

NFO Review
16-Apr-13

BNP Paribas Capital Protection Oriented Fund - Series 1 Dynamic/Asset Allocation (A 38 month close-ended Fund)

SCHEME FEATURES

Launch Date	NA
Close Date	30/04/2013
Options	Growth/Dividend
Fund Manager	Puneet Pal, Debt S.Devalkar, Equity
Benchmark	Crisil MIP Blended
Min. Investment	5000
Min SIP Investment	--

LOAD STRUCTURE

Entry Load is 0%. Exit Load is 0%.

HIGHLIGHTS

This close-ended scheme aims to protect capital, while at the same time provide capital appreciation by investing in equities. The scheme will follow a passive investment strategy for the fixed income component of the scheme. It will invest in fixed income securities with a view to hold them till maturity. The scheme will follow a buy and hold strategy in fixed income instruments. The corpus of the scheme will be primarily invested in any debt instrument, which is rated as investment grade. The scheme will invest in debt instruments that will mature on or before the maturity date of the mutual fund's tenure. This strategy will be accompanied by investing on long dated index options seeking to generate alpha in the event of the Index closing higher towards the end of the tenure.

FUND THEME

The scheme seeks capital protection by investing in fixed income securities maturing on or before the maturity of the scheme and seeking capital appreciation by investing in premium of exchange traded options.

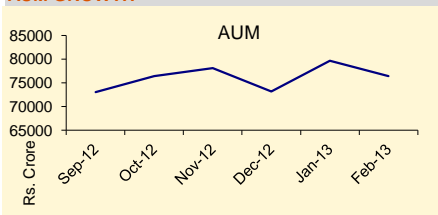
MANDATED ASSET ALLOCATION

Money Market Securities - 80%-100%
Option premium - 0-20%

PEDIGREE

BNP Paribas Investment Partners is the dedicated asset management business line of BNP Paribas and backed up by the financial strength of one of the best rated banks in the world. BNP Paribas Mutual Fund is part of a global network seeking to combine in-depth local market knowledge with the expertise gained from managing investments throughout numerous market cycles and conditions across the world.

AUM GROWTH



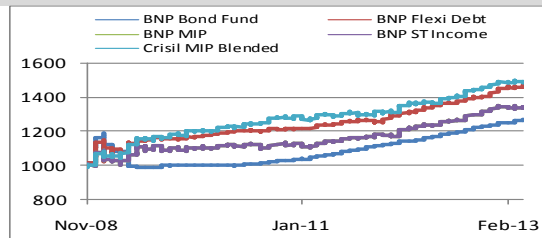
WHY THIS THEME?

Presently investors are facing tough time with their investment. Prolonged Euro-zone crisis, un-even economic data and political instability have severely impacted the domestic markets. High volatility in the markets is increasing the probability of capital erosion. On the other hand, liquidity issue and uncertainty in the movement of interest rates is equally unattractive at the moment.

So investment in capital protection funds makes sense, to the extent that investor capital is protected. Capital protection funds are close-ended funds, which invest majority of their corpus in debt and balance in equity. The debt investment constitutes highly rated debt papers which has little risk of default and therefore relatively free from credit risk. At the same time, a small allocation to index options provides potential for capital appreciation, thereby boosting the portfolio return.

QUARTILE PERFORMANCE OF DEBT SCHEMES OF BNP PARIBAS MUTUAL FUND (%)

	Q1	Q2	Q3	Q4
BNP Paribas Bond Fund - Growth	8.83	8.36	10.72	9.96
BNP Paribas Flexi Debt Fund - Growth	10.8	9.77	8.21	10.49
BNP Paribas MIP - Growth	1.56	11.82	11.51	8.31
BNP Paribas Short Term Income Fund - Growth	8.22	8.9	10.72	9.93
Crisil MIP Blended Index	4.75	9.25	13.71	7.42



Q-o-Q performance as of 31 March 2013

Less than 1 year, simple annualised and greater than 1 year CAGR

PERFORMANCE OF SCHEMES WITH SIMILAR OBJECTIVES (%)

	NAV	Launch Date	YTD	3 M	6 M	1 Yr	3 Yr	5 Yr	Till Date
Birla Sun Life Capital Protection Oriented Series 2	11.33	31-May-10	0.60	-0.14	3.94	6.90	--	--	4.46
Canara CPO Fund - Series 1- 36M (Plan A)	11.78	7-Mar-11	3.46	2.25	6.54	9.29	--	--	8.11
ICICI Prudential CPO Fund - Series I - 24M	11.48	23-Jun-11	6.28	5.73	6.94	8.62	--	--	7.98
JPMorgan India Capital Protection Oriented Fund	11.25	3-Dec-10	2.49	1.87	4.20	7.20	--	--	5.14
Religare Capital Protection Oriented - Series I	11.25	21-Mar-11	-6.08	-6.85	0.76	6.35	--	--	5.89

Indices

Crisil MIP Blended Index	0.82	6.40	8.98	6.63	6.97	--
Crisil Short-Term Bond Fund Index	8.36	8.20	9.12	7.57	7.63	--

RECOMMENDATION

Investors who are looking for investment from a long term perspective, and to avoid short term volatility in the markets can consider this fund in their portfolio.

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