

Navigating Volatile Markets: Why Bajaj Finserv Flexi Cap Fund Can be a Suitable Option

Category: Business

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Market fluctuations can be unsettling, but a flexible approach and a long-term view towards investing can help you navigate this uncertainty.



Bajaj Finserv Flexi Cap Fund with Megatrends

This is what the [Bajaj Finserv Flexi Cap Fund](#) seeks to do. This equity fund offers adaptability by investing across large cap, mid cap, and small cap stocks. Moreover, it is dynamically managed, so it can freely adjust its portfolio to capture opportunities and mitigate risk in different market conditions.

However, its defining feature is its megatrends approach, which involves identifying and investing in [companies aligned with long-term and wide-ranging global trends](#) and movements. Read on to [learn more about the Bajaj Finserv Flexi Cap Fund](#) and why it may be a suitable option in uncertain times.

What makes a flexi cap fund different

Unlike other equity mutual funds, flexi cap funds are not restricted to a specific market capitalisation. They dynamically adjust allocations across large, mid, and small cap stocks, allowing fund managers to make the most of [changing market](#) trends.

Here are the features of large, mid and small cap stocks:

- **Large cap stocks:** Established companies with a strong track record and relatively lower volatility.
- **Mid cap stocks:** Companies in a growth phase, offering better potential returns in the long term but with higher risk.
- **Small cap stocks:** Younger companies with high growth potential but significantly higher volatility.

The dynamic management style allows fund managers to modify the portfolio allocation based on market conditions, potentially optimising returns while mitigating risks. For instance, during falling markets, they can increase exposure to large caps to reduce downside risk. During rising markets, they can capture growth potential in the mid and small cap segments. This can help such funds achieve a more optimal risk-reward balance than funds focusing on a single market cap or following a static allocation approach.

What sets Bajaj Finserv Flexi Cap Fund apart

Bajaj Finserv Flexi Cap Fund follows a megatrends-based investment strategy – a forward-looking approach that identifies large-scale economic, technological, and social shifts that have the potential to [shape the future](#).

Megatrends are transformative forces that redefine industries and economies and the fund seeks to invest in companies that align with these trends. Identifying megatrends early can help the fund capitalise on their potential before they gain widespread market traction.

The fund focuses on the following:

- Technological megatrends
- Regulatory megatrends
- Economic megatrends
- Nature (environmental) megatrends
- Demographic megatrends
- Social megatrends

Navigating short-term volatility with megatrends

A megatrends approach helps navigate short-term market volatility by focusing on long-term structural shifts rather than short-term market fluctuations. Here's how:

1. Focus on long-term [growth drivers](#)

Megatrends-such as digital transformation, renewable energy, or demographic shifts-are driven by deep-rooted economic, technological, and societal changes. These trends have the potential to persist despite short-term market swings, helping investors stay focused on sustained long-term growth potential rather than reacting to daily market noise.

2. Reduces emotional decision-making

Short-term volatility often triggers panic-driven decisions. A megatrends strategy, backed by research on long-term shifts, encourages a disciplined investment approach, reducing impulsive reactions to market turbulence.

3. Alignment with innovation and policy shifts

Some megatrends are not just [business](#) opportunities – they are backed by regulatory and policy attention as well. Examples include green energy and innovation.

4. Potential for long-term returns

While short-term fluctuations are inevitable, megatrends are backed by long-lasting changes. Investors focusing on these themes may benefit from compounding growth over time, potentially mitigating the impact of short-term volatility.

Why consider investing in Bajaj Finserv Flexi Cap Fund

If you're looking for a fund that can potentially withstand market ups and downs while tapping into long-term opportunities, Bajaj Finserv Flexi Cap Fund can be a suitable fit:

- **Future-focused investment:** It identifies long-term trends and stays away from short-term noise.
- **Diversified portfolio:** The fund [invests across sectors and market capitalisations to manage](#) risk and capture opportunities.
- **Dynamic asset allocation:** The fund manager adjusts holdings based on prevailing market conditions, increasing exposure to growth stocks when the opportunity arises and shifting to relatively stable options during volatility.
- **Risk-return balance:** Unlike pure large cap funds, the mix of mid and small cap stocks can enhance growth potential. And unlike pure mid or small cap funds, the

presence of large cap funds can mitigate the impact of volatility on the portfolio.

- **Risk management:** The fund's flexibility allows it to reduce exposure to more volatile stocks when needed.

How to invest

You can invest in Bajaj Finserv Flexi Cap Fund through SIP (Systematic Investment Plan) or lumpsum, depending on your investment goals. You can invest directly through Bajaj Finserv AMC or through a registered mutual fund distributor or an aggregator.

The minimum investment amount for lumpsum is Rs. 500 and for SIP starting from Rs. 500 up to Rs. 1,000 with minimum 60 instalments and above Rs. 1,000 with minimum 6 instalments. You can take the help of tools such as a [compounding calculator](#) for planning and refining your investment approach.

To know more about the fund, visit www.bajajamc.com

Bajaj Finserv Flexi Cap Fund

An open ended equity scheme investing across large cap, mid cap, small cap stocks.

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

