

# NFO Alert: Introducing Bajaj Finserv Small Cap Fund

Category: Business

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Risk is often misunderstood as something to be avoided, but in investing, it's the fuel that can power long-term returns.

It's also important to recognize that risk isn't defined by size – sometimes, even large, familiar companies can fail due to issues like poor governance or excessive debt. Long-term outperformance doesn't come from size alone, but from quality, strong governance, and sustainable growth.



**Invest in Bajaj Finserv Small Cap Fund NFO**

The key is not to avoid risk, but to understand it, manage it, and potentially use it to your advantage.

This is especially true in the small cap space, which tends to be highly volatile. But in investing, higher risk usually means higher potential returns. To tap into the potential of small caps while mitigating risk through research-backed stock selection, the Bajaj Finserv AMC announces the launch of [Bajaj Finserv Small Cap Fund](#) with a 3-in-1 advantage: Quality – companies with distinct competitive advantage, Growth – companies with high scalability potential, and Value – companies that are trading at below their intrinsic value.

The New Fund Offer period begins on June 27, 2025 and is on till July 11, 2025. Units will be available at a offer price of Rs. 10 during the NFO.

### **What are small cap funds**

Small cap companies are businesses ranked 251st and beyond on the basis of market capitalisation on the stock exchange as per SEBI guidelines. They often operate in emerging sectors and may offer higher growth potential over the long term.

For instance, in the past half-a-decade, small caps have outpaced large and mid-caps in profit contribution, growing up to 2.5X faster.

Source: Ace Equity, Data as on Dec 31, 2024

Alongside this, small cap funds offer a broader diversification, spanning across sectors, themes and offering exposure to the companies powering India's growth story.

Source: BSE, Data as on May 31, 2025

### **Why invest in small caps now**

The FY25 market correction has brought down small cap prices, but the fundamentals of several companies remain strong, creating a suitable entry point. Profit growth and return ratios continue to be healthy, highlighting the strength of earnings potential.

## **Source: Ace Equity**

Many small caps are leading quietly in niche markets, driving innovation and expansion. This makes it a suitable time to make an entry into the small caps market.

## **Why Bajaj Finserv Small Cap Fund**

- **Three-pronged alpha strategy:** A balanced blend of Growth, Quality, and Value styles.
- **Differentiated investment process:** The proprietary INQUBE framework leverages top-down megatrends, bottom-up stock selection, and behavioural insights.
- **Investment expertise:** Bajaj Finserv AMC has a seasoned investment team with deep multi-sector expertise. The company currently has 78 unique small cap holdings across existing funds.

## **The five pillars of Bajaj Finserv Small Cap Fund**

- **Quality:** The fund will focus on companies with sound fundamentals, consistent earnings performance, and sustainable competitive advantages.
- **Growth:** Portfolio will comprise businesses with a long-term growth vision, scalable models, and the potential to sustain performance over time.
- **Undervalued opportunities:** The fund identifies stocks trading below their intrinsic value, often strong companies facing temporary mispricing or undergoing business turnarounds.
- **Leadership:** The fund backs emerging category leaders that dominate niche segments and hold high market share in specific micro-markets.
- **Governance:** The portfolio prioritises companies with

transparent business practices, aligned promoter interests, and experienced, credible management teams.

### **Plan steady investments in small cap funds**

One way to build long-term exposure to small caps is through a Systematic Investment Plan.

With the help of an [SIP calculator](#), you can plan your SIPs in a small cap fund. An SIP calculator helps you visualise how regular monthly investments can grow over time. SIPs allows you to invest regularly while managing market volatility through rupee-cost averaging.

When you use an SIP calculator, you can set realistic goals, stay consistent and take advantage of the power of compounding as well as rupee cost averaging.

With an SIP in Bajaj Finserv Small Cap Fund, you can not only explore the small cap sector but also experience potential growth while mitigating risks.

### **How to invest**

You can invest in the Bajaj Finserv Small Cap Fund both online as well as offline. Any investment you make can be done directly or through a mutual fund distributor. To learn more about the fund and invest, visit [www.bajajamc.com](http://www.bajajamc.com).

New Fund Offer Opens on: Friday, June 27, 2025

New Fund Offer Closes on: Friday, July 11, 2025

Scheme re-opens on: Within five business days of allotment date

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

