

Understanding the unique features of Bajaj Finserv Small Cap Fund

Category: Business

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The Bajaj Finserv Small Cap Fund is an open ended equity scheme predominantly investing in small cap stocks. It is an equity fund that invests in companies in their early stage of business growth. These companies rank 251st and beyond on the share market in terms of market capitalisation as per SEBI guidelines and they often operate in niche market sectors. As the Bajaj Finserv Small Cap Fund NFO nears its end, this can be a potentially suitable opportunity for you to explore the small cap space.



Features of Bajaj Finserv Small Cap Fund

Let's explore how the [Bajaj Finserv Small Cap Fund](#) may potentially fit into your mutual fund portfolio.

Focus on quality to manage volatility

Investing in a small cap company comes with its share of volatility. Being new businesses, they are more sensitive to market cycles, funding challenges and competitive pressure.

The Bajaj Finserv Small Cap Fund addresses all these challenges through a quality-driven, research-backed stock-selection process. This means that the fund seeks to invest in companies that have strong fundamentals and suitable management practices. By focusing on businesses like these, the fund aims to minimise exposure to speculative companies and build a potentially robust portfolio that may be more suitable in the long run. However, it must be noted that even a quality portfolio cannot be immune to short-term market movements.

Targeting long-term scalable growth

One of the main objectives of the Bajaj Finserv Small Cap Fund is to select companies that have the capacity to scale in the future. This means that these companies are usually aligned to India's broader structural shifts.

This fund also looks for long-term growth stories that are backed by sustainable businesses not just short-term gains. This emphasis on scalable growth, when combined with valuation discipline, is intended to support long-term wealth creation potential for investors.

A research-driven and disciplined approach

The small cap sectors can often have companies that are under-researched and overlooked. Many have limited analyst coverage or inconsistent disclosures. To overcome this, the Bajaj

Finserv Small Cap Fund relies on in-depth analysis and Bajaj Finserv AMC's proprietary INQUBE philosophy to evaluate opportunities.

This means scanning companies for their fundamentals, business models, and management track records. The fund management team also takes a meticulous approach to constructing the portfolio, seeking diversification across sectors.

Through this active management of the fund, the portfolio may be able to respond to market movements and keep a long-term focus rather than be influenced by short-term switches.

Who can consider investing

Here's a couple of deciding factors you may consider when investing in the Bajaj Finserv Small Cap Fund:

1. Your risk appetite – If you are someone with a higher risk appetite, this mutual fund may be a suitable option for you
2. Your investment horizon – If you are looking to invest for a longer period, the small cap space may be a potential option to explore
3. Your portfolio diversification – If you are looking to diversify your portfolio, a mutual fund in the small cap segment may be your opportunity to potentially add variety to your portfolio

Considering all this, if you are still averse to exploring the small cap segment, you can start with a Systematic Investment Plan in the mutual fund of your choice. In this scenario, doing an SIP in the Bajaj Finserv Small Cap Fund may help you gradually build exposure in the small cap space while mitigating market risks and building long-term participation. You can consider using an [SIP calculator](#) to calculate your monthly SIP amount based on your financial goals.

How to invest

You can invest in the Bajaj Finserv Small Cap Fund online through the official Bajaj Finserv AMC website or via authorised mutual fund distributors. Investments can be made through direct or regular plans. To learn more about the investment process, visit www.bajajamc.com.

Units will be available at an offer price of Rs. 10 per unit during the NFO period (June 27, 2025 – July 11, 2025).

Conclusion

If you are looking to venture into small cap investing, the Bajaj Finserv Small Cap Fund may offer you an entry point with its structured and quality-focused approach. The fund invests in companies that are trading under their intrinsic value due to a temporary shift which means that you can add companies with sustainable practices to your portfolio.

Before investing, it is advisable to assess whether this fund aligns with your financial goals and risk tolerance. Investors may also explore systematic investing options like SIPs and consult a financial advisor to make a well-informed decision.

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

