

Tap into the Potential of India's Banking Giants



PRESENTING

BARODA BNP PARIBAS NIFTY BANK ETF

(AN OPEN ENDED SCHEME REPLICATING / TRACKING
THE NIFTY BANK TOTAL RETURNS INDEX)

NFO PERIOD

31ST MAY - 14TH JUNE

2024

Exchange Traded Funds (ETFs)

A Primer



Introduction to ETFs

ETFs or Exchange Traded Funds are mutual fund schemes that seek to replicate/track the performance of an underlying index or commodity

They are listed on stock exchanges and can be traded freely like shares

ETFs buy & hold the securities/commodities comprising the underlying index in the same proportion as the index

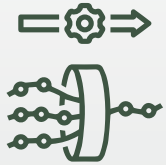
They provide the diversification of mutual funds along with the flexibility of shares

ETFs are passive instruments, simple to understand and have no fund manager involvement, thus charge a relatively lower expense ratio



Advantages of ETFs

Simple



Efficient



Cost Effective



Convenient



Diversification



Transparency



**Small Ticket
Size**



Flexibility



**Better Risk
Management***



**Can be used
for margining**



*refers to the tradeability of ETF on an intraday basis as compared to day end subscription/redemption for traditional mutual funds

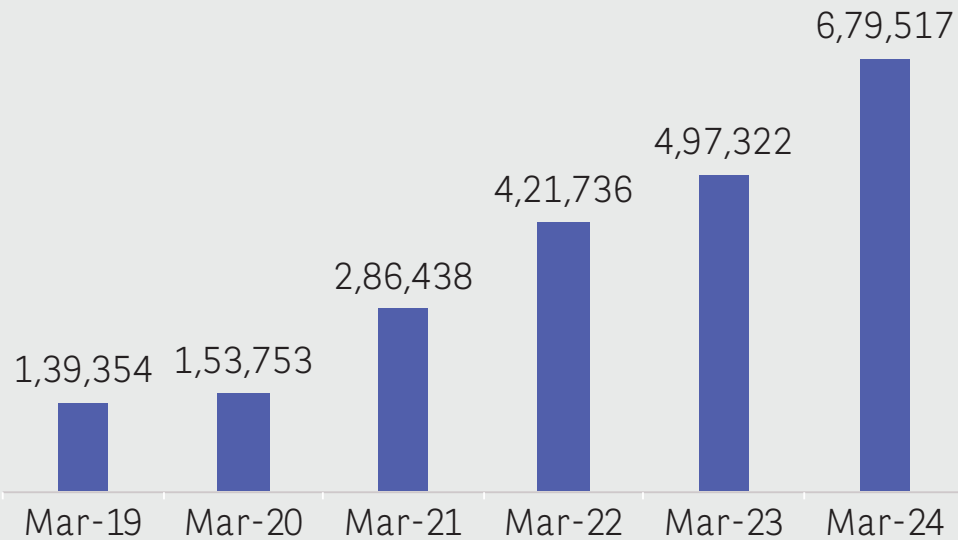
ETFs vs Index Funds

ETFs	Features	Index Funds
Track / Replicate underlying index by investing in basket of securities comprising the index	Investment Strategy	Track / Replicate underlying index by investing in basket of securities comprising the index
On the exchange like shares*	How to Invest?	With the fund house like a normal fund
Possible as units are traded at near real time NAV	Intraday Trading	Not possible as units are allotted/ redeemed at closing NAV, subject to time of receipt of application
Market Makers appointed by the fund house	Liquidity Provider	The fund house
Broking + Demat account compulsorily required	Investment Requirements	Can be held in physical as well as demat form. Broking and demat account not compulsory
TER + transaction costs	Cost of investing	Fund TER (Direct / Regular Plan)
Not Available	Mutual Fund Special Facilities	Facilities like SIP, STP and SWP are available

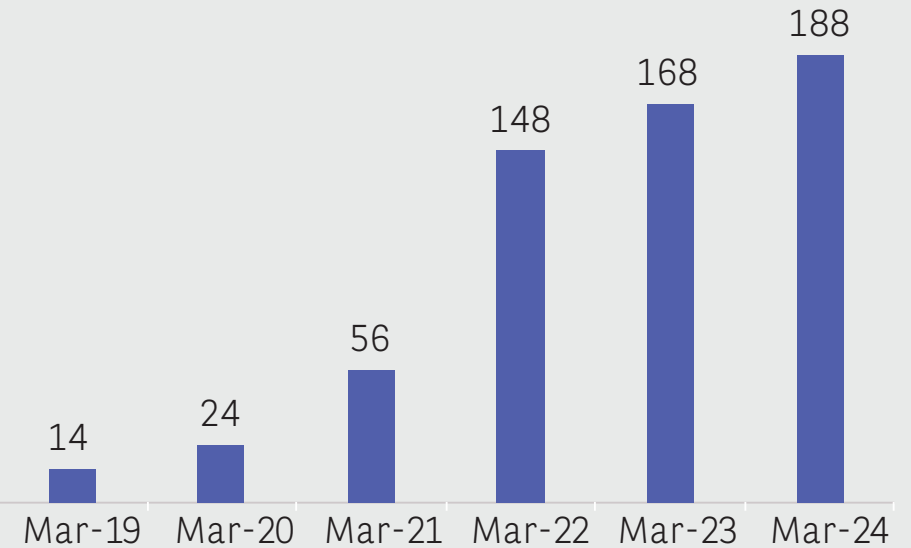
*Investors can approach the AMC directly for subscription and redemptions in multiples of creation unit size for a value over INR 25 Crore. The same is not applicable for Authorised Participants (APs)/Market Makers (MMs) and shall be reviewed periodically

Growth in ETF – AUM & Folios

Total ETF AUM ₹ Cr



ETF Folio Count in Lacs

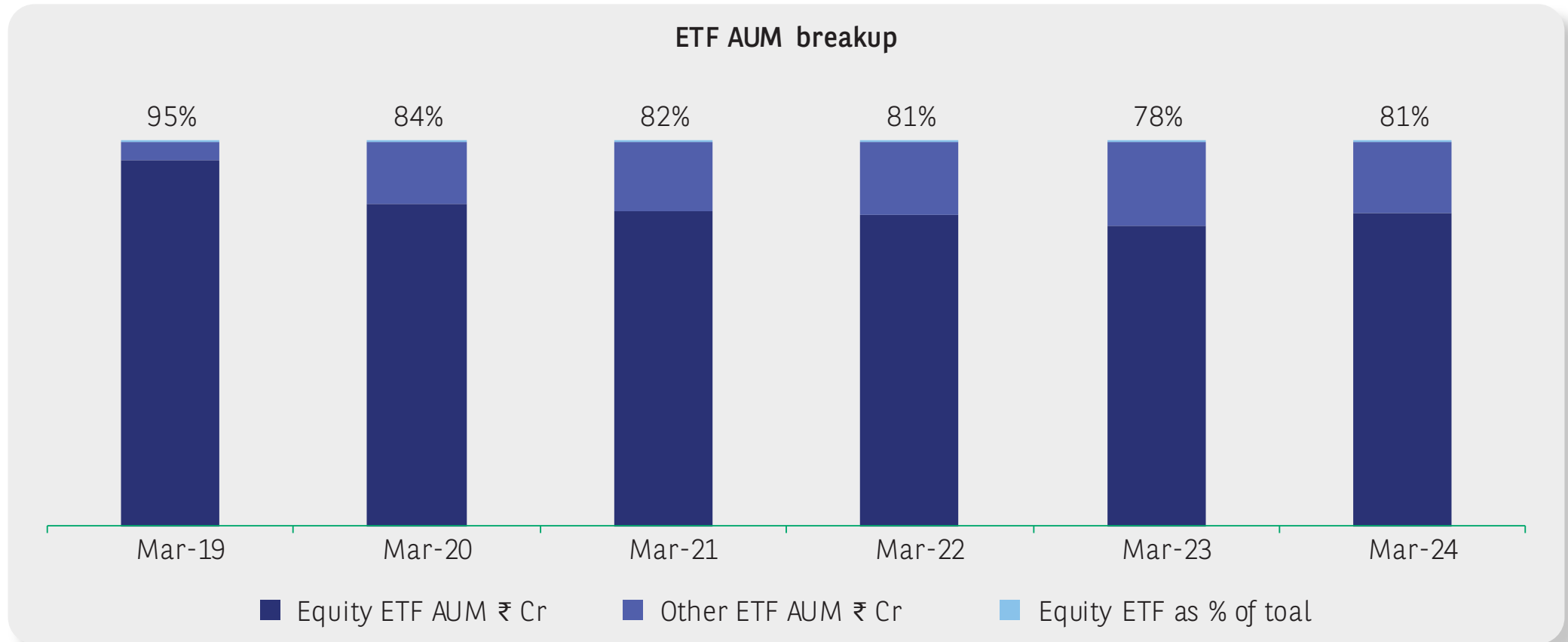


ETF AUM has grown by ~5x
in the last 5 years



ETF Folios have grown by almost
~14x in the same time period.

Equity with the highest share of ETF AUM



Equity AUM has had the highest share of ETF AUM although other ETFs (debt and commodities) have begun gaining traction.



Nifty Bank Index

About Nifty Bank Index

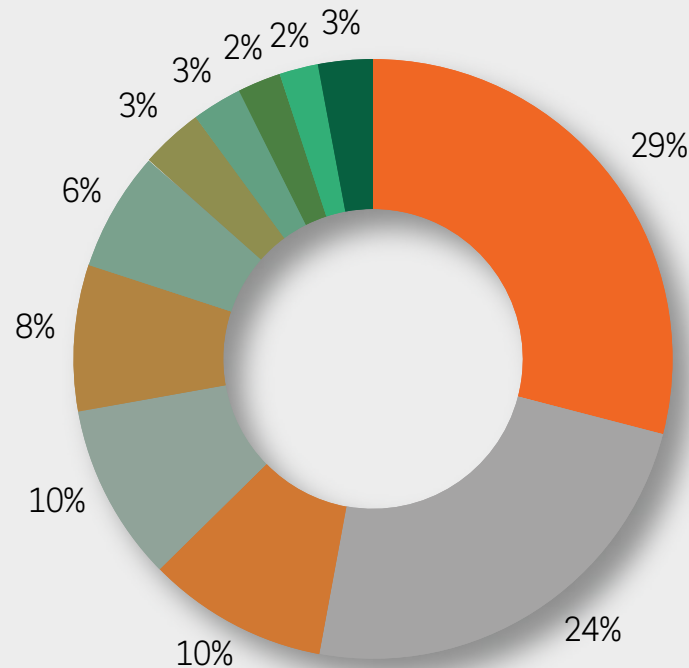
Comprises of 12 of the largest banks listed on the National Stock Exchange

Weight of a single stock shall not exceed 33% and weights of top 3 stocks shall not exceed 62%

All stocks that form part of Nifty Bank must be part of Futures & Option segment

Index is reconstituted twice a year in March & September

Nifty Bank Index Composition – Constituents



■ HDFC BANK LTD.	■ ICICI BANK LTD.	■ AXIS BANK LTD.	■ STATE BANK OF INDIA
■ KOTAK MAHINDRA BANK LTD.	■ INDUSIND BANK LTD.	■ BANK OF BARODA	■ PUNJAB NATIONAL BANK
■ FEDERAL BANK LTD.	■ IDFC FIRST BANK LTD.	■ OTHERS	



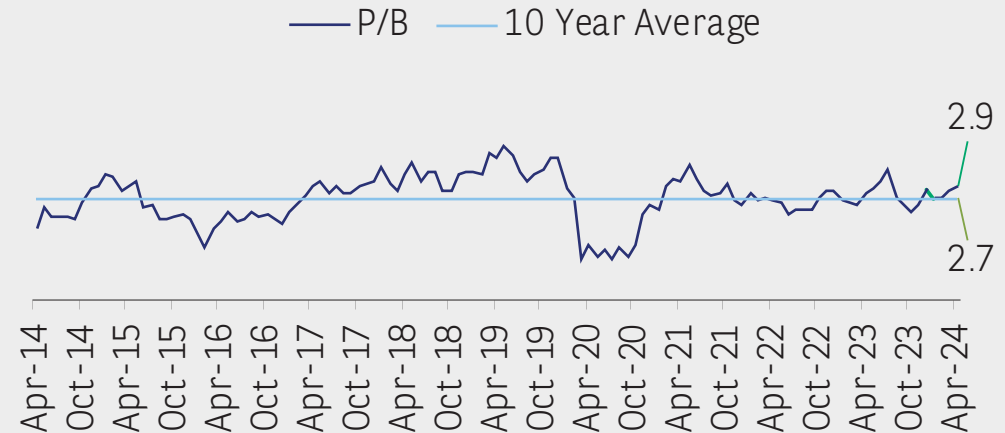
Nifty Bank Valuations

Nifty Bank – PE below long-term average

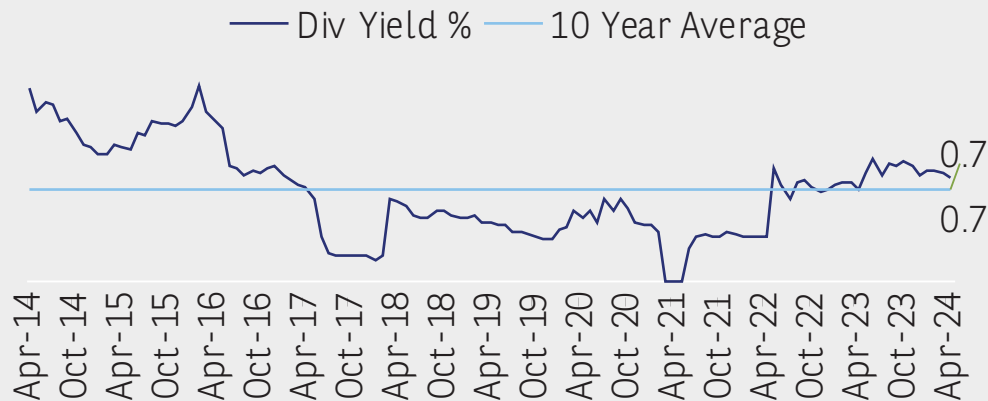
P/E Multiple



P/B Multiple



Div Yield



Valuations have corrected from their peak

The index is undervalued with PE below long-term average

Other multiples are trading close to long-term average

Source: Niftyindices.com. Data as on Apr 30, 2024.

*Baroda BNP Paribas Mutual Fund does not guarantee returns on investments in the scheme| Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Returns do not take into account the load, expenses and taxes, if any.



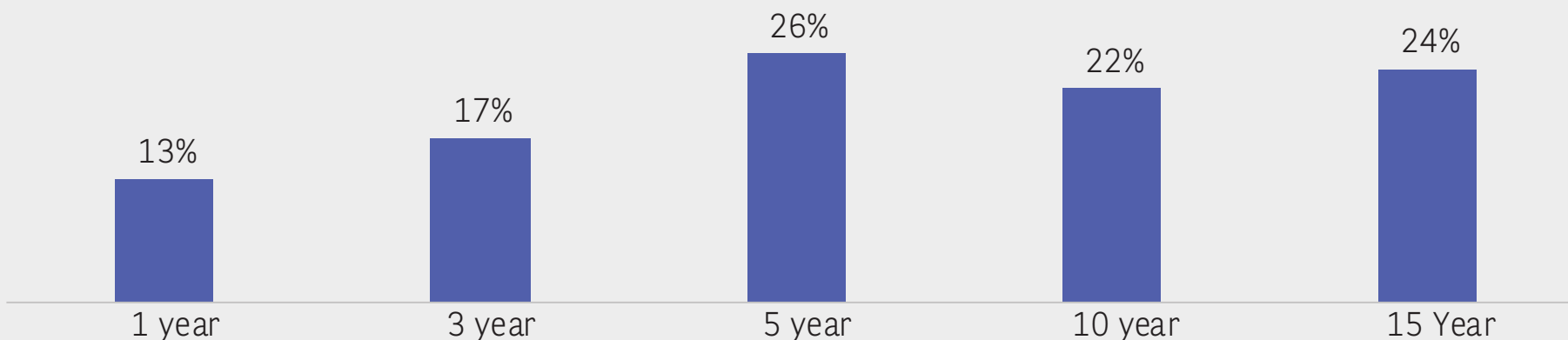
Nifty Bank Performance

Nifty Bank – Performance Statistics

Nifty Bank Performance (CAGR%)



Nifty Bank Volatility (%)

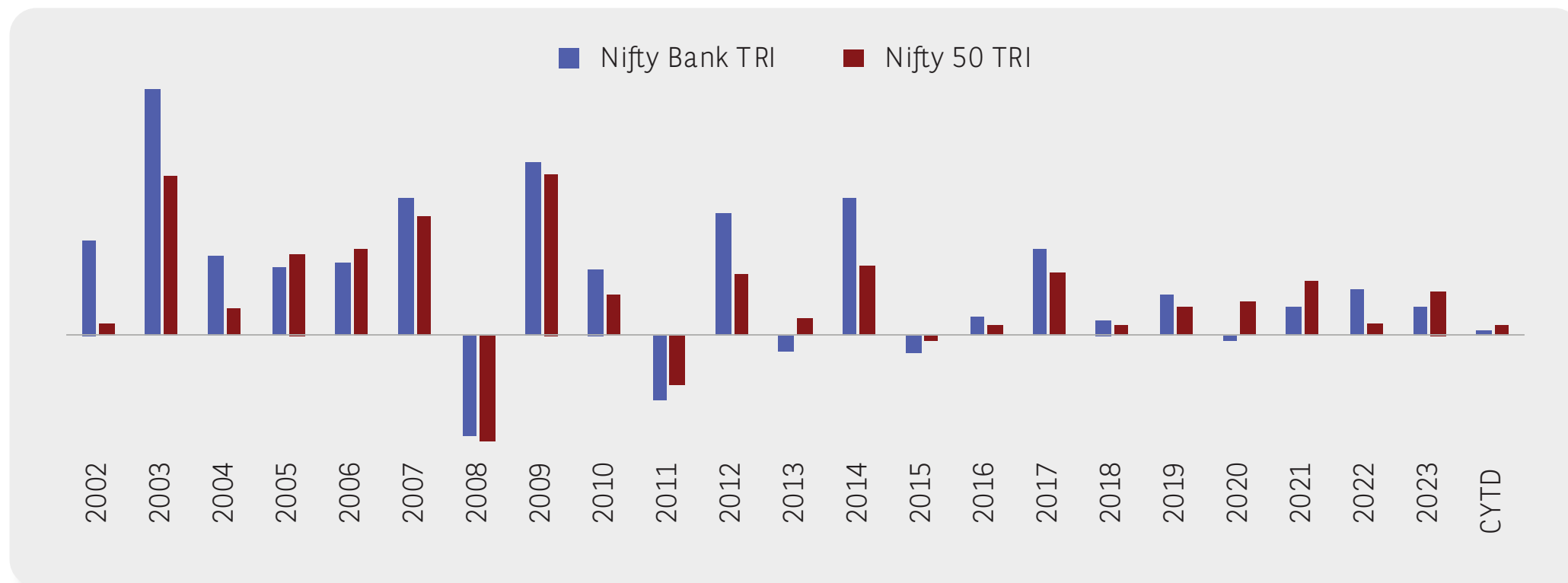


Source: Niftyindices.com, MFI explorer. Data as on Apr 30, 2024.

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Nifty Bank – Positive

Nifty Bank – Positive in more than 75% of Calendar Years



**Nifty Bank index has given a positive return in 17 out of 22 years.
It has outperformed Nifty 50 in 14 out of 22 calendar years**

Source: Niftyindices.com. Data as on Apr 30, 2024.

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Nifty Bank – Rolling Returns

Nifty Bank TRI	3 Year Rolling Returns	5 Year Rolling Returns	7 Year Rolling Returns
Average	21.50%	20.30%	19.40%
Median	17.40%	16.80%	16.00%
Minimum	-8.90%	-1.10%	4.80%
Maximum	69.50%	60.90%	43.60%

Returns Range	% of observations		
Negative	5%	0.20%	0%
0% to 10%	14%	14%	3%
>10% to 15%	21%	25%	37%
>15% to 20%	16%	24%	28%
>20%	44%	37%	31%
	80%	86%	97%

An investor investing for a random 7-year holding period in the last 24 years could have achieved greater than 10% CAGR returns 97% of the time with no negative returns.

Source: Niftyindices.com, MFI explorer. Data as on Apr 30, 2024. Daily Rolling Returns calculated from 31 Jan 2001 onwards. Above returns are CAGR returns.

*Baroda BNP Paribas Mutual Fund does not guarantee returns on investments in the scheme| Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. The above is for information and understanding purposes; it should not be used to for development of an investment strategy. Returns do not take into account the load, expenses and taxes, if any.

INTRODUCING

Baroda BNP Paribas Nifty Bank ETF



About the Fund



Exchange Traded Fund investing primarily in equity and equity related securities comprising the Nifty Bank Index



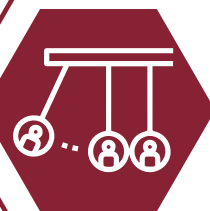
The portfolio will be structured to track/replicate the performance of Nifty Bank Total Returns Index



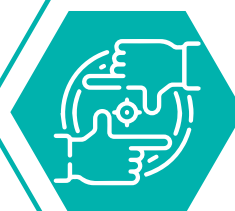
Units will be issued in dematerialized form only and will be available for trading on NSE and BSE

Why Baroda BNP Paribas Nifty Bank ETF?

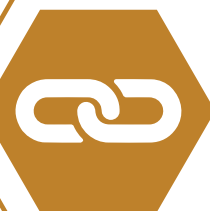
Why Baroda BNP Paribas Nifty Bank ETF?



High impact sector in Indian economy



Focused exposure to one of India's largest sectors



Closely linked to the state of Indian economy

Who should Invest

Investors looking for long term capital appreciation

- Banks are a crucial driving force of the Indian economy and a significant part of the India growth story

Investors looking to make a concentrated sectoral bet

- Investors looking to make a concentrated bet on one of the largest sectors of the Indian economy

Traders & investors looking to add to their trading strategies

- Nifty Bank ETF can be used for margining purpose
- Nifty Bank ETF can also be used as a part of trading strategies like covered calls

Fund Facts

Scheme Name	Baroda BNP Paribas Nifty Bank ETF				
Type of the Scheme	An open-ended scheme replicating//tracking the Nifty Bank Total Returns Index.				
Investment Objective	The investment objective of the scheme is to provide investment returns closely corresponding to the total returns of the securities as represented by the Nifty Bank Total Returns Index before expenses, subject to tracking errors, fees and expenses. However, there is no assurance that the objective of the Scheme will be realized, and the Scheme does not assure or guarantee any returns The Scheme does not guarantee/indicate any return				
Benchmark	Nifty Bank Total Return Index				
Fund Manager	Neeraj Saxena (Total Experience: 20 years)				
Asset Allocation	Type of Instrument		Minimum (% of Net Assets)	Maximum (% of Net Assets)	Risk Profile
	Equity and Equity related securities of companies constituting Nifty Bank Index		95	100	High
	Money Market Instruments & Units of Liquid scheme and Cash & Cash equivalents*		0	5	Low to Medium
	*Money Market Instruments will include treasury bills and government securities having a residual maturity up to one year, Tri-Party Repos, Repo in government securities and treasury bills and any other like instruments as specified by the Reserve Bank of India from time to time.				
	For complete details, please refer to SID available on our website (www.barodabnpparibasmf.in).				
Load Structure	Entry Load: NA. Exit Load: Nil				
Options	Currently there are no investment plans/options being offered under the scheme.				
Minimum Application Amount	During NFO : Lumpsum investment: Rs. 5,000 and in multiples of Re. 1 thereafter. During Continuous Offer: The Units of the Scheme will be listed on the Capital Market Segment of the National Stock exchange of India Ltd. (NSE) and/ or BSE Limited (BSE) and/or on any other recognized Stock exchange(s) as may be decided by AMC from time to time. All investors including Authorized Participants and Large Investors can subscribe (buy) / redeem (sell) Units on a continuous basis on the NSE and/ or BSE on which the Units are listed during the trading hours on all the trading days The AMC reserves the right to change the minimum application amount from time to time.				

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. investor should consider their risk appetite at the time of investing in index funds.

Please refer to Scheme Information Document available on our website (www.barodabnpparibasmf.in) for detailed Risk Factors, assets allocation, investment strategy etc.

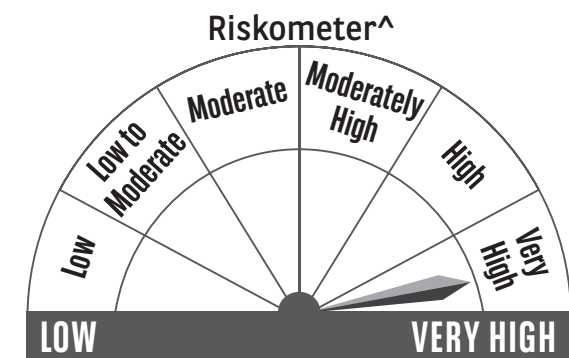
Baroda BNP Paribas Nifty Bank ETF

(An open-ended scheme replicating / tracking the Nifty Bank Total Returns Index)

This product is suitable for investors who are seeking*:

- ▶ Long term capital appreciation.
- ▶ An exchange traded fund that aims to provide returns that closely correspond to the returns provided by Nifty Bank Index, subject to tracking error.

***Investors should consult their financial advisers if in doubt about whether the product is suitable for them.**



Investors understand that their principal will be at Very High risk.

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

NSE Disclaimer:

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/5614 dated October 27, 2023, permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund. Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

BSE Disclaimer:

BSE Limited ("the Exchange") has given vide its letter dated November 06, 2023 permission to Baroda BNP Paribas Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Unit are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to Baroda BNP Paribas Mutual Fund. The Exchange does not in any manner:-

- Warrant, certify or endorse the correctness or completeness of any of the contents of the SID; or
- Warrant that this scheme's unit will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Mutual Fund, its promoter, its management or any scheme or project of this Mutual Fund; and

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**Mutual Fund investments are subject to market risks,
read all scheme related documents carefully.**