

NFO Alert: Introducing Bajaj Finserv Multi Cap Fund with Contrarian Investing

Category: Business

written by News Mall | February 5, 2025



The stock market is a vibrant mix of well-established large companies, rising mid cap companies, and emerging small caps. Each offers different opportunities for potential long term growth. So why should your portfolio limit itself to just one market cap



Invest in Bajaj Finserv Multi Cap Fund with Contrarian Investing

Bajaj Finserv AMC announces the launch of the [Bajaj Finserv Multi Cap Fund](#), an equity fund invests in companies across the market capitalization spectrum. The fund follows a contrarian investment approach, going against the tide to spot undervalued opportunities with long-term growth potential.

The New Fund Offer period begins on Thursday, February 6, 2025, and ends on Thursday, February 20, 2025.

Read on to learn more about the Bajaj Finserv Multi Cap Fund and why it may be a compelling investment opportunity.

Understanding multi cap funds

Multi cap funds are equity mutual funds that invest in large, mid and small cap stocks, with a minimum 25% allocation to each segment. Each market segment comes with a unique set of characteristics:

- **Large caps** offer relative stability and steady long-term growth potential, as these companies are well established and typically have healthy fundamentals.
- **Mid caps** offer higher growth potential as they are in their growth phase. At the same time, they are generally less volatile than small caps.
- **Small caps** are known for their significant growth potential, though they come with significant risk.

What is contrarian investing

What sets the Bajaj Finserv Multi Cap Fund apart from other funds in this category is its contrarian investing approach. Contrarian investing, a popular approach amongst seasoned investors, including the likes of Warren Buffet, has a long

history.

In simple terms, contrarian investing is a strategy where investors go against the crowd. Instead of following popular market trends, contrarian investors look for opportunities in stocks that others may be avoiding or undervaluing. The idea is simple-buy when others are selling and sell when others are buying.

Contrarian investing is rooted in investor psychology and behaviour. It rests on the belief that markets often overreact or underreact to news, economic changes, or short-term challenges. This can lead to certain stocks being undervalued, even if the company has strong long-term potential. Contrarian investors take advantage of this by investing in these overlooked stocks and waiting for the market to recognize their true value.

Advantages of contrarian investing

1. **Buying at lower prices:** Since contrarian investors focus on undervalued stocks, they can buy at lower prices and potentially benefit if the stock's value is realised.
2. **Higher return potential:** When the market corrects its view and the stock price rises, contrarian investors can earn significant profits.
3. **Less competition:** Since most investors follow trends, contrarian investors face less competition in buying good stocks at bargain prices.
4. **Avoiding market bubbles:** By not following the crowd, contrarian investors can avoid investing in overpriced stocks that may crash later.
5. **Margin of stability:** Buying undervalued stocks provides a cushion against losses, as the stock is already priced lower than its true worth, reducing the risk of major

downside.

However, contrarian investing requires patience, confidence and thorough market knowledge and investing expertise to make suitable contrarian bets. Not all poor-performing stocks are necessarily undervalued and not all undervalued stocks recover.

This is where the Bajaj Finserv Multi Cap Fund comes in. Managed by investment experts, the fund helps investors leverage these sophisticated investment strategies even if they don't have the knowledge or resources to do so independently.

Bajaj Finserv Multi Cap Fund: Scheme details

As we can see, the Bajaj Finserv Multi Cap Fund offers a unique opportunity to investors. You can purchase units at a face value of Rs. 10 each during the NFO period or at the prevailing Net Asset Value when the scheme reopens for subscription

Bajaj Finserv Multi Cap Fund – Scheme Features	
NFO Period	Thursday, February 06, 2025 – Thursday, February 20, 2025
Scheme Type	An open ended equity scheme investing across large cap, mid cap, small cap stocks
Plans	Regular Plan Direct Plan
Option	Growth IDCW
Minimum Application Amount	Rs. 500 (Plus multiples of Re.1)
Minimum Additional Application	Rs. 100 (Plus multiples of Re.1)
Entry Load	Nil

Exit Load	If units are redeemed/ switched out: <ul style="list-style-type: none"> • Within 6 months from the date of allotment – Upto 10% of units held – Nil Remaining 90% of units held – 1% of applicable NAV • After 6 months from the date of allotment – Nil
Fund Manager	Equity Portion: Mr. Nimesh Chandan & Mr. Sorbh Gupta Debt Portion: Mr. Siddharth Chaudhary
Benchmark Index	Nifty 500 Multicap 50:25:25 TRI
SIP/ SWP/ STP	Available

Investment options start from Rs. 500 ([Systematic Investment Plan](#) or SIP as well as lumpsum). Starting 6th February 2025, individuals can invest in this scheme directly through Bajaj Finserv AMC by visiting www.bajajamc.com. They can also invest through registered mutual fund distributors. Additionally, they can invest through aggregator platforms or through our Registrar and Transfer Agent KFinTech. Both online and offline investment options are available.

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

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