

Why should you invest in Bajaj Finserv Multi Cap Fund

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Investing in mutual funds can sometimes be overwhelming due to the wide variety of options available in the market. However, for investors looking for a balanced mix of relative stability, growth, and potential returns in long term, the [Bajaj Finserv Multi Cap Fund](#) could be a suitable choice. This equity fund is a multi cap fund that follows a contrarian investing strategy. The NFO period began on February 6th, 2025, and is on till February 20th, 2025.



The Bajaj Finserv Multi Cap Fund NFO is on till February 20th, 2025

Let's take a closer look at who should consider investing in this fund and why it might be a suitable choice for your portfolio.

What is a multi cap fund

A multi cap fund is a type of mutual fund that invests in companies across different market capitalizations – large cap, mid cap, and small cap with at least 25% investment in each. Large cap companies are typically established companies with stable earnings, mid cap companies are growing companies with significant potential in long term, and small cap companies are newer, smaller companies that can grow significantly in the long term but also come with higher risk.

The Bajaj Finserv Multi Cap Fund, therefore, invests in a combination of all three types of companies. This strategy provides a diversified investment portfolio, spreading the risk across companies of different sizes and growth potential. Such diversification can mitigate the impact of market volatility while offering potential for long-term growth.

Who should invest in Bajaj Finserv Multi Cap Fund

1. Investors aiming to invest in undervalued opportunities

One of the key features of the Bajaj Finserv Multi Cap Fund is its focus on undervalued opportunities. The fund looks for stocks that are trading at a lower price than their intrinsic value. This strategy is known as 'contrarian investing.' Instead of following the crowd, the fund's managers look for investments that others might overlook, aiming that these stocks can perform in the future as their intrinsic value gets recognized by the market.

If you are someone who believes in finding value where others

are not looking, this fund could be a suitable fit for you. It's an opportunity to invest in companies that are expected to grow over time, as their earnings increase and their valuations improve. You can consider starting an SIP or lumpsum investment in the Bajaj Finserv Multi Cap Fund. You can make use of an [SIP return calculator](#) to estimate the future value of your investment.

2. Investors looking for suitable investment opportunities in times of volatility

Stock markets are unpredictable, and periods of market volatility are common. However, such volatility also opens up opportunities for investors. The Bajaj Finserv Multi Cap Fund, with its contrarian strategy may benefit investors during times of market uncertainty. The fund does not follow the usual market trends but looks for undervalued stocks, which often arise during periods of market dips.

When markets are going through rough patches, stocks of many fundamentally sound companies are sold at undervalued prices. This fund's strategy focuses on these kinds of opportunities. So, if you're an investor who wants to make the most of market corrections and volatility, this fund could be a suitable option.

3. Investors with a horizon of 5+ years to realize the full potential

Investing in a multi cap fund like this is usually more beneficial if you have a long-term investment horizon. The Bajaj Finserv Multi Cap Fund can be suitable for investors who are willing to stay invested for at least 5 years or more. This long-term view helps the fund realize the full potential of its investments. Since the fund follows a contrarian approach, it may take time for the market to recognize the value of the stocks in its portfolio.

Over a 5+ year horizon, the potential for growth becomes more

visible as companies grow, increase earnings, and become more valuable. In short, this fund is suitable for long-term investors who understand that real returns from such investments come over time.

4. Investors looking for a one-stop solution with exposure to large cap, mid cap, and small cap segments

The Bajaj Finserv Multi Cap Fund is designed to provide investors with diversified exposure to all segments of the market – large cap, mid cap, and small cap stocks. This diversified exposure helps spread risk, as large cap stocks are usually more stable and mid cap and small cap stocks can provide higher growth potential.

For investors who don't want to worry about selecting individual stocks from different segments of the market, the Bajaj Finserv Multi Cap Fund offers a convenient one-stop solution. By investing in this fund, you get automatic exposure to a wide range of companies across different market capitalizations, reducing the need for constant monitoring and research on your part.

Conclusion

In conclusion, the Bajaj Finserv Multi Cap Fund can be suitable for investors who are looking for a diversified portfolio that balances relative stability with growth potential. Its contrarian investing strategy focuses on finding undervalued opportunities, which can lead to reasonable returns over time. If you have a long-term investment horizon, are comfortable with some volatility, and want to invest in a mix of large, mid, and small cap companies, this fund could be a suitable addition to your portfolio.

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

