

Bajaj Finserv Multi Cap Fund NFO is closing soon: A contrarian approach to diversified growth

Category: Business

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The New Fund Offer (NFO) period for the Bajaj Finserv Multi Cap Fund is set to close soon, marking the final two days for investors to participate in this fund at its initial offer price.



The Bajaj Finserv Multi Cap Fund NFO ends on February 20th, 2025

The NFO began on February 6th, 2025, and ends on February 20th, 2025. Units are available at a face value of Rs. 10 each during this period.

The [Bajaj Finserv Multi Cap Fund](#) follows a contrarian approach, making it relatively different from other funds in this space. Contrarian investing involves identifying undervalued and overlooked opportunities before the market recognises their potential.

Suitable for investors seeking a balanced and disciplined allocation across large, mid, and small cap stocks, the fund seeks to leverage contrarian investing to create long-term growth potential.

How Bajaj Finserv Multi Cap Fund uses contrarian investing

Contrarian investing is built on a simple premise – going against the prevailing market sentiment to find opportunities where others may not be looking. This approach seeks to identify fundamentally strong companies that might be overlooked or undervalued due to temporary market fluctuations.

Instead of following short-term trends, Bajaj Finserv Multi Cap Fund focuses on businesses with long-term growth potential that may be undervalued and potentially benefit if the market recognises their intrinsic value.

Moreover, unlike pure contrarian funds that exit stocks when they reach their intrinsic value, Bajaj Finserv Multi Cap Fund will target sustained exposure* to potentially benefit from the stock's complete growth wave.

** There is no assurance or guarantee that the AMC will accomplish this with every investment that is undertaken in*

this scheme

Additionally, contrarian investing requires patience, thorough research, and a strong grasp of market sentiment. This is where the professional management of mutual funds can be a benefit. The Bajaj Finserv Multi Cap Fund is actively managed, with experienced investment experts identifying contrarian opportunities and accordingly making buy and sell decisions.

Balanced exposure to all market caps

Being a multi cap fund, the scheme will invest in large cap, mid cap and small cap stocks, allocating at least 25% of its portfolio to each. This will allow the fund to potentially capture growth opportunities across the broad market and leverage the unique features of each market cap across market cycles.

- **Large cap stocks** are those belonging to companies listed between 1 and 100 on the stock exchange based on market capitalisation. Such stocks tend to provide relative stability and lower downside risk as large cap companies typically have strong market positions and healthy balance sheets.
- **The mid cap allocation** seeks out businesses in their growth phase, which have the potential to become large caps in the future. Mid cap stocks are those listed between 101 and 250 on the stock exchange based on market capitalisation. Such stocks can offer better growth potential than large caps in rising markets but are also more volatile.
- **Small cap stocks** offer opportunities in emerging businesses that could deliver better growth potential over time, but with higher risk. These are companies listed 251 and beyond on the stock exchange in terms of market capitalisation.

By maintaining a structured allocation across market caps, the fund mitigates concentration risk and ensures participation in a broader range of investment opportunities.

Benefits of investing in Bajaj Finserv Multi Cap Fund

1. **Leveraging market overreactions and underreactions:** The fund's contrarian strategy aims to capitalise on mispriced opportunities, potentially realising their value over the long term.
2. **Diversification across market cycles:** A balanced mix of large, mid, and small cap stocks provides exposure to various segments of the economy, reducing reliance on any single market category.
3. **Active portfolio management:** The fund is actively managed, with a research-driven approach to stock selection that prioritises long-term fundamentals over short-term market movements.
4. **Disciplined risk management:** By spreading investments across different market caps and sectors, the fund seeks to balance potential returns with risk management.

How to invest

With the NFO period coming to a close, investors looking for a disciplined and contrarian approach to equity investing may find the Bajaj Finserv Multi Cap Fund a suitable option.

You can invest through the following modes:

1. Directly with Bajaj Finserv AMC by visiting www.bajajamc.com or going to the nearest branch
2. Through a registered mutual fund distributor
3. Through the Registrar and Transfer Agent KFinTech

4. Through aggregator platforms

Investments in [Systematic Investment Plans](#) as well as lumpsum start at Rs. 500. Once the NFO window closes on February 20th, 2025, the fund will reopen for subscription within five business days of allotment date. Units will then be available at the prevailing Net Asset Value.

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

