



# Aim to benefit from changing interest rate

Presenting

## Baroda BNP Paribas Floater Fund

An open-ended debt scheme predominantly investing in floating rate instruments. A relatively High Interest Rate Risk and Moderate Credit Risk.

**NFO Period**

10<sup>th</sup> Apr to 24<sup>th</sup> Apr, 2023

### Introducing Baroda BNP Paribas Floater Fund

Baroda BNP Paribas Floater Fund invests predominantly in floating rate bonds and Non-Convertible Debentures (NCD). A floating rate bond is a debt instrument with the coupon linked to a benchmark rate and gets set for, typically, 6 month periods. Therefore, as interest rates move, the coupon on the bonds also moves in the same direction. Floating rate bonds have generally lower volatility vis-à-vis fixed rate bonds, as the duration on the portfolio is less than 6 months (the typical reset period of the bond); and lower duration of a bond means lower volatility. Investors seeking a relatively lower risk investment option with the potential for optimal returns, a floater fund can be a good option.

### Aims to generate income through investment in



#### Illustration of Floating Rate Bonds (FRB)^:

$$\text{Benchmark Reference Rate (e.g 3 month T-Bill)} + \text{Fixed Spread (e.g. 100bps)} = \text{Floating Rate Coupon (3 month T-Bill + 100 bps)}$$

^The above figures are for illustration and information purpose only.

### Floating Rate Bonds are an All Season Product

☀️ Designed with an aim to work in any storm ⚡️

- An all weather fund is a fund that tends to perform reasonably well during both favorable and unfavorable economic and market conditions.
- All weather portfolios have relatively lower volatility and potentially, a higher risk adjusted return and smaller drawdowns.
- All weather funds typically have flexible investment strategies and utilize alternative techniques in order to deliver market related returns in all market environment.

### Advantages of investing in floating rate schemes

- LOWER VOLATILITY**: Bonds held till maturity will have a relatively lower volatility and lesser MTM impact
- CRAFTED PORTFOLIO**: Active Fund Management
- RISK ADJUSTED REWARDS**: Attempts to offer better risk adjusted returns
- RISING RATE ENVIRONMENT**: Helps to navigate the rising rates and offers good investment opportunity to gain from a rising rate environment
- LOWER INTEREST RATE RISK**: With interest rates reset in a predetermined frequency, the interest rate sensitivity of the bonds are lower compared to fixed rate bonds
- RELATIVELY STABLE RETURN**: Aims to generate income/capital appreciation through investment in 1. Natural Floaters 2. Synthetic Floaters 3. Short Maturity Instruments

There is no assured/ guaranteed returns being offered by the AMC. The performance of the scheme shall also depend on various factors including the investment strategy of the scheme.

### Fund Facts

<b>Scheme Name:</b> Baroda BNP Paribas Floater Fund	<b>Asset Allocation:</b>	<b>Type of Instrument</b>	<b>Min (% of Net Assets)</b>	<b>Max (% of Net Assets)</b>	<b>Risk Profile</b>
<b>Category:</b> Floater Fund		<b>Floating Rate Debt Instruments (including Fixed Rate Debt Instruments swapped for floating rate returns)</b>	65	100	High
<b>Type of the Scheme:</b> An open ended debt scheme predominantly investing in floating rate instruments. A relatively High Interest Rate Risk and Moderate Credit Risk.		<b>Debt &amp; Money Market instruments</b>	0	35	Low to Medium
<b>NFO Period:</b> April 10, 2023 - April 24, 2023		<b>Units issued by REITs &amp; INVITs</b>	0	10	Very High
<b>Investment Objective:</b> The primary objective of the scheme is to generate regular income through investment in a portfolio comprising predominantly of floating rate instruments and fixed rate instruments swapped for floating rate returns. The Scheme may also invest a portion of its net assets in fixed rate debt and money market instruments. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.	<b>Plans and Options:</b>	For complete details on asset allocation, please refer to SID available on our website ( <a href="http://www.barodabnp-paribasmf.in">www.barodabnp-paribasmf.in</a> ).			
<b>Benchmark:</b> CRISIL Low Duration Debt Index		The scheme will have two Plans Regular and Direct.			
<b>Load Structure:</b> Entry Load : Not applicable Exit Load: Nil		Each Plan offers Growth Option and Income Distribution cum Capital Withdrawal (IDCW) option*. The IDCW offers payout and reinvestment facilities.			
<b>Fund Manager:</b> Mayank Prakash (Total Experience: 15 years) & Prashant Pimple (Total Experience: 16 years)	<b>Minimum Application Amount:</b>	*Amounts under IDCW option can be distributed out of investors capital (equalization reserve), which is part of sale price that represents realised gains However, investors are requested to note that the amount of distribution under IDCW Option is not guaranteed and subject to availability of distributable surplus.			
		<b>Lumpsum investment:</b> Rs. 5,000 and in multiples of Re. 1/- thereafter.			
		<b>SIP:</b> (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			
		Offer of units of Rs.10 each during the New Fund Offer period and continuous offer for units at NAV based prices.			

**To know more:** Contact your Mutual Fund Distributor or Financial Advisor | **Log on:** [www.barodabnp-paribasmf.in](http://www.barodabnp-paribasmf.in) | **Call us on:** 1800 2670 189 (Toll free)

Potential Risk Class (PRC) Matrix\*

	Baroda BNP Paribas Floater Fund		
<b>Credit Risk (Max)</b>	Relatively low: Class A (CRV>= 12)	Moderate: Class B (CRV>= 10)	Relatively High: Class C (CRV< 10)
<b>Interest Rate Risk (Max)</b>			
Relatively low Class I (MD<=1 year)			
Moderate Class II (MD<=3 year)			
Relatively High Class III (Any MD)		B-III	

MD=Macaulay Duration, CRV=Credit Risk Value  
\*The PRC matrix denotes the maximum risk that the respective Scheme can take i.e., maximum interest rate risk (measured by MD of the Scheme) and maximum credit risk (measured by CRV of the Scheme)

**Distributed by:**

This product is suitable for investors who are seeking\*:

- Regular income over short term investment horizon.
- To invest predominantly in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/derivatives)

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

Risk-o-meter for the Scheme<sup>AA</sup>

Investors understand that their principal will be at Moderate Risk

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. <sup>AA</sup>The riskometer assigned is based on internal assessment of the scheme characteristics and the same may vary post NFO when actual investments are made.

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