

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

Introduction to Passive Investing & ETFs

Passive investing or index investing as it is commonly understood, is a long term investment strategy that tracks / replicates a specified underlying market index. The index can range from a broad market index like Nifty 50, Sensex to a sector specific index like Nifty Bank.

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.

Passive investing, especially ETFs have seen increasing interest / AUM growth in India in the last few years, especially post the pandemic.

Advantages of Passive Investing

Easy: Passive funds have an easy-to-understand investment strategy, namely tracking / replicating a pre-specified benchmark / index, as closely as possible.

Rule-based investing: An index is a rule-based portfolio with stock / company selection based on pre-defined rules and free from any individual biases.

Efficient: Portfolio reflects the collective wisdom of the market with index performance subject to tracking error and fees.

Economical: Generally, passive funds have a lower expense ratio than an active mutual fund due to no active decision by fund manager.

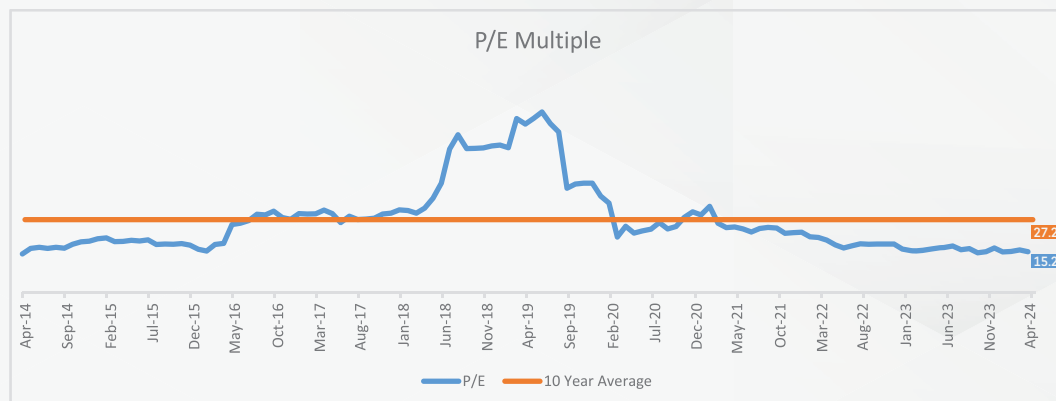
Advantages of ETF

In addition to the above advantages, ETFs have some distinct advantages which are as follows:

- 1 Convenient execution:** ETFs allow investors the flexibility to quickly enter and exit, especially intraday whereas traditional mutual fund schemes can be bought or sold only at the end of day.
- 2 Diversification:** ETFs hold a basket of securities allowing for easy diversification in a single instrument.
- 3 Small Ticket Size:** ETF units are priced at a fraction of the index or commodity that they hold. For e.g. if the Nifty Bank index is trading at 48,000, the ETFs will be priced at 48 or 480. This allows investors exposure to a basket of securities at a fraction of the cost.
- 4 Used for margining purpose:** ETFs are traded and treated like shares and can be used for margining purposes with brokers and exchanges.

Why Nifty Bank ETF?

1. Exposure to a large, high impact sector that is closely linked to the state of Indian economy.
2. Valuations have corrected and are below long-term average:



Source: Niftyindices.com. Data as on Apr 30, 2024. **Past performance may or may not be sustained in future.**

3. 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.

Nifty Bank TRI		7 Year Rolling Returns	
Average		19.4%	
Median		16.0%	
Minimum		4.8%	
Maximum		43.6%	
Returns Range		% of Observations	
Negative		0%	
0% to 10%		3%	
>10% to 15%		37%	
>15% to 20%		28%	
>20%		31%	

Source: Niftyindices.com, MFI explorer. Data as on Apr 30, 2024. Daily Rolling Returns calculated from Jan 31, 2001 onwards. Above returns are CAGR returns. The above data is provided for information purposes only and should not be construed as investment advice or used to develop an investment strategy. **Past performance may or may not be sustained in future.**

Introducing Baroda BNP Paribas Nifty Bank ETF

Baroda BNP Paribas Nifty Bank ETF is an exchange traded fund investing primarily in equity and equity related securities comprising the Nifty Bank Total Returns index. Units will be issued in dematerialized form and will be available for trading on NSE and BSE.

Scheme Features:

NFO Date	31-05-2024 to 14-06-2024
Minimum application amount	During NFO: Lumpsum investment: Rs. 5,000 and in multiples of Re. 1 thereafter. There is no upper limit. Ongoing basis: 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.
Load Structure	Entry Load: Not Applicable Exit Load: Nil
Plans & Options	No plans or options
Benchmark	Nifty Bank Total Returns Index
Fund Manager	Neeraj Saxena

Who Should Invest?

- Long term investors looking for capital appreciation.
- Investors seeking investments in equity and equity related securities replicating the composition of the Nifty Bank Total Returns Index with an aim to achieve returns of the underlying index, subject to tracking error.

Risk Factors & Disclaimer

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. 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.

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Product labelling:

Baroda BNP Paribas Nifty Bank ETF

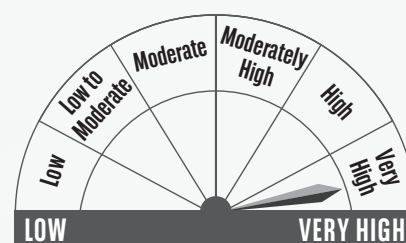
(An open-ended scheme replicating / tracking the Nifty Bank Index)

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.**

Riskometer[^]



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