

INVEST IN **QUALITY COMPANIES WITH** **RESPONSIBLE PRACTICES**



PRESENTING

Baroda BNP Paribas ESG Best-in-Class Strategy Fund

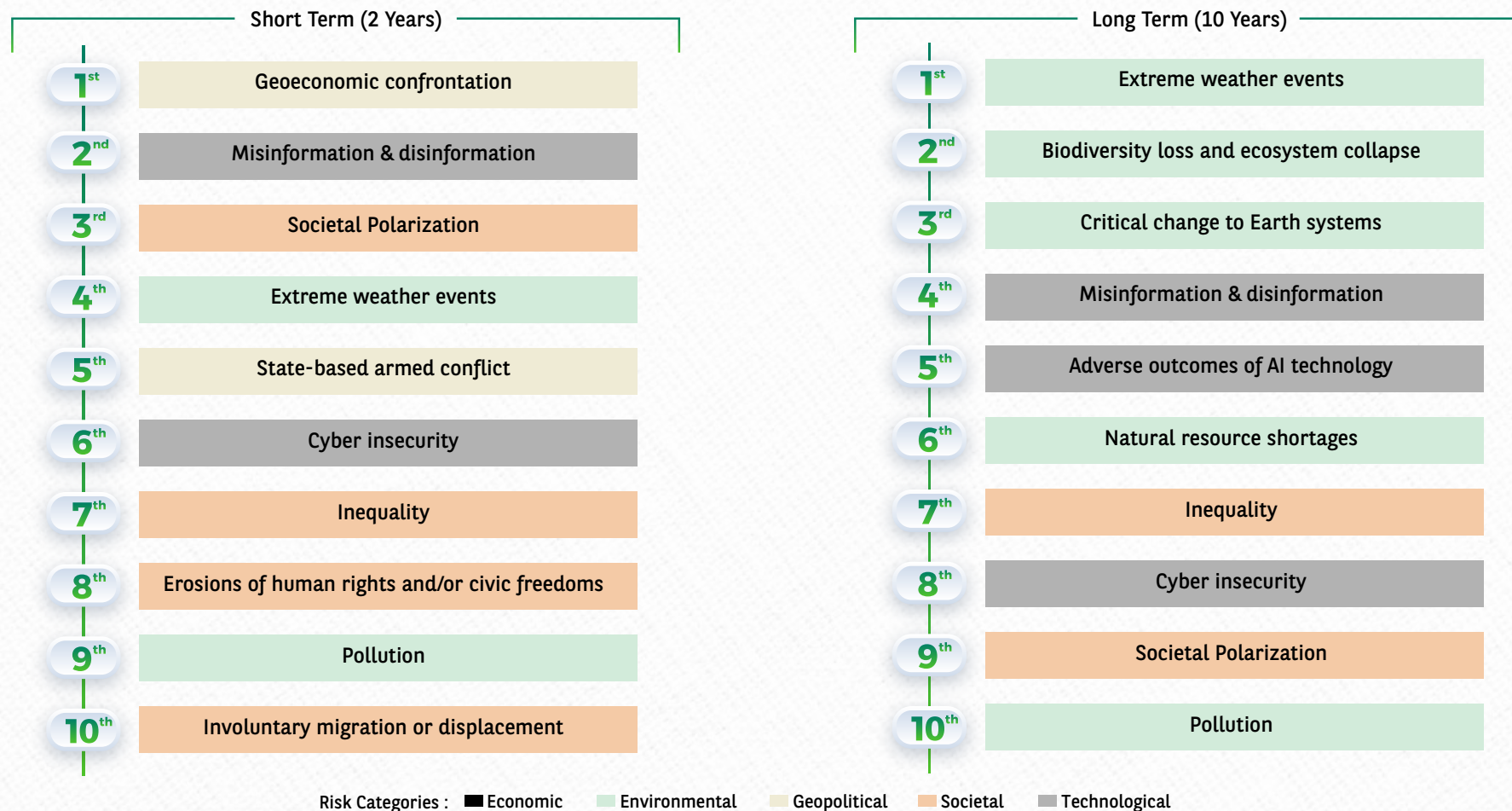
(An open-ended equity scheme investing in companies following Environmental, Social and Governance (ESG) theme adopting Best-in-Class Strategy)

NFO PERIOD | 12TH FEB - 26TH FEB, 2026



Key global risks are related to sustainability, particularly climate change

Global Risks ranked by severity over the short and long term



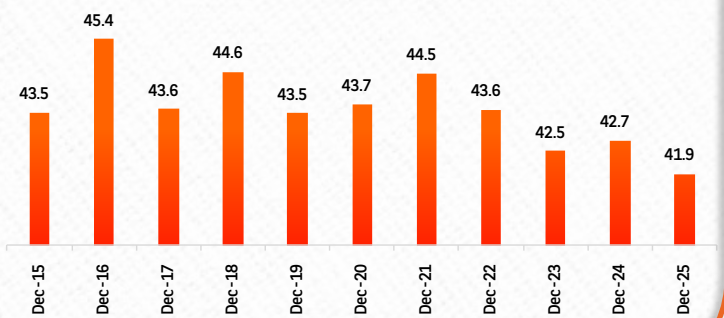
- WEF's global risk ranking 2026 highlights environmental risks as among the top short-term and long-term risks
- Persistent concerns about technological disruption, and societal polarization also rank high on severity



Escalating Climate and Resource Risks Worldwide and in India

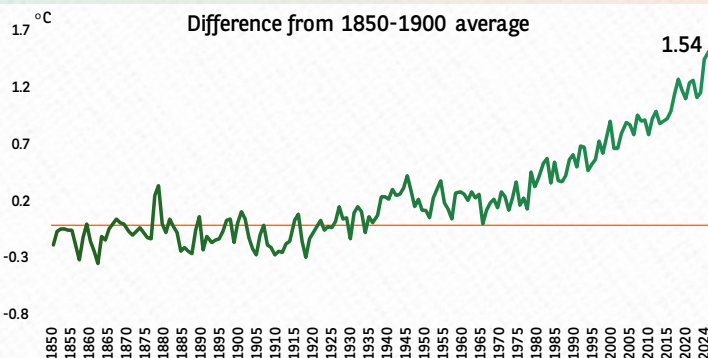
Extent of Snow Cover in Northern Hemisphere

(in million sq.kms)

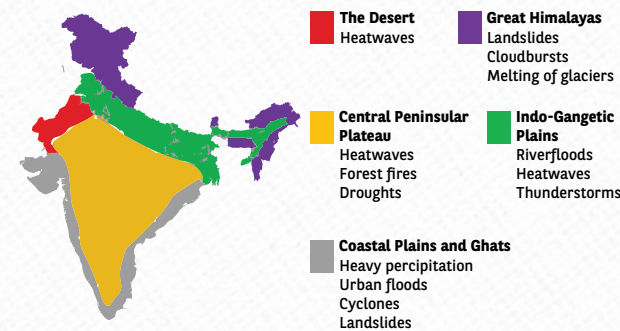


Global Mean Temperature

Difference from 1850-1900 average



Risks Emanating from Climate Change across Geographical Regions in India



By 2040, the number of **countries facing extreme climate hazards** could rise from **3 to 65**

19-23 million tonnes of plastic leaks into aquatic ecosystems annually from **land-based sources**

Out of the **top 100 cities with the highest AQI levels in the world**, **81 are in India**

57% of districts are at **high to very high risk** from extreme heat

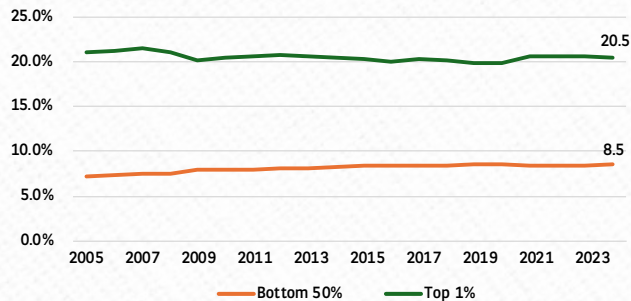
As the **effects of climate change** intensify - disrupting supply chains, increasing operational costs, and exposing businesses to environmental and regulatory risk – **companies can no longer view sustainability as optional**



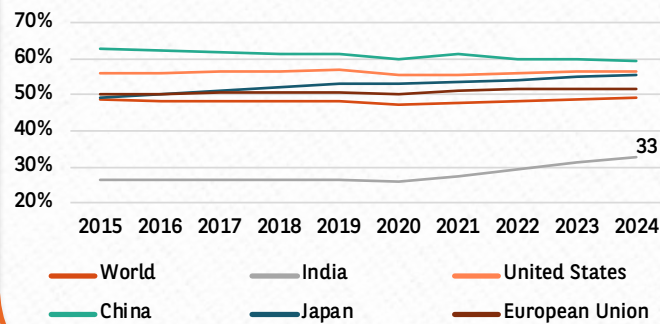
Rising Social Imperatives: Addressing Inequality and Labour Rights



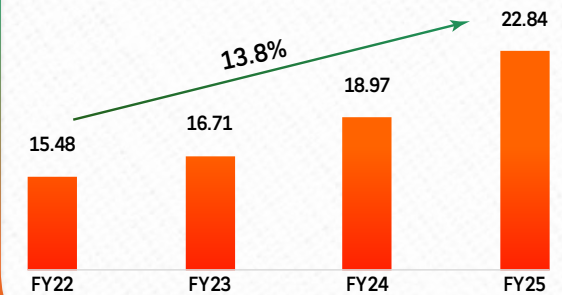
Share of National income, World (%)^[1]



Female labour force participation rate (%)^[2]



Total CSR Expenditure by listed Indian Companies (in '000 Cr)^[3]



Workers had no or reduced access to justice in **72% of countries**, a sharp increase from **65% in 2024**

In India...Wealth inequality is even greater, with the **richest 10% holding around 65% of total wealth** and the **top 1% about 40%**

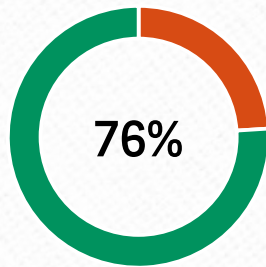
An estimated **152 million children** remain in child labor, while **27.6 million individuals** are trapped in forced labor

Poor employee well-being policies and neglect of community impact can severely harm businesses, eroding reputation, attracting regulatory scrutiny, and undermining profitability and long-term success



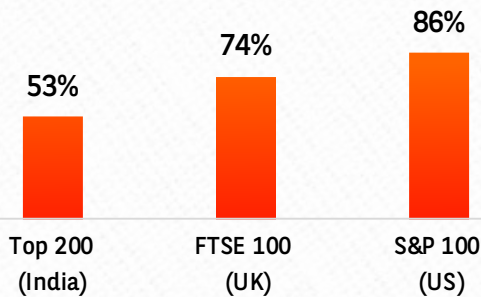
Corporate governance is undergoing steady and meaningful transformation

Chair/ CEO Separation



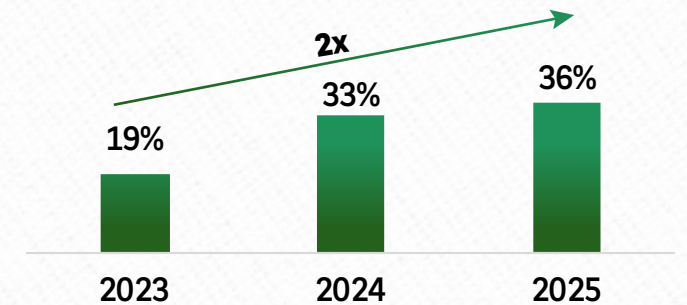
Percentage of companies that have separated roles of Chairperson and CEO, in NSE100

Board Independence



Percentage of independent directors

Audit Committee Chair



Percentage of companies with audit committee chaired by a person from accounting firm background, in top 200 Indian companies

Women occupy **more than 20% of board** seats across the Top 1,000 listed companies (basis market cap), up from 16% in 2020.

Survey reveals **only 17% of Indian corporate boards** actively shape company strategy, with 83% remaining passive despite strong compliance.

CAG institutionalized ESG standards by integrating SEBI's **BRSR# framework** into formal government and PSU audit processes.

Indian corporate governance has made notable progress on multiple fronts, while it still lags in several governance areas, highlighting the need for greater independence and active engagement.



ESG Drivers in Corporate Strategy: From Risk Mitigation to Value Creation



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Today, companies are increasingly influenced by extra-financial factors, with stakeholders across the board being worried about the impact of these factors on the company's longevity and performance.



Mitigating risks

- Environmental risks such as climate change and resource scarcity, which can **disrupt supply chains**
- Social risks such as **labour disputes or human rights issues**
- Governance risks such as **lack of transparency, ethical lapses** may lead to **regulatory fines and loss of trust**



Building resilience and innovation

- Adopting sustainability in operations drives **development of new, more efficient technologies**
- Strengthens long term business **resilience**
- Provides **strong competitive advantage** in the market



Attracting capital

- Strong ESG profile can lead to **lower cost of capital**, and access to wider pool of investors.
- Accelerating trend for **regulatory push** for sustainable finance



Enhancing corporate reputation & brand value

- **Corporate reputation significantly influenced** by ESG performance in an era of heightened consumer awareness
- Poor ESG track record can lead to **reputational damage, consumer boycotts, and loss of trust**



Decoding ESG Investing as a theme



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What is ESG Investing?

- Approach to investing that explicitly **incorporates environmental, social, and governance (ESG) factors** in investment decisions with the long-term return of an investment portfolio in mind
- Part of group of approaches referred to as **Responsible Investment**; aligns to Stakeholder theory of Corporate Governance

ENVIRONMENTAL



Climate change
Resource depletion
Waste
Pollution
Deforestation

SOCIAL



Human rights
Modern slavery
Child labor
Working conditions
Employee relations

GOVERNANCE



Bribery and corruption
Executive pay
Board diversity and structure
Audit and Financial Reporting
Stakeholders Engagement

Non-exhaustive

Why invest in ESG theme?

Benefit from sustainability megatrends

Growing Regulatory Support

Long-Term Performance Potential

Lowering Investment Risk

Aligning financial goals with their investor's personal values



Sustainability Megatrends



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Decarbonization & Energy Transition

For the past 10 years, **global spending on clean energy has been higher than investments in fossil fuels**, with global investments in clean energy estimated to be **\$2.2 trillion** in 2025. This includes acceleration of electric vehicle (EV) sales, which reached **20.7 million units** globally last year.



Circular Economy & Resource Efficiency

Shifting from "take-make-dispose," the India's circular economy could generate a market value of over **\$2 trillion** and create close to **10 million jobs** by 2050. Industries are prioritizing recycling, product disassembly, and "innovating to zero" (zero waste, zero carbon).



Digitalization (Sustainability 2.0)

Technologies like **AI, IoT, and digital twins** being used to **monitor carbon footprints, optimize energy use** in "smart cities," and **enhance supply chain transparency**.



Demographic Shifts & Rapid Urbanization

By 2050, ~70% of the world's population is expected to live in urban areas. This shift necessitates massive investments in **green infrastructure** and **sustainable housing**.



Streamlined Global ESG Reporting

Mandatory disclosures and **global standards** (like the International Sustainability Standards Board - ISSB) replacing fragmented reporting frameworks to increase corporate accountability globally.



National Pledges and Growing Regulatory support



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Net Zero Emissions Target (NDCs)

Net Zero
Target Year

2070

GDP Carbon
Intensity Target

45%

below 2005 levels by 2030

Emissions
Reduction

1 Bn Tonnes

from 2022 to 2030

Renewable
Energy Target

50%

of required energy by 2030

Installed
Non-Fossil Capacity

500 GW

by 2030

Carbon Sink

2.5-3 GtCO₂e

creating new forest cover

National Green Hydrogen Mission



- Targets **5 Mn tonnes** of production by 2030
- Expected to attract ~**₹8 lakh crore** of investments
- Incentives for manufacturing electrolyzers and hydrogen production

Carbon Credit Trading Scheme (CCTS)



- Launched detailed framework of Indian carbon market
- Planned for full fledged compliance market launch in **2026** for 9 sectors
- Covers ~**20%** of India's emissions

National Solar Mission and Rooftop Solar Scheme



- Promoting the large-scale deployment of solar energy across the country
- 10 Mn households** to get rooftop solar power systems
- Households to get upto 300 units free electricity every month



Regulations and policies have increasingly focused on compelling companies to align their corporate strategies with sustainability imperatives, ensuring positive environmental, social, and governance outcomes.

I. Business Responsibility and Sustainability Reporting (BRSR):

Mandatory annual reporting on ESG metrics related to operations by companies.

2021

II. 2nd Amendment Plastic Waste Management Rules:

Regulation to strengthen secondary plastic markets- boosting supply through EPR, demand through mandatory recycling and use of recycled content.

2022

III. Tyre Recycling Regulations:

EPR regulations for tyres mandate producers, importers, and brand owners to ensure environmentally sound recycling of end-of-life tyres through phased targets.

2022

IV. RBI's Climate Data Repository:

RBI has also undertaken the initiative to create a climate data repository (RB-CRIS).

2024

V. Green Steel Taxonomy:

A classification system defining low carbon steel based on emission intensity launched to promote cleaner production, encourage investment, and create a green steel market.

2025

VI. Digital Personal Data Protection (DPDP) Act:

Mandates organizations to process personal data of Indian citizens only for lawful, specified purposes and with explicit, informed consent.

2025

VII. Consolidation of Labour Codes:

The Four Labour Codes consolidate 29 central laws into a single framework, to simplify compliance, enhance worker welfare.

2025

VIII. Integration of ESG into CAG audit:

CAG is integrating ESG criteria into its audits of PSUs using SEBI's BRSR framework.

2025



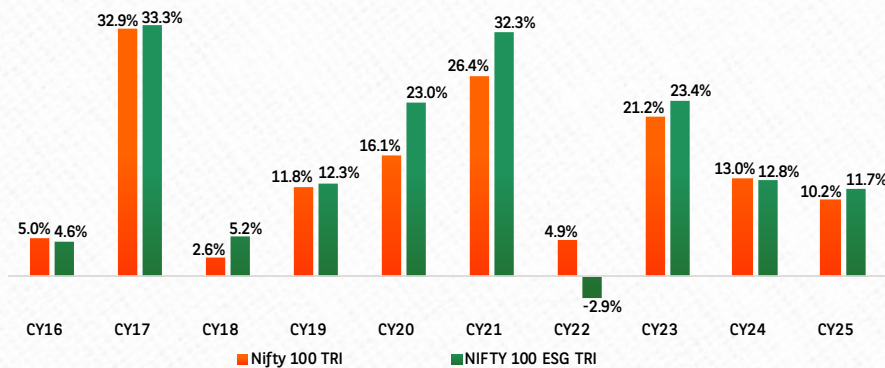
Performance Myth vs. Reality: ESG theme has delivered competitive returns



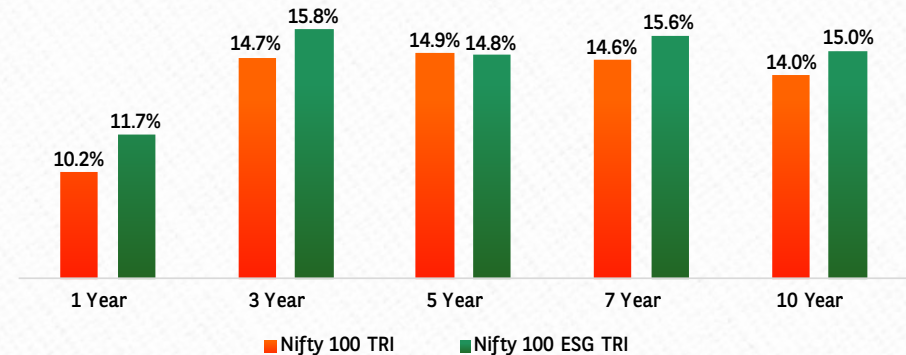
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Calendar Year Returns



Trailing Returns



Nifty 100 ESG index outperforms the Nifty 100 index in 7 of the last 10 years, underscoring the theme's wealth generation potential

Source: Nifty Indices, Data as on December 31, 2025. Returns are Compounded Annualized . **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**
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.



ESG Investing performance: Rolling Returns Analysis



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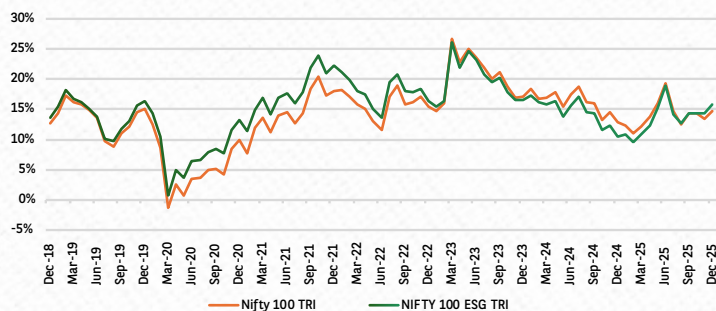


Return Trendline

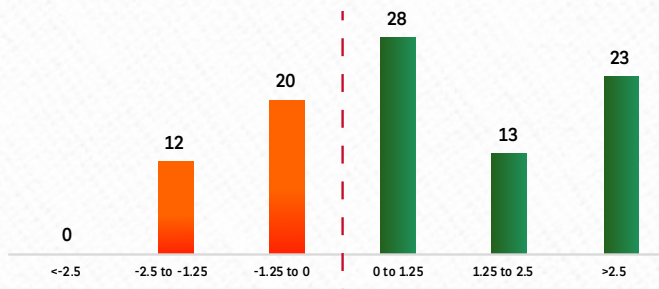
Excess Return

Excess Return Distribution

3 year Rolling Returns

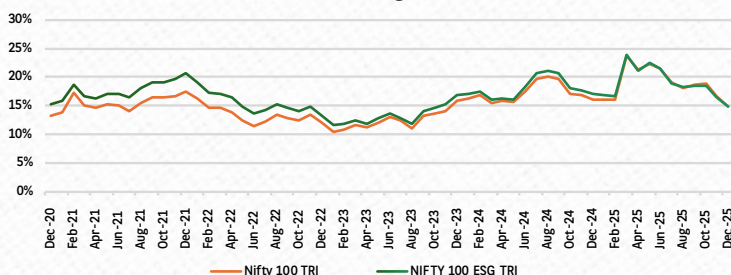


Nifty 100 ESG vs. Nifty 100 - Count of Instances

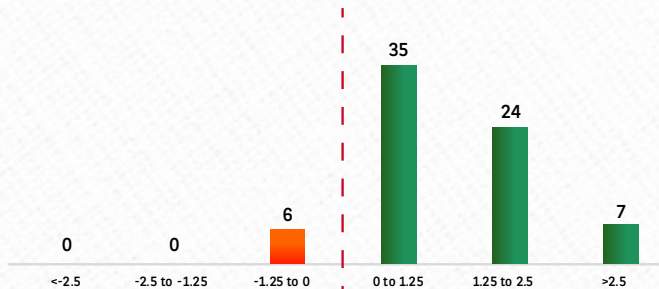


MAX	AVERAGE	MEDIAN	MIN
4.27%	0.87%	0.82%	-2.32%

5 year Rolling Returns



Nifty 100 ESG vs. Nifty 100 - Count of Instances



MAX	AVERAGE	MEDIAN	MIN
3.23%	1.24%	1.13%	-0.49%

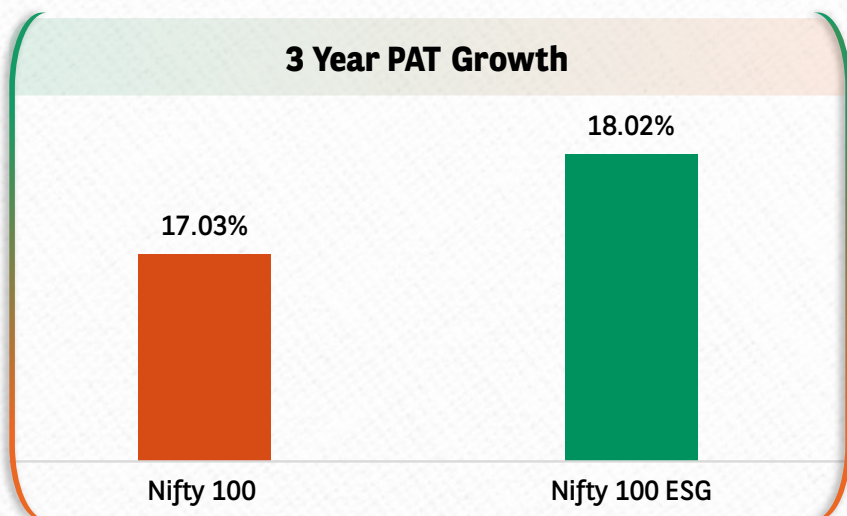
**Nifty 100 ESG index performs better than Nifty 100 on rolling returns basis,
across 3 & 5 yr holding periods**

Source: MFI Explorer. Data as on December 31, 2025. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** 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.



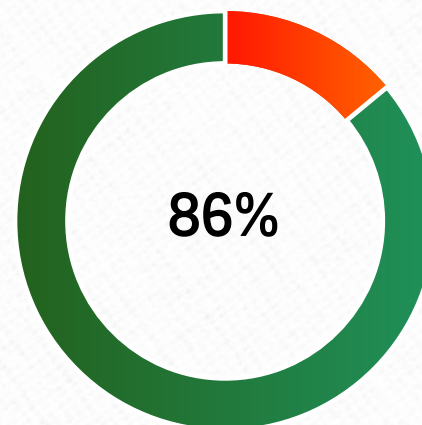
ESG Theme leads to better quality and reduced volatility

Index	PE
Nifty 100	24.02x
Nifty 100 ESG	24.39x

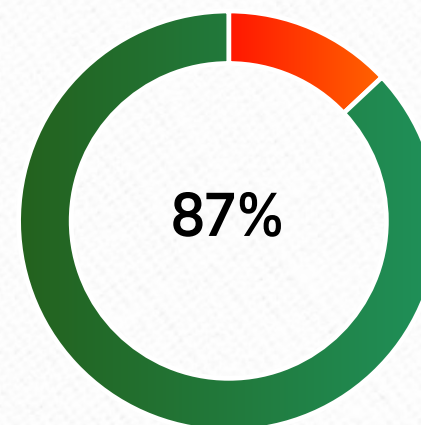


For similar PE levels, Nifty 100 ESG index has delivered stronger PAT growth

360 Days Volatility - Percentage of market days when volatility of Nifty 100 ESG is lower than Nifty 100 Index



2024



2025

Integrating an ESG filter into standard financial analysis can help investors spot better quality companies, with lower volatility



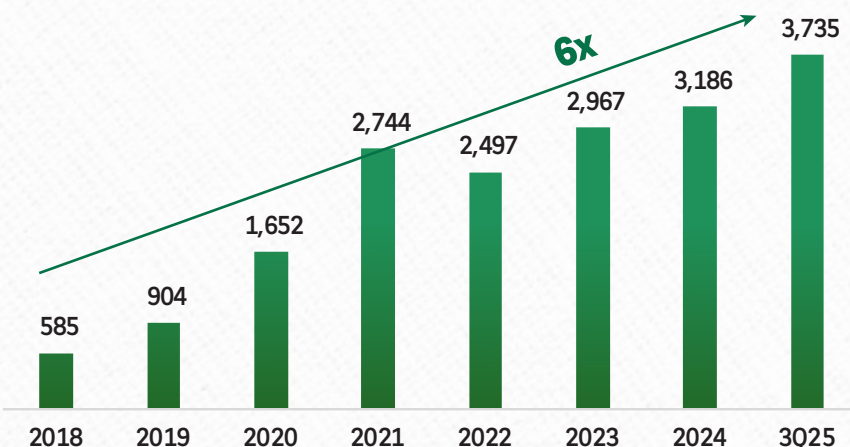
ESG AuM growth: Global and India



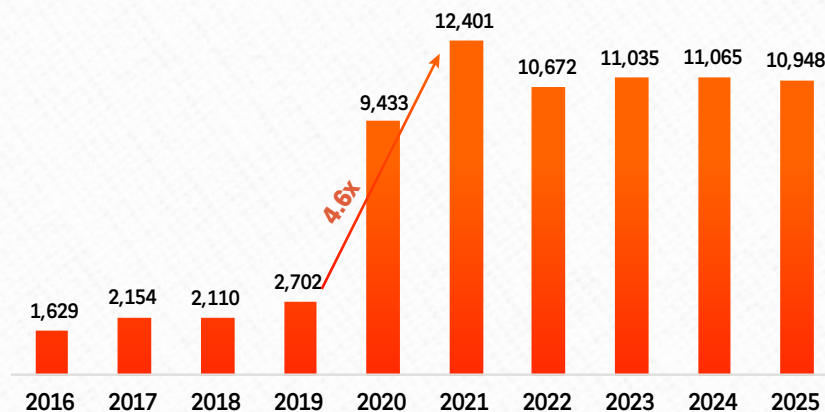
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Annual Global Sustainable Fund Assets (USD Billion)



Annual Indian ESG Fund Assets (Cr. INR)



- ▶ Assets in global sustainable funds reached new high at **USD ~3.7 Tn**, as of 3Q25, **17% growth** from previous year and **6x growth** since **2018**
- ▶ Global sustainable fund assets are poised to reach new heights in the upcoming years, driven by growing investor interest and regulatory support

- ▶ ESG funds AuM stands at **INR 10,948 Cr.**, as of Dec-25. This includes assets of both active and passive ESG schemes.
- ▶ The theme experienced **4.6x growth** in 2020-21, with a relatively steady AuM 2022 onwards.



About Baroda BNP Paribas ESG Best-in-Class Strategy Fund

(An open-ended equity scheme investing in companies following Environmental, Social and Governance (ESG) theme adopting Best-in-Class Strategy)



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The Scheme will be investing in companies with strong Environmental, Social, and Governance policies. These sustainably managed businesses not only perform well on the ESG metrics but offer **compelling long term investment potential** for wealth creation.



Under Best-in-Class Strategy, the aim is to invest in companies that **perform better than sector peers on ESG factors.**



Based on the ESG assessment, companies in each sector group will be ranked into deciles. The companies ranked from first to fifth decile, that is having **ESG rating equal or above median, in its sector group** would form the investible universe for the portfolio.



After applying the ESG filter, portfolio construction will consider factors such as financial strength of companies, management reputation, long-term growth prospects, and any other factors impacting a company's future performance.



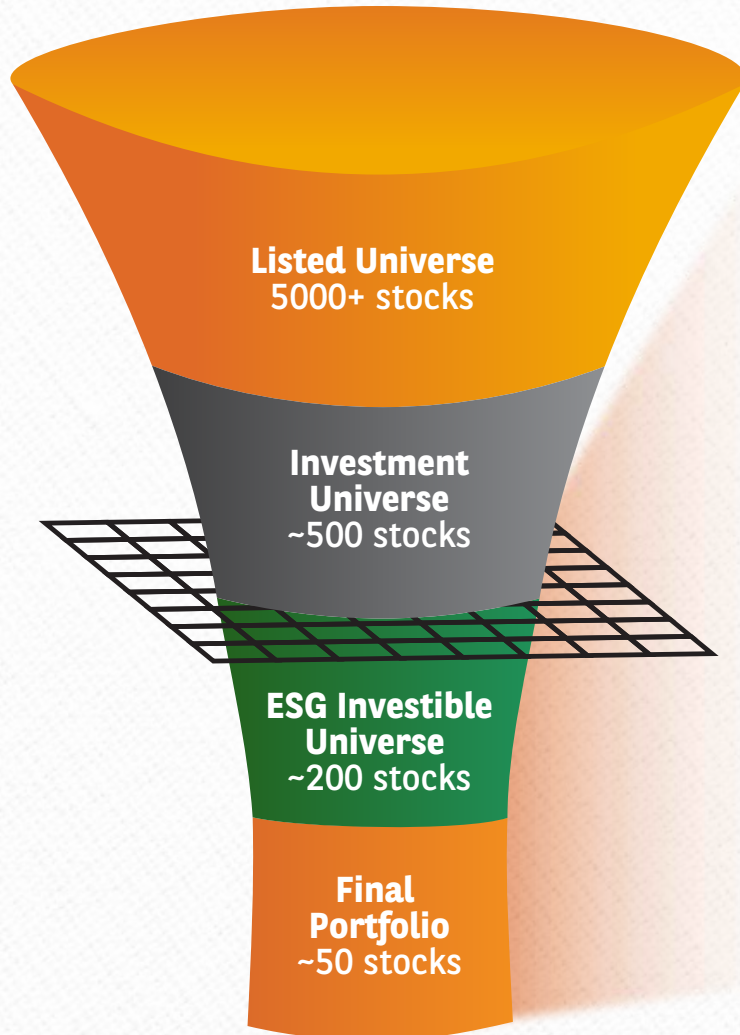
Companies involved in alcohol, tobacco, gambling, and high adverse environmental impact would be excluded from the investment universe of the Scheme.



Portfolio Construction



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Best in-class Screening

Selecting only the companies that have an **ESG rating equal or above the sector median**. Filtering out stocks failing to meet **minimum environmental and social criteria**.

Idea Generation

Internal Forums

- Top-down sector view
- Sector Analysis
- Brainstorming business model

360° Research Process

- Company Management
- ESG Rating Provider
- Sell-side Analysts, Channel Checks

Idea Valuation

Investment Ideas

Best-in-Class ESG Criteria

Business Management Valuation

Idea Execution

Allocation & Selection

Macro + ESG Considerations

Model Portfolio with constituents having Best-in-Class ESG Ratings

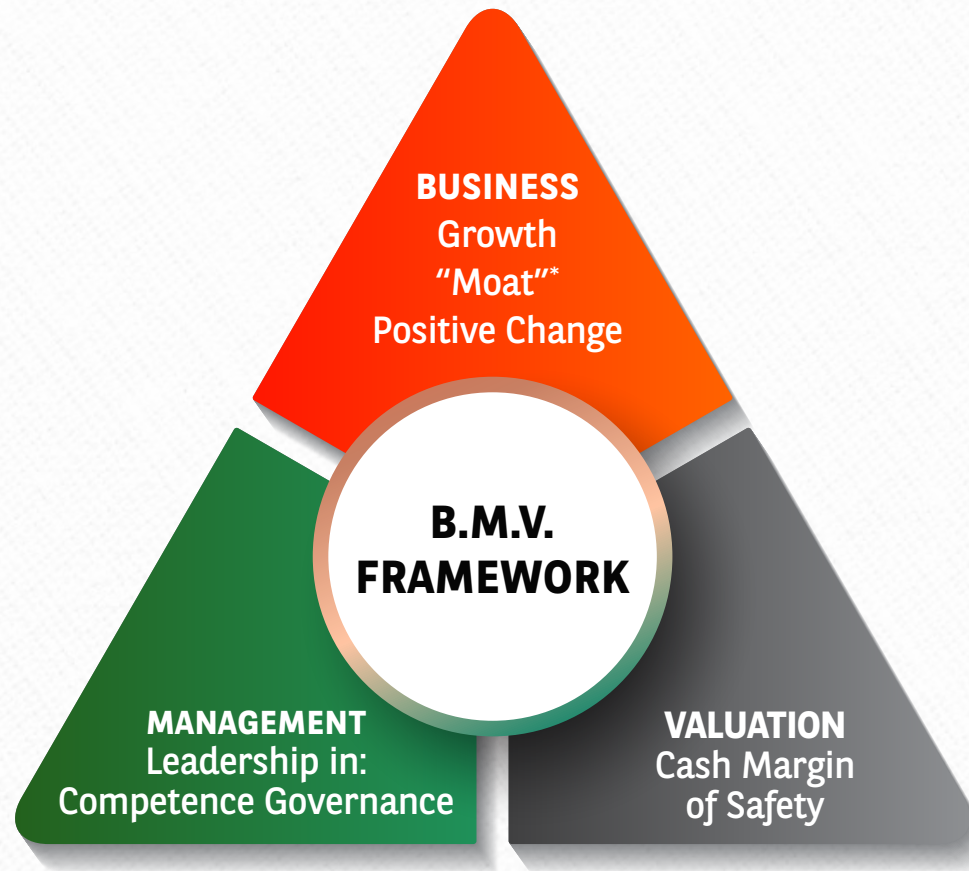
Final portfolio with constituents having Best-in-Class ESG Ratings



Investment Philosophy: Companies create wealth, not markets



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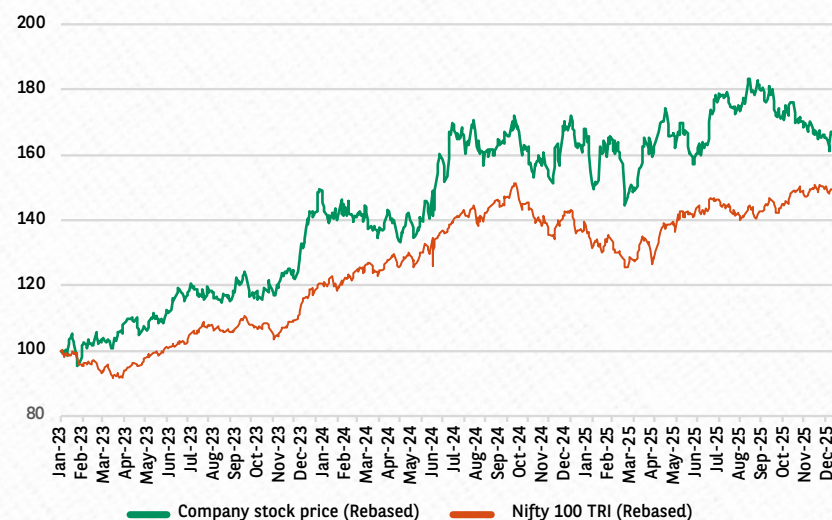
B.M.V. : Business, Management, Valuation
Identify superior businesses, with strong management, at reasonable valuations



Leading cement company

- ▶ Transition towards a low carbon, energy resilient, and sustainable manufacturing model with strategic investments in solar and wind power (1GW), along with waste heat recovery systems (342 MW). This combined capacity reduces dependence on conventional thermal power and helps mitigate carbon emissions.
- ▶ **Key Initiatives:**
 - **Decarbonization:** Targets include a 27% reduction in Scope 1 GHG intensity and 69% reduction in Scope 2 GHG intensity by 2032; Net Zero by 2050.
 - **Green Energy:** Aiming for an 85% green energy mix by 2030 and 100% renewable energy by 2050.
 - **Resource Efficiency:** Commitment to becoming 5x water positive and implementing circular economy practices.
 - **Innovation:** Developing sustainable products like low-density concrete and machine-printable structural concrete.
- ▶ **Stock performance**
 - Over the past three years, it has delivered a return greater than 65%, significantly outperforming Nifty 100.

Stock price performance





Leading telecommunications company

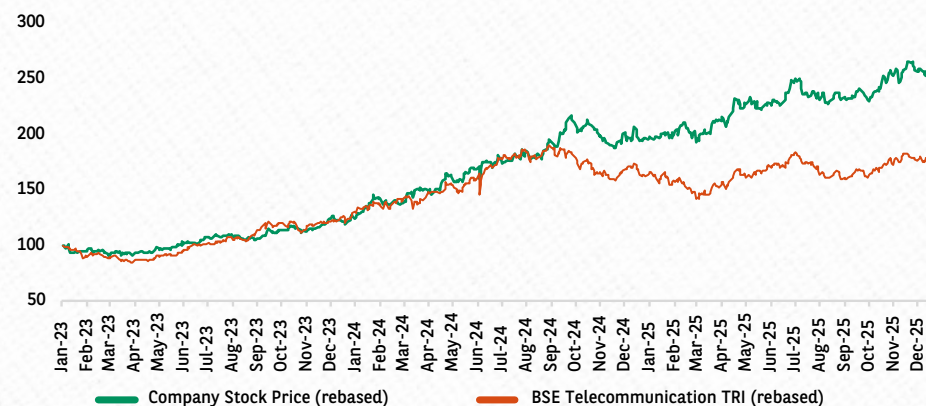
Key Initiatives:

- **Digital Inclusivity:** Working towards bridging the digital divide in data-starved regions through the rapid and extensive deployment of its 4G/5G networks with an aim to impact millions of lives.
- **Workforce Diversity:** Significant strides in diversity, equity, and inclusion (DEI) initiatives highlighting a commitment to gender balance in the workplace.
- **Device Affordability:** Making devices more affordable for low-income groups through programs that drive data adoption and offer best-in-class services at competitive prices.

Stock performance

- Over the past 3 years, it has delivered a return greater than 150%, significantly outperforming Nifty 100.

Stock price performance





Leading energy technology company

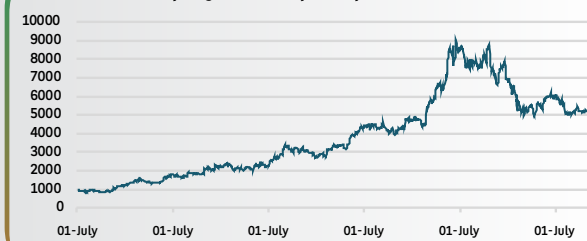
The vertical split of an Energy Technology company, completed in **2020** through a divestment to another company (2), is considered a benchmark in good corporate governance for several strategic reasons.

- ▶ **Strategic Simplification:** The split transformed the company from a complex matrix organization into a streamlined structure of four customer-focused business areas. This allowed management to focus on higher-margin digital industries like robotics and automation rather than the capital-intensive power sector.
- ▶ **Operational Accountability:** Decentralizes power to individual divisions. By hiving off Power Grids, the company ensured that each remaining business has full ownership of its R&D, products, and territory, removing internal bureaucracy.
- ▶ **Shareholder Value Protection:** The demerger ensured that minority shareholders received one share in the new entity for every five shares held in the company. This provided transparency and protected investor interests during a major asset transfer.
- ▶ **Capital Allocation Integrity:** The company committed to returning net cash proceeds from the \$11 billion divestment to shareholders through share buyback programs, demonstrating disciplined capital management.

Company 1 stock price pre divestment



Company 1 stock price post divestment



Company 2 (adjusted for number of share) post divestment



Source: Bloomberg, Data for price performance as on December 31, 2025. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**

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). The performance of companies in the sector may be impacted by the Government policies, Global events, market corrections, Geo-political events etc



Key Features of the Scheme



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About the Scheme

Baroda BNP Paribas ESG Best-in-class strategy Fund is an actively managed open ended equity scheme investing in companies that **perform better than sector peers on ESG (Environmental, Social, Governance) parameters.**

Investment Focus

The Scheme will invest minimum 80% of its net assets in companies in India, that have **better performance based on ESG factors than their sector peers.** The Scheme will avoid investing in companies that are considered to adversely impact the society. Companies involved in alcohol, tobacco, gambling, and high adverse environmental and social impact will be excluded.

Why consider this Scheme

The Scheme seamlessly integrates ESG principles into the existing investment process, helping **identify future-ready companies.** Firms with strong ESG practices are typically better equipped to **withstand today's volatile and complex business environment.** The Scheme provides investors with an opportunity to invest in companies which focus on **long term stability along with sustainability.**

Ideal Investment Horizon*

Investors should have a long-term holding period of ideally **more than 3 years.**





Who is it suitable for?*



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Investors looking for diversified equity exposure across sectors with an ESG theme.



Investors with a long-term investment horizon.

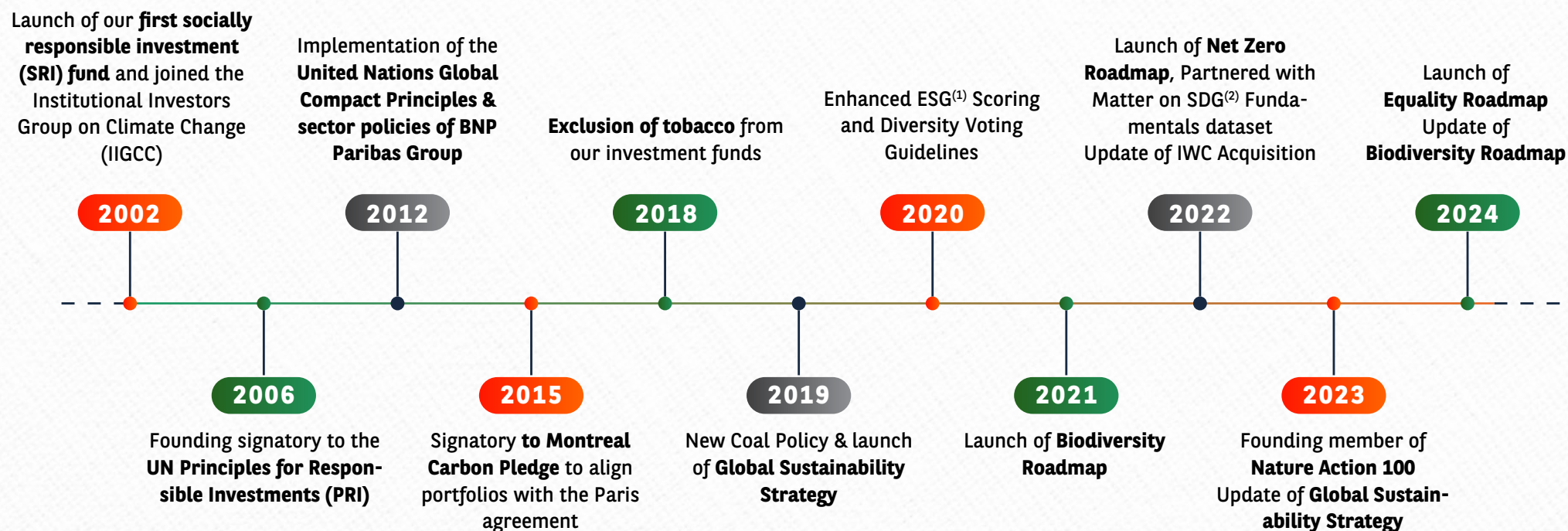


Investors who want to align their investments with ethical or sustainability beliefs.

*Please consult your financial advisor before investing. Please refer to the SID for further details of the investment strategy and asset allocation. Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments.



BNPP AM: Committed to sustainability since 2002



Source: BNP Paribas Asset Management Asia, as of September 2025. BNP Paribas Asset Management Asia is the sponsor to the Mutual Fund.

⁽¹⁾ESG; Environmental, Social & Governance. ESG assessments are based on BNPP AM's proprietary methodology which integrates all 3 aspects of E, S & G

⁽²⁾SDG: United Nations Sustainable Development Goals



BNP Paribas Asset Management has numerous external recognition



First socially responsible fund in 2002

More than 20 years of experience in sustainable investing



Global team of more than 35 experts

Leaders in key industry groups: International Corporate Governance Network (ICGN) Vice-Chair, Climate Action 100+ Global SteerCo, Nature Action 100 SteerCo etc.



Recognised thought leader & advocate

Active in 40+ industry and engagement initiatives (PRI¹, IIGCC², NA 100³)

ShareAction»

4th

Global responsible investment manager (#1 in Biodiversity)

Source: ShareAction, Point of No Returns, 2025



92% score

On the Policy, Governance and Strategy module

Source: PRI Assessment Report 2024

EU Sustainable Finance Disclosure Regulation (SFDR)

92%

of BNPP AM funds are Article 8 or 9

Scope: European open-ended funds are classified.
Source: BNP Paribas Asset Management Asia, June 2025.



Sanjay Chawla
(Chief Investment Officer)

Fund Managers

Jitendra Sriram

Pratish Krishnan

Neeraj Saxena

Investment Team

Kirtan Mehta

Meenakshi Gururaj

Swapna Shelar

Ankeet Pandya

Kushant Arora

Himanshu Singh

Stuti Singhee

Yash Mehta

Abhay Joshi

BNPP AM Sustainability Centre
Global team of ~35 ESG experts

Crystal Geng*
(Asia ESG Research Lead)

ESG Research (India)

Goldy Admane



Fund Facts



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Scheme Name	Baroda BNP Paribas ESG Best-in-Class Strategy Fund		
Type of Scheme	An open-ended equity scheme investing in equity and equity related securities of companies following Environmental, Social and Governance (ESG) theme adopting Best-in-Class Strategy		
Category	Thematic fund – ESG Theme		
Investment Objective	The investment objective of the scheme is to achieve long term capital appreciation by actively managed investments in equity and equity related securities of companies in India, based on Environmental, Social and Governance (“ESG”) criteria following Best-in-Class Strategy. The Scheme does not guarantee/indicate any returns. However, there can be no assurance that the investment objective of the Scheme will be realized.		
Asset Allocation	Type of Instruments	Minimum Allocation (% of Total Assets)	Maximum Allocation (% of Total Assets)
	Equity and equity related^ instruments of companies following Environmental, Social and Governance (ESG) criteria	80	100
	Equity and equity related^ instruments of companies other than above	0	20
	Debt & Money Market instruments*	0	20
	Units of Mutual Funds (Domestic Schemes)	0	10
	Units issued by InvITs	0	10
The Scheme will follow Best-in-class strategy and investments made by the Scheme will be in accordance to the SEBI Master Circular dated June 27, 2024 or any other such guidelines as recommended by SEBI from time to time. ^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. The Scheme may use equity derivatives for such purposes as may be permitted under the SEBI (Mutual Funds) Regulations, 1996, including but not limited for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time. *Debt instruments may include securitised debt upto 20% of the net debt assets of the scheme. The Scheme retains the flexibility to invest across all the securities in the equity, debt, money markets instruments, units issued by InvITs and mutual fund units. For detailed asset allocation, please refer to SID on our website www.barodabnpparibasmf.in			
Benchmark	Nifty 100 ESG TRI		
Fund Manager	Mr. Jitendra Sriram, Mr. Kushant Arora		
Load Structure	Exit Load: - Redemption/ switch out of units up to 10% of the units allotted within 1 year from date of allotment: Exit load – NIL - For redemption/switch out of units above 10% of units allotted within 1 year from the date of allotment: 1.00% of applicable NAV - For redemption/switch out of units after 1 year from the date of allotment: Nil The above load shall also be applicable for switches between the schemes of the Fund and all Systematic Investment Plans, Systematic Transfer Plans, Systematic Withdrawal Plans. No load will be charged on units issued upon re-investment of amount of distribution under same IDCW option and bonus units. There shall be no exit load levied in case of switch of investments i) between the Plans (i.e. Regular and Direct Plans); and/or ii) between the options (i.e. IDCW and Growth options), within the Scheme/Plan. For any change in load structure, the AMC will issue an addendum and display it on the website/ISCs		
Minimum Application Amount /switch in	Lumpsum investment: Rs. 1,000 and in multiples of Rs. 1 thereafter. Systematic Investment Plan: (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 on the amount for application. The Trustee / AMC reserves the right to change the minimum amount for application and the additional amount for application from time to time in the Scheme and these could be different under different plan(s) / option(s).		



Product Label

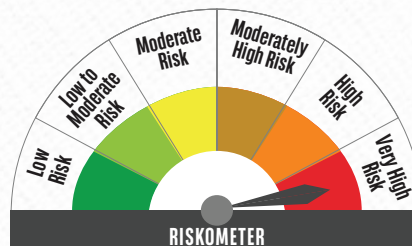
Baroda BNP Paribas ESG Best-in-Class Strategy Fund

(An open-ended equity scheme investing in equity and equity related securities of companies following Environmental, Social and Governance (ESG) theme adopting Best-in-Class Strategy)

This product is suitable for investors who are seeking*:

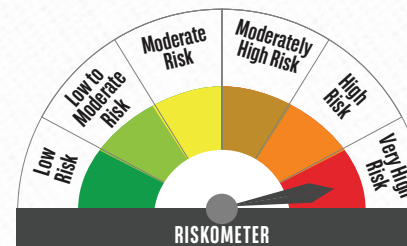
- ▶ Long term wealth creation
- ▶ Investment predominantly in equity and equity related securities of companies following Environmental, Social and Governance (ESG) theme adopting Best-in-Class Strategy

Scheme Riskometer^^



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

Benchmark Riskometer



Benchmark Riskometer is at Very High Risk
AMFI Tier I Benchmark i.e.,
Nifty 100 ESG TRI

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

^^The riskometer assigned is based on internal assessment of the scheme characteristics and the same may vary post NFO, when actual investments are made. **Offer of Units of Rs. 10 each for cash during the New Fund Offer (NFO) and Continuous Offer for Units at NAV based prices**

Disclaimers

In the preparation of the material contained in this document, Baroda BNP Paribas Asset Management India 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 be 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. 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. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** 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.

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



Risks associated with ESG theme

The Scheme is thematic in nature. Investing in this Scheme is based on the premise that the Scheme will seek to invest predominantly in companies belonging to ESG Theme. This may limit the capability of the Scheme to invest in other companies/themes.

Being thematic in nature, the Scheme will be affected by the risks associated with the investment in companies with ESG Theme. Further, the volatility and/or adverse performance of companies with ESG Theme would have a material adverse bearing on the performance of this Scheme.

Investment in this Scheme carries the risk regarding non-diversification of the portfolio due to the investment universe mainly limited to companies with ESG Theme and hence, the scope for diversification could be limited at times and the concentration is expected to be high in companies belonging to ESG Theme.

ESG integration approach may be implemented in a different way by AMCs when setting investment objectives for ESG themed schemes. This means that it may be difficult to compare strategies integrating ESG criteria to the extent that the selection and weightings applied to select investments may be based on metrics that may share the same or similar name but have different underlying meanings.

In evaluating a security based on the ESG criteria, the AMC would use SEBI registered ESG Rating Provider to provide external ESG rating and related research. Given the evolving nature of the ESG theme, these data sources may for the time being be incomplete, inaccurate, unavailable or updated. Applying ESG criteria as well as norm and sector based responsible investing criteria in the investment process may lead to the exclusion of securities of certain issuers. Consequently, the scheme's financial performance may at times be better or worse than the performance of comparable schemes that do not apply such standards.

In addition, the proprietary methodologies used to take into account ESG criteria may be subject to reviews in the event of regulatory developments or updates that may lead, in accordance with the applicable regulations, to the increase or decrease of the classification of schemes, of the indicators used or of the minimum investment commitment levels set.

General 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. Investment in the scheme carries the risk regarding non diversification of portfolio due to the investment universe mainly limited to companies with ESG theme and hence, the scope for diversification could be limited at times and the concentration is expected to be high in companies belonging to ESG theme. 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.