

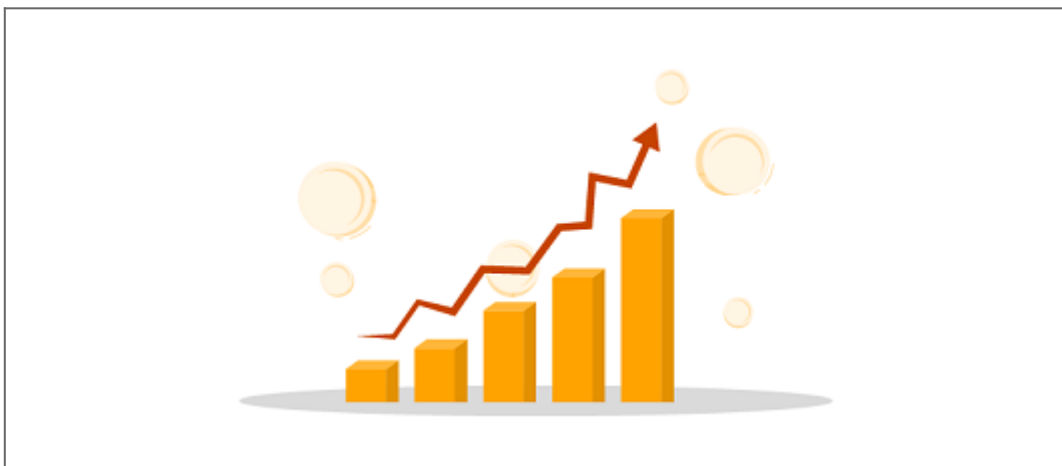
# Who is the Bajaj Finserv Small Cap Fund Suitable For

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Small cap funds can be a suitable option for investors with a long-term investment horizon who wish to invest in growing businesses. These funds typically invest in companies that are ranked 251st and beyond on the share market in terms of market capitalization as per SEBI guidelines. Although relatively smaller, these companies can have the potential to scale and tap into emerging markets in the Indian economy.



## Who should invest in Bajaj Finserv Small Cap Fund

While being full of potential, small caps can come with their own set of limitations too. One of the most prominent ones is the risk and the instability attached to them. Small Cap funds are more sensitive to stock market changes compared to their

counterparts. Hence, it is essential to devise a strategy that lets you leverage small cap funds while potentially limiting the impact of risks.

Here's where the [Bajaj Finserv Small Cap Fund](#) comes into the picture, a fund that aims to capture the potential growth of the small cap space with a meticulous research-backed approach. In this article, we will explore the world of small caps space.

### **Investors with a long-term horizon**

One of the key first decisions you should consider making in the beginning of your mutual fund investing journey, no matter the fund, is your investment horizon. Small cap funds comprise companies that usually take time to scale and deliver. Thus, it makes sense for an investor with a long-term investment horizon to invest in a small cap fund. As it can take a while for your funds to showcase results.

When you stay invested for a long time, not only do you allow your portfolio to potentially strengthen through market cycles, but also an opportunity to potentially gain market share.

### **Investors comfortable with market fluctuations**

The small cap segment is built with companies that are often operating in niche markets this means that the price movements in these funds can be sharper as compared to large and mid cap categories. Another thing to note here is that small cap companies are more susceptible to market fluctuations.

Here, investors who have a higher risk appetite and are comfortable riding out market ups and downs may find small cap funds a suitable addition to their portfolio.

The Bajaj Finserv Small Cap Fund takes a quality-first approach to mitigate market volatility and selects businesses with strong fundamentals. However, even a quality portfolio can not be immune to short-term market movements.

### **Investors seeking exposure to high-growth opportunities**

India's economic landscape is creating a plethora of opportunities across sectors. Many of these trends are often led by smaller businesses who are category-leaders in their niche markets. By investing in companies like this, you can become a part of India's growth story.

For those who want to diversify their equity allocation into potentially high-growth segments, this fund may serve as one of the components in their broader investment strategy.

### **Investors with a diversified equity portfolio**

Small cap funds are typically used to enrich existing portfolios in large and mid cap segments. But due to their high volatility, they may not be suitable for a standalone investment.

You can consider adding the Bajaj Finserv Small Cap Fund to diversify your portfolio. With a layered approach like this, you can potentially benefit from small cap growth while potentially balancing the overall risk across your portfolio.

As with any investment in the equity space, diversification is essential. The aim here is not to offer concentrated exposure but to spread it across styles, sectors and companies.

### **Investors comfortable with active management**

If you are comfortable with active management in your mutual fund, you can consider Bajaj Finserv Small Cap Fund. The experienced and research-oriented fund management team here uses Bajaj Finserv AMC's proprietary framework INQUBE to scan through the sector and identify suitable investment opportunities.

To be put simply, an active management portfolio allows your fund to be responsive to changes in the business cycle, sectoral shifts, valuations changes and other factors relevant to the small cap space.

## **Using a step-up approach to invest over time**

A suitable way to invest in the small cap space is to stagger your investments. One way to do this is through a Systematic Investment Plan. An SIP helps you break down your investments in a way that lets you invest a fixed amount of money at regular intervals. This build investing discipline as well as consistency.

With the growing inflation and the changes in the market, an SIP might not be a one-stop solution for your investments. This is when you can consider a Step-up Systematic Investment Plan. In a step-up SIP, you gradually increase your SIP amount with time.

Using a [step up SIP calculator](#) can help you estimate how this strategy can potentially impact your overall investment value over a period.

This approach can work for investors who want to begin with a smaller amount and build their way up.

## **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](http://www.bajajamc.com).

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

## **Conclusion**

The Bajaj Finserv Small Cap Fund may be suitable for investors looking to diversify into small cap equities with a long-term view, and who are comfortable with periods of volatility in exchange for the potential of higher growth. Its focus on quality, growth, and active stock selection may offer a balanced approach to investing in this segment.

Before investing, individuals are encouraged to assess their financial goals, risk profile, and investment horizon. Using tools like a step-up SIP calculator may also help plan contributions more effectively over time. As always, it is advisable to consult with a financial advisor to evaluate whether this fund fits into your broader investment strategy.

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

