

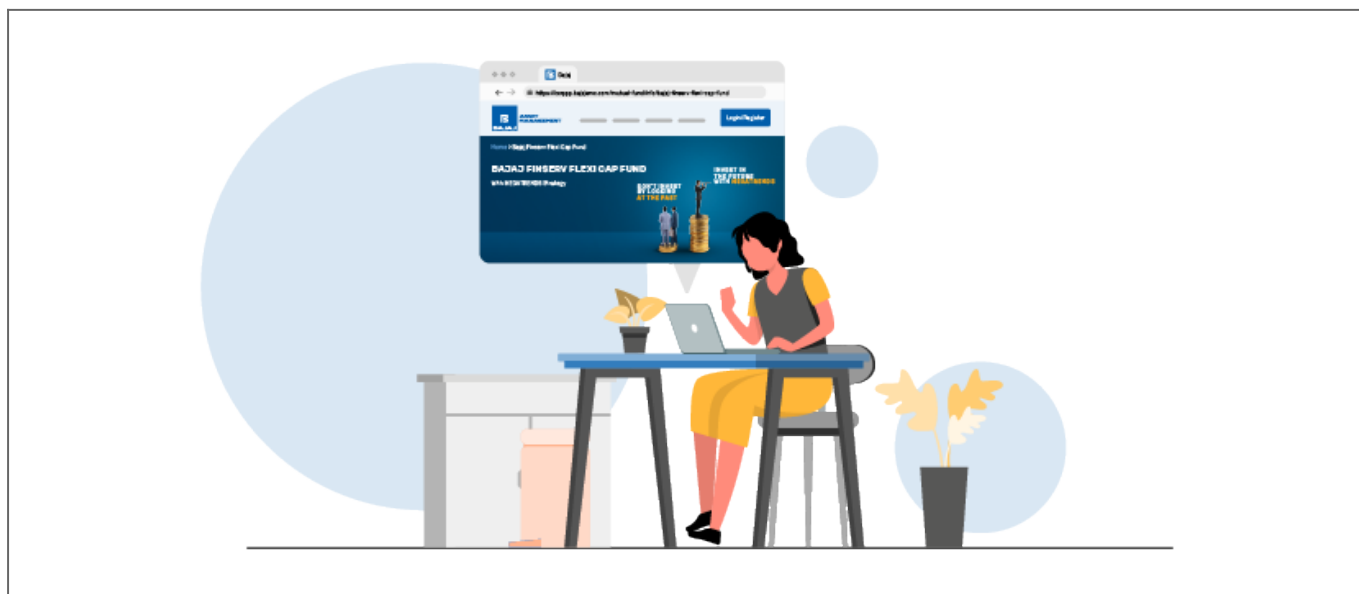
How to optimise return potential with Bajaj Finserv Flexi Cap Fund: Tips for investors

Category: Business

written by | November 5, 2024



Strategic investing is a long game. This is especially so for equity-oriented mutual funds, which can be volatile in the short-term but offer significant wealth-building potential over time.



Bajaj Finserv Flexi Cap Fund

This future-focused view is at the heart of the Bajaj Finserv Flexi Cap Fund's investment strategy. The scheme stands apart for its MEGATRENDS approach, which involves investing in powerful forces that can result in fundamental and lasting changes in economies and societies.

This article tells you more about the [Bajaj Finserv Flexi Cap Fund](#) and tips on optimising return potential when investing.

What are flexi cap funds

Flexi cap funds are equity mutual funds that can invest in listed companies of all sizes: large cap, mid cap and small cap. These funds are dynamically managed, meaning they can freely adjust the portfolio allocation based on changing market conditions. There is no minimum allocation that needs to be maintained for each market capitalization, which means that fund managers can flexibly respond to changing market conditions and seek to capitalise on opportunities across different sectors and company sizes.

This diversified approach can help reduce risks and optimise return potential.

Investing in MEGATRENDS

One of the key strategies of the Bajaj Finserv Flexi Cap Fund is megatrends investing. Megatrends are powerful, long-term shifts in the economy, technology, and society that have a lasting impact. Examples include digitalisation, artificial intelligence, renewable energy, urbanisation etc. These changes can last for years, even decades, offering substantial growth potential for investors who can capitalise on them early.

The Bajaj Finserv Flexi Cap Fund seeks to identify these future winners and invest in companies that are positioned to

benefit from these megatrends.

How to optimise your return potential with Bajaj Finserv Flexi Cap Fund

While returns depend on market conditions and the fund manager's approach, here are some things that you, as an investor, can do to make the most of your investment strategy.

1. Opt for SIP top-up

One of the simplest ways to invest in mutual funds is through a Systematic Investment Plan (SIP). SIPs allow you to invest a fixed amount regularly (daily, weekly, monthly, quarterly etc.), helping you build wealth over time through affordable instalments.

If you're young or starting with a small investment amount, a top-up SIP can be beneficial. This feature increases your SIP contributions by a fixed amount at regular intervals, allowing you to gradually and automatically invest more as disposable income increases. This is especially relevant if you have a salary increment every year. You can make use of an [SIP top up calculator](#) to decide the top-up amount.

For instance, you can choose a 10% annual top-up, wherein your SIP amount will increase by 10% every year.

2. Stay disciplined during market volatility

Market ups and downs are part of the investment journey, and it can be tempting to panic during downturns. However, staying disciplined and sticking to your investment plan is key to optimising return potential. Reacting to short-term market fluctuations by redeeming or switching funds can lead to losses.

3. Focus on long-term wealth creation

The Bajaj Finserv Flexi Cap Fund is designed for long-term

investors. The fund's strategy of investing in megatrends is built to harness growth over a longer period.

A long investment horizon can mitigate the impact of temporary market downturns and volatilities. Moreover, it allows your investments to benefit from the power of compounding, which can significantly boost your returns over time. Compounding happens when the returns on an investment are reinvested, potentially earning further returns.

The key is to remain focused on your financial goals and give your investments enough time to grow.

4. Monitor and review your investments regularly

It's important to review your investments regularly. Check how the fund is performing against its benchmarks and peers and see if it aligns with your financial goals. However, consider the fund's performance over multiple cycles to make a well-rounded assessment because overperformance or underperformance in a single year or market cycle does not provide a full picture.

5. Align your investments with evolving goals

As financial goals and life circumstances change over time, it's important to regularly review and adjust your mutual fund investments to stay aligned with these evolving needs. For instance, early in your career, you may only have a small amount to invest. As your income increases, you may consider increasing your SIP amount. As you develop new goals, such as buying a house, family planning, etc, you can revisit your investments to support your financial objectives effectively.

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

