

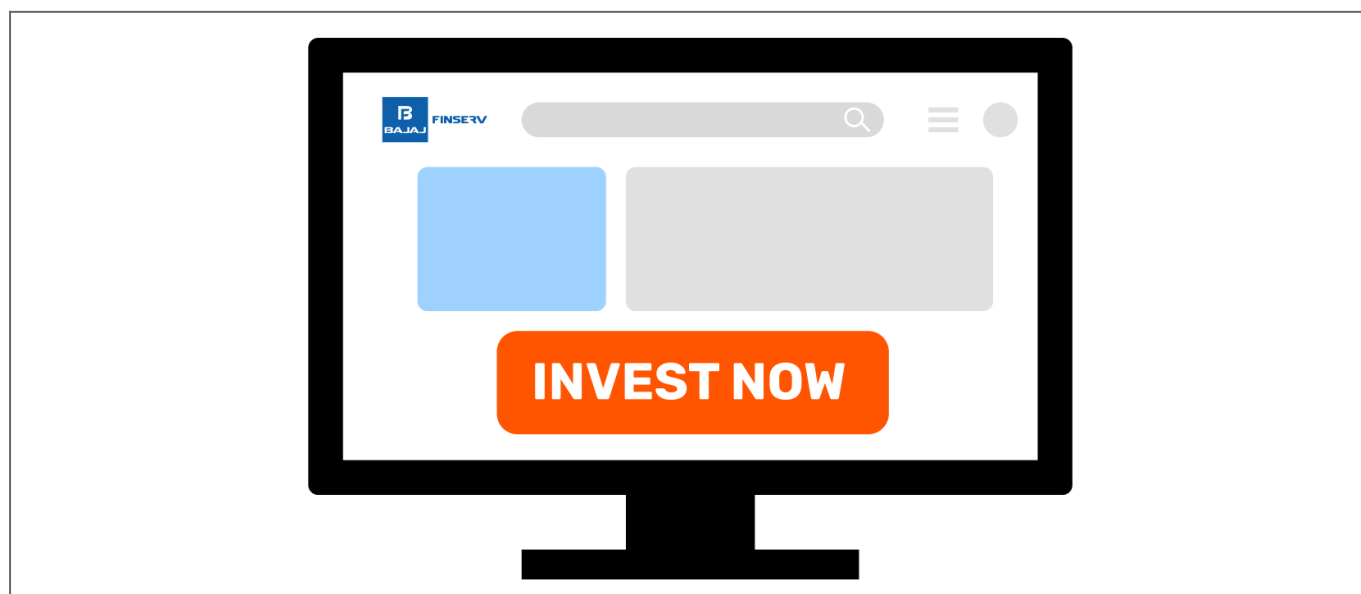
NFO alert: Invest in a growing India's corporate leaders with Bajaj Finserv Nifty 50 Index Fund

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The volatility in the stock market has caused jitters among investors. However, investment opportunities can often be found even in seemingly unfavourable times.



Bajaj Finserv AMC has launched the Bajaj Finserv Nifty 50

Index Fund

The latest market correction, for instance, presents an opportunity to invest in large cap companies. As per data from NSE, the Nifty 50 Index as on February 28, 2025, was trading below its average historical* valuations, putting it in a favourable position for long-term investment. *Past performance may or may not be sustained in the future.

Against this backdrop, Bajaj Finserv AMC has launched the [Bajaj Finserv Nifty 50 Index Fund](#). The New Fund Offer period began on April 25, 2025, and is on till May 9, 2025. This article tells you more about why this may be an opportune moment to invest in a growing India's corporate giants.

What is a Nifty 50 Index Fund

An index fund is a passively managed mutual fund that replicates the portfolio of a stock market index. The fund's portfolio comprises the same stocks in the same weightage as the benchmark and the fund seeks to mirror the performance of that index, subject to tracking error.

The Nifty 50 Index Fund comprises the companies top 50 companies in terms of market capitalisation listed on the National Stock Exchange. Typically, these are industry leaders with strong a market presence, healthy balance sheets and a track record* of sustainable growth. A Nifty 50 Index Fund gives investors a convenient way to invest in these companies without having to select individual stocks. Some of its advantages include:

- **Diversification:** Exposure across multiple sectors reduces reliance on any single company's performance.
- **Lower costs:** Index funds generally have lower expense ratios compared to actively managed funds.
- **Market-aligned performance:** The Nifty 50 has

historically* delivered relatively stable returns over extended periods, making it a suitable option for those seeking long-term wealth creation with lower volatility.

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Why invest in a Nifty 50 Index Fund now

India's economy is on an upward trajectory, and its large corporations have been significant contributors to this growth. India's economy became the fifth largest in the world in 2023, and is projected to reach No. 3 by 2030, following only the United States and China*.

*Source: Bloomberg, IMF, World Bank 2030 estimates from CEBR (The Centre for Economics and Business Research)

Moreover, the current market environment has created an opportunity for long-term investments in the large cap space. Data indicates that the index is currently trading at lower-than-average Price-to-Earnings (P/E) and Price-to-Book (P/B) ratios. For instance, the Nifty 50 trailing P/E was at 19.67 as of Feb 28th, 2025, well below the historical average of 24.81, as per data from NSE India. The Nifty trailing P/B, similarly, was at 3.29, against a historical average of 3.69. In simpler terms, this means that valuations for the Nifty 50 companies are below historical averages.

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What should investors do

If this trend plays out, large caps could offer better risk-reward compared to mid and small caps in the near term. Investors may consider rebalancing their portfolio accordingly. However, market conditions and valuations should always be assessed before making investment decisions.

Stock markets go through cycles, and after a period of

correction, indices often recover*.

Undervalued stocks – those that are trading at a price lower than their intrinsic value – offer growth potential because investors get the opportunity to buy them at favourable prices and potentially make gains when if rest of the market recognises their true potential.

The recent correction has created also a widening gap between Nifty 50 earnings and valuations. This valuation gap, given the fundamental qualities of the Nifty 50's companies and their market positions, positions the index favourably for potential future growth.

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Bajaj Finserv Nifty 50 Index Fund

For those looking to gain exposure to the Nifty 50, a well-structured index fund can provide a convenient and cost-effective way to participate in the market. The upcoming Bajaj Finserv Nifty 50 Index Fund can be one such avenue. Here are some of its key features:

- Relatively lower expense ratio than actively managed funds.
- Aims to closely replicate the performance of the Nifty 50 with minimal tracking difference.
- No fund manager bias and minimal intervention.
- Focus on delivering the potential for long-term wealth creation through a disciplined passive investment strategy.

During the ongoing NFO period (ending on May 9, 2025), units will be available at a face value of Rs. 10. Thereon, when the fund reopens for subscription, units will be available at the

applicable Net Asset Value. Both lumpsum and [Systematic Investment Plan](#) options are available. You can invest directly through Bajaj Finserv AMC online or offline, or through a registered mutual fund distributor.

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

