

3-in-1: How Bajaj Finserv Small Cap Fund Combines Quality, Growth and Value

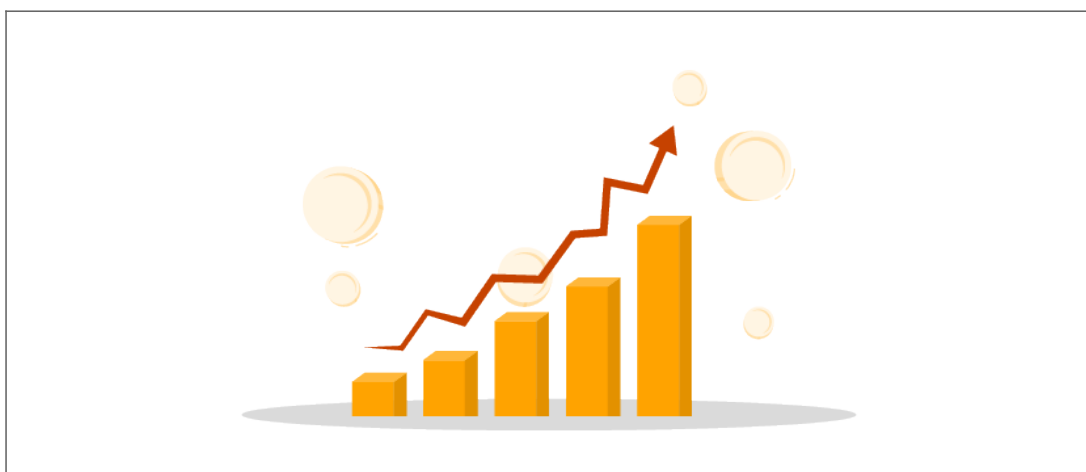
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Small cap funds comprise companies that rank 251st and beyond in terms of market capitalisation, as defined by SEBI guidelines. These businesses often are in their early stages of growth and operate in niche markets. But this is dependent on your willingness to ride out the market cycles.

Small cap companies can be more sensitive to stock market changes however with the suitable strategy they can also offer you potential opportunities in the long-term.



Invest in Bajaj Finserv Small Cap Fund with 3-in-1 strategy

The [Bajaj Finserv Small Cap Fund](#) is built carefully on three key elements – quality, growth and value. Together with Bajaj Finserv AMC's proprietary INQUBE framework, this fund helps navigate market risks while identifying companies that can potentially grow wealth in the long-term.

A focused approach to quality

When investing in the small cap sector, it is essential to pick companies with sound business fundamentals. You can consider factors like steady earnings, a track record of responsible capital allocation and experienced management to make an informed decision.

By having a quality-first approach, the Bajaj Finserv Small Cap Fund aims to potentially reduce the impact of market downsides that often accompany small cap investing. The fund meticulously selects businesses that have robust financials and sustainable competitive advantages. This filter can help the fund managers limit exposure to companies that can be weaker and more susceptible to market conditions.

Pursuing long-term growth

Small cap companies are often in their formative years, operating in emerging markets. While they may lack the expertise larger companies carry, they can display a stronger potential to help grow wealth in the long run.

The Bajaj Finserv Small Cap Fund carefully picks businesses that are scalable, adaptable and a long runway for growth.

Here, the focus is not only on short-term performance but also on long-term potential that can withstand different market conditions and evolve with time. This can also include companies that are currently potentially benefiting from megatrends such as formalisation, domestic manufacturing,

digital adoption and more.

Finding value in under-researched opportunities

Small Cap companies are often overlooked due to their relatively lower market capitalisations. This means that fundamentally strong businesses can be valued under their intrinsic value due to temporary setbacks, market movements or other factors.

Similarly, the Bajaj Finserv Small Cap Fund targets businesses trading below their intrinsic worth with a potential for turnaround, re-rating or re-discovery by the market in time. This bottom-up approach enables assessing long-term potential rather than chasing short-term price movements.

Combining the three pillars: A differentiated approach

Each of the three pillars – quality, growth and value, can deliver results individually, but it is their combination that can offer an investor a more holistic portfolio. By not relying on one strategy alone, the fund aims to potentially build diversification in a mutual fund portfolio through companies that are positioned for long-term wealth creation.

This 3-in-1 advantage also helps with mitigating market risks and reducing exposure to fragile businesses by looking at companies that are not just suitable but also sustainable. Lastly, the focus on value helps avoiding overpaying for future expectations.

The role of active management

Investing in the small cap sector is not an easy task to manoeuvre. It can be hard to find information on the companies; the businesses can be unstable plus liquidity might vary across stocks. This makes the role of a fund manager relevant when investing in the small cap sector.

The Bajaj Finserv Small Cap Fund offers active stock

selection, consistent monitoring, and a disciplined rebalancing strategy. With this investment process, the fund is also supported by Bajaj Finserv AMC's INQUBE philosophy that helps in proprietary research and in-house frameworks that assist in identifying potential opportunities while managing risk.

Looking at long-term performance potential

If you are thinking about investing in small cap funds, having a long-term investment horizon can be a more helpful metric than short-term gains. In this scenario, tools like a CAGR calculator can help you calculate the compound annual growth rate of your investment over a specific period, offering you a detailed picture of potential outcomes.

Finally, it is important to note that past performance can not be an indicator of future returns. You should consider your individual goals, investment timeline and risk appetite before investing.

How to invest

You can invest in the Bajaj Finserv Small Cap Fund online through the official Bajaj Finserv AMC website or via authorised mutual fund distributors. Investments can be made through director regular plans. To learn more about the investment process, visit www.bajajamc.com.

Units will be available at a offer price of Rs. 10 per unit during the NFO period (June 27, 2025 – July 11, 2025).

Conclusion

The Bajaj Finserv Small Cap Fund is structured to explore opportunities in the small cap sector by applying a blend of quality, growth and value. The fund is built with a research-driven approach that can offer investors a suitable entry point into the small cap space while managing market risks.

You can consider starting an [SIP investment](#) in this scheme.

As with any investment, it is essential to consult a financial advisor to understand if the fund aligns with your investment objectives and risk appetite. You can explore tools like a CAGR calculator to evaluate potential returns over time and make an informed investment decision.

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

