

NFO Ongoing: What Makes the Bajaj Finserv Multi Cap Fund Different

Category: Business

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When it comes to investing, a common tendency is to follow the herd – invest in stocks that are gaining in popularity or selling those that are out of favour. However, better opportunities can often be found by going against the tide and spotting or leveraging trends that the market is yet to recognise.



Bajaj Finserv Multi Cap Fund follows a contrarian investing strategy

This is what makes the [Bajaj Finserv Multi Cap Fund](#) comparatively different. The fund follows a contrarian investing strategy, seeking to generate long-term return potential by investing in undervalued opportunities.

The New Fund Offer period for the scheme began on Thursday, February 6th, 2025, and is on till Thursday, February 20th, 2025.

This article tells you more about the distinct features of the Bajaj Finserv Multi Cap Fund and how it seeks to leverage contrarian investing to create the potential for long-term wealth building.

Bajaj Finserv Multi Cap Fund and contrarian investing

Contrarian investing is a strategy where investors go against popular market trends. The core belief is that markets often overreact to news and act out of fear, greed or overconfidence, causing some stocks to be undervalued or overvalued.

So, instead of following the crowd, the Bajaj Finserv Multi Cap Fund will seek out fundamentally strong stocks that others are avoiding because of temporary fear or bad news and sell stocks that others are chasing. Thus, it will seek to identify hidden opportunities. These could arise from business cycles, management transitions, underappreciated growth opportunities, turnaround stories, temporary business disruptions and cyclical movements, among others.

This approach will allow the fund to buy stocks at undervalued rates and potentially earn returns over time if the market recognises the security's intrinsic value.

Here are some key features of **contrarian investing**:

- **Goes against market trends** – Invests in stocks that are currently out of favour; avoids stocks that are overpriced owing to popularity.
- **Focuses on undervalued stocks** – Looks for companies with potential for long term growth that the market has overlooked.
- **Requires patience** – Investments may take time to show returns.
- **Based on deep research** – Involves analysing fundamentals rather than following market sentiment.
- **Seeks long-term gains** – Aims to benefit when the market corrects itself.
- **Minimizes emotional decisions** – Avoids panic selling and trend-driven buying.

Professional management

Contrarian investing requires patience, research, and confidence, as it may take time for the market to correct itself and reflect a stock's intrinsic worth. It can also be risky, as not every contrarian approach – especially one not grounded in strong fundamental and behavioural analysis – may pay off. This is where the mutual funds offer an advantage, as they are professionally managed. With the Bajaj Finserv Multi Cap Fund, our investment experts will make buy and sell decisions regarding the portfolio, based on contrarian investing strategies, allowing even laypersons and new investors to benefit from this nuanced approach.

Balancing risk and reward across market caps

Combined with this contrarian approach is the benefit of diversification. Being a multi cap fund, this scheme invests across large cap, mid cap, and small cap stocks. Large cap

stocks lend relative stability to the portfolio, while mid cap and small cap stocks offer significant long-term growth potential, though with more risk.

Moreover, historical stock market data shows that the winning market cap changes across market cycles – meaning that not any single market cap always comes out on top. In some years and cycles, large caps have outperformed, while in others, mid caps or small caps have been the leaders. Thus, by combining all three in its portfolio – with a minimum 25% exposure to each – the fund will seek to leverage diverse market opportunities.

*Past performance may or may not be sustained in the future.

Who should invest in this fund

The Bajaj Finserv Multi Cap Fund could be suitable for investors who:

- Prefer a long-term approach rather than short-term speculation
- Seek long-term wealth creation with 5+ years
- Are comfortable with market fluctuations
- Want a diversified portfolio with disciplined exposure to large cap, mid cap, and small cap stocks

How to invest in the Bajaj Finserv Multi Cap Fund

Investors participating in the New Fund Offer period (i.e. from February 6th, 2025, to February 20th, 2025) can buy units at a face value of Rs. 10 each. When the fund reopens for subscription in a few business days, investors can purchase units at the prevailing Net Asset Value. The investment routes include:

- Directly through Bajaj Finserv AMC offline or online (www.bajajamc.com)
- Through a registered mutual fund distributor
- Through Registrar and Transfer Agent KFintech
- Through aggregator platforms

Investments, both Systematic Investment Plan (SIP) and lumpsum, start at Rs. 500. Those considering starting an SIP in the scheme can take the help of a [mutual fund SIP calculator](#) to plan their investments. Lumpsum investors can similarly use a lumpsum calculator.

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

