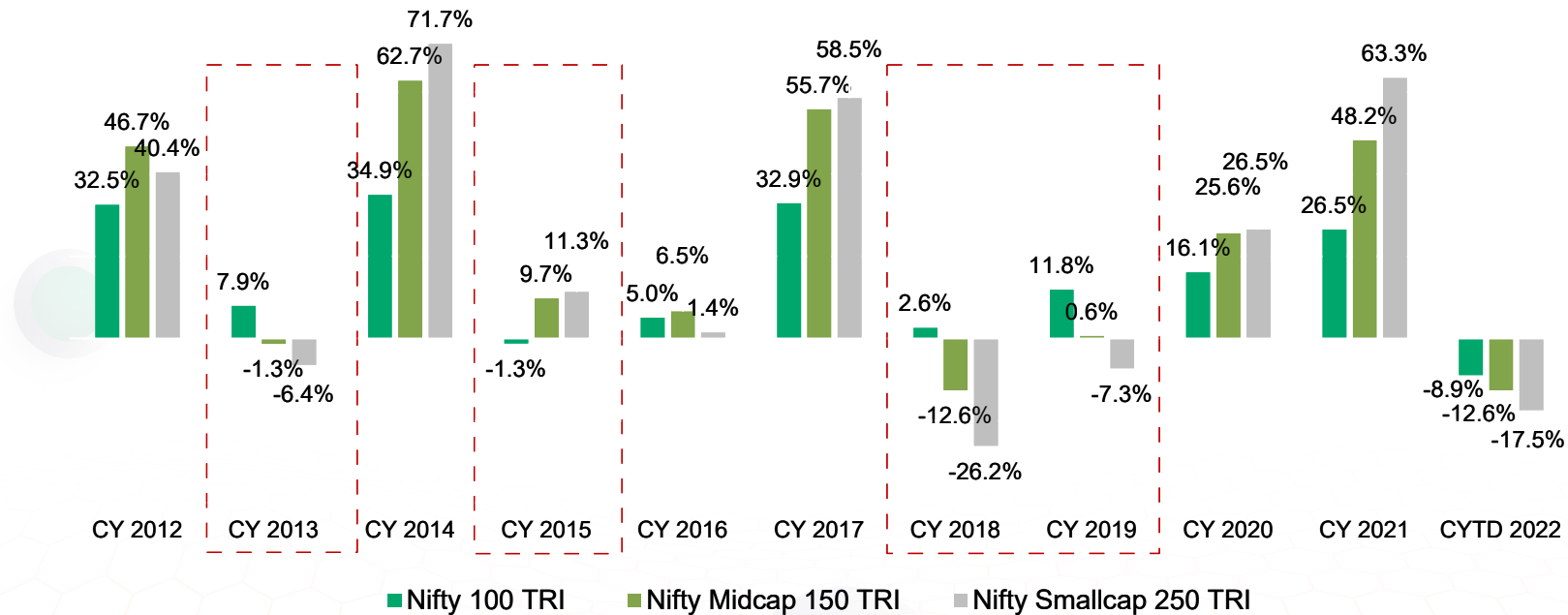
CYTD 2022
CY 2021
CY 2020
CY 2019
CY 2018
CY 2017
CY 2016
CY 2015
CY 2014
CY 2013
CY 2012
CY 2011
CY 2010
CY 2009
CY 2008
CY 2007
CY 2006
CY 2005



- ▶ Segments of the market behave differently at different times
- ▶ Winners keep on rotating
- ▶ Predictability of returns or even the direction of the market cap segments is difficult, if not impossible

Even direction of returns can be different

Segment wise market performance

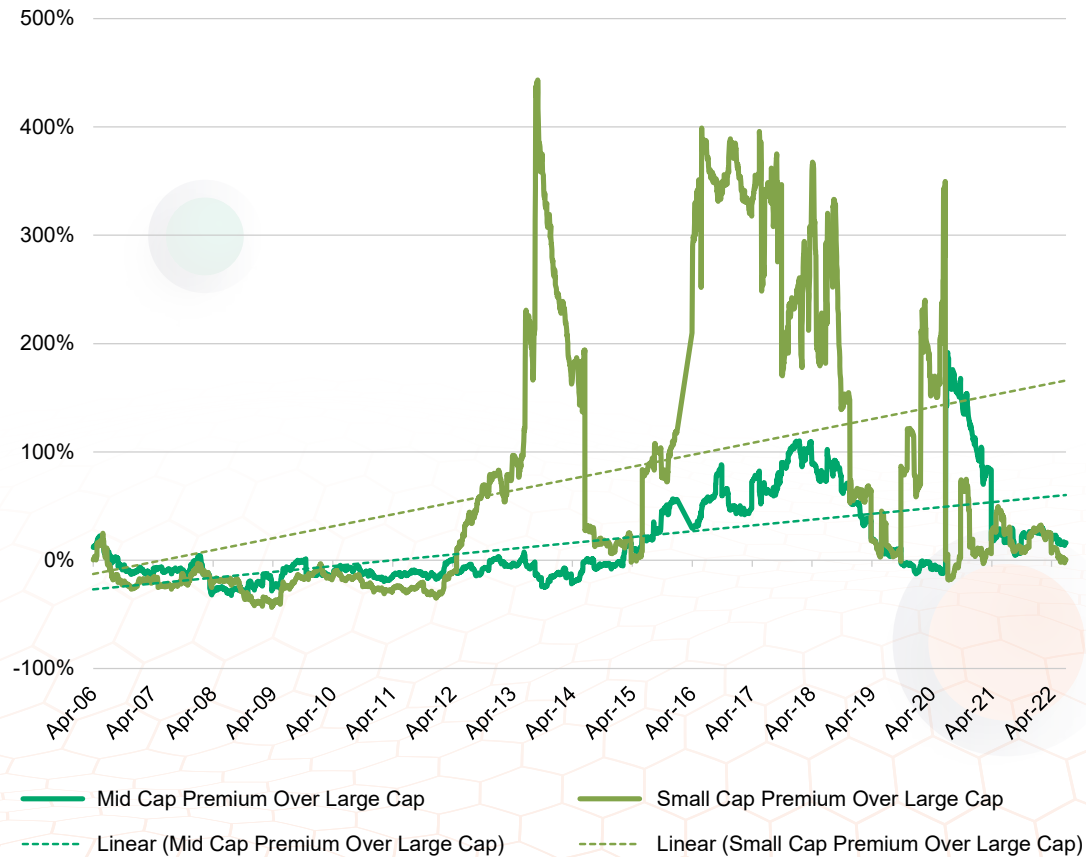


- ▶ There have been years when the large cap has given +ve returns with Mid and small cap being -ve; and vice versa
- ▶ Predicting the direction may also seem difficult at times

Source: nseinda.com, MFExplorer. Data for CYTD 2022 till June 30, 2022.
Past performance, including such scenarios, is not an indication of future performance.

Valuations diverge at different points in time

Relative P/E Valuations



- ▶ Trendline shows the historic average valuations
- ▶ In current scenario, both mid and small caps are trading at a discount to their long term historic averages. However, small caps seem to show higher divergence compared to mid caps

Benefits of Investing in Flexi Cap Fund



Agility

No market cap limits allows the Flexi cap fund at any given time to dynamically take positions across large/ mid or small cap stocks



Diversification

One equity fund that invests in different market segments. Large caps tend to reduce volatility where as mid and small caps may come with higher growth potential



Managing Risks

A diversified portfolio helps in reducing risks solely associated with investing solely with large / mid and small caps and hence it is a good starting point for someone who is new to investing



All Season Fund

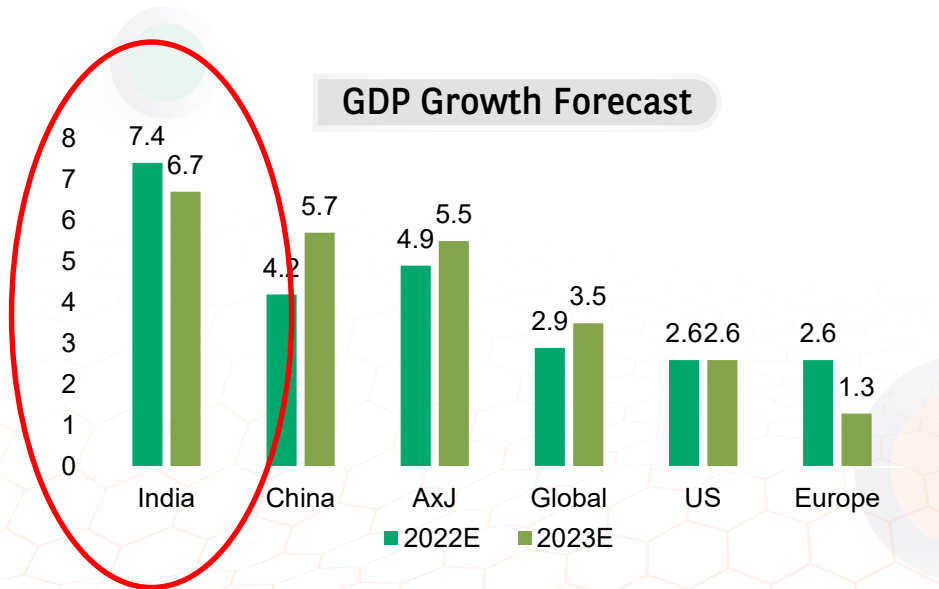
A diversified portfolio helps in reducing risks solely associated with investing solely with large / mid and small caps and hence it is a good starting point for someone who is new to investing

The opportunity in Equity is....now

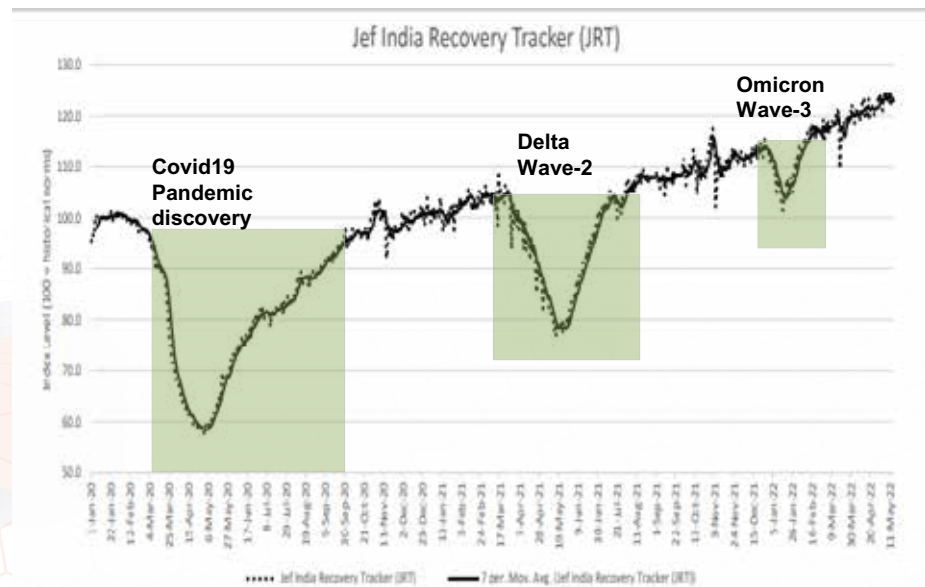
India's economic activities recovering rapidly in 2022, as the pandemic recedes

INDIAN ECONOMY IN 2022 IS EXPECTED TO EMERGE AS ONE OF THE FAST-GROWING ECONOMY AMONGST LARGE GLOBAL COUNTRIES

- ▶ Limited impact of pandemic omicron, wave-3 on the economy, fast paced vaccinations across the country, has helped
- ▶ The pace and recovery of economic activities has picked up meaningfully, over the last 2-3 months



Source: CEIC, Morgan Stanley Research May 2022

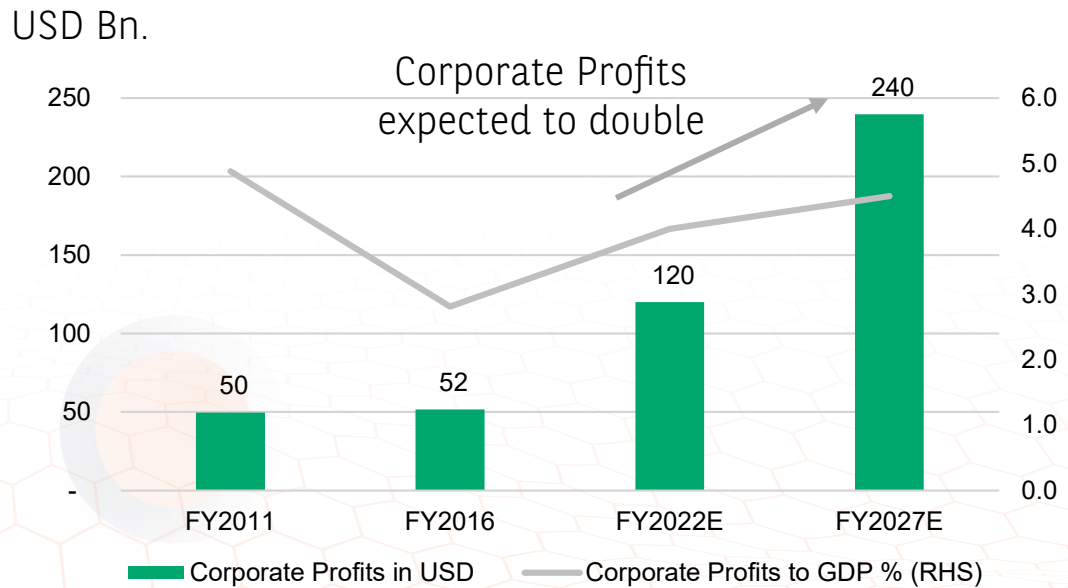
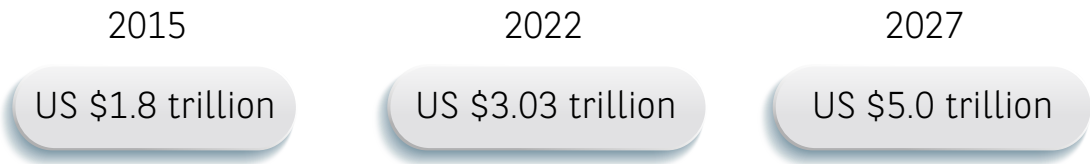


Source: Jefferies

India Equity Markets returns in line with profit growth, over medium term

- ▶ Over the last decade, equity returns have been inline with the corporate profits' growth, which in turn grew with nominal GDP
- ▶ In the next ~ 5-years, profits are expected to more than double, out-pacing the nominal GDP growth
- ▶ Equity returns over the medium term are expected to reflect corporate profit growth assuming stable valuations

INDIA GDP



Source: Jefferies, Internal Research, Data as on June 2022.

**Aim to Reap the benefits of
flexible investing through**

**BARODA BNP PARIBAS
FLEXI CAP FUND**

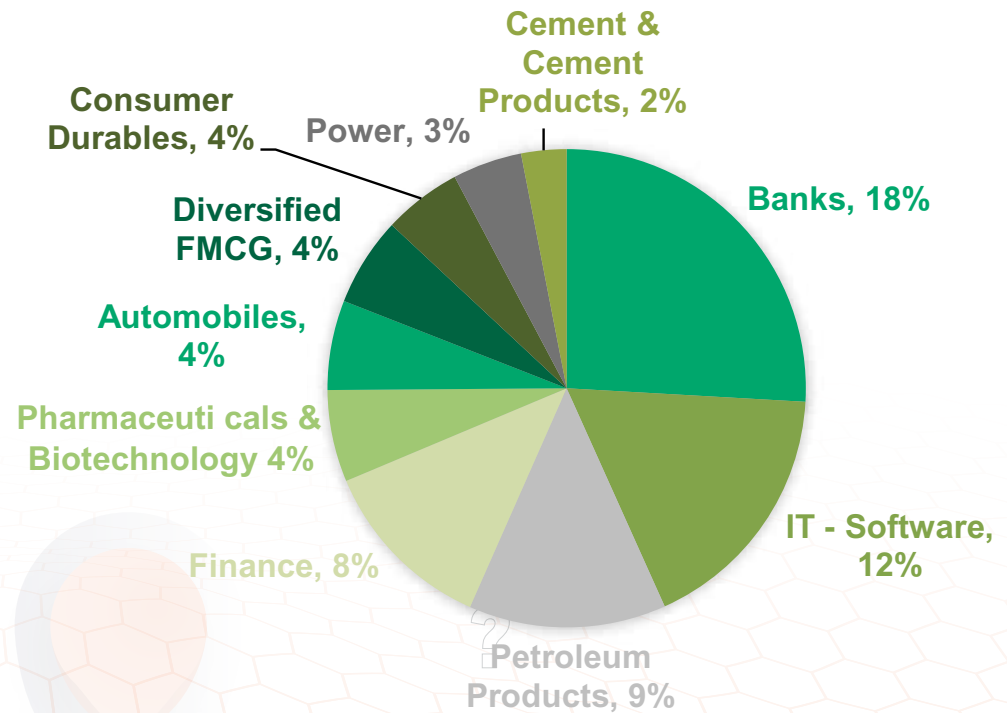


(An Open ended dynamic equity scheme investing across large cap,
mid cap, small cap companies)

Scheme Philosophy

Nifty 500 TRI – Top 10 Sector Composition

- ▶ Fund offers the flexibility to invest across market cap
- ▶ Diversified Strategy: Diversified allocation across sectors and market caps
- ▶ Expected Portfolio Holdings: Will hold around 45 – 55 stocks
- ▶ Sector allocation will be made with reference to the benchmark Nifty 500 TRI



Source: nseinida.com, MFExplorer. Data for CYTD 2022 till June 30, 2022

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).

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

Investment Approach: 3 Way Strategy

Step 1 Top Down Approach for Sectors

Step 3 Bottom Up Stock Selection



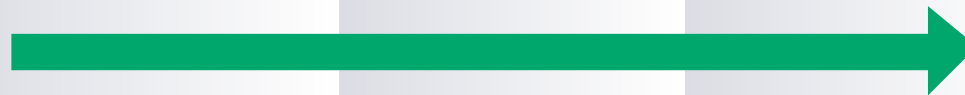
Step 2

Horizontal: For choosing market market cap

Large Cap

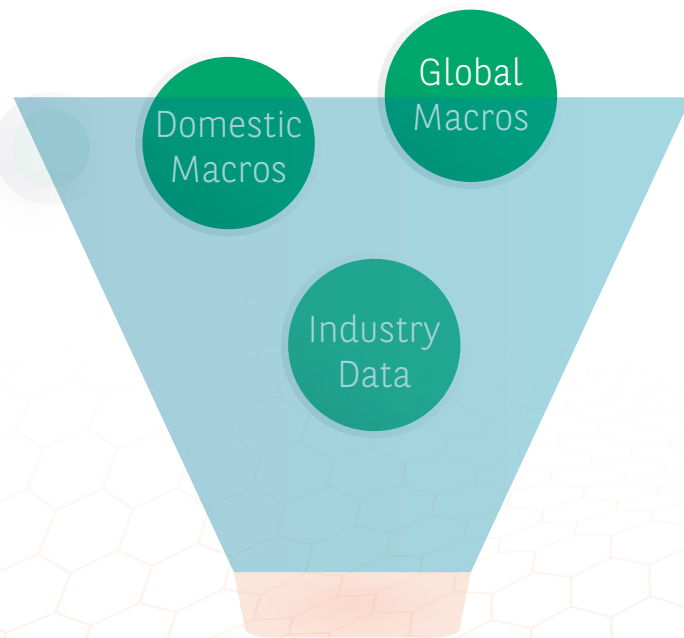
Mid Cap

Small Cap



Investment Approach: Step 1 – Top Down

Step 1 Top Down Approach for Sectors



Shortlisted Sectors

Underlying Factors*

Gross Domestic Produce (GDP)

Fiscal Deficit

Index of Industrial Production (IIP)

Credit Growth

Capex Cycle

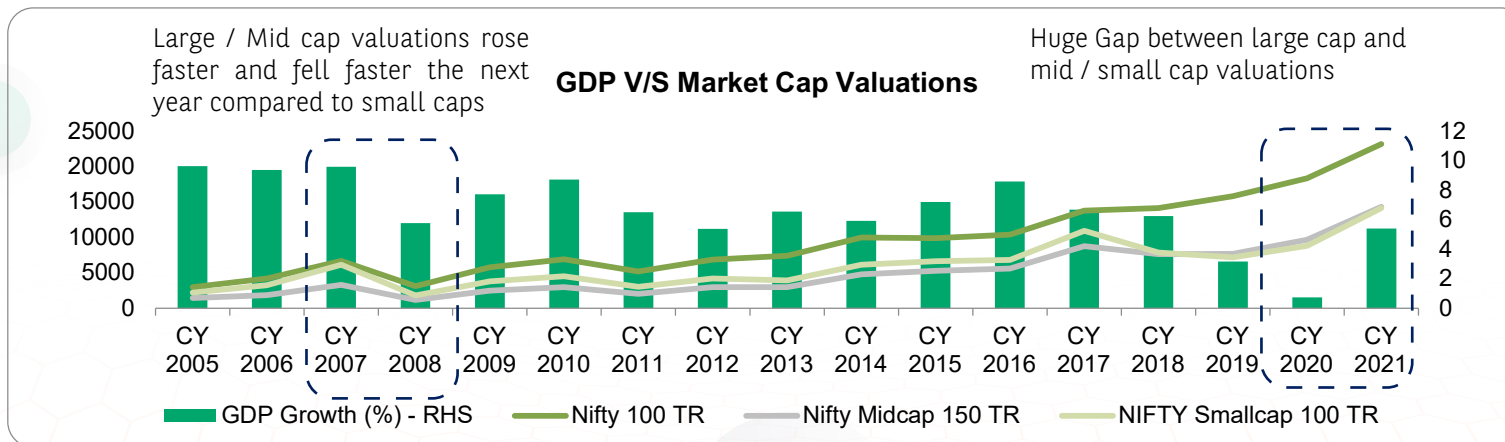
*Including but not limited to



Investment Approach: Step 2 – Horizontal: Market Cap

Step 2 Horizontal Looking for opportunities across market cap

1. Market cycles: Different segments react differently to markets ups and downs



Source: Bloomberg, NSEIndia indices, Baroda BNP Paribas Internal research

2. Relative Valuations: On relative terms, one segment may look more attractive than others
3. Earnings Growth in each Segment
4. Earnings momentum – Speed of growth in each segment
5. Volatility of sector – Volatile sectors will have lesser allocation to the relatively volatile mid and small caps and vice versa

Investment Approach: Step 3 Bottom up Stock Picking

Core belief: Companies create wealth, not markets

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



- ▶ Science is predicting the earnings
- ▶ Art is deciding the likely valuations
- ▶ Blending Art and Science to give optimum return

Identify superior businesses, with strong management, at reasonable valuations

Investment process overview

Step 1
IDEA GENERATION

Investment Universe*

Internal Forums

- ▶ Daily Morning Meeting
- ▶ Brainstorming
- ▶ Weekly sector discussion

360° Research Process

- ▶ Co. Management
- ▶ Vendors & Customer
- ▶ Sell-side Analysts

Step 2
IDEA VALIDATION

Investment Ideas

First Initiating Report

- ▶ **Business**
- ▶ **Management**
- ▶ **Valuation**

Research Updates
Semi Annual

Investible Universe (about 200 names)

Daily and weekly meetings to
discuss and implement views

Allocation & Selection

Macro Considerations

Model Portfolio

Step 3
IDEA EXECUTION

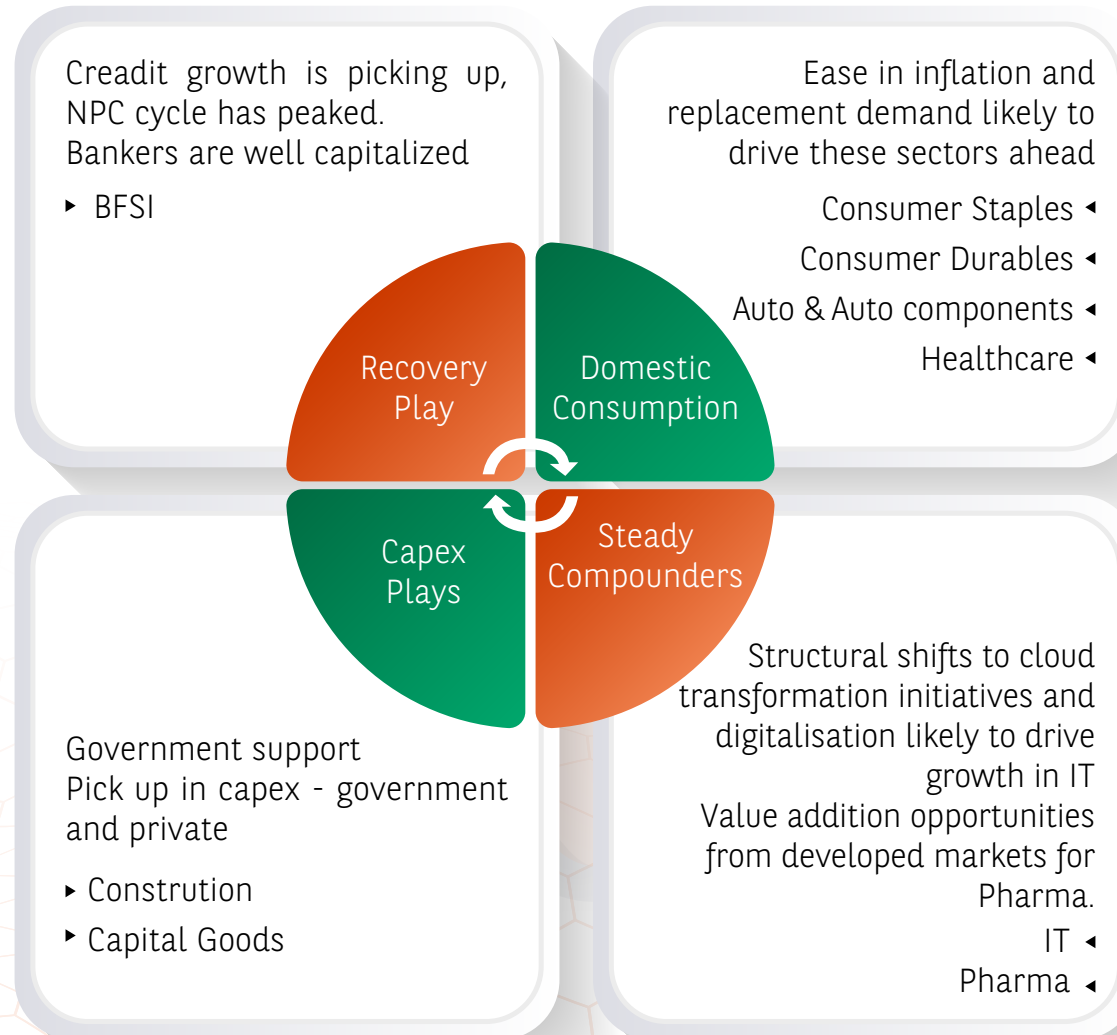
Estimated Portfolio Holdings (45-55 stocks)^{^^}

Source: Baroda BNP Paribas Internal Research

*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, are 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.barodabnpparibasmf.in).

Investment Themes



Who Should Invest?



New Investors

- ▶ New investors looking for exposure across market caps through one fund



Long Term Wealth Creation

- ▶ An all season fund which seems to easily adapts to different market cycles, making it a good option for long term wealth creation
- ▶ Investors who are saving for long term goals



Investors looking for diversification

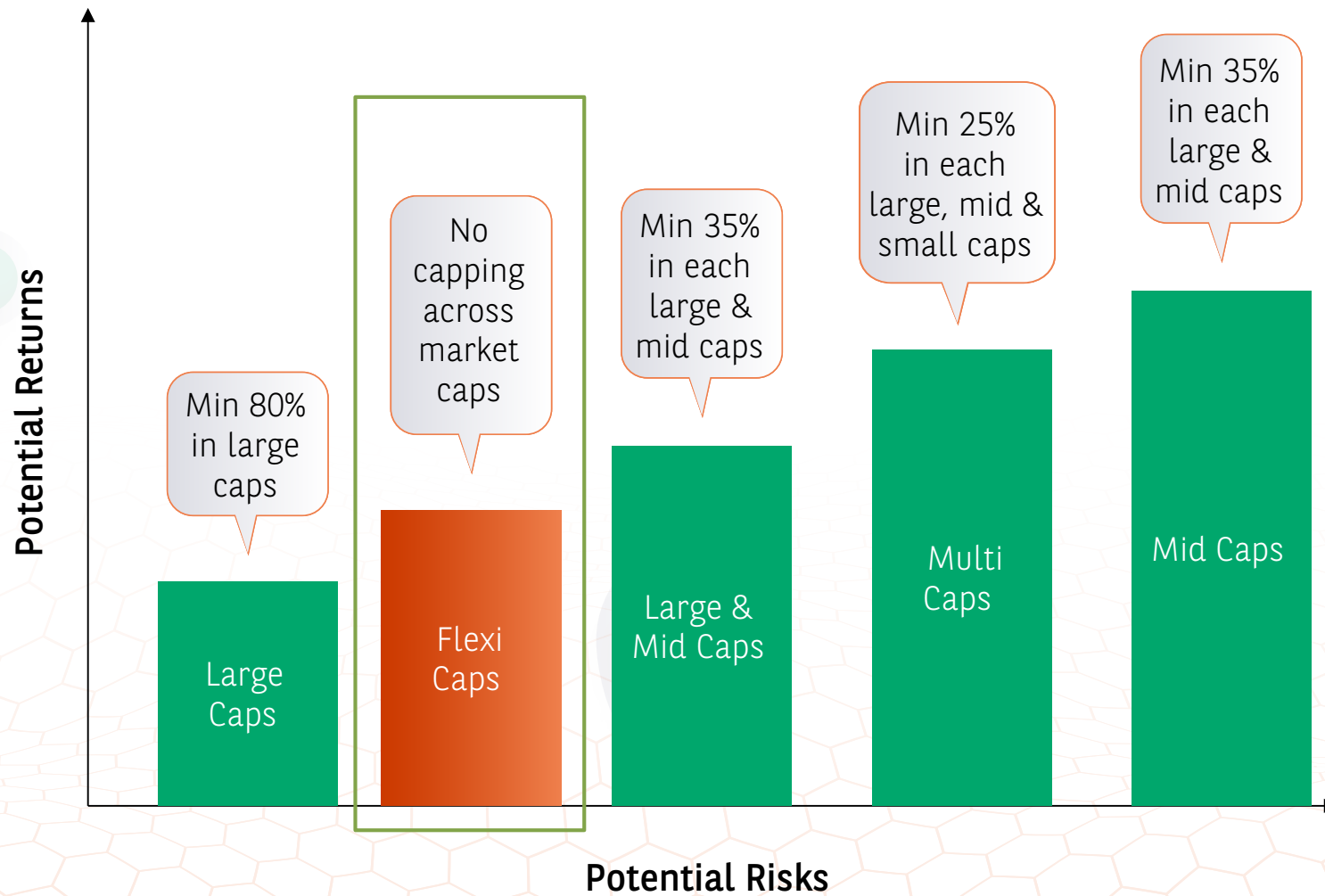
- ▶ This fund takes exposure to large, mid and small caps thereby diversifying exposure and reducing individual risks



Investors looking for core equity portfolio

- ▶ The diversified portfolio with flexibility to evolve according to business, market and economic views. May be used as a core equity portfolio for investments.

Flexi Cap Fund Positioning



Fund Facts

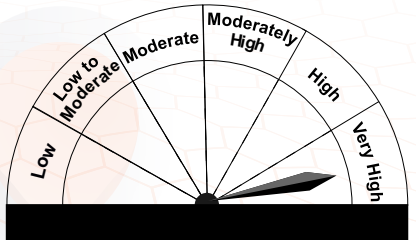
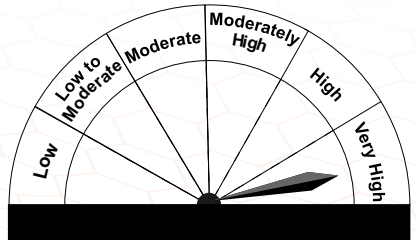
| | |
|-----------------------------|--|
| Scheme Name: | Baroda BNP Paribas Flexi Cap Fund |
| Category: | Flexi cap Fund |
| Investment Objective: | The Scheme seeks to generate long term capital appreciation by investing in a dynamic mix of equity and equity related instruments across market capitalizations. 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: | Equity & equity related securities: 65 to 100% Debt & Money Market Instruments: 0-35% Units issued by REITs & InvITs: 0-10% For complete details refer SID |
| Benchmark: | NIFTY 500 TR Index |
| Fund Manager: | For Equity portion: Mr. Sanjay Chawla For overseas investments: Mr. Sandeep Jain |
| Load Structure: | Entry Load: NA Exit Load: • If units are redeemed upto 10% of the units, on or before one year from the date of allotment: Nil • If units are redeemed over and above the 10% limit, on or before one year from the date of allotment: 1% of the applicable Net asset Value (NAV) • If the units are redeemed after one year from the date of allotment: Nil |
| Plans and Options: | The Scheme offers following two plans: Regular and Direct Each plan offers Growth Option, and Income Distribution cum capital withdrawal (IDCW)* Option with payout and reinvestment options. <i>*Amounts can be distributed out of investors capital (equalization reserve), which is part of sale price that represents realized gains.</i> |
| Minimum Application Amount: | Lumpsum Details: • Minimum Application Amount: Rs. 5,000 and in multiples of Rs. 1 thereafter. • Minimum Additional Application Amount: Rs. 1,000 and in multiples of Rs. 1 thereafter. SIP Details: Minimum Application Amount - • (i) Daily, Weekly, Monthly SIP: Rs. 500/- and in multiples of Rs. 1/- thereafter; • (ii) Quarterly SIP: Rs. 1500/- and in multiples of Rs. 1/- thereafter Frequency Available: Daily, Weekly, Monthly & Quarterly |

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.

| | | |
|---|--|--|
| <p>This product is suitable for investors who are seeking*:</p> | <p>Risk-o-meter for the Scheme^^</p> | <p>Benchmark (Tier 1) Riskometer^^</p> |
| <ul style="list-style-type: none"> • Wealth creation in long term. • Investment in equity and equity related securities across market capitalizations |  |  |
| <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <p>Investors understand that their principal will be at very high risk</p> | <p>Benchmark riskometer is at VERY HIGH RISK</p> |

^^the riskometer assigned is based on internal assessment of the scheme characteristics and the same may vary post NFO when actual investments are made.