

# BAJAJ FINSERV SMALL CAP FUND

(An open ended equity scheme predominantly investing in small cap stocks)

**SOWING QUALITY. NURTURING VALUE. HARVESTING GROWTH.**

NFO Period: June 27,2025 to July 11,2025.



# Table of Content

1

Small Cap Investing in India: Trends

2

Alpha-Generating Opportunities for Active Managers

3

Investing in Quality Businesses in Small Cap Segment

4

Quality Businesses in the Small Cap Segment: A Few Examples

5

Historical Performance of the Small Cap Segment

6

About the Bajaj Finserv Small Cap Fund

7

Investment Philosophy & Process at Bajaj Finserv AMC

8

The Current Environment for Small Cap Investing

9

Is This a Good Time to Start a SIP in the Small Cap Segment?

10

Why Invest in the Bajaj Finserv Small Cap Fund NFO



## Market Cap Universe

### Large Cap



Stock Ranked 1<sup>st</sup> to 100<sup>th</sup> by Market Cap

Market Cap more than  
**Rs. 1,00,114.Cr.**

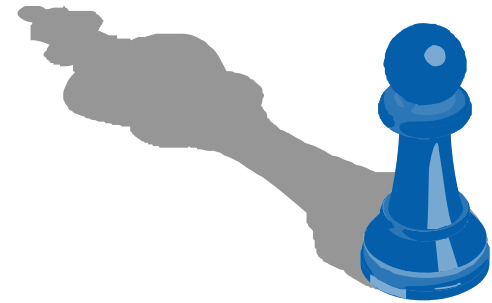
### Mid Cap



Stock Ranked 101<sup>st</sup> to 250<sup>th</sup> by Market Cap

Market Cap between  
**Rs. 99489 Cr. to 32799 Cr.**

### Small Cap



Stock Ranked 251<sup>st</sup> onward by Market Cap

Market Cap less than  
**Rs. 32799 Cr.**

### Insight



The small cap segment offers one of the largest investable universes, with 898 small cap stocks having a market capitalization between ₹ 2,000 Cr to ₹ 32,799 Cr.

Source: AMFI and Internal Analysis of Bajaj Finserv AMC. Based on AMFI's Stock Classification as on 31st December 2024. All Numbers are rounded off for understanding and depiction purposes



## Growth in Investable Universe (1/3)

Today's Small Caps are not Small

### Market Cap of the Largest Stock (in Rs. Crore)

Year Ending	Largest Large Cap	Largest Mid Cap	Largest Small Cap	501st Stock	1001st Stock
Dec-17	5,48,702	29,255	8,580	2,793	605
Dec-18	7,54,972	27,944	8,519	2,546	517
Dec-19	8,63,022	25,587	8,227	2,024	374
Dec-20	13,74,780	28,141	8,354	2,079	389
Dec-21	15,02,444	47,297	16,088	4,460	899
Dec-22	17,13,850	48,687	16,474	5,232	1,084
Dec-23	16,39,090	64,425	21,976	7,305	1,714
Dec-24	18,97,034	99,489	32,799	11,277	2,711
Growth in Multiple	3.5 x	3.4 x	3.8 x	4.0 x	4.5 x

#### Insight



The largest small cap stock had a market cap of ₹8,354 crore four years ago (as of Dec '20), which has grown nearly 4x to ₹32,799 crore; compared to just a 1.4x increase in the largest large-cap stock over the same period. In fact, today's 501st ranked stock has a higher market cap than the 251st ranked stock did four years ago.

Source: AMFI and Internal Analysis of Bajaj Finserv AMC. Based on AMFI's Stock Classification as on 31st December 2024.



## Growth in Investable Universe (2/3)

Segment Wise Total Market Cap Break Up (in Rs. Trillion)

Year Ending	Large Cap	Mid Cap	Small Cap			Small Cap^
	Top 100 Ranked	101st to 250th Ranked	Ranked 251st to 500th (a)	Ranked 501st to 1000th (b)	Above 1001st Ranked	Ranked 251st to 1000th (a + b)
Dec-17	96	23	13	7	3	19
Dec-18	103	24	12	6	2	18
Dec-19	109	22	10	5	2	15
Dec-20	119	25	11	5	2	16
Dec-21	177	43	22	11	4	33
Dec-22	191	44	23	12	5	35
Dec-23	207	57	31	19	8	50
Dec-24	281	88	49	30	13	78
Market Cap Expansion	2.9 x	3.8 x	3.9 x	4.3 x	4.9 x	4.0 x

### Insight



The frequently investible universe within the small cap segment (i.e., the 750 stocks ranked 251st to 1000th) now has a combined market capitalization of ₹ 78 trillion (Dec'24); comparable to the ₹ 96 trillion market cap of the large-cap universe seven years ago (Dec '17), or the current ₹ 88 trillion market cap of the mid-cap segment.

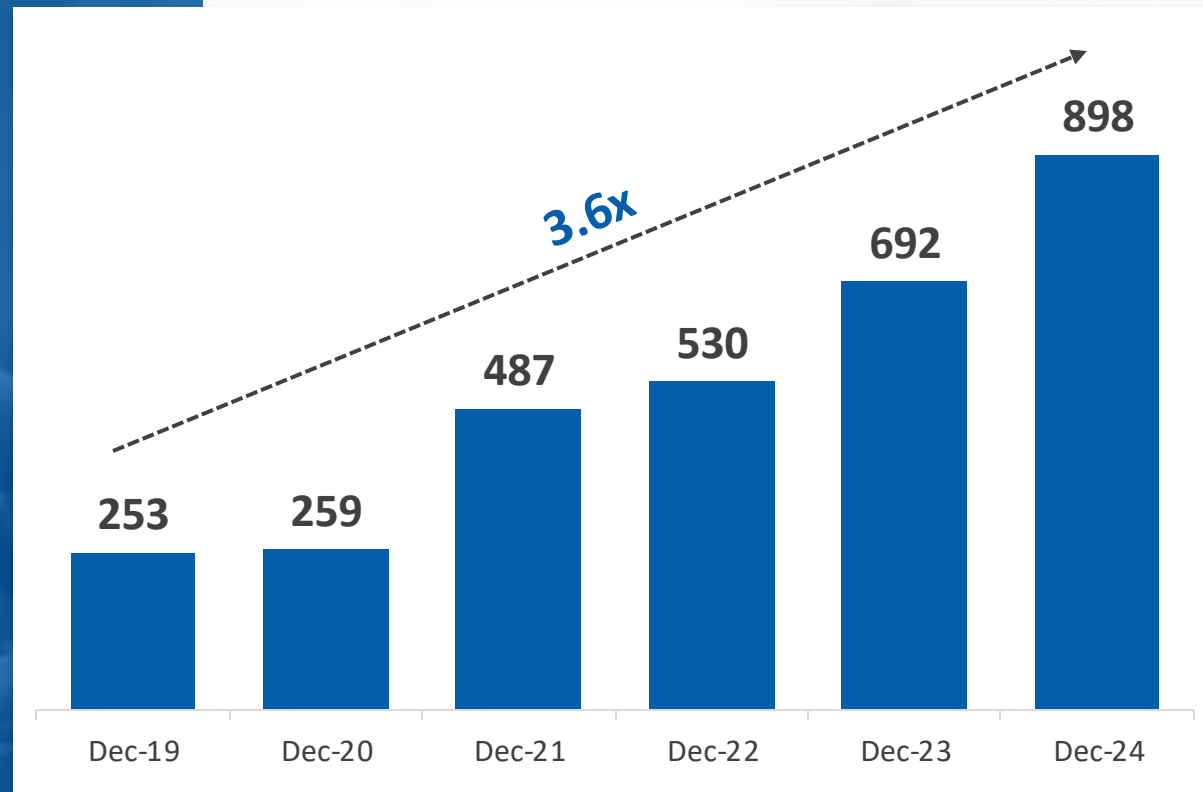
Source: AMFI and Internal Analysis of Bajaj Finserv AMC. Based on AMFI's Stock Classification as on 31st December 2024. ^Select first 750 small stocks ranked 251st to 1000th. Numbers are rounded-off to nearest decimal.



## Growth in Investable Universe (3/3)

Number of Small Cap Stocks with More than Rs 2000 Crore Market Cap

- Universe of small cap stocks has expanded meaningfully, offering a broader and more diverse opportunity.
- Key driver of this expansion has been the new listings of several interesting and high-quality businesses.
- Number of listed companies with a market capitalization exceeding Rs 2,000 crore has increased significantly; from 503 to 1,148.
- Number of **small cap stocks** (defined as those outside the top 250 companies by market cap) **with a market cap above Rs 2,000 crore has surged from 253 to 898.**



### Insight



This structural deepening of the market has enhanced the investable universe for bottom-up stock pickers focused on small caps.

Source: AMFI and Internal Analysis of Bajaj Finserv AMC. Based on AMFI's Stock Classification as on 31st December 2024.



### Universe is further expanding: IPOs in recent years



One of the largest CNC machine tool manufacturer in India



Health insurance company with a 10,000 plus network hospitals across India and 1 crore plus customer base



Pune-based multi channel platform for babies and kids' products



One of the largest growing alcohol beverage company with strong brands



Leading manufacturer and exporter of industrial components

#### Insight



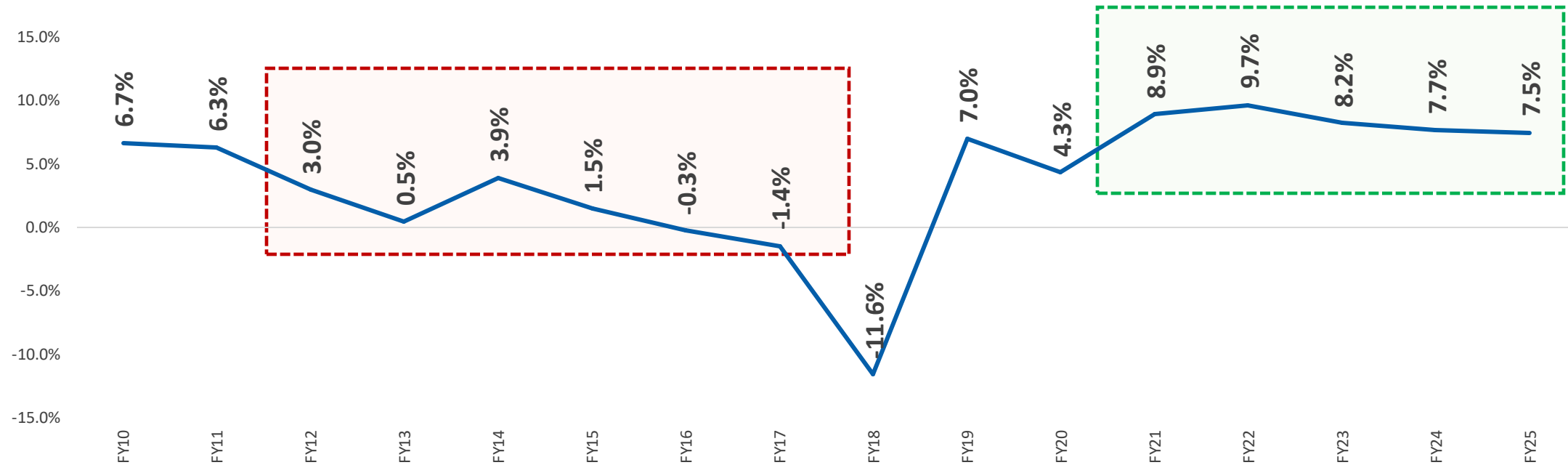
Many of the promising businesses in the small cap segment have been listed only in recent years. With several more expected to go public in the near future, the investable universe is set to expand further; bringing in a fresh pipeline of interesting opportunities.

The above case study is for representation and understanding purpose only. Based on AMFI's Stock Classification at the time of listing. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



## Small Caps' PAT Contribution in Nifty 500

Small Caps' PAT Contribution in Nifty 500



### Insight



Over the years, small cap businesses have not only started contributing meaningfully to the overall market capitalization, but their share of the corporate profit pool has also increased multiple times.

Data Source: Elara Capital and Internal Analysis of Bajaj Finserv AMC. PAT = Profit after tax



### Home to Niche Market Leaders (1/2)



Mutual Fund  
Registrar & Transfer  
Agent



Market leader in  
technical textiles  
products



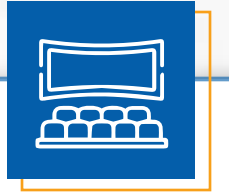
Leading player in  
bath ware market



Commodity  
derivatives exchange  
in India



Market leader in  
refractory products  
& solutions



One of the Largest  
multiplex operator in  
India

The above case study is for representation and understanding purpose only. Based on AMFI's Stock Classification as on 31st December 2024. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



### Home to Niche Market Leaders (2/2)



One of the leaders in oncology therapeutic area



Leader in Indian abrasives



Leading garment exporter from India



One of the Leaders in non-paper stationary market

#### Insight



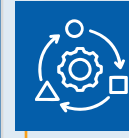
Investing in the small cap segment offers an opportunity to participate in India's growth story, with many market-leading businesses available exclusively in this space. However, investment decisions should be guided by a careful assessment of current valuations.

The above case study is for representation and understanding purpose only. Based on AMFI's Stock Classification as on 31st December 2024. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



## Most Heterogeneous Segment

Sector	Nifty 100	Nifty Midcap 150	Nifty Smallcap 250
Financial Services	34.7	23.2	21.6
Oil, Gas & Consumable Fuels	9.7	3.7	2.2
Information Technology	9.7	6.7	4.8
Fast Moving Consumer Goods	7.5	3.5	5.2
Automobile and Auto Components	7.1	6.6	4.2
Healthcare	4.1	11.1	12.6
Telecommunication	3.7	3.0	1.4
Metals & Mining	3.7	3.3	1.3
Power	3.6	2.2	2.3
Consumer Services	3.6	2.8	3.8
Construction	3.2	1.0	4.4
Capital Goods	2.7	14.6	14.0
Construction Materials	2.3	1.5	0.9
Consumer Durables	2.1	4.1	5.0
Services	1.6	1.7	4.1
Realty	0.7	3.1	2.1
Chemicals	0.4	6.2	7.1
Textiles		1.2	1.0
Diversified		0.5	0.3
Media, Entertainment & Publication		0.2	1.4
Forest Materials			0.6



The small cap segment offers a **wide array of unique and diverse business models across sectors and themes.**



**Large pool of stocks** enables differentiated portfolio construction and alpha generation opportunities.



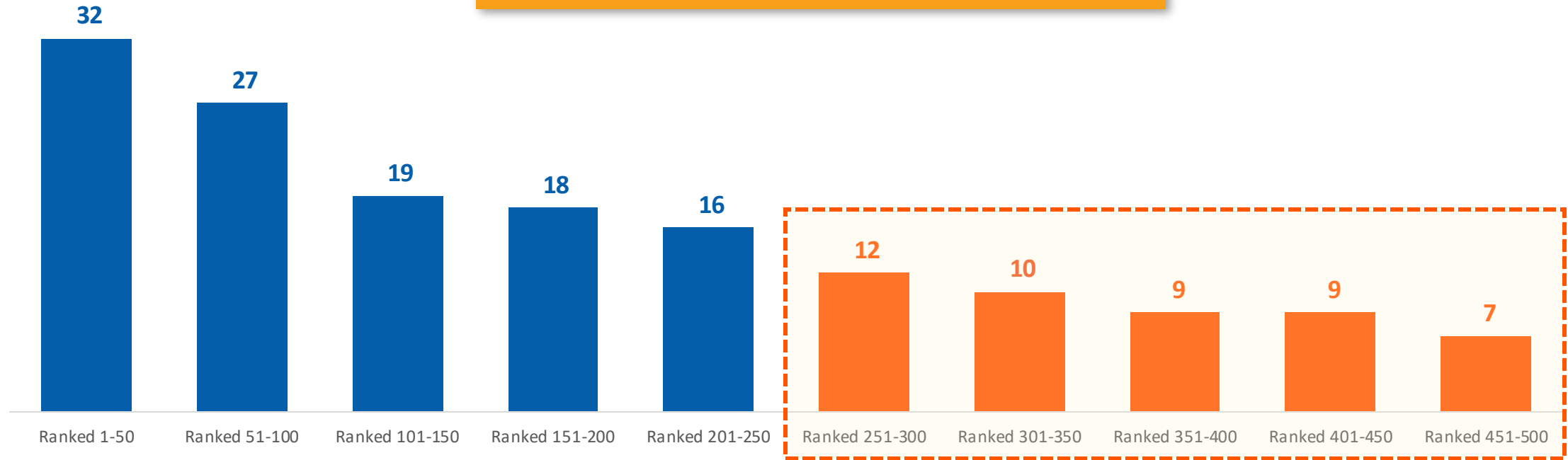
The **breadth and variety within small caps** allow skilled managers to identify niche leaders, emerging disruptors, and scalable growth stories that are often under-researched or mispriced by the broader market.

Data Source: niftyindices.com and internal research. For understanding purpose only. Data as on 31<sup>st</sup> May 2025.



## Number of Analyst Coverage

Coverage by Average Number of Analyst



Top 500 Stocks Grouped by Market Cap Rank

### Insight



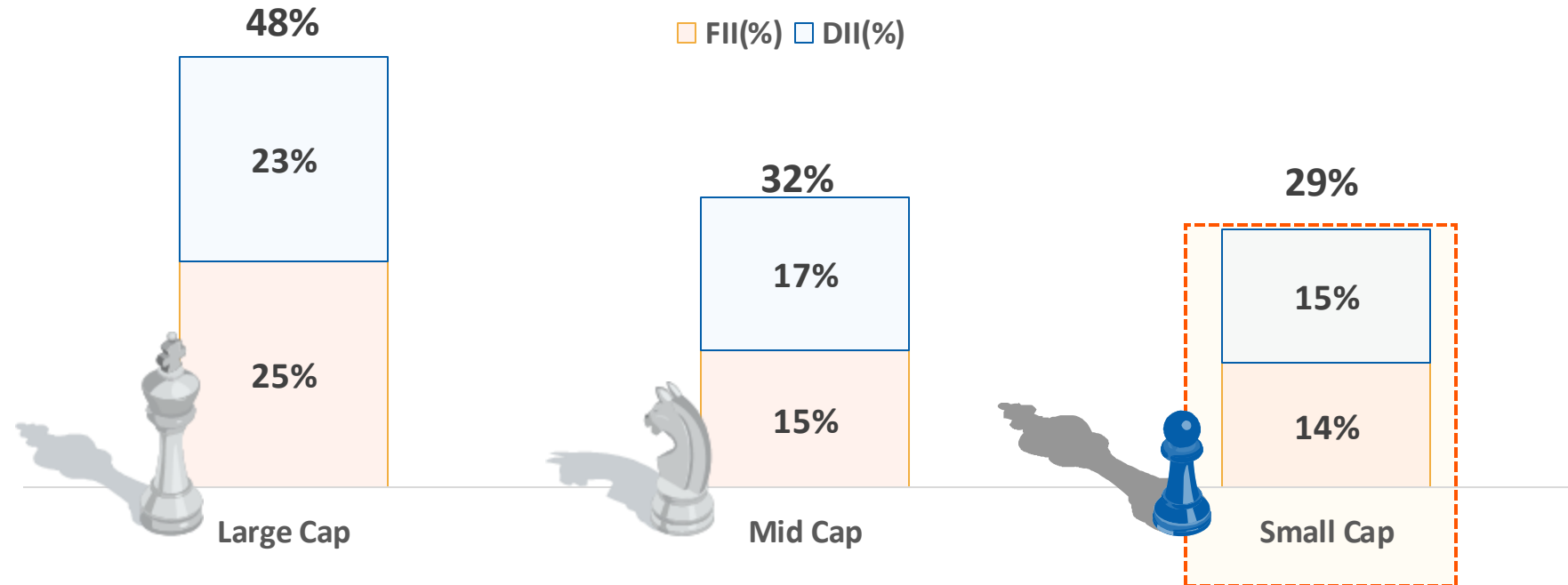
The average number of analysts covering small cap stocks is significantly lower than that for large caps. This often results in delayed price discovery, creating opportunities for investment managers with strong in-house research teams to identify mismatches between stock prices and fundamentals.

Data Source: Elara Capital and Internal Analysis of Bajaj Finserv AMC. Data as on May 2025



## Institutional Ownership

### Average Institutional Ownership



#### Insight



Very large institutional investors often overlook small businesses due to size constraints. This creates opportunities for investment managers with relatively smaller capital but strong research capabilities to capitalize on compelling opportunities in the small cap segment.

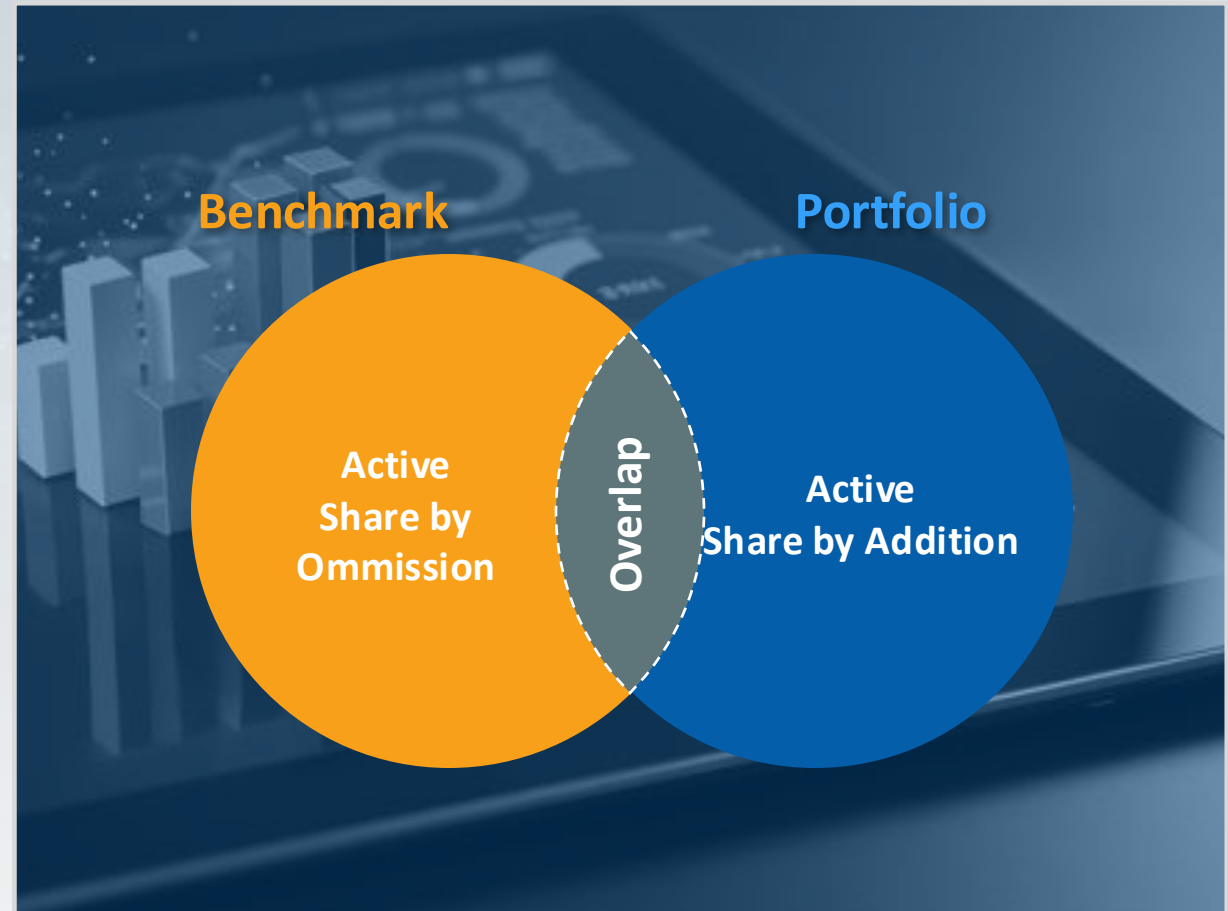
Data Source: Elara Capital and Internal Analysis of Bajaj Finserv AMC. Data as on FY ending March 2025. Numbers are approximate and rounded off to nearest decimal.



## Role of Active Share

### Active Share

quantifies the degree to which a fund's portfolio deviates from its benchmark index by measuring the percentage of holdings that are different. It reflects how actively a portfolio is being managed.





## Small Cap Alpha Generating Opportunities “By Addition”



**A small cap fund manager can build Active Share by better selection and unique allocation**



**Expanding Investable Universe: Opportunities outside benchmarks**



**Low Research Coverage: Need for deep research in small cap space**



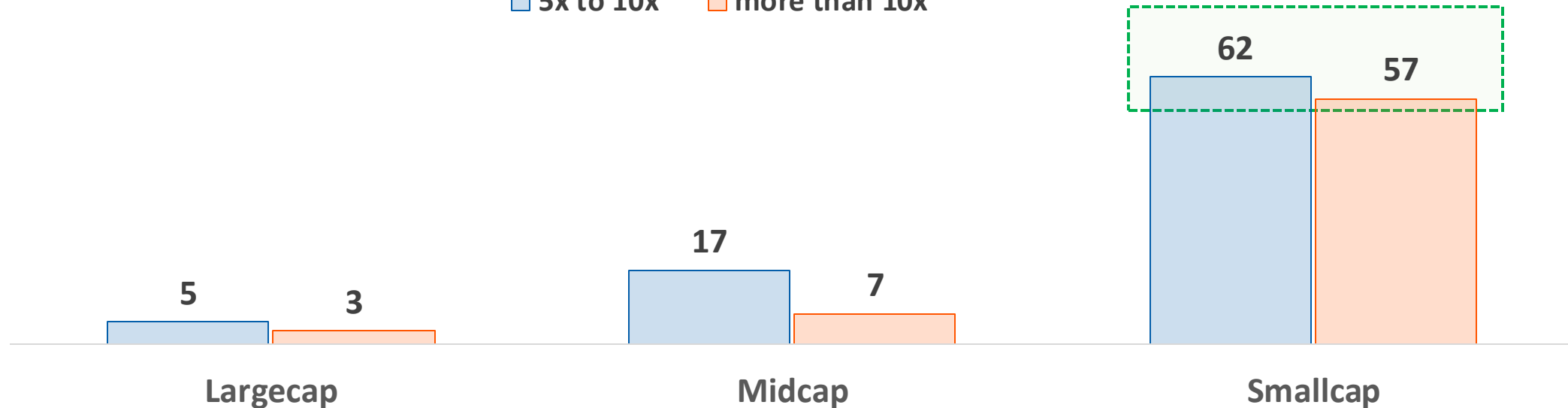
**Low Institutional Holdings: Opportunity for value discovery**



## Multi-baggers from Small Cap Segment

Number of Multi-baggers over 10 Years (FY15 to FY25)

■ 5x to 10x    ■ more than 10x



### Insight



Small cap segment has delivered numerous multi-bagger opportunities for active fund managers.

Data Source: Elara Capital and Internal Analysis of Bajaj Finserv AMC on Top 750 stocks by Market Cap on 31st March 2015. The above case study is for representation and understanding purpose only. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



## Number of Small Cap Stocks became Large, Mid and Micro

		Market Cap Category in March 2025			
Market Cap Category in March 2015		Large Cap (Ranked 1-100)	Mid Cap (Ranked 101-250)	Small Cap (Ranked 251-500)	Micro Cap (Ranked > 501)
	Large Cap (Ranked 1-100)	78	20	2	
	Mid Cap (Ranked 101-250)	22	76	41	11
	Small Cap (Ranked 251-500)		41	118	91
	Micro Cap (Ranked 501-750)		10	58	182

### Insight



Small cap segment has delivered numerous multibagger opportunities for active fund managers, it is also prone to weak businesses; often becoming alpha detractors. This makes the segment inherently more complex and calls for greater scrutiny compared to large caps.

Data Source: Elara Capital and Internal Analysis of Bajaj Finserv AMC on Top 750 stocks by Market Cap on 31st March 2015. The above case study is for representation and understanding purpose only. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



## Number of Small Cap Stocks became Large, Mid and Micro

		Market Cap Category in March 2025			
Market Cap Category in March 2015	Large Cap (Ranked 1-100)	Large Cap (Ranked 1-100)	Mid Cap (Ranked 101-250)	Small Cap (Ranked 251-500)	Micro Cap (Ranked > 501)
	Large Cap (Ranked 1-100)	78 12.2% CAGR	20 2.0% CAGR	2 -13.0% CAGR	
	Mid Cap (Ranked 101-250)	22 20.3% CAGR	76 12.2% CAGR	41 4.3% CAGR	11 - 16.0% CAGR
	Small Cap (Ranked 251-500)		41 25.0% CAGR	118 13.0% CAGR	91 - 4.5% CAGR
	Micro Cap (Ranked 501-750)		10 37.0% CAGR	58 26.5% CAGR	182 2.7% CAGR

### Insight




Small cap segment has delivered numerous multibagger opportunities for active fund managers, it is also prone to weak businesses; often becoming alpha detractors. This makes the segment inherently more complex and calls for greater scrutiny compared to large caps.

Data Source: Elara Capital and Internal Analysis of Bajaj Finserv AMC on Top 750 stocks by Market Cap on 31st March 2015. The above case study is for representation and understanding purpose only. % CAGR mentioned about are the average CAGR by those stocks mentioned the box during the period March 2015 to March 2025. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



## Need for In-House Forensic Analyst



Investing in the small cap segment is like exploring a dense, uncharted jungle in search of rare medicinal herbs

### Insight



An **in-house forensics analyst** is like carrying a **skilled botanist on the journey**: someone who knows how to distinguish between what's valuable and what's dangerous.



## Small Cap Alpha Generating Opportunities “By Omission”



A small cap fund manager can build **Active Share by omitting certain benchmark stocks**, and this is especially critical in the small cap space because of:



Corporate governance risks



Financial vulnerability-balance sheet risks



Expensive valuations



Fad-driven stocks



Poor capital allocation



# Investing in Quality Businesses in

The word 'Small' in a large, bold, blue sans-serif font, positioned within a light gray rectangular box. The background of the slide features a faint image of a person in a suit holding a large gear, with several white stars scattered around.The word 'Cap' in a large, bold, blue sans-serif font, positioned within a light gray rectangular box.The word 'Segment' in a large, bold, blue sans-serif font, positioned within a light gray rectangular box.



## We assess the quality of any business based on two parameters (1/2):

### 1. Quality of Business Model

- Scalability and sustainability of growth – size of the pond vs. the size of the fish
- Capital efficiency of the business – Reasonable return on capital and equity (current or near-term expected); potential to invest at rates higher than cost of capital
- Stage in the S-Curve (Early, Mid, Mature)



- Ability to grow from internal accruals – operating cash flow/\*EBITDA, free cash flows
- Strength and durability of the competitive advantages – pricing power, intangible assets (brands, patents, regulations), switching costs, network effects, economies of scale

\*EBITDA-Earnings Before Interest, Taxes, Depreciation and Amortization



## We assess the quality of any business based on two parameters (2/2):

### 2. Quality of Management

#### Quantitative assessment:

- Growth rates vis-à-vis the industry/ relevant peer
- Margins vis-à-vis the industry / relevant peer
- Return ratios vis-à-vis the industry / relevant peer
- Performance vis-à-vis guidance and potential



#### Qualitative assessment:

- Corporate Governance
- Capital allocation decisions
- Ability to move up the value chain
- Ability to de-risk the business
- Client, product and industry concentration
- Transparency and communication (Quality of disclosures)



### A Company Pioneer in Programmatic Digital Advertising



Global Technology Company, pioneer in programmatic digital advertising for mobile devices in India.



Following a unique, performance-based business model, this company is one of the prominent players in developing markets.



Global adtech industry is expected to grow at 12-15%, ahead of 4-5% of growth in total advertisement spending.



Company is among the likely beneficiaries of prevailing megatrends and expected to grow ahead of industry growth rate.



The above case study is for representation and understanding purpose only. Based on AMFI's Stock Classification as on 31st December 2024. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



## A Leader in Fragmented Technical Textiles



Market Leader in niche segments (aquaculture, fishnets) in a fragmented technical textiles market (>US\$200bn).



Company is a leader in niche segments with strong competitive advantage (Moat) in salmon aquaculture nets and domestic fish nets.



Atlantic salmon consumption (1.8-2mn tones; sub-1% of protein consumption) is growing at 7% CAGR.



Low penetration of technical textiles in India (~10% vs. ~50% in Developed Markets) and low market share (sub-10%) will spur growth in geosynthetics, agri and defence.



The above case study is for representation and understanding purpose only. Based on AMFI's Stock Classification as on 31st December 2024. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



## A Market Leader in Grooming and Oral Care



Leading Indian grooming and oral care subsidiary of global FMCG major. This company is a market leader in India with estimated 60% plus share in the grooming instrument business.



Over the years, the company has developed a large and loyal customer base in India and has been among the most recognized household brands.

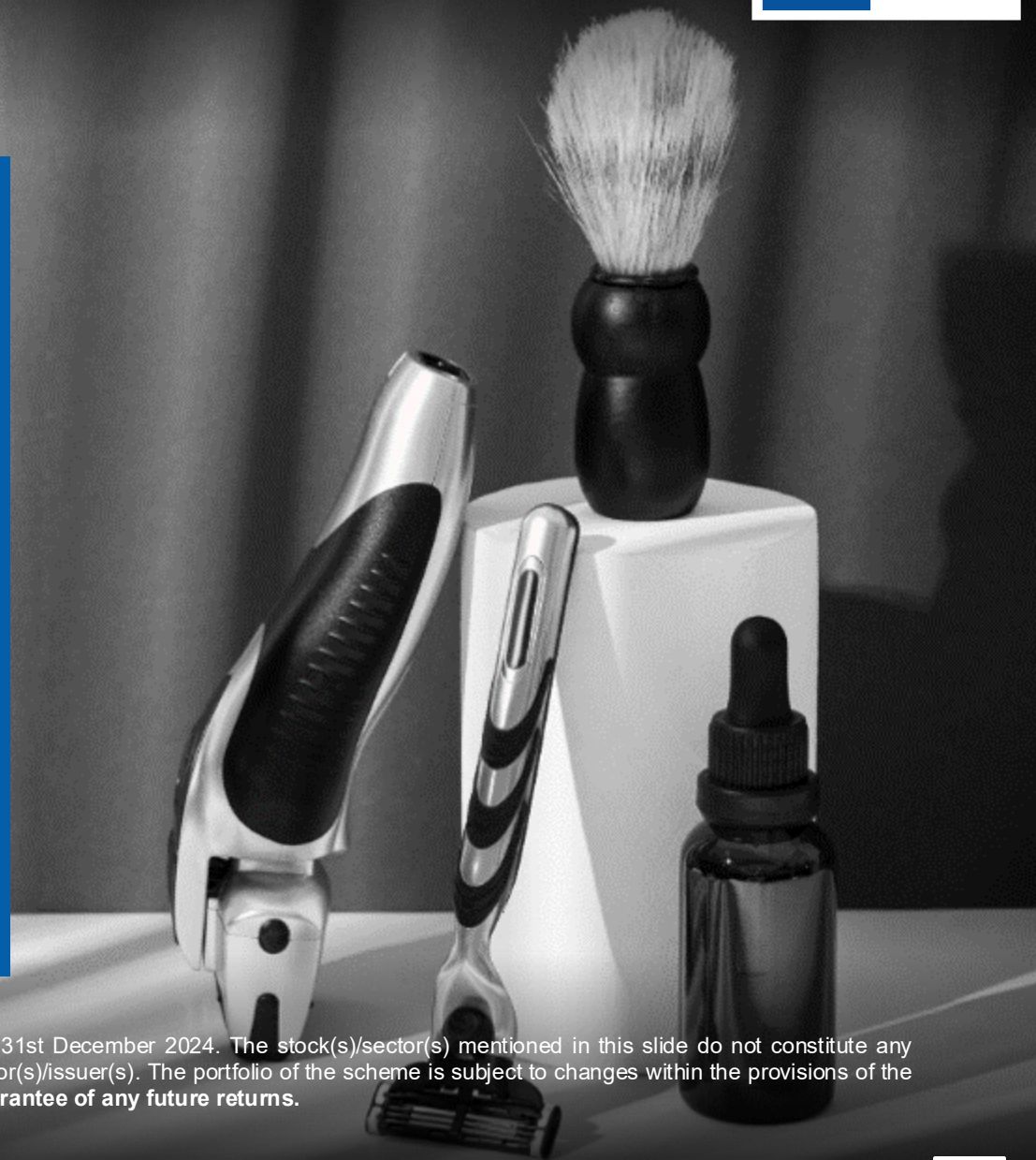


This company has an oral care business brand and scores very high on quality parameters.



In India, the company has also launched new products across female grooming product line.

The above case study is for representation and understanding purpose only. Based on AMFI's Stock Classification as on 31st December 2024. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**





## The Largest Manufacturer of Specialized Refractory Products



Indian subsidiary of UK based parent company; this is one of the largest manufacturers of specialized refractory products.



The company supplies high performance refractory material to the steel industry and other process industries.



The company is among the top three refractory players in India by market share, and largest in terms of flow control refractories.



Higher steel production and technological advancement is expected to drive refractories demand. India's crude steel production is expected to grow from 150 MT to 300 MT by FY2030 backed by higher infrastructure spend and strong steel capex pipeline.

The above case study is for representation and understanding purpose only. Based on AMFI's Stock Classification as on 31st December 2024. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



# An Electronics Solutions Provider to the Defense and Aerospace



A vertically integrated electronics solutions provider to the defense and aerospace industry, that supplies indigenously developed critical defense electronics products.



The company has developed several electronic systems such as radars and naval systems, avionics, testing equipment for key defense products.



India's defense sector has witnessed significant growth in recent times driven by increasing defense budgets, modernization efforts, and the government's emphasis on indigenization.



Defense opportunity in India remains strong with orders worth more than USD 130 Bn expected in next 7-8 years.



The above case study is for representation and understanding purpose only. Based on AMFI's Stock Classification as on 31st December 2024. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



## A Leading PET Waste Recycling Company



Established in 1987, this company is leading PET waste recycling company in India and is engaged in the manufacturing of recycled polyester staple fibre (RPSF), spun yarn and dyed texturized yarn in India



Recently, the company has made in-roads into bottle to bottle (PET) recycling as part of extended producer responsibility (EPR) GOI norms



India rPET (recycled PET) market is expected to grow at a CAGR of 24.5% during 2025-29.



This company is the largest PET bottle recycling company in India and expected to grow ahead of industry growth rate.

The above case study is for representation and understanding purpose only. Based on AMFI's Stock Classification as on 31st December 2024. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



A large, semi-transparent hourglass is positioned in the background on the left side of the slide. The top bulb is larger than the bottom bulb, and the sand is depicted as flowing from top to bottom. The entire slide has a blue gradient background.

# Long Term Historical Performance of

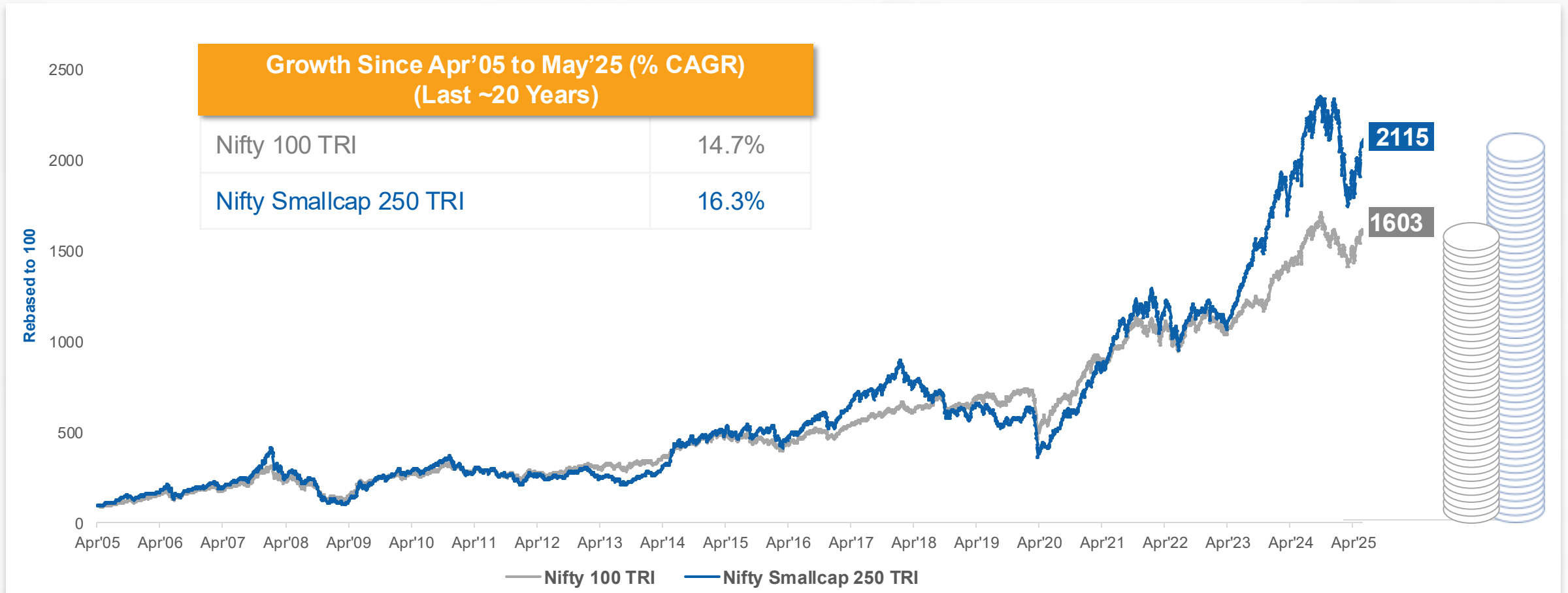
**Small**

**Cap**

**Segment**



## Small Cap Segment: Long Term Wealth Creator



Data Source: niftyindices.com and Internal Analysis of Bajaj Finserv AMC. For understanding purpose only. **Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance.** Period: From 1st April 2005 (inception date of Nifty Smallcap 250 TRI) to 28th May 2025. While both Nifty Small Cap 250 TRI and BSE Small Cap 250 TRI are both tier 1 benchmarks, we have used Nifty Small Cap 250 TRI for representation as it has a longer track record. The Co-relation between both these indices is 98.73%



## Trailing Point to Point % CAGR for Key Indices

Scheme Name	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	12 Year	15 Year	18 Year	20 Year	Since 1-Apr-05
Nifty 100 TRI	7.3%	18.7%	16.6%	22.7%	13.9%	13.1%	14.1%	12.8%	11.9%	14.9%	14.7%
Nifty Smallcap 250 TRI	6.5%	31.3%	26.7%	37.8%	15.8%	15.7%	19.0%	14.4%	13.1%	15.9%	16.3%

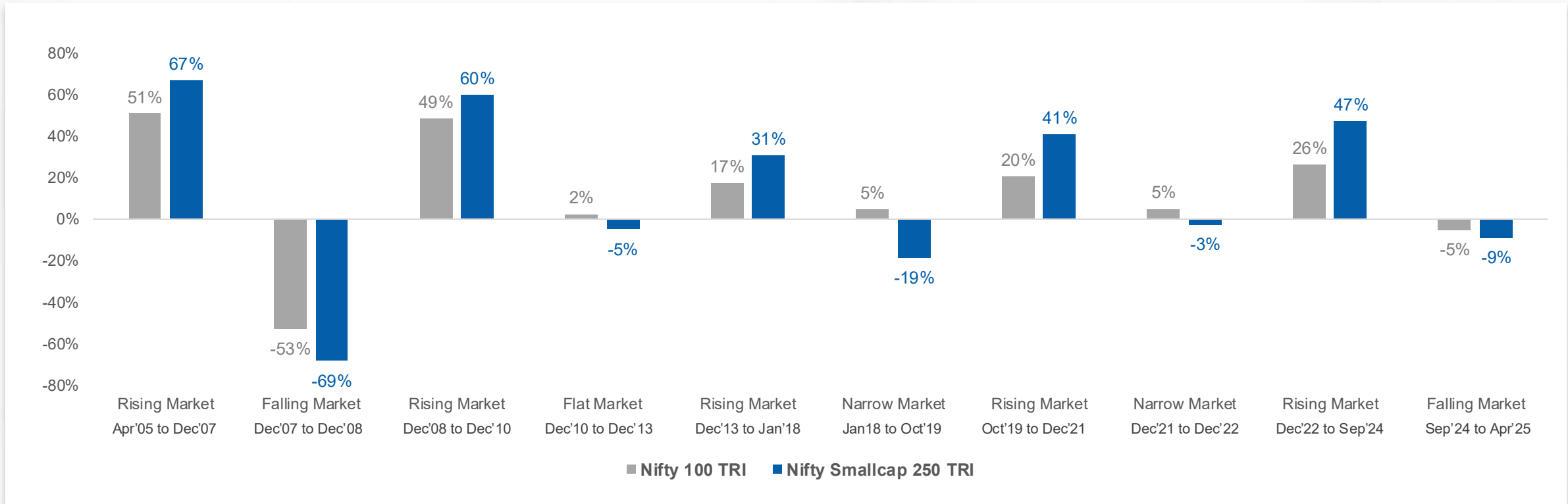
### Insight

Historically, the small cap segment has outperformed the large-cap segment over medium- to long-term horizons.

Data Source: niftyindices.com and Internal Analysis of Bajaj Finserv AMC. For understanding purpose only. **Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance.** Period: From 1st April 2005 (inception date of Nifty Smallcap 250 TRI). Data as on 28th May 2025. While both Nifty Small Cap 250 TRI and BSE Small Cap 250 TRI are both tier 1 benchmarks, we have used Nifty Small Cap 250 TRI for representation as it has a longer track record. The Co-relation between both these indices is 98.73%



## During Various Market Cycles



### Insight



The graph above highlights the performance of key indices across different market cycles. Large-cap segment tended to perform relatively better during falling or narrow markets, while small cap segment outperformed during rising markets.

Data Source: ACE MF, niftyindices.com and analysis by ValueMetrics Technologies. Returns less than 1 year are absolute and more than 1-year CAGR. **Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance.** Above numbers are rounded-off to nearest decimal. Returns are in % CAGR. Data as on 28th May 2025. While both Nifty Small Cap 250 TRI and BSE Small Cap 250 TRI are both tier 1 benchmarks, we have used Nifty Small Cap 250 TRI for representation as it has a longer track record. The Co-relation between both these indices is 98.73%.



## Calendar Year Wise Return of Key Market Cap Indices

Calendar Year	Nifty 100 TRI	Nifty Smallcap 250 TRI
CY 2006	40.2%	32.9%
CY 2007	59.9%	101.3%
CY 2008	-52.0%	-68.3%
CY 2009	80.4%	111.4%
CY 2010	19.3%	17.6%
CY 2011	-24.9%	-35.1%
CY 2012	33.6%	42.2%
CY 2013	7.0%	-6.4%
CY 2014	34.9%	71.4%
CY 2015	-1.0%	10.9%
CY 2016	4.7%	0.5%
CY 2017	31.8%	59.3%
CY 2018	3.7%	-26.3%
CY 2019	11.5%	-6.9%
CY 2020	16.4%	27.0%
CY 2021	26.0%	61.5%
CY 2022	4.9%	-2.6%
CY 2023	21.3%	50.0%
CY 2024	13.3%	27.5%
CYTD 2025	3.5%	-6.6%
<b>% CAGR Since 1-Apr-05</b>	<b>14.7%</b>	<b>16.3%</b>

Small caps (Nifty Smallcap 250 TRI) tend to exhibit much higher volatility compared to large caps (Nifty 100 TRI)—with sharp drawdowns in years like 2008, 2011, and 2018—they also deliver outsized returns during bull phases (e.g., 2009, 2014, 2017, 2021, 2023).

Over the long term (since April 2005), small caps have delivered a superior CAGR of 16.3% versus 14.7% for large caps, demonstrating that patient investors willing to endure interim volatility are rewarded with better compounding.

Data Source: niftyindices.com and Internal Analysis of Bajaj Finserv AMC. For understanding purpose only. Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance. Returns upto 1 year are absolute and more than 1 year are CAGR. CYTD = Calendar Year Till Date. Data as on 28<sup>th</sup> May 2025. While both Nifty Small Cap 250 TRI and BSE Small Cap 250 TRI are both tier 1 benchmarks, we have used Nifty Small Cap 250 TRI for representation as it has a longer track record. The Co-relation between both these indices is 98.73%



## Rolling Return Analysis

Scheme/Index Name	Nifty 100 TRI		Nifty Smallcap 250 TRI	
	5 Year	10 Year	5 Year	10 Year
Rolling Return Period	5 Year	10 Year	5 Year	10 Year
First Observation	01-Apr-10	01-Apr-15	01-Apr-10	01-Apr-15
Minimum CAGR (%)	-0.7%	5.5%	-6.2%	2.5%
Maximum CAGR (%)	26.5%	18.3%	40.1%	21.8%
Average CAGR (%)	12.8%	12.5%	13.4%	13.4%
Negative Observations	0%	0%	8%	0%
0 to 6% CAGR	10%	0%	14%	6%
6 to 10% CAGR	17%	16%	14%	14%
10 to 15% CAGR	40%	69%	23%	39%
Above 15% CAGR	33%	15%	41%	41%
Total Observations	3761	2515	3761	2515

Rolling return analysis reinforces the long-term case for small cap investing.

Over 10-year periods, the Nifty Small cap 250 TRI has delivered a higher average CAGR (13.4%) compared to the Nifty 100 TRI (12.5%), despite its reputation for volatility.

41% of 10-year rolling periods in small caps delivered returns above 15% CAGR, versus just 15% for large caps.

Data Source: niftyindices.com and Internal Analysis of Bajaj Finserv AMC. Daily Rolling Return considered from 1-Apr-05 to 28-May-25, first observation recorded on 1-Apr-10 (For 5 Years CAGR) and 1-Apr-2015 (For 10 Years CAGR). **Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance.** Above numbers are rounded-off to nearest decimal. Returns are in % CAGR. While both Nifty Small Cap 250 TRI and BSE Small Cap 250 TRI are both tier 1 benchmarks, we have used Nifty Small Cap 250 TRI for representation as it has a longer track record. The Co-relation between both these indices is 98.73%



## Long Term SIP Rolling Return Analysis

10 Years SIP Rolling Return (% XIRR) on Monthly Basis (From Apr'05 to Apr'25)

Index Name -->	Nifty 100 TRI	Nifty Smallcap 250 TRI
Minimum Return	4.3%	-0.4%
Maximum Return	17.0%	22.3%
<b>Average Return</b>	<b>12.9%</b>	<b>14.6%</b>
% Times Positive Return	100%	99%
% Times more than 10% Return	93%	87%
% Times more than 12% Return	71%	79%
<b>% Times more than 15% Return</b>	<b>14%</b>	<b>53%</b>

The small cap segment presents a compelling opportunity for genuine long-term SIP investors, offering higher return potential over the long term.

53% of SIP observations in small caps delivered over 15% XIRR, compared to just 14% in large caps; albeit with higher interim volatility.

In our view, the small cap segment offers relatively higher alpha generation opportunities for active fund managers, making it an even more attractive avenue for investors seeking reasonable long-term returns for their SIPs.

Data Source: niftyindices.com and Internal Analysis of Bajaj Finserv AMC. 10 Year Monthly Rolling Return considered from 01-April-05 to 01-May-25, first observation recorded on 01-Apr-15. **Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance.** Above numbers are rounded-off to nearest decimal. Returns are in % XIRR. SIP = Systematic Investment Plan. While both Nifty Small Cap 250 TRI and BSE Small Cap 250 TRI are both tier 1 benchmarks, we have used Nifty Small Cap 250 TRI for representation as it has a longer track record. The Co-relation between both these indices is 98.73%.



INTRODUCING

# Bajaj Finserv Small Cap Fund

(An open ended equity scheme predominantly investing in small cap stocks)

NFO Period: June 27,2025 to July 11,2025



## Asset Allocation under Normal Circumstances



Opportunistic Position in  
Mid and Large Caps<sup>^</sup>

Portfolio of 40-100 stocks

### Insight



While the scheme aims to identify and invest; predominantly in potentially high-alpha opportunities within the small cap segment, the fund manager may occasionally allocate to select mid and large cap stocks to capture compelling opportunities in these segment and manage overall portfolio liquidity.

The scheme will invest minimum 65% of the portfolio in Small Cap Stocks i.e. Ranked 251st onward by market cap. The investment universe of "Small-Cap" shall comprise companies as defined by SEBI/AMFI from time to time. Portfolio will be managed as per stated Investment objective, investment strategy & asset allocation in the Scheme Information Document (SID) and is subject to the changes within provisions of SID of the Scheme. The number of stocks mentioned are tentative and for understanding purpose only. However, final portfolio can have higher or lower number of stocks as well depending on prevailing market conditions. Portfolio will be managed as per stated Investment objective, investment strategy & asset allocation in the Scheme Information Document (SID) and is subject to the changes within provisions of SID of the Scheme.



## Our Targeted Investment Universe

		Quality of Business		
		Poor	Good	Better
Current Valuation	Under-valued	x	2	4
	Fair Value	x	1	3
	Over-valued	x	x	x



The investment universe can broadly be divided into good-quality and poor-quality businesses.



At any given time, both categories; good and poor quality; can be either under- or over-valued.



Our approach is to **avoid investing in poor-quality businesses, regardless of valuation.**

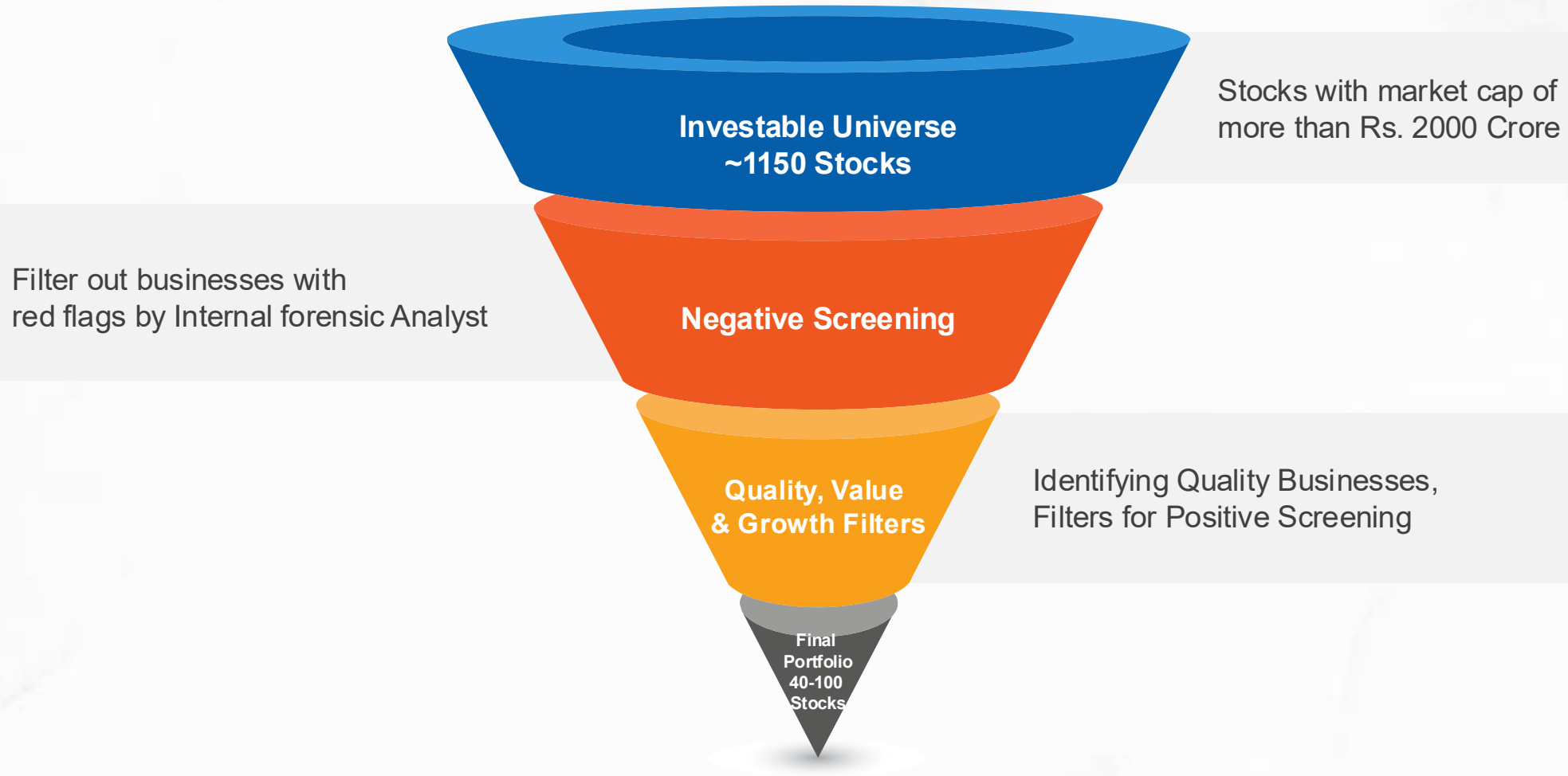


Within the universe of quality businesses, we prefer stocks with relatively better margin of safety.

For understanding purpose only. The scheme will invest minimum 65% of the portfolio in Small Cap Stocks i.e. Ranked 251st onward by market cap. The investment universe of "Small-Cap" shall comprise companies as defined by SEBI/AMFI from time to time. Portfolio will be managed as per stated Investment objective, investment strategy & asset allocation in the Scheme Information Document (SID) and is subject to the changes within provisions of SID of the Scheme.



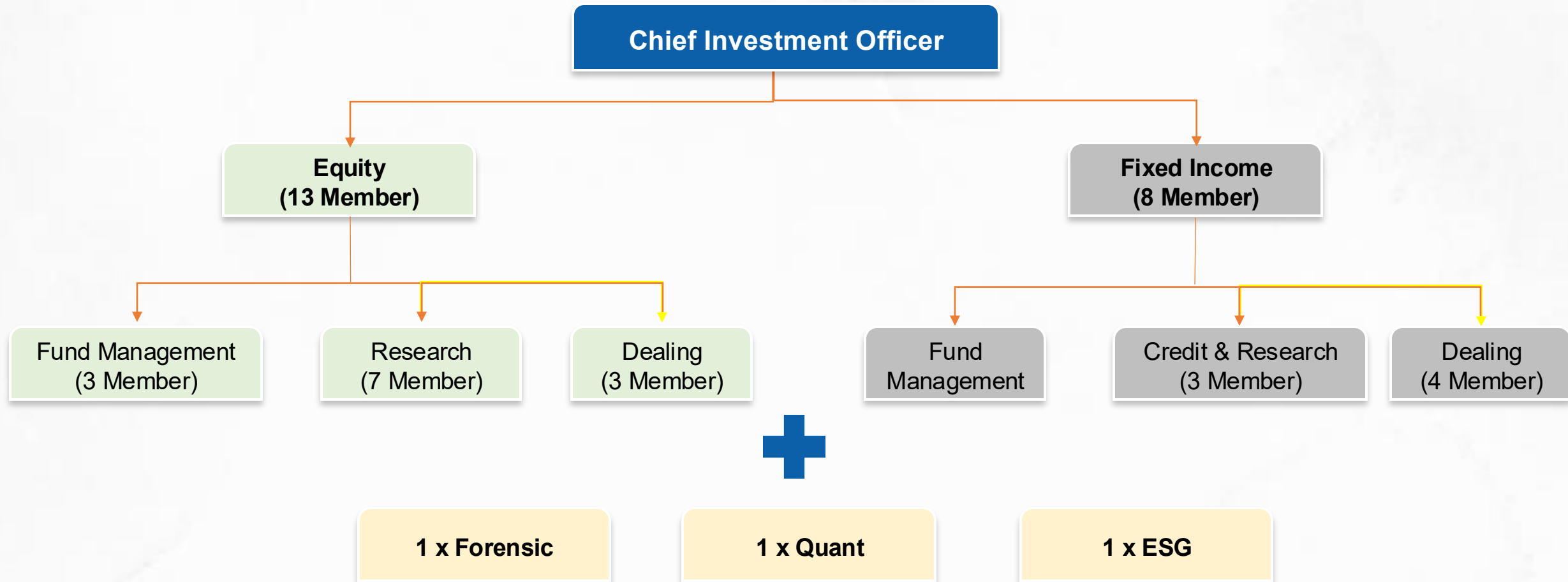
## Our Targeted Investment Universe



The scheme will invest minimum 65% of the portfolio in Small Cap Stocks i.e. Ranked 251st onward by market cap. The investment universe of “Small-Cap” shall comprise companies as defined by SEBI/AMFI from time to time. Portfolio will be managed as per stated Investment objective, investment strategy & asset allocation in the Scheme Information Document (SID) and is subject to the changes within provisions of SID of the Scheme. The number of stocks mentioned are tentative and for understanding purpose only. However, final portfolio can have higher or lower number of stocks as well depending on prevailing market conditions. Portfolio will be managed as per stated Investment objective, investment strategy & asset allocation in the Scheme Information Document (SID) and is subject to the changes within provisions of SID of the Scheme.



## Large and Experienced Investment Team



### Insight

We are backed by one of the well resourced and experienced investment teams, comprising 25 professionals with decades of expertise and qualifications including MBAs, CFAs, and CAs. Our dedicated Forensic and Quant specialists enhance the investment process by providing deep insights and risk-aware analysis across a broad opportunity set.

Source: Internal. Details as on May 2025.



## Process of Screening Negative List of Stocks

### First Checks



Databases



Company  
background

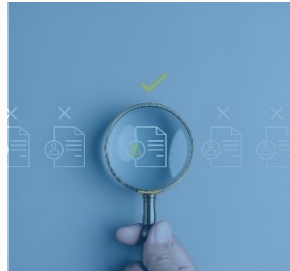


Pending  
litigations



Promoter  
background

### Due Diligence



Financial  
Statements



Disclosures



Auditor reports



Related party  
transactions

### Post Investment



Regular review/update of  
information



## Investment Philosophy

# IN

INFORMATION  
EDGE



Outperform the market on superior information collection

# QU

QUANTITATIVE  
EDGE



Outperform the market on processing information better



Quant models, Analytical models

# BE

BEHAVIORAL  
EDGE



Outperform the market by better decision making



Take advantage of crowd over-reaction and under-reaction

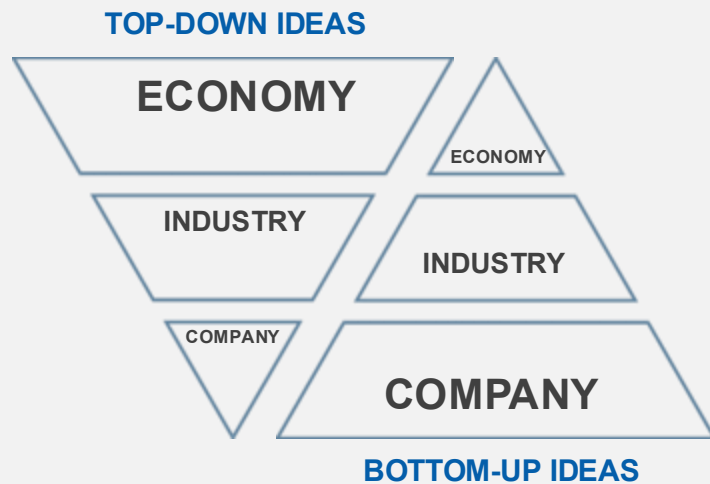


Reduces one's own behavioral pitfalls



## Tools used in Investment Decision Making

### Hunting Ideas



Behavioral  
Screening

Cycles

### Analysing Ideas



Business



Management



Valuation

Pre-mortem

Checklist

### Allocating



Size



Quality



Value



Growth



Risk

Journal

Pre-  
commitment

Quant



## Well Defined Stock Exit Process

The fund will generally exit a stock under the following circumstances:



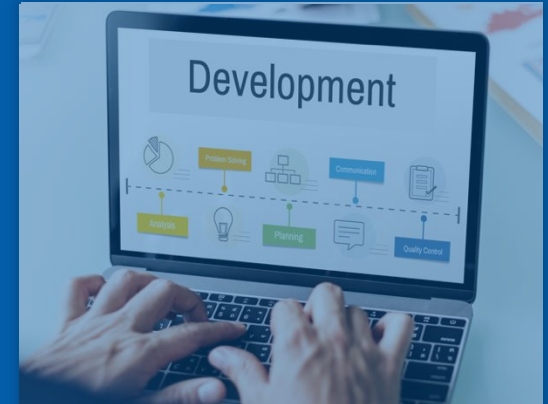
To book profits; stock price rally to bull case scenario



Pre-commitment:  
Aligning with pre-set investment goals and exit strategies defined at entry



When a superior investment opportunity with greater potential upside emerges in the market



Any adverse developments



# The Current Environment for

# Small

# Cap

# Investing?



## Structural Changes in Recent Years



### Fast-Track GST Adoption

GST has created a level playing field by reducing tax inefficiencies and benefiting compliant small cap businesses through improved logistics and wider market access.



### Corporate Tax Cut

The reduction in corporate tax rates has enhanced profitability and cash flows for small cap companies, enabling greater reinvestment and growth.



### Formalization of Economy

Increased formalization has brought more small businesses into the organized sector, improving transparency, access to credit, and investor confidence in the segment.



### Interest Rates Environment

Lower/moderate interest rates reduce borrowing costs, improving profitability and enabling growth investments. It tends to support higher equity valuations, especially for growth-oriented businesses like small caps, as future earnings are discounted at a lower rate.



## Small Cap Segment: Fall & Recovery Analysis

### Fall and Recovery Analysis of Nifty Smallcap 250 (Since April 2005)

Magnitude of Fall	Month-Year			Nifty Smallcap 250 Level			Absolute Fall	Peak to Recovery Period			Absolute Return On Recovery	Total ~20 Years	
	Peak	Bottom	Recovery	Peak	Bottom	Recovery		Days to Fall	Recovery Days	Total Days		Occurrence	Frequency in Years
5-10%	Jun-05	Jun-05	Jul-05	1162	1103	1171	-5.1%	13	8	21	6.2%	16 Times	Every 1.2 Years
	May-24	May-24	May-24	15848	15006	15936	-5.3%	7	9	16	6.2%		
	Oct-07	Oct-07	Oct-07	2881	2718	2886	-5.7%	3	6	9	6.2%		
	Oct-23	Oct-23	Nov-23	12530	11797	12531	-5.8%	9	13	22	6.2%		
	Jul-24	Aug-24	Aug-24	17983	16872	17984	-6.2%	7	16	23	6.6%		
	Nov-07	Nov-07	Dec-07	3325	3111	3385	-6.4%	3	11	14	8.8%		
	Sep-17	Sep-17	Oct-17	6416	5963	6454	-7.1%	8	20	28	8.2%		
	Jun-24	Jun-24	Jun-24	15949	14761	16100	-7.4%	1	3	4	9.1%		
	Jul-17	Aug-17	Sep-17	6268	5776	6280	-7.8%	16	31	47	8.7%		
	Mar-15	Mar-15	Apr-15	4501	4146	4530	-7.9%	23	12	35	9.3%		
	May-17	May-17	Jul-17	6167	5672	6182	-8.0%	8	47	55	9.0%		
	Sep-14	Oct-14	Nov-14	4155	3808	4159	-8.4%	31	29	60	9.2%		
	Oct-21	Nov-21	Jan-22	10014	9154	10018	-8.6%	42	36	78	9.4%		
	Nov-14	Dec-14	Jan-15	4234	3869	4236	-8.6%	29	16	45	9.5%		
	Aug-21	Aug-21	Sep-21	9206	8350	9253	-9.3%	21	21	42	10.8%		
	Jul-07	Aug-07	Sep-07	2457	2213	2467	-9.9%	38	12	50	11.5%		

Source: Analysis by ValueMetrics Technologies. For understanding purpose only. Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance.



## Small Cap Segment: Fall & Recovery Analysis

Fall and Recovery Analysis of Nifty Smallcap 250 (Since April 2005)

Magnitude of Fall	Month-Year			Nifty Smallcap 250 Level			Absolute Fall	Peak to Recovery Period			Absolute Return On Recovery	Total ~20 Years	
	Peak	Bottom	Recovery	Peak	Bottom	Recovery		Days to Fall	Recovery Days	Total Days		Occurrence	Frequency in Years
10-20%	Feb-24	Mar-24	Apr-24	15390	13473	15486	-12.5%	35	41	76	14.9%	5 Times	Every 4 Years
	Apr-15	Jun-15	Aug-15	4644	4006	4657	-13.7%	60	53	113	16.3%		
	Oct-16	Nov-16	Feb-17	5206	4384	5241	-15.8%	28	77	105	19.5%		
	Feb-07	Mar-07	May-07	2223	1847	2244	-16.9%	28	83	111	21.5%		
	Sep-05	Oct-05	Jan-06	1563	1277	1592	-18.3%	39	67	106	24.7%		
>20%	Aug-15	Feb-16	Jul-16	4691	3579	4707	-23.7%	208	133	341	31.5%	6 Times	Every 3.3 Years
	Sep-24	Mar-25	Ongoing	18623	13845	?	-26.1%	161	?	?	?		
	Jan-22	Jun-22	Jun-23	10472	7657	10483	-26.9%	154	364	518	36.9%		
	May-06	Jun-06	Jan-07	2095	1305	2096	-37.7%	35	205	240	60.6%		
	Jan-18	Mar-20	May-21	7568	2967	7588	-60.8%	799	412	1211	155.7%		
	Jan-08	Mar-09	Sep-14	4039	970	4048	-76.0%	432	2010	2442	317.3%		

### Insight



Since the lows of March 2025, the Nifty Smallcap 250 TRI has partially recovered and is now down by around 10% from its recent highs as of 28th May 2025.

Source: Analysis by ValueMetrics Technologies. For understanding purpose only. Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance.



## Quality Small Caps During Recent Market Correction

Many stocks that have declined in the recent market correction may not recover quickly, as the drop is often justified by factors such as overvaluation or weak business fundamentals.

However, the correction has also led to a meaningful decline in several high-quality stocks with strong fundamentals.

This has brought many fundamentally sound small cap businesses to more reasonable valuation levels, presenting a compelling opportunity for active fund managers to construct a fresh, high-conviction portfolio-free from legacy biases or past positions.



From All Time High	Large Cap	Mid Cap	Small Cap^	Total Stocks	% of Stocks
Down 0 to 10%	22	27	78	127	11%
Down 10% to 25%	43	47	199	289	25%
Down 25% to 50%	31	56	406	493	43%
Down more than 50%	4	19	208	231	20%
Total Number of Stocks	100	149	895	1144	

For understanding purpose only. Source: Elara Capital and Internal Analysis of Bajaj Finserv AMC. Data as on 31st May 2025. The scheme will invest minimum 65% of the portfolio in Small Cap Stocks i.e. Ranked 251st onward by market cap. The investment universe of “Small-Cap” shall comprise companies as defined by SEBI/AMFI from time to time. Above table is based on available stocks at the time of analysis and ignores stocks which got merged, unlisted etc. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation to buy/sell/hold and Bajaj Finserv Mutual Fund may or may not have any future position in this stock(s)/sector(s)/issuer(s). Portfolio will be managed as per stated Investment objective, investment strategy & asset allocation in the Scheme Information Document (SID) and is subject to the changes within provisions of SID of the Scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**





Is it a  
Good Time  
to Start SIP in

Small

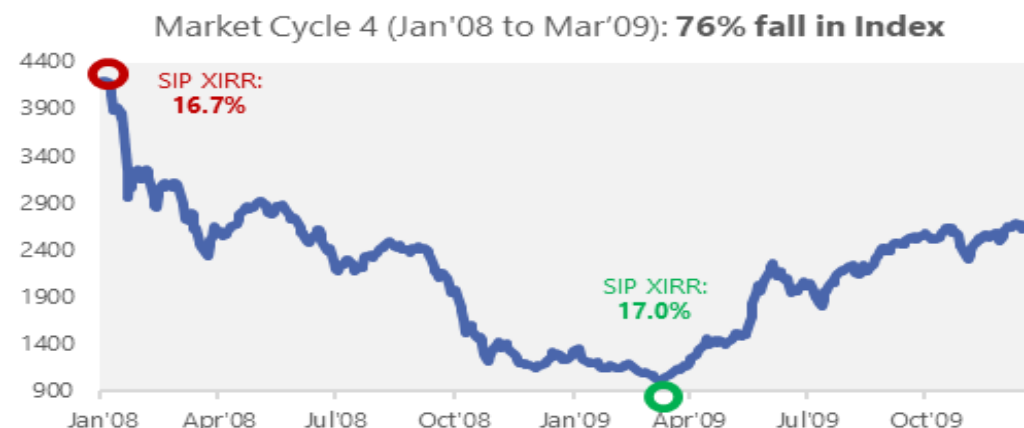
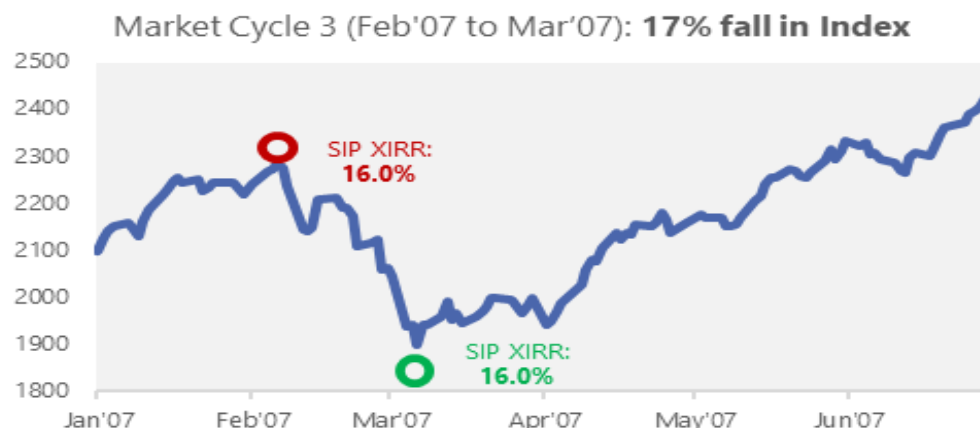
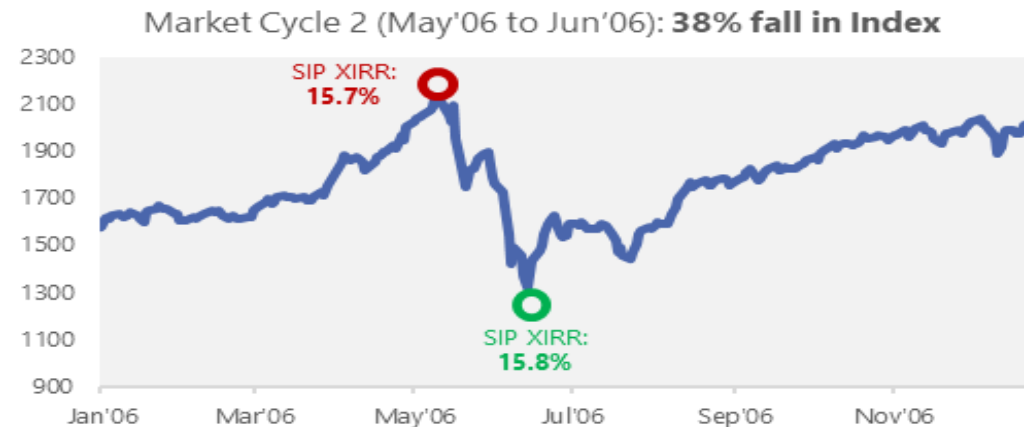
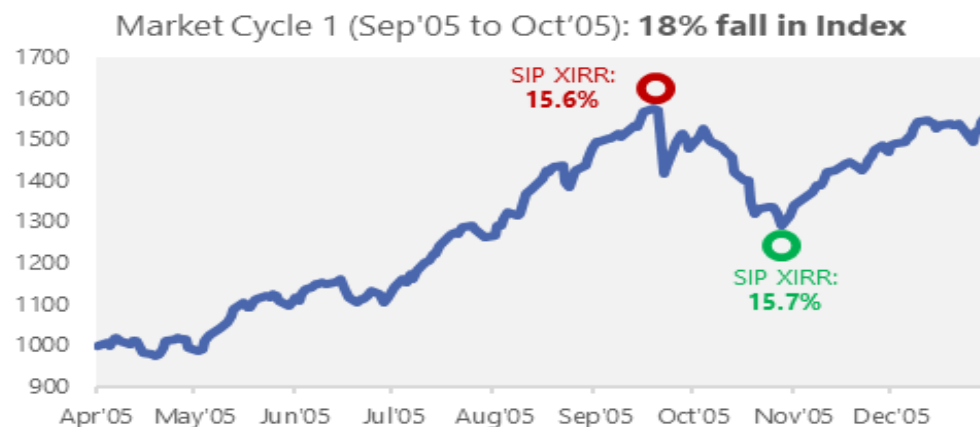
Cap

Segment?



## The SIP Paradox: Better Experience vs. Potentially Higher Wealth

Nifty Smallcap 250 TRI



Source: Analysis by ValueMetrics Technologies. **Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance.** Few historical references for Nifty Smallcap 250 TRI. For understanding purpose only. Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 30/05/24) for Sensex is 12.62% and for Nifty 50 is 12.42% (Source: AMFI). % XIRR mentioned above are as on 31<sup>st</sup> May 2025 for SIP started at various periods. Periods considered where the market fall was more than 15%.



## The SIP Paradox: Better Experience vs. Potentially Higher Wealth

Nifty Smallcap 250 TRI

Market Cycle 5 (Aug'15 to Feb'16): **23% fall in Index**



Market Cycle 6 (Oct'16 to Nov'16): **16% fall in Index**



Market Cycle 7 (Jan'18 to Mar'20): **60% fall in Index**



Market Cycle 8 (Jan'22 to Jun'22): **25% fall in Index**



Source: Analysis by ValueMetrics Technologies. **Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance.** Few historical references for Nifty Smallcap 250 TRI. For understanding purpose only. Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 30/05/24) for Sensex is 12.62% and for Nifty 50 is 12.42% (Source: AMFI). % XIRR mentioned above are as on 31<sup>st</sup> May 2025 for SIP started at various periods. Periods considered where the market fall was more than 15%.



The SIP Paradox: Better Experience vs. Potentially Higher Wealth

The table below summarizes the investment outcomes for two investors; one who started a Rs. 10,000 monthly SIP at the Peaks of various market cycles and another who began SIP at the Bottom (as on 31<sup>st</sup> May 2025):

Market Cycle	SIP Start Month	Nifty Smallcap 250 TRI	Market Correction (%)	Correction Tenure (Months)	SIP Period (Years)	Amount Invested (in Lakh)	Valuation as on 31-May-25 (in Lakh)	Difference in Invested Amt. (in Lakh)	Difference in Final Value (in Lakh)	SIP XIRR (%)
1	Sep'05	1579	-18%	1.3	19.7	₹ 23.7	₹ 136.7	₹ 0.1	₹ 1.1	15.6%
	Oct'05	1292			19.6	₹ 23.6	₹ 135.6			15.7%
2	May'06	2126	-38%	1.1	19.1	₹ 22.9	₹ 125.9	₹ 0.1	₹ 1.2	15.7%
	Jun'06	1325			19.0	₹ 22.8	₹ 124.8			15.8%
3	Feb'07	2284	-17%	0.9	18.3	₹ 22.0	₹ 115.3	₹ 0.1	₹ 0.9	16.0%
	Mar'07	1899			18.2	₹ 21.9	₹ 114.4			16.0%
4	Jan'08	4200	-76%	14.1	17.4	₹ 21.0	₹ 105.8	₹ 1.5	₹ 15.2	16.7%
	Mar'09	1027			16.2	₹ 19.5	₹ 90.6			17.0%
5	Aug'15	5450	-23%	6.8	9.8	₹ 11.9	₹ 32.0	₹ 0.7	₹ 2.6	19.6%
	Feb'16	4180			9.3	₹ 11.2	₹ 29.3			20.0%
6	Oct'16	6132	-16%	0.9	8.6	₹ 10.4	₹ 26.1	₹ 0.1	₹ 0.4	20.7%
	Nov'16	5165			8.5	₹ 10.3	₹ 25.6			20.7%
7	Jan'18	8987	-60%	26.2	7.4	₹ 8.9	₹ 21.1	₹ 2.6	₹ 8.4	22.9%
	Mar'20	3615			5.2	₹ 6.3	₹ 12.7			27.5%
8	Jan'22	12935	-25%	5.1	3.4	₹ 4.1	₹ 5.9	₹ 0.5	₹ 0.9	22.9%
	Jun'22	9683			2.9	₹ 3.6	₹ 5.0			24.0%
9	Sep'24	23453	-26%	5.5	Currently Ongoing					
	Mar'25	17405								

**Investing Experience in the Initial Period:**  
It is important to recognize that the initial investing experience of the two investors; one starting a SIP at the peak and the other at the bottom; will be significantly different. The investor who begins their SIP near the peak would initially see their capital decline before eventually recovering as the market rebounds over long term. In contrast, the second investor’s journey would be much smoother from the outset. However, the key question remains: Is it truly possible to consistently time the exact market top or bottom?

Source: Analysis by ValueMetrics Technologies. Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance. Few historical references for Nifty Smallcap 250 TRI. For understanding purpose only. Investors are requested to note that, mean returns (calculated by taking mean of 10-year rolling returns between 01/06/14 and 30/05/24) for Sensex is 12.62% and for Nifty 50 is 12.42% (Source: AMFI). % XIRR mentioned above are as on 31<sup>st</sup> May 2025 for SIP started at various periods. Periods considered where the market fall was more than 15%.



## Why, Small Cap Fund



**Expanding Universe:** The small cap universe in India is growing and expected to expand further, bringing new opportunities for investors.



**Unique Business Access:** Many innovative and high-potential businesses are only available in the small cap segment and are likely to emerge in the future.



**Alpha Generation Potential:** Small caps offer significant alpha-generating potential for active managers due to their heterogeneous nature, limited analyst coverage, and low institutional ownership.



**Risk Management Essential:** Avoiding poorly governed companies and managing liquidity risks are critical components of successful small cap investing.



**Valuations Comfort in Select Names:** While the broader segment isn't uniformly cheap, recent market corrections have made many quality small cap stocks available at reasonable valuations.



**Active Management Advantage:** This environment favors active fund managers with strong research capabilities who can construct portfolios of high-quality, reasonably valued small cap businesses.



An apt choice for “**Long Term SIP Investors**”: The scheme can be an apt choice for investors looking to start their wealth creation journey via SIP over the long term.



To sum up

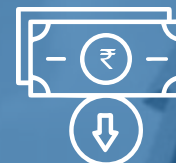
## Why, Bajaj Finserv Small Cap Fund (NFO)



Many quality small cap businesses are **now available at reasonable valuations**, offering fund managers an opportunity to build a fresh portfolio from the ground up.



**In-House Forensic Capabilities:** Dedicated internal forensic analyst helps avoid governance-related risks and potential red flags.



**Robust Liquidity Management:** Actively monitors stock-level, investor-level, and distributor-level concentration to manage liquidity risks effectively.



**Ideal for Long-Term SIP Investors:** Designed to participate in the long-term growth potential of quality small cap companies, making it suitable for disciplined, long-term investing through SIPs.



## Things to keep in mind ...

**Consider a Longer Investment Horizon:** Due to the inherent volatility and growth potential, small cap investments often require a longer timeframe to potentially realize their full value.



**Rupee Cost Averaging Can Be Beneficial:** Making periodic investments, like through SIPs or additional purchase, can help mitigate the risk of market timing by averaging out the purchase price over time.



### **Long-Term SIPs are Well-Suited:**

The small cap segment can be a good choice for systematic investment plans aimed at long-term wealth creation.



**Active Management May Offer an Edge:** Skilled fund managers in this space might be better positioned to identify high-growth potential and generate higher returns (alpha) over the long term.



**Expect Higher Volatility:** Small cap stocks tend to experience more significant price swings compared to larger, more established companies.



# Scheme Features

## Scheme Type

An open ended equity scheme predominantly investing in small cap stocks

## Plans

Bajaj Finserv Small Cap Fund - Regular Plan | Bajaj Finserv Small Cap Fund - Direct Plan

## Option

Growth & IDCW

## Minimum Application Amount

Rs. 500 (Plus multiples of Re.1)

## Minimum Additional Application

Rs. 100 (Plus multiples of Re.1)

## Entry Load

Nil

## Exit Load

if units are redeemed / switched out within 6 months from the date of allotment: • if upto 10% of units allotted are redeemed/switched out – Nil • any redemption / switch-out of units in excess of 10% of units allotted - 1% of applicable NAV. ➤ if units are redeemed/switched out after 6 months from the date of allotment, no exit load is payable.

## Fund Manager

Mr. Nimesh Chandan and Mr. Sorbh Gupta (Equity Portion) | Mr. Siddharth Chaudhary (Debt Portion)

## Benchmark Index

BSE 250 Small Cap TRI

## SIP / SWP / STP

Available



# BAJAJ FINSERV SMALL CAP FUND

An open ended equity scheme predominantly investing in small cap stocks

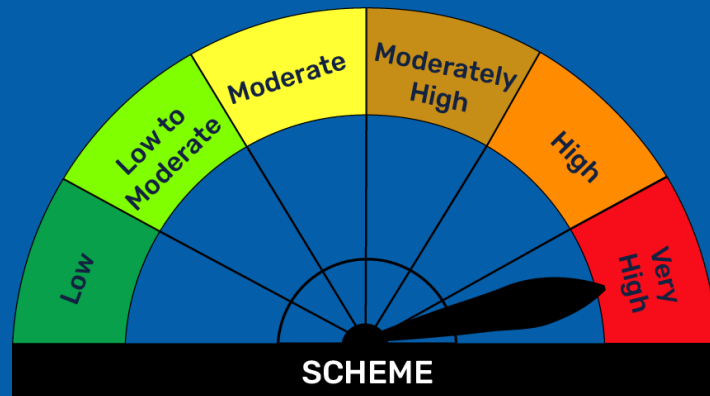
This product is suitable for investors who are seeking\*:

- Wealth creation over long term
- To invest predominantly in equity and equity related instruments of small cap companies.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## SCHEME

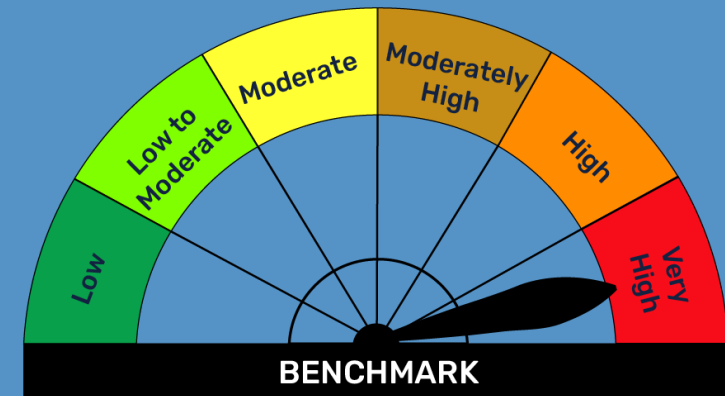
### RISKOMETER



The risk of the scheme is very high

## BENCHMARK

### RISKOMETER



The risk of the benchmark i.e. BSE 250 SmallCap TRI is very high

#The above product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made.



## Disclaimer

This document should not be treated as endorsement of the views/opinions or as an investment advice. This document should not be construed as a research report or a recommendation to buy or sell any security. This document alone is not sufficient and should not be used for the development or implementation of an investment strategy. The recipient should note and understand that the information provided above may not contain all the material aspects relevant for making an investment decision. The decision of the Investment Manager may not always be profitable; as such decisions are based on the prevailing market conditions and the understanding of the Investment Manager. Actual market movements may vary from the anticipated trends. Neither Bajaj Finserv Mutual Fund / Bajaj Finserv Mutual Fund Trustee Limited / Bajaj Finserv Asset Management Limited nor its Directors or employees shall be liable for any damages whether direct or indirect, incidental, punitive special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. Investors are advised to consult their own investment advisor before making any investment decision in light of their risk appetite, investment goals and horizon. This information is subject to change without any prior notice.

---

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