

POWER UP YOUR PORTFOLIO. INVEST IN ENERGY.



PRESENTING
BARODA BNP PARIBAS ENERGY OPPORTUNITIES FUND

(An open-ended equity scheme investing in Energy companies)

NFO PERIOD | 21ST JAN - 4TH FEB, 2025

What is the similarity between



Caveman



Einstein



Vikram Sarabhai

Certain individuals here are used only for reference purpose to explain the context of the topic and should not in anyway be considered as 'celebrity' or meant to influence investment decision.

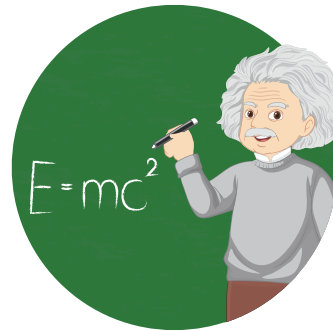
They all discovered the “Spark that Ignites Energy”

Discovery of Fire



Recognized fire as a source of energy that transformed their way of life, leading to advancements in cooking and social organization.

$$E=MC^2$$



His famous equation $E=MC^2$ fundamentally changed the understanding of energy, illustrating its connection to mass and the universe.

Energy Revolution in India



Three visionary Indian scientists - Homi Jehangir Bhabha, Vikram Sarabhai, and C.V. Raman - dared to dream of a brighter future. Their groundbreaking research sparked a revolution, transforming India's energy landscape forever.

Energy continues to Power Many Aspects of Our Lives



Household

- ▶ Electrical appliances like TV, Washing machine, Refrigerator, etc.
- ▶ Entertainment/ Communication devices – Smart phones, Tablets



Agriculture

- ▶ Mechanized farming
- ▶ Irrigation pumps, machines for harvesting, pest control, lighting
- ▶ Cold Storage



Commercial / Industrial

- ▶ Healthcare, FMCG, Textiles, Metals & mining, Oil & Gas, Automobiles
- ▶ Powers Information Technology
- ▶ Production of goods in factories
- ▶ Payments infrastructure



Connectivity


- ▶ Telecommunication
- ▶ Data Centers
- ▶ Internet services
- ▶ Transmitters
- ▶ Internet Services

“Energy is the Key to Prosperity”

Vikram Sarabhai

(Vikram Sarabhai is an Indian physicist and astronomer who initiated space research and helped to develop nuclear power in India. Also known as "Father of Indian space program".)



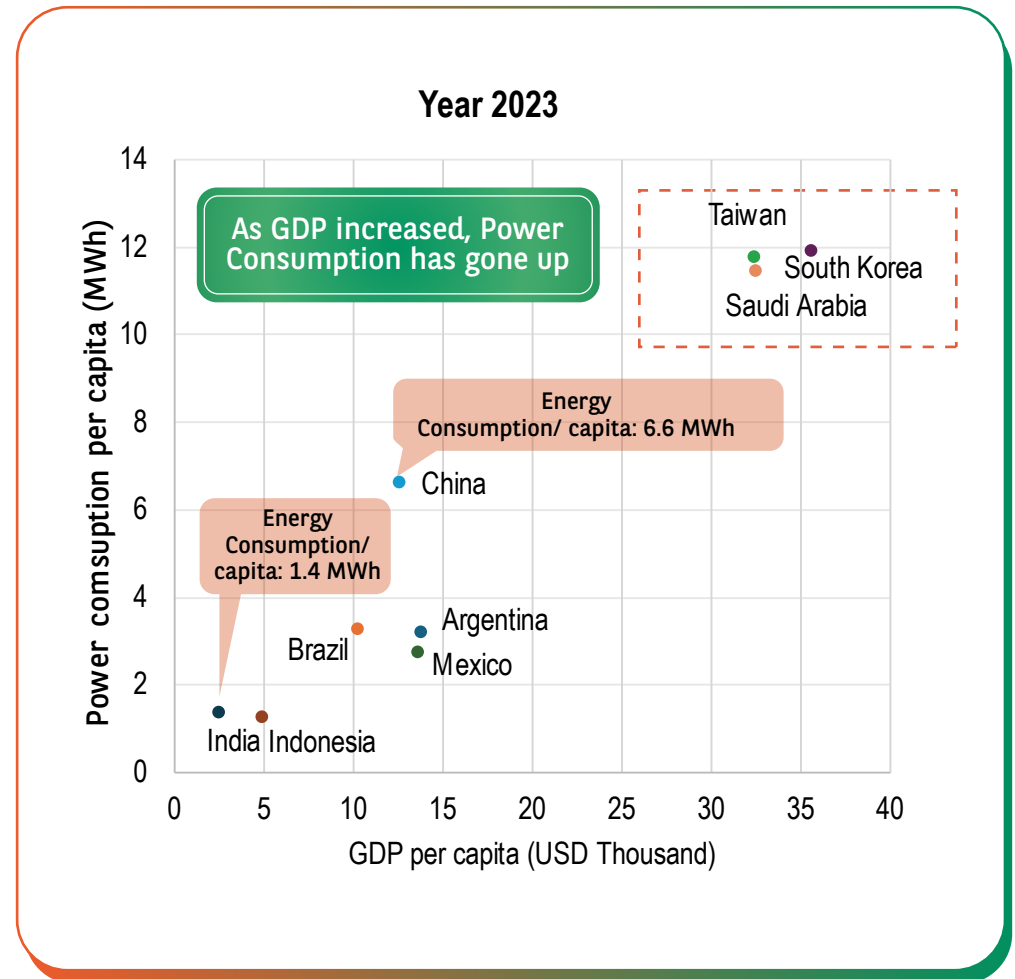
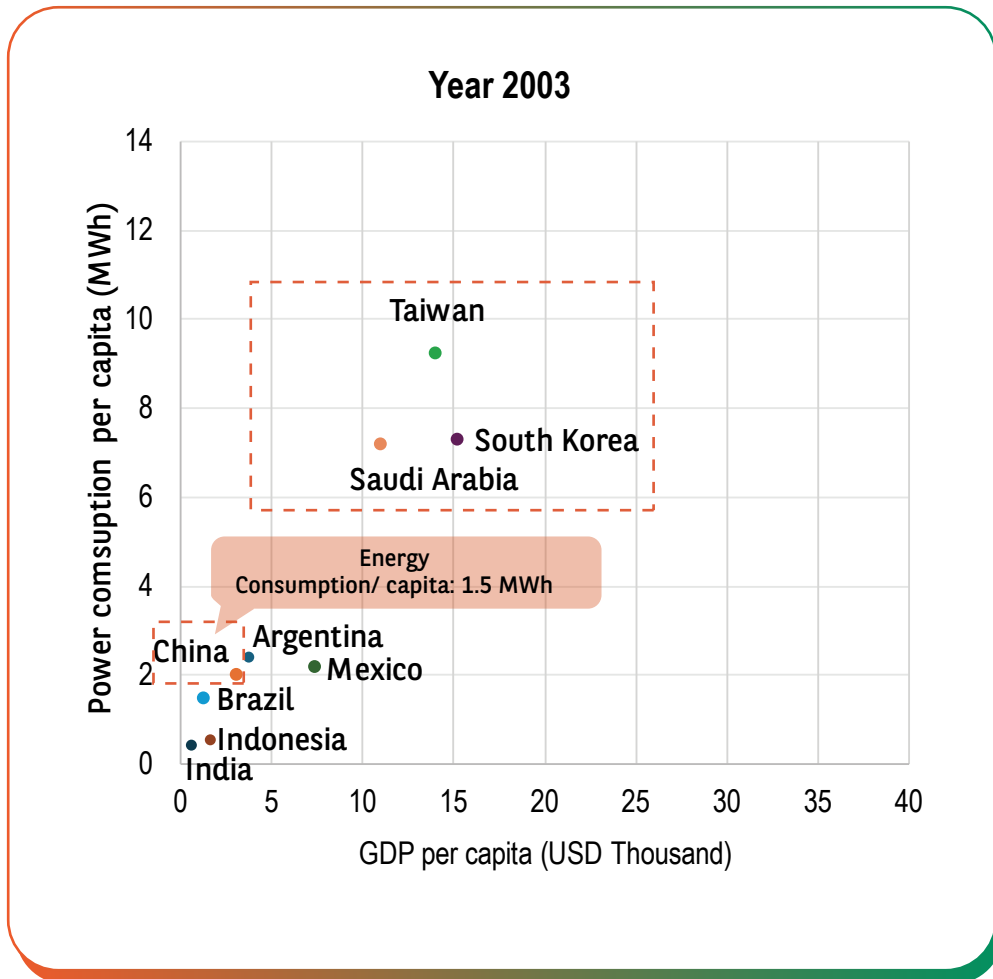


Countries need “Higher” Energy During their Developing Phase

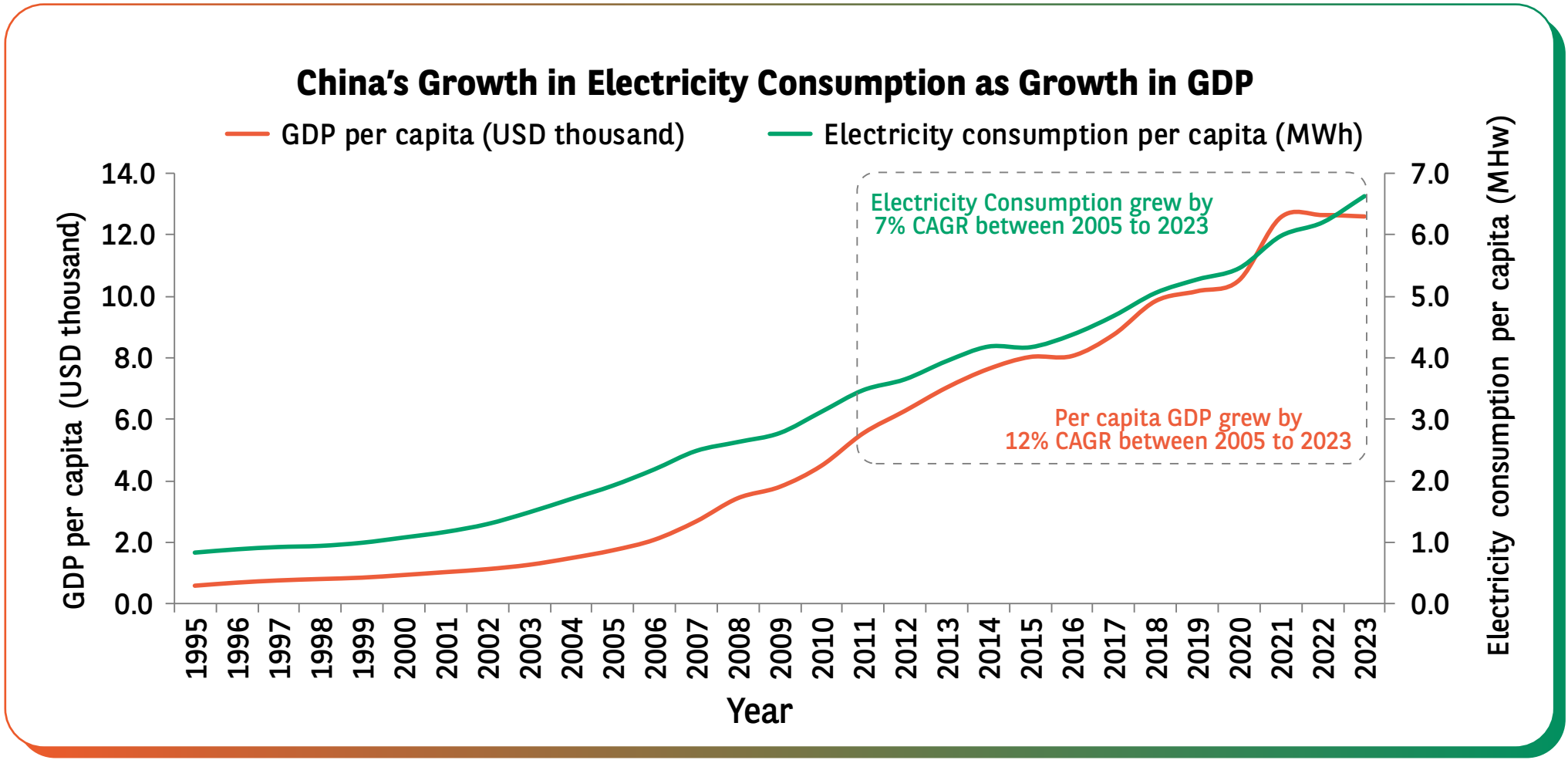
Historically there has been Positive Correlation Between GDP growth and Energy Consumption



As the per capita GDP of a country increases, its power consumption also increases.

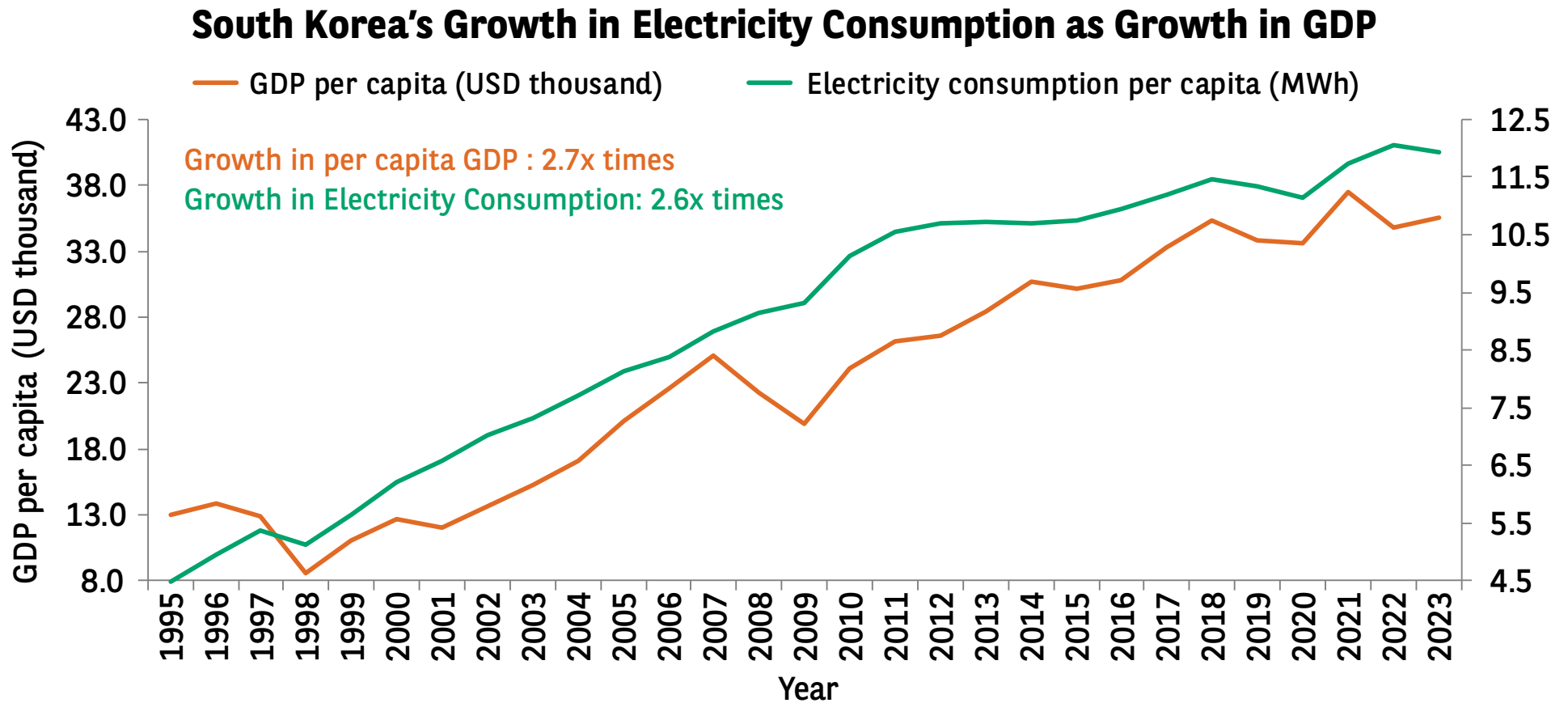


China's Energy Consumption Grows with it's GDP



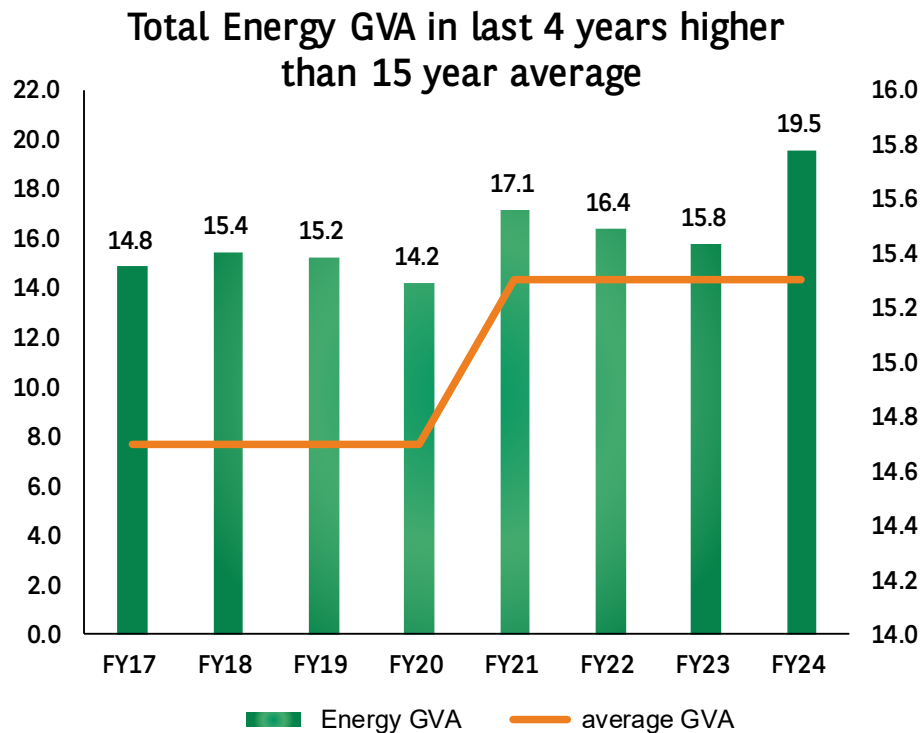
- China witnessed 3.5 times surge in its electricity consumption as its per capita GDP grew from \$ 1,800 in 2005 to \$12,600 in 2023.

South Korea's Energy Consumption Grows with it's GDP

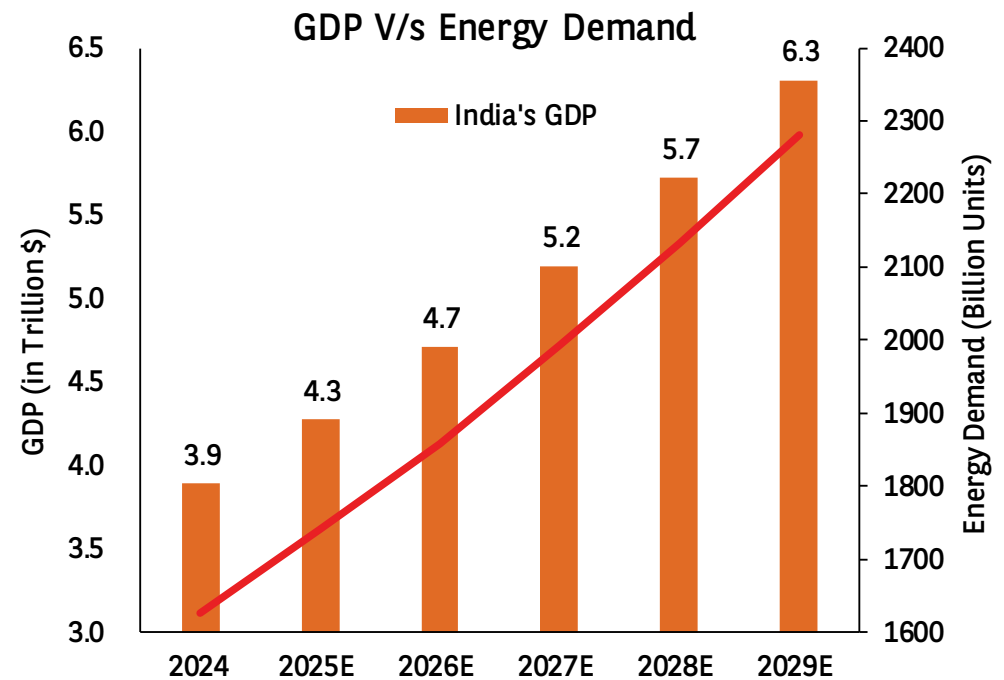


- South Korea's Electricity consumption grew in tandem with its per capita growth i.e. 3x times historically.
- Energy intensity changes as per growth in GDP.

Even in India, Energy Demand likely to Grow with Growth in the per capita GDP



Data as on 31st March 2024 (latest available data). Source :MOSBI, Capitaline and internal research



Data as on 31st October 2024 (latest available data). Source: IMF, Jefferies and internal research. The estimated figures in this graph are based on internal research and may vary based on change in various factors

- Historically, the energy sector has added about 15% Gross Value Added (GVA) to the economy every year for the last 15 years.
- As India's GDP is projected to grow by 1.9x times in the next 5 years, India's demand for energy is also poised to grow 1.7x times.
- This aims to unlock huge opportunities for the energy sector in coming times.

Understanding The Domestic Energy Sector Landscape





Sources of Energy

- ▶ Coal Value Chain
- ▶ Crude Value Chain
- ▶ Hydrocarbon Value Chain
- ▶ Others



Uses of Energy

- ▶ Household
- ▶ Agriculture
- ▶ Industrial / Commercial Uses
- ▶ Transportation
- ▶ Connectivity



~150 Stocks out
of Nifty 500 Index
Universe belong to
the theme.

Industries for the theme

- Coal
- Gas Transmission/Marketing
- Integrated Power Utilities
- LPG/CNG/PNG/LNG Supplier
- Lubricants
- Offshore Support Solution Drilling
- Oil Equipment & Services
- Oil Exploration & Production
- Oil Storage & Transportation
- Other Utilities
- Power Transmission
- Power Distribution
- Power Generation
- Power Trading
- Refineries & Marketing
- Trading Coal
- Trading Gas
- Metal & Mining
- Cement

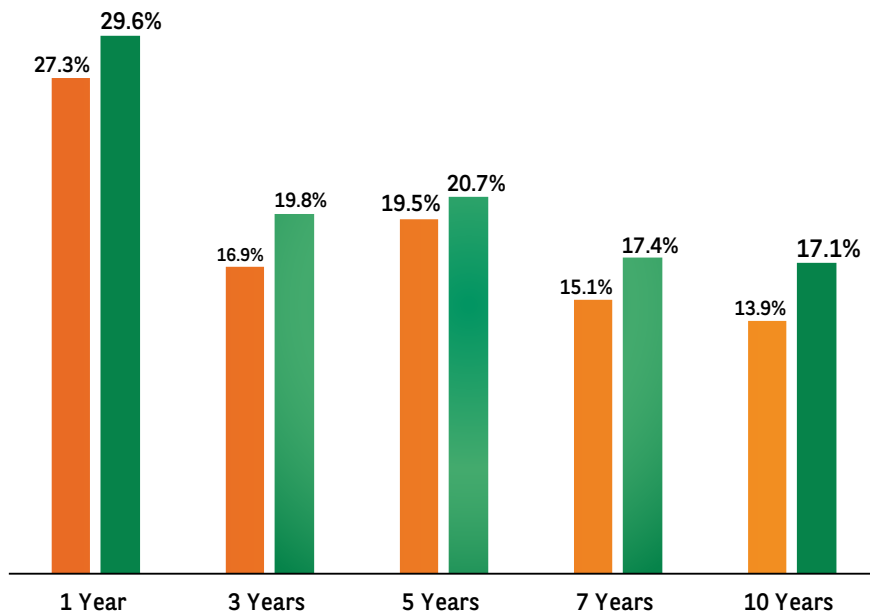
Around **1/3rd** of
Nifty 500 Index
portfolio belongs
to the theme.

Historically, Outperforming the Broad Market



Performance

■ Nifty 500 TRI ■ Nifty Energy TRI



Key Measures	Nifty 500 TRI	Nifty Energy TRI
PE	25.8	15.2
PB	3.9	2.1
Div Yield %	1.1	2.4
EPS Growth		
1 Year EPS Growth % [^]	25.9	41.1

Historically, Nifty Energy TRI has performed better than the broad-based Nifty 500 TRI despite lower valuations and higher EPS growth.

Data as of 29th November 2024 |Source: Bloomberg, Nifty Indices and Internal. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** EPS stands for Earnings per share. P E= Price to Earning Ratio, PB = Price to Book, Div Yield = Dividend Yield i.e. Dividends per share divided by share price

[^]Data as of Dec 2023 (latest available data)

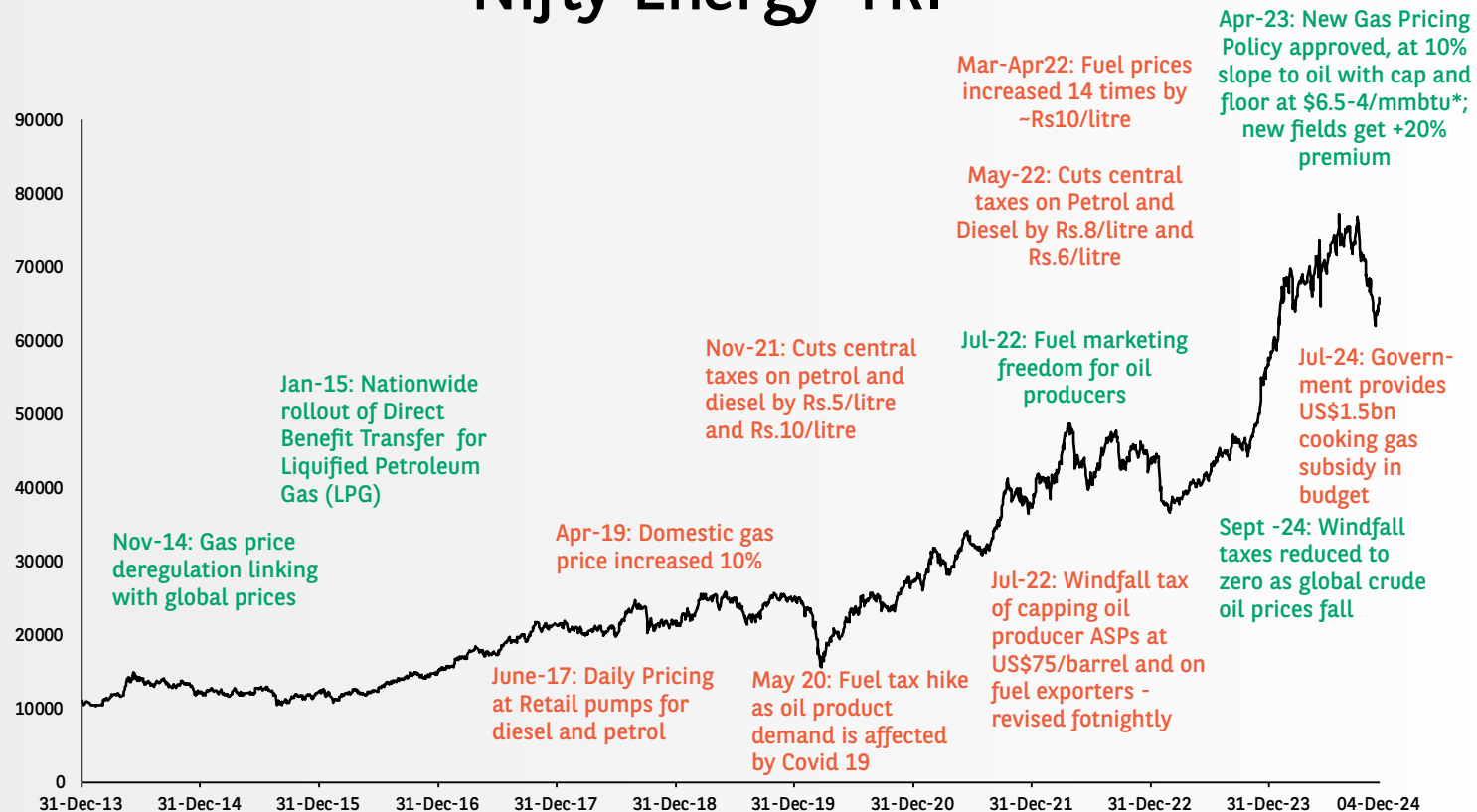


Energy MegaTrends

India's Key Energy Reforms



Nifty Energy TRI



Source: Morgan Stanley Report as of December 04, 2024 | * MMBTU = Million British Thermal Units

Please note that this is to explain the change in reforms in the energy sector. It should not be taken as an indication of any future projections.



Traditional energy chain themes



Rising Energy Needs:
Thrust on manufacturing,
data centers, etc.



**Improving energy
self-sufficiency**



**Energy Infrastructure: LNG Terminals,
mass transport Eg. Metros**

New Energy Transition



Improving Energy Efficiency:
Lower carbon footprint



Clean Energy:
Renewables and alternates



**Investment in natural gas
as a transition fuel**



Energy Infrastructure:
EV charging, Green Ammonia

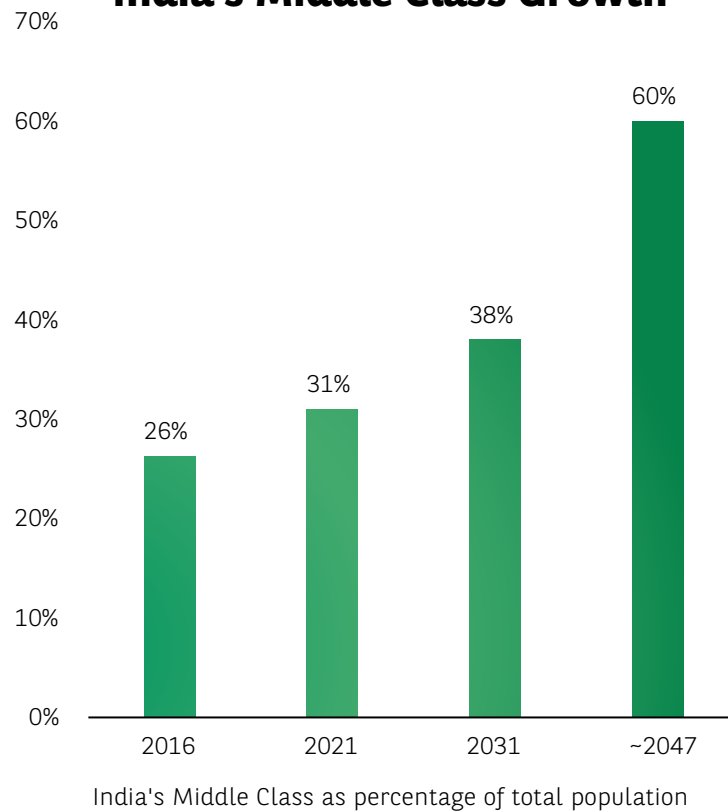
The sector(s)/stock(s) mentioned in this document do not constitute any recommendation of the same and Baroda BNP Paribas Mutual Fund may or may not have any future position in these sector(s)/stock(s).

LNG = Liquefied Natural Gas | EV = Electric Vehicles

Traditional Sources of Energy: Increase in Demand



India's Middle Class Growth*



India's middle class to double in the next few decades.

Lifestyle changes/ upgrades drive premiumization and in turn higher energy consumption.

Drivers for increase in energy consumption- Necessity, Convenience, Productivity, Innovation, Efficiency, Communication, Transportation

Energy transition also likely to significantly increase demand for electricity - Electricity could be the next oil - Green hydrogen, electric vehicles, data centers to increase electricity demand

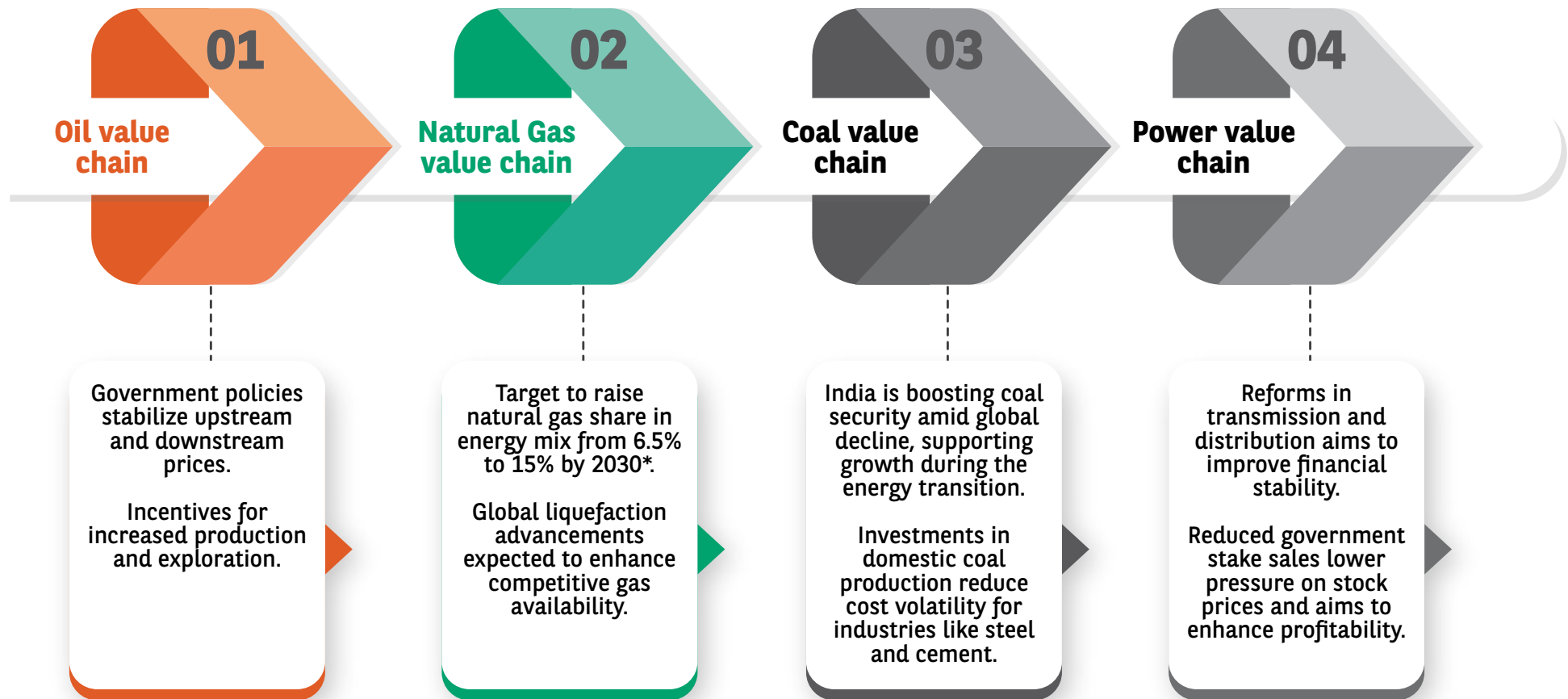
Data as on July 2023 (latest available data) Report by Price 360° Surveys.

*Middle class is defined as individuals earning between 5 lacs to 30 lacs per household, annually.

Traditional Sources: Improving India's Energy Security

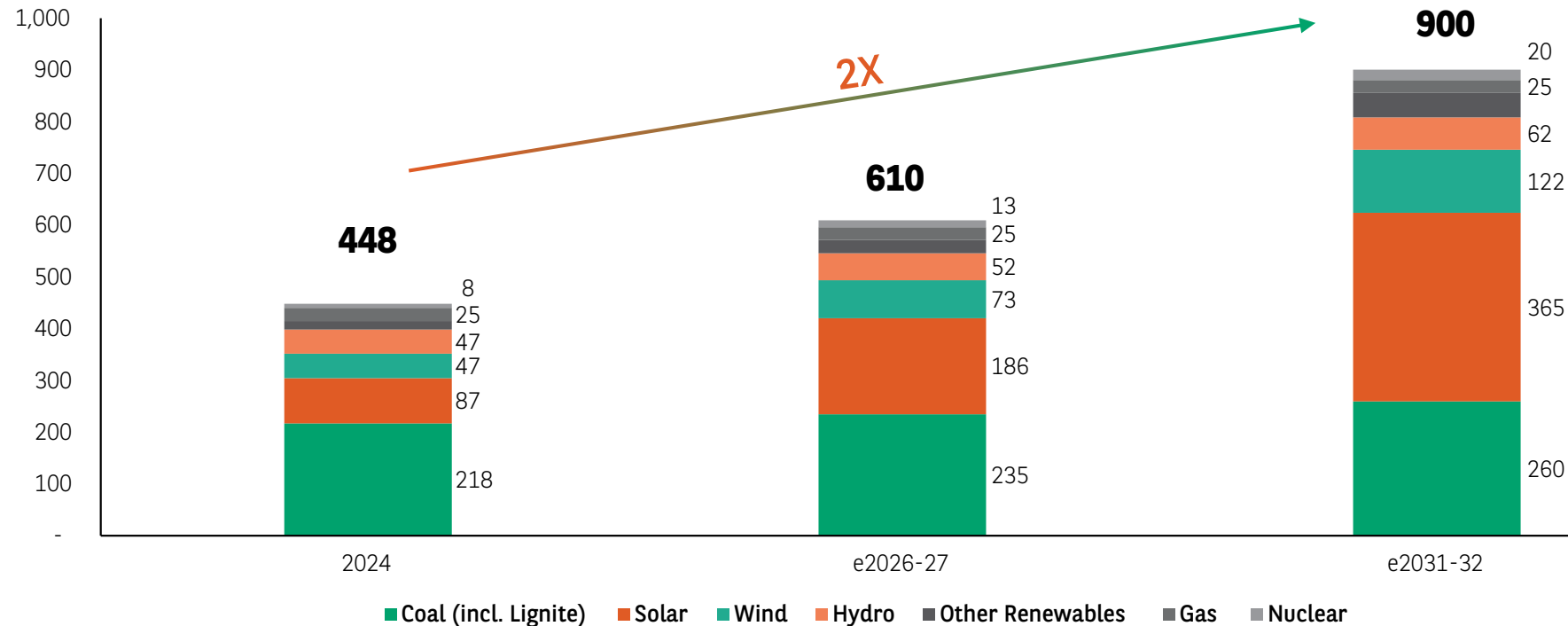


The Government is implementing reforms for self-sufficiency, including remunerative pricing for Exploration & Production, gas pricing reforms, windfall taxes, strategic capital allocation, support for Oil Marketing Companies (OMCs), stable oil and refining margins, a unified gas transportation tariff, and increased investment in gas infrastructure.



* Source: Publication released by Government of India on pib.gov.in | Data as on 18th December 2023 (latest available data)

Energy Transition: Generation Mix



- ▶ **Capacity: 2x** of total installed capacity - from present 448 GW to 900 GW by 2031-32
- ▶ **Renewables:** Renewable energy to expand from present **42%** to **66%** by 2031-32. Govt. to invite **bids for 50 GW** of renewable energy capacity **annually** for next **5 years** from FY24 to FY28 to meet **500 GW target** by 2030
- ▶ **Solar and Wind:** Growth in solar capacity is set to grow **4x** and wind by **2.5x** by 2031-32

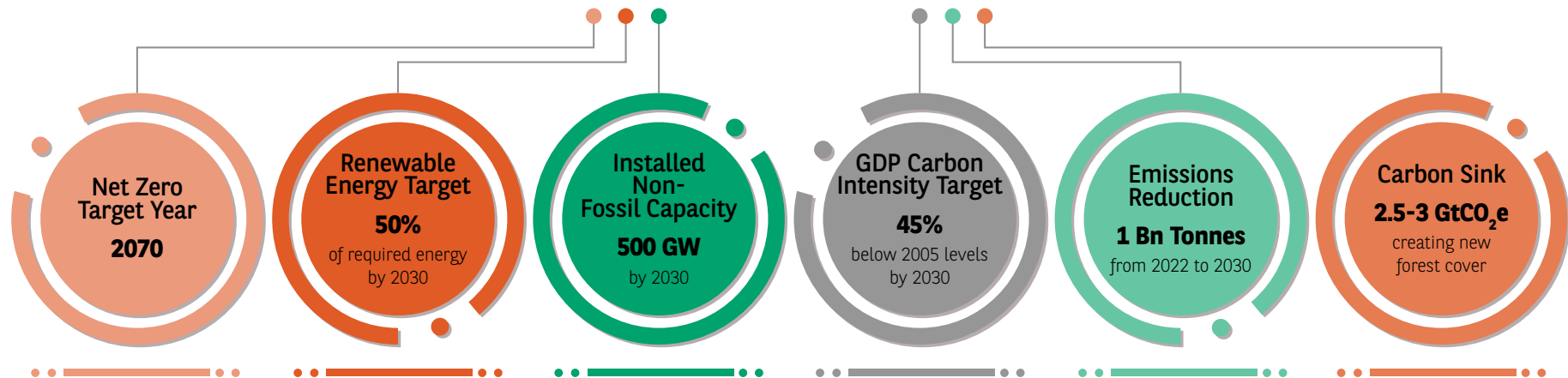
Source: Government of India - Press Information Bureau, Ministry of New and Renewable Energy - PLI, Center on Global Energy Policy - Columbia University, NEP - National Electricity Plan, Inevitable Policy Response\ Data as on 5th August 2024 (latest available data)

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Energy Transition: A policy-driven trend



Net Zero Emissions Target (NDCs)



PLI on High Efficiency Solar PV Modules

- ▶ Production Linked Incentive (PLI) for achieving manufacturing capacity of Giga Watt (GW) scale in High Efficiency Solar PV modules
- ▶ Outlay of **~\$2.85 billion** through PLI

National Solar Mission - Rooftop Solar Scheme

- ▶ **10 Mn households** to get rooftop solar power systems
- ▶ Households to get up to 300 units free electricity every month

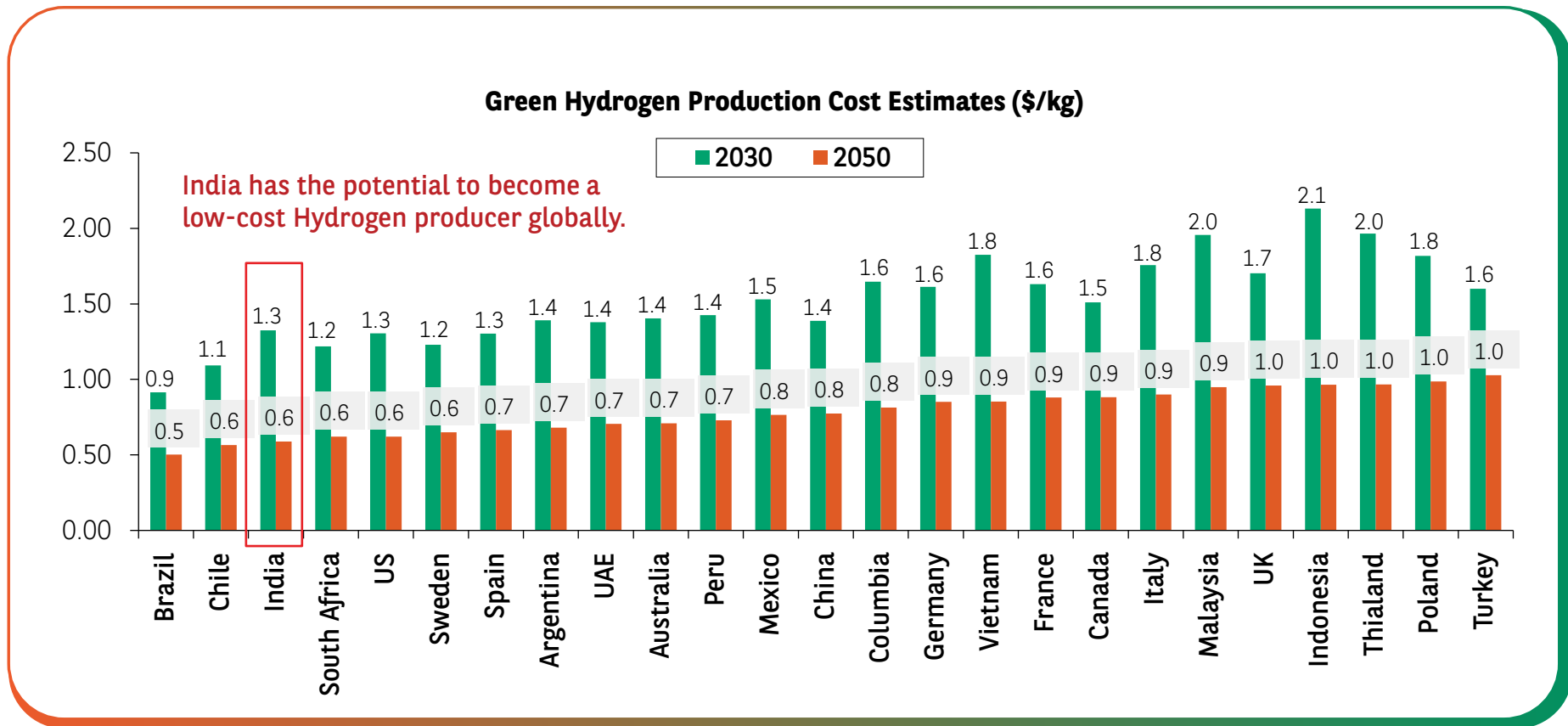
Battery Storage PLI and Funding

- ▶ **PLI on Advanced Chemistry Cell Battery Storage:** FY25 budget increased almost 250 times to **\$30 million**
- ▶ **Battery Energy Storage Systems** with capacity of 4 GW hours can avail of **Viability Gap Funding** worth **~ \$460 million**

National Green Hydrogen Mission

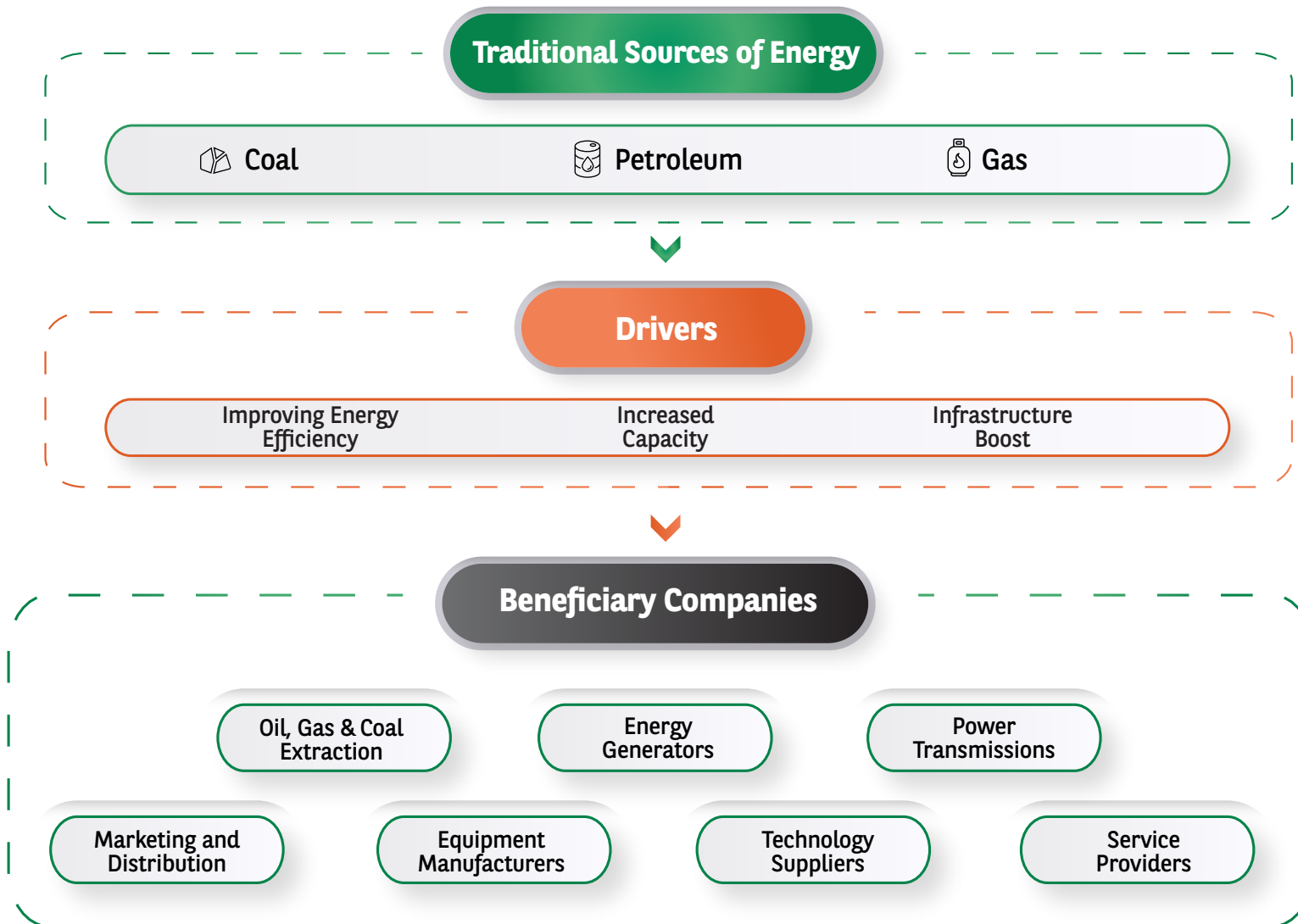
- ▶ Targets **5 Mn tonnes** of production by 2030
- ▶ **~\$100 billion** of investment through PLIs
- ▶ Incentives for manufacturing electrolyzers and hydrogen production

National Green Hydrogen Mission

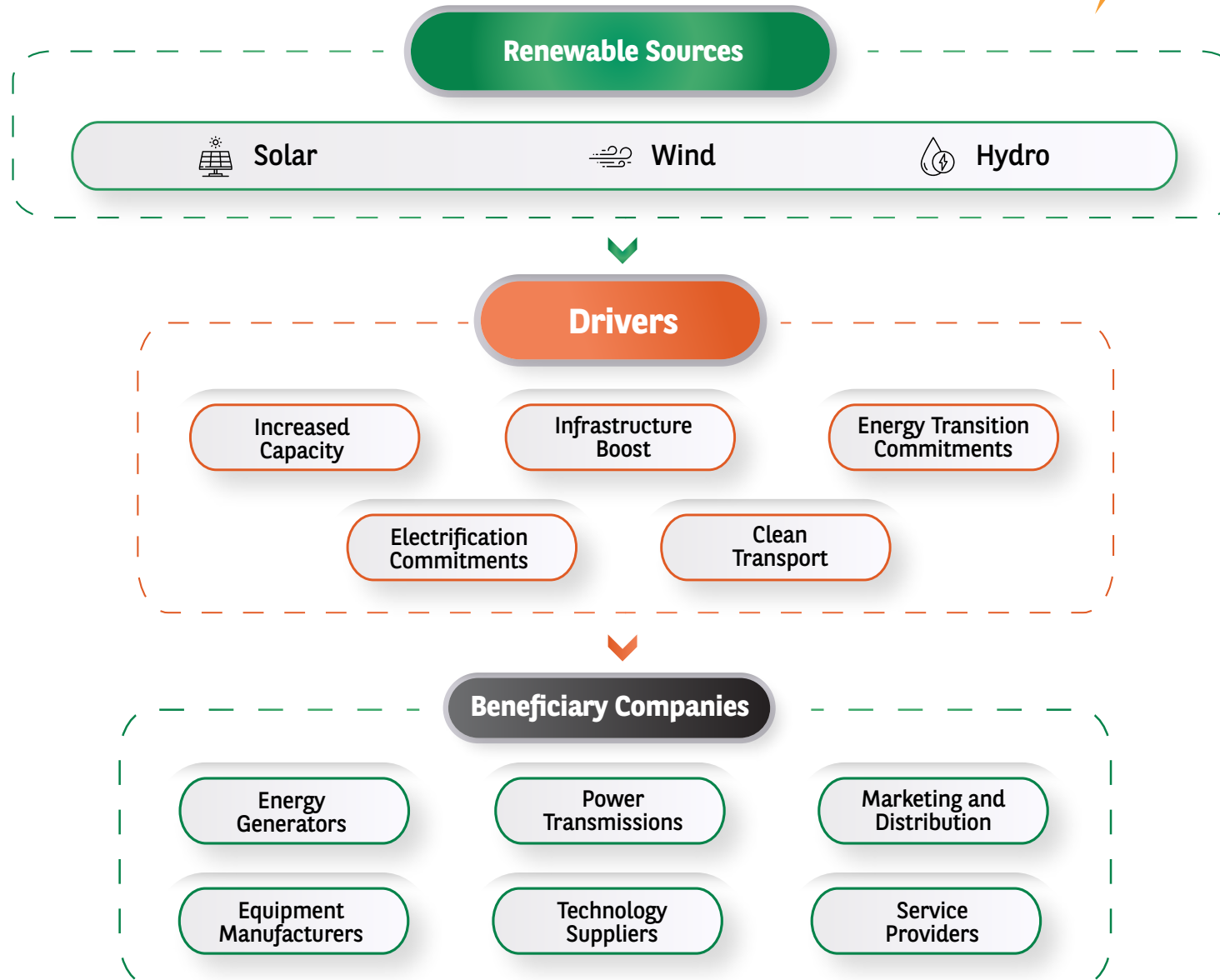


- ▶ India plans to produce 5 million metric tonnes of green hydrogen annually by 2030.
- ▶ Lower production costs can make hydrogen a competitive energy source, potentially leading to lower operational costs for vehicles and industries that use hydrogen fuel cells.

Energy Landscape and Opportunities in a Nutshell



Energy Landscape and Opportunities in a Nutshell



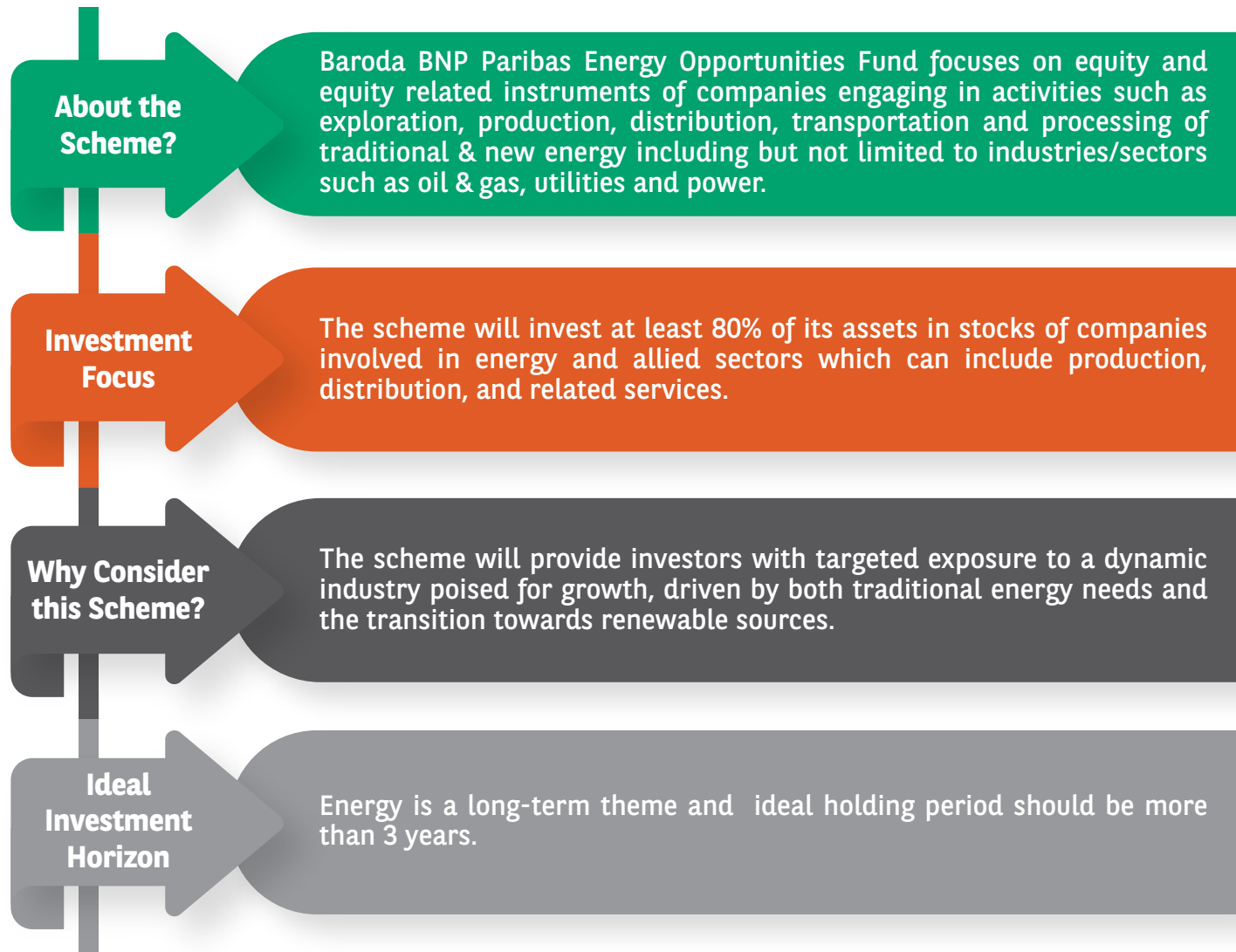
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BARODA BNP PARIBAS ENERGY OPPORTUNITIES FUND

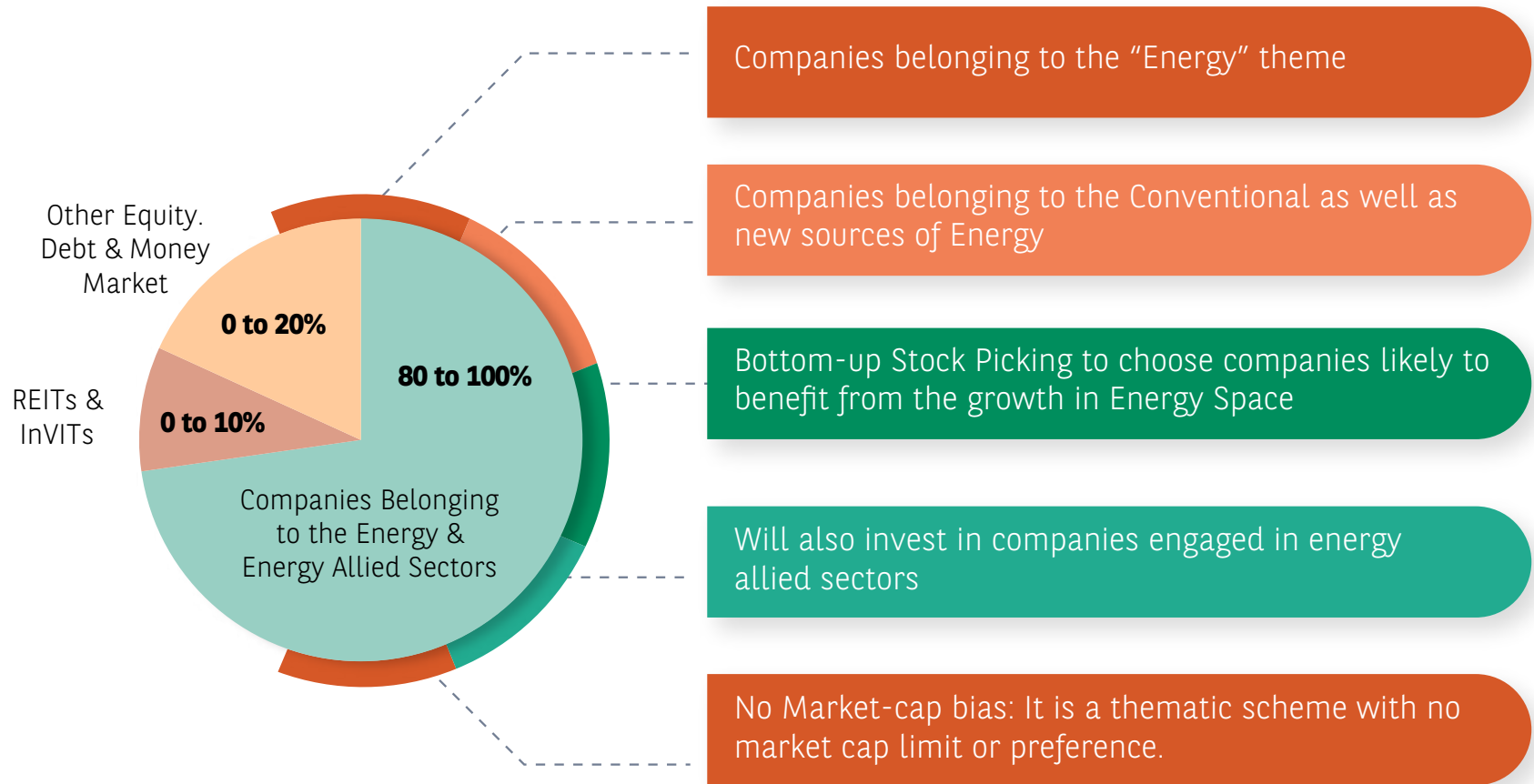
(An open-ended equity scheme investing
in Energy companies)



Key Features of the Scheme



Investment Strategy Overview



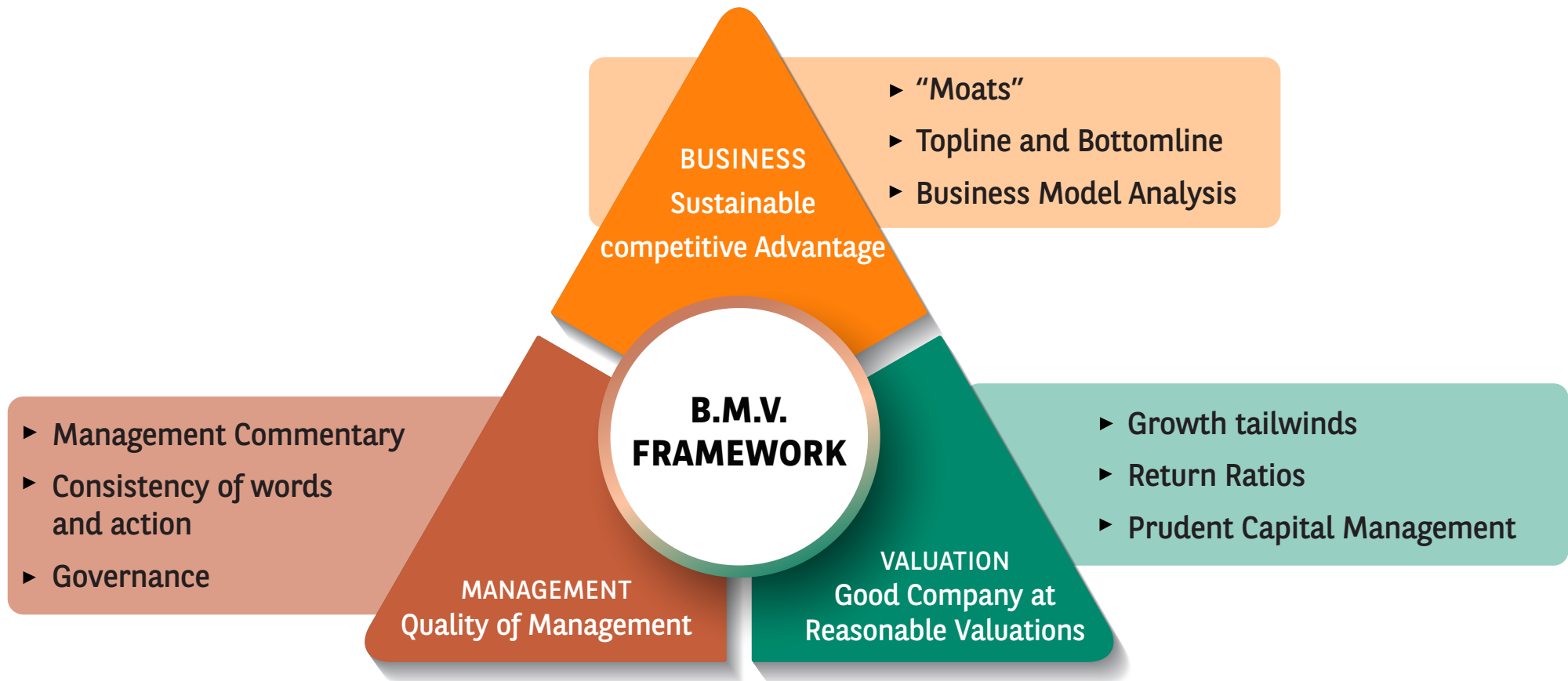
B.M.V. Framework

Final Estimated Portfolio – 30 to 50 stocks

B.M.V.: Business, Management, Valuation. Source: Internal Research. The estimated no. of stocks in the portfolio may change based on performance of companies in this sector, change in government policies impacting energy sector, overall market conditions etc.



investment philosophy



Moats stands for competitive advantage

Investment philosophy is the broad investment framework of the fund house which drive investment decisions.

Key themes / Universe



Extraction

Mining & Oil Exploration companies



Production / Generation

Oil Refining companies, Energy Generating companies



Transmission

Power Transmission companies, Power InVITs, Gas Pipelines



Distribution

Oil Marketing, Power Distribution, Gas Distribution



Energy Transition

Transition to renewable energy

Energy Ancillary Companies: Equipment manufacturers, companies making components of new energy.

Energy Services Companies: Industrial and capital goods companies that are engaged in energy consultancy.

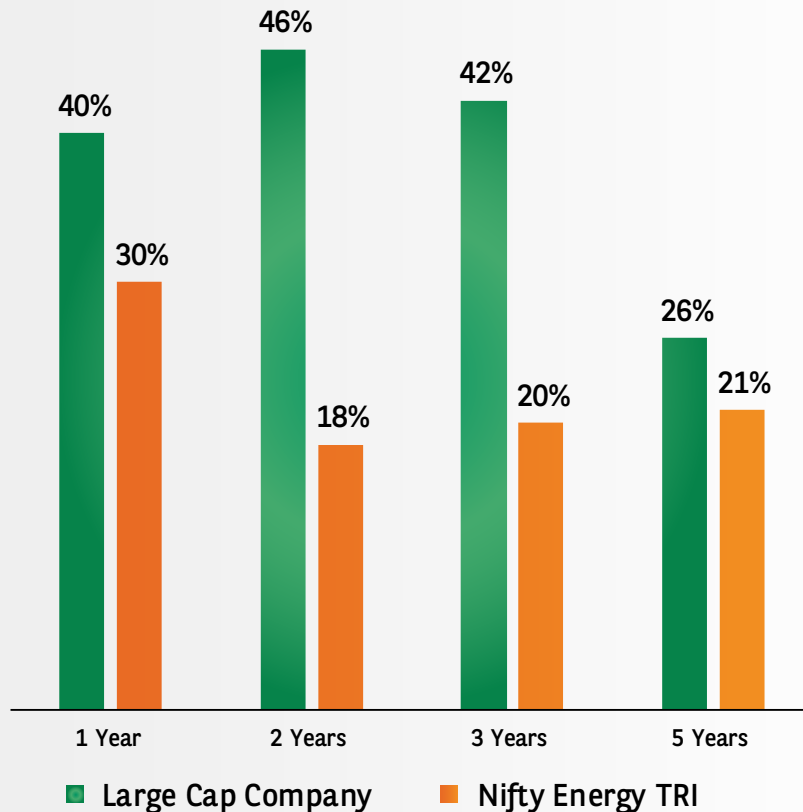
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Energy Success Stories from Existing Investments



Powering Growth Through Diverse Energy Solutions

Company Performance (%)

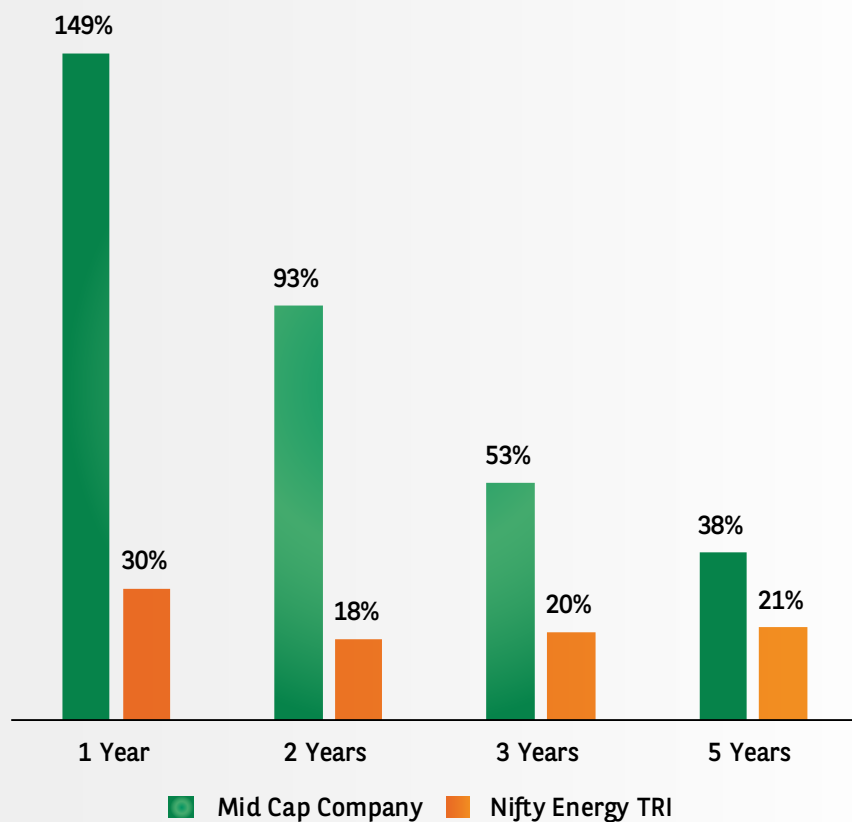


Company Financials	2 year CAGR	3 year CAGR
Revenue	16.0	16.7
EBIDTA	24.7	38.1
PAT	11.7	12.5

- ▶ A Large Cap company that operates a broad mix of power generation facilities, including 35 coal-based plants, which contribute to approximately 25% of India's electricity needs.
- ▶ **Capacity Expansion:** In FY23, the company added 3,952 MW of capacity, boosting overall generation and revenue potential.
- ▶ **Large footprint in renewables :** Targeting 30GW of capacity by FY28 and 60GW by FY32 through a majority own subsidiary.

Increased Domestic Production to drive growth

Company Performance (%)



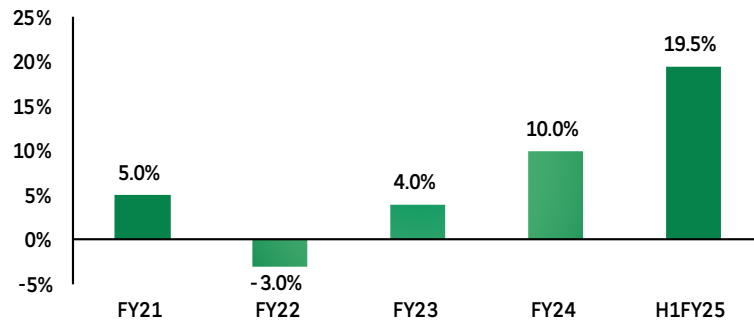
Oil India	2 year CAGR	3 year CAGR
Revenue	24.7	38.1
EBIDTA	31.3	94.1
PAT	19.5	47.2

- ▶ It is a mid sized company engaged in the exploration, production, and distribution of oil and natural gas.
- ▶ **Increased Domestic Production:** The company focused on enhancing domestic oil and gas production.
- ▶ **Portfolio Diversification:** The company's strategy includes diversifying into renewable energy and integrated energy solutions.

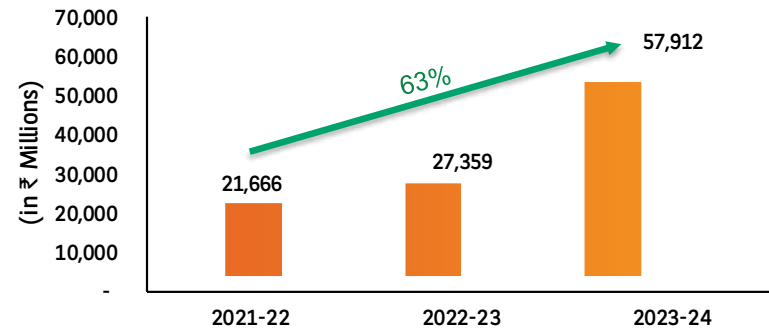
Source: Bloomberg. Data as on November 29, 2024 | PAT = Profit After Tax, EBITDA = Earnings Before Interest Depreciation Tax and Amortisation **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** The sector(s)/stock(s) mentioned in this document do not 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).

Energizing Growth Through Robust Solutions

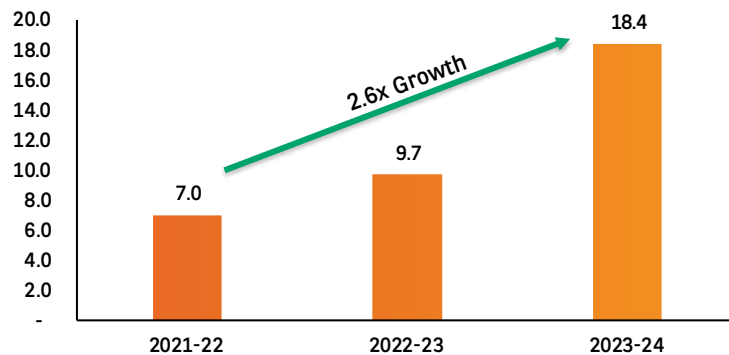
EBITDA Margins (%)



Order booked



Exports (₹ Billion)



- A Small Cap company focusing on providing power transmission and distribution solutions.
- **Focus on Renewable Integration:** It is actively involved in projects that support India's transition to renewable energy.
- **High Voltage Equipment Orders:** The company secured substantial contracts for high voltage equipment, including major international orders, enhancing its market position in the energy sector

Source: Bloomberg. Data as on 31st March 2024 | EBITDA = Earnings Before Interest Depreciation Tax and Amortisation

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Who is it Suitable For?



Investors who want
a focused exposure to
Energy companies



Investors who want
to participate in the
India's growth
journey



Investors looking for
new sector / theme to
diversify their
portfolio

The risk associated with investments in the Scheme is very high. Consult your financial advisor before investing.

Investment Team and Experience



Sanjay Chawla
(Chief Investment Officer - 33 Years of Experience)

Experience



Fund Facts



Scheme name	Baroda BNP Paribas Energy Opportunities Fund		
Type of the Scheme	An open-ended equity scheme predominantly investing in Energy companies		
Category	Equity Scheme – Sectoral/Thematic Fund		
Investment Objective	The investment objective of the Scheme is to provide investors with opportunities for long term capital appreciation by investing in equity and equity related instruments of companies engaging in activities such as exploration, production, distribution, transportation and processing of traditional & new energy including but not limited to industries/sectors such as oil & gas, utilities and power. The Scheme does not guarantee/indicate any returns. There can be no assurance that the scheme's objectives will be achieved		
Asset Allocation		Minimum (% of Net Assets)	Maximum (% of Net Assets)
	Equity and equity related^ instruments of companies in the Energy and allied sectors	80	100
	Equity and equity related^ instruments of companies other than those in the Energy and allied sectors	0	20
	Debt & Money Market instruments*	0	20
	Units of Mutual Funds (Domestic Schemes)	0	10
	Units issued by REITs & InvITs	0	10
	<p>^The Scheme may invest upto 50% of equity assets in equity derivative instruments as permitted under the SEBI (Mutual Funds) Regulations, 1996 from time to time. The Scheme may use equity derivatives for such purposes as maybe 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.</p> <p>*Debt instruments may include securitised debt upto 20% of the debt portfolio of the scheme.</p> <p>For detailed asset allocation including indicative asset allocation table, please refer to SID on our website www.barodabnpparibasmf.in</p>		
Benchmark	Nifty Energy TRI		
Fund Manager	Sanjay Chawla and Sandeep Jain		
Load Structure	Exit Load: For redemption/switch out of units more than 10% of units, within 1 year from the date of allotment - 1% of applicable NAV. For redemption/ switch out of units in any other case - Nil		
Minimum Amount for Application during the NFO & Ongoing Offer	<p>Lumpsum Details: A minimum of Rs. 1,000 per application and in multiples of Rs.1 Minimum Additional Application Amount: Rs. 1,000 and in multiples of Rs. 1 thereafter.</p> <p>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</p>		

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. Investment in the scheme carries the risk regarding non-diversification of the portfolio due to the investment universe mainly limited to companies that are operating in the Energy and allied sectors and hence, the scope for diversification could be limited at times and the concentration is expected to be high in companies belonging to the Energy sector. Further, the volatility and/or adverse performance of the Energy sector and/or of the scrips belonging to this sector would have a material adverse bearing on the performance of this Scheme. 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.barodabnp-paribasmf.in) for detailed Risk Factors, asset allocation, investment strategy etc.

<p>Baroda BNP Paribas Energy Opportunities Fund (An open-ended equity scheme investing in Energy companies)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> ▶ Long term capital appreciation and growth. ▶ Investments predominantly in equity and equity related securities of energy companies. 	<p>Scheme Riskometer^^</p> <p>RISKOMETER</p> <p>Investors understand that their principal will be at Very High risk.</p>	<p>Benchmark Riskometer</p> <p>RISKOMETER</p> <p>Benchmark riskometer is at Very High risk. As per AMFI Tier I Benchmark - Nifty Energy TRI</p>
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>		

^^The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Offer of Units of Rs.10 each for cash during the New Fund Offer and Continuous offer for Units at NAV based prices.

Disclaimers



In the preparation of this document, Baroda BNP Paribas Asset Management India Pvt. Ltd. ("AMC") has used information that is publicly available and 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, such as "expect", "believe" and similar expressions or variations 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, employees, shall not liable for any loss, damage of any nature, including direct, indirect, punitive, exemplary, consequential, or loss of profit arising from use of this document. The recipient alone shall be fully responsible for decision taken based on this document. All data given in this document is dated and may or may not be relevant at a future date. Investors are advised to consult their legal/tax/financial advisors to determine possible tax, legal and other financial implication or consequence of investing into the scheme. Past performance may or may not be sustained in the future.



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