

PRESENTING

SMALL CAP. GIANT

POTENTIAL.

BAJAJ FINSERV SMALL CAP FUND

An open ended equity scheme predominantly investing in small cap stocks

Give your investments the 3-in-1 advantage

Quality

Companies with distinct competitive advantages

Growth

Companies with high scalability potential

Value

Companies that present intrinsic value opportunities





MUTUAL
FUND

WHY INVEST IN SMALL CAPS NOW?

SMALL IN SIZE, NOT IN IMPACT

EVERYDAY LEADERS ACROSS
INDUSTRIES THAT ARE SMALL CAPS

Consumer durables
Capital goods
Consumer services
FMCG
Metals & Mining
Healthcare
BFSI
Construction materials
Power
Automobile and auto components

And many more..

PLEASE NOTE THAT THE REFERENCE TO ANY INDUSTRY/ SECTOR IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY. THIS SHOULD NOT BE CONSTRUED AS A RESEARCH REPORT OR A RECOMMENDATION TO BUY OR SELL ANY SECURITY OR SECTOR.



THE SLIDE IS FOR THE PURPOSE OF EXHIBITING SEGMENT LEADERS IN SMALL CAP COMPANIES AND THERE IS NO ASSURANCE OR GUARANTEE THAT THESE STOCKS WILL BE PART OF THE FUND'S PORTFOLIO.

CORRECTION IN PRICE, NOT IN QUALITY

FY25 SAW A CORRECTION IN SMALL CAPS, OFFERING AN OPPORTUNITY TO BUY QUALITY AT DISCOUNT.

CORRECTION FROM 52 WEEK HIGH	NUMBER OF SMALL CAP COMPANIES
0 to -15%	43
-15% to -30%	81
-30% to -45%	85
OVER -45%	41

Most are trading well **below 52-week highs**, making valuations compelling.

FY	TOTAL PAT	INDEX VALUE
FY 2024	21,669	5792.24
FY 2025	29,941	6039.25

₹ CRORE

The index rose just **4%** since FY24 while PAT grew **38%**, reflecting the **unrealized value** of small caps.

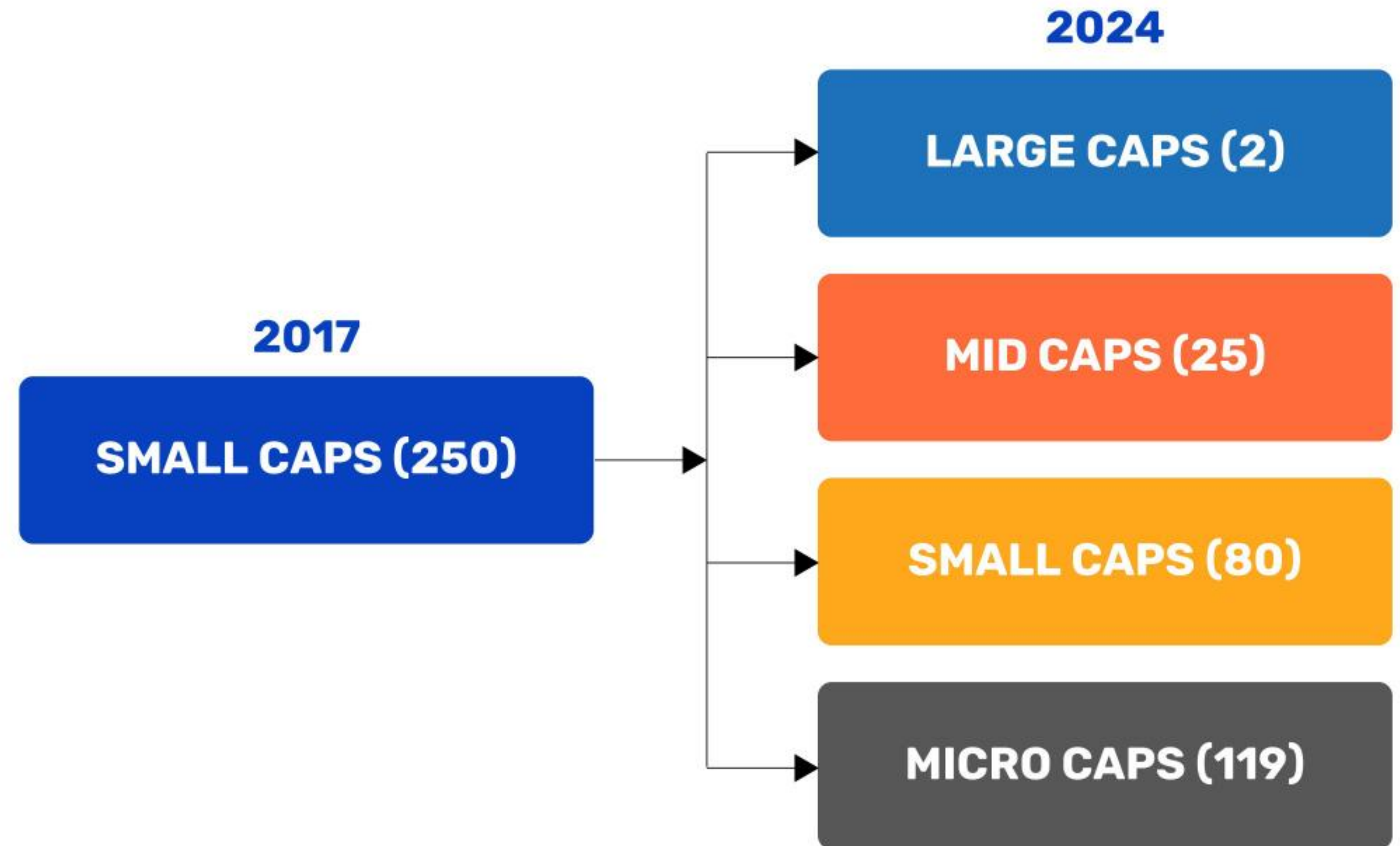
1 YEAR ROCE	% OF SMALL CAP COMPANIES
0 - 10%	21%
10%-20%	35%
20%-30%	23%
OVER 30%	16%

ROCE: RETURN ON CAPITAL EMPLOYED

74% of the top 250 small caps report ROCE above 10%, reflecting **strong fundamentals**.

NOT ALL SMALL CAPS GROW TO BECOME LARGE CAPS

Nearly 50% of the small cap companies from 2017 have slipped into micro cap territory. This highlights the importance of not just picking the right small caps, but also knowing what to avoid.



SOURCE: CATEGORY CLASSIFICATION AS PER AMFI EXCEPT FOR MICRO CAP | DATA AS ON DEC 31 2024.
MICRO CAPS ARE COMPANIES BEYOND THE TOP 500 LISTED COMPANIES BY MARKET CAP

INTRODUCING

BAJAJ FINSERV SMALL CAP FUND

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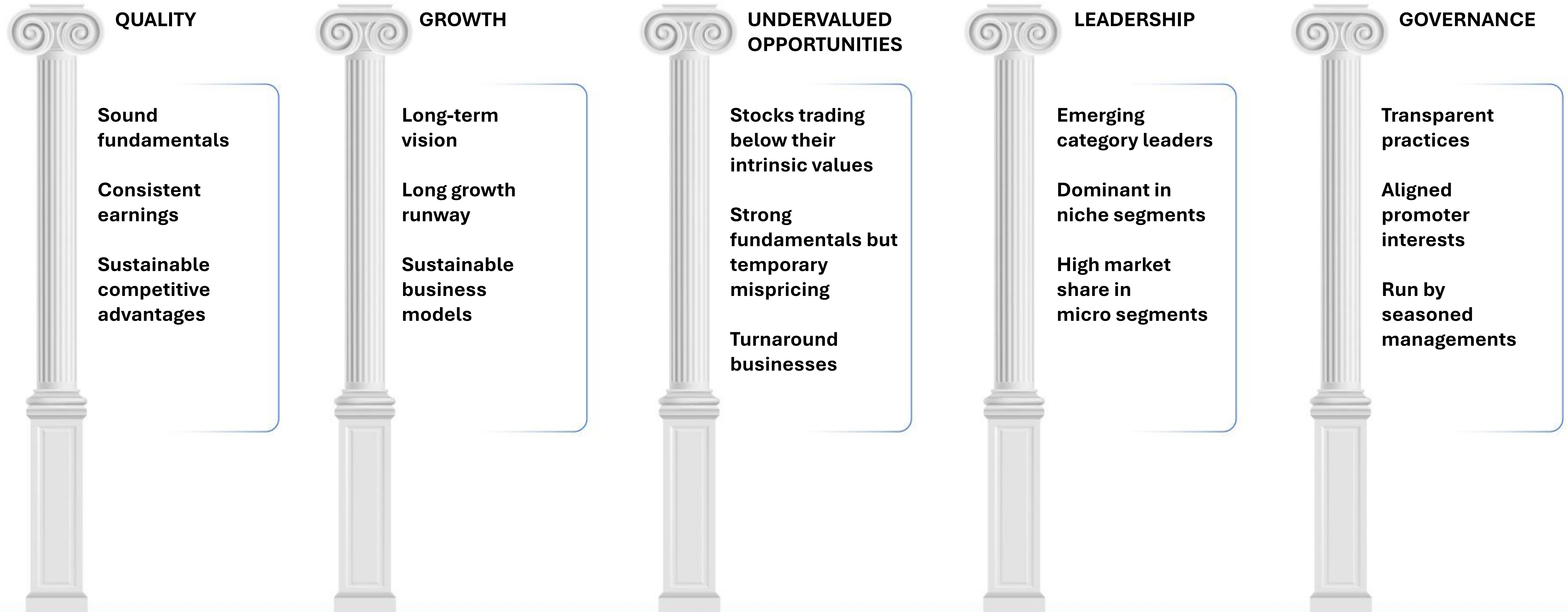
ONE PORTFOLIO - THREE STRENGTHS

QUALITY

GROWTH

VALUE

5 PILLARS OF OUR APPROACH



RISK-PRUDENT, NOT RISK-AVERSE

Fund's approach to mitigating risks and unlocking growth in small caps

RISK	HOW IT AFFECTS INVESTORS	FUND'S RISK MITIGATION APPROACH
Information Gaps	<u>Low analyst coverage</u>, limited disclosures, poor transparency	In-depth internal research, management interaction, and forensic checks
Governance Concerns	<u>Promoter dominance</u>, related-party transactions, ethical lapses	Strict governance filters, <u>promoter background checks</u>
Capital Misallocation	<u>Reckless expansion</u>, unrelated diversification, poor ROE projects	Emphasis on capital efficiency and strong <u>ROCE/ROE track record</u>
High Leverage	Excessive debt makes companies vulnerable in downturns	Prefer companies with <u>healthy balance sheet</u> and interest coverage ratios
Business Concentration	Over-dependence on a single product, client, or geography of the business	Screen for <u>robust revenue models</u> and de-risk by diversified growth

ROCE: RETURN ON CAPITAL EMPLOYED | ROE: RETURN ON EQUITY

THE INVESTMENT PHILOSOPHY THAT GENERATES LONG-TERM OUTPERFORMANCE - INQUBE

While most investors focus on what to invest in, we focus on how to invest more effectively. To achieve this, we've identified three key sources of alpha with a holistic approach that blends fundamental analysis, quantitative modeling, and behavioural insights.

INQUBE



Collecting superior
data and
information

INFORMATION EDGE



Smarter data
processing to build
efficient models.

QUANTITATIVE EDGE



Making investment decisions by
understanding market sentiment
while mitigating biases

BEHAVIOURAL EDGE

EQUITY INVESTMENT PROCESS

1

IDENTIFYING

IDENTIFYING CYCLES AND MEGATRENDS

- Macros
 - Cycles
 - Themes
 - Trends
 - Market indicators
- TOP DOWN
- Screener
 - Corporate meetings
 - In-house research
 - External analysts/Consultants
- BOTTOM UP

2

ANALYSING

INVESTMENT CHECKLIST

- Business
- Management
- Valuation

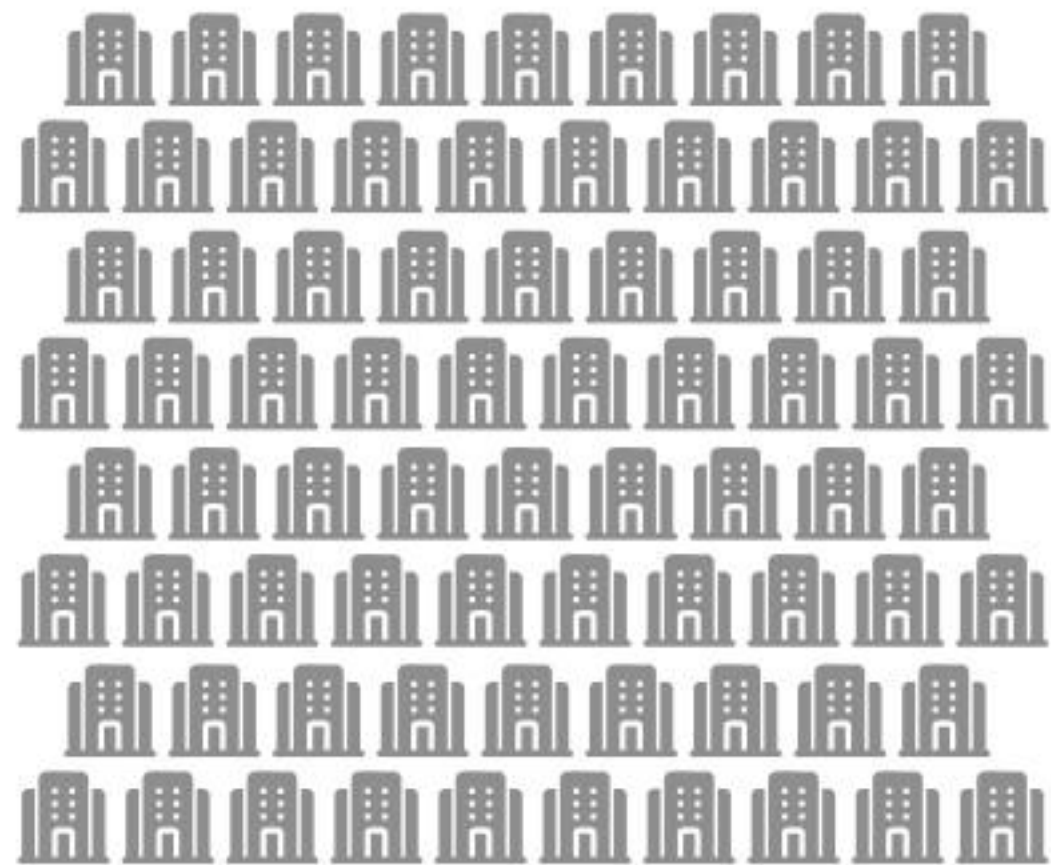
3

ALLOCATION

- Regulatory requirements
- Internal risk management limits
- Investment mandate
- Investment recording
- Position sizing

PORTFOLIO CREATION PROCESS

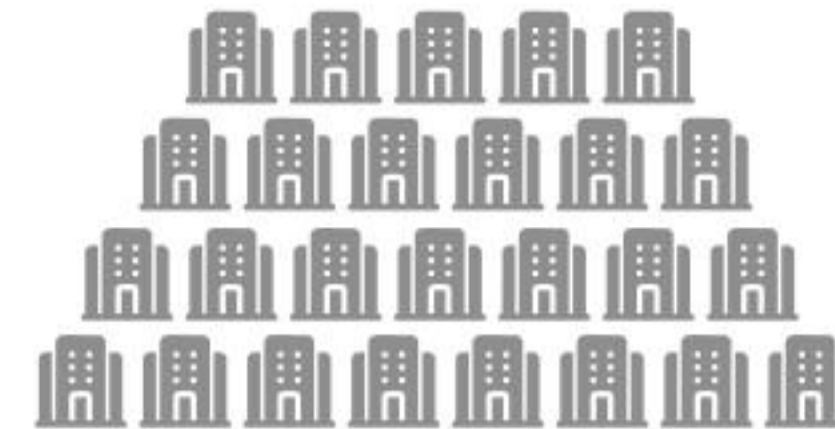
UNIVERSE
1150 STOCKS



SMALL CAP
900 STOCKS



TOTAL COVERAGE
300-400 STOCKS



PORTFOLIO
45-100 STOCKS



EQUITY INVESTMENT PROCESS

POST-INVESTMENT REVIEW



MONITOR INVESTMENT PERFORMANCE

- Track the performance of investments over time
- Regularly evaluate business performance and market trends
- Monitor key financial and non-financial metrics

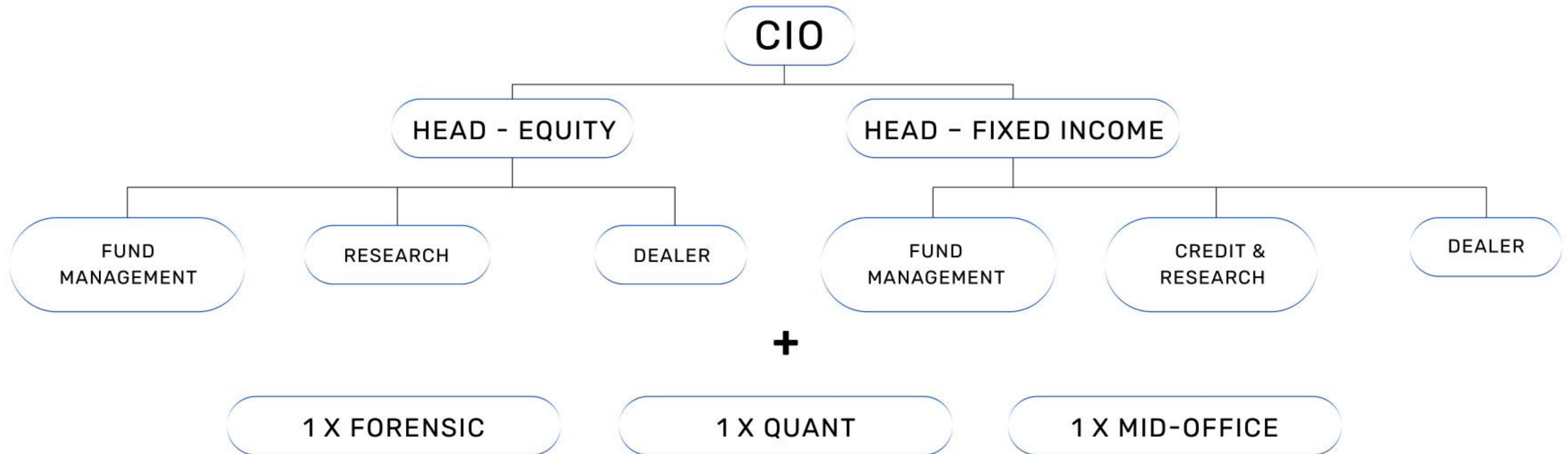


RE-EVALUATE EXIT STRATEGY

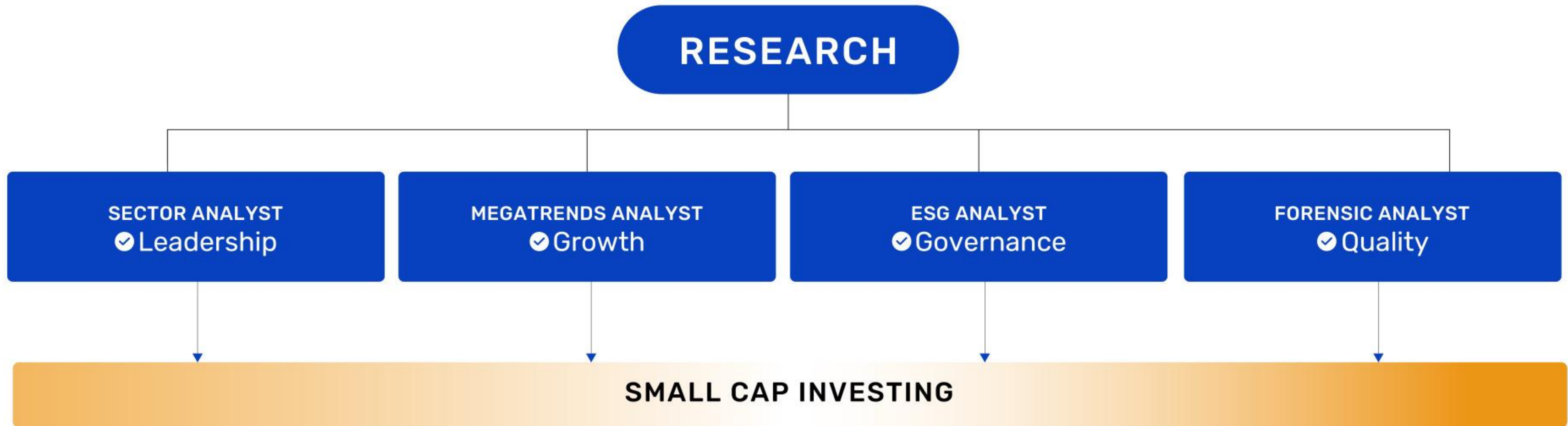
- Determine exit points based on evolving market conditions to generate alpha
- Adjust strategies based on updated information

SEASONED TEAM WITH MULTI-DOMAIN EXPERTISE

27-MEMBER TEAM WITH A COMBINED EXPERIENCE OF 267 YEARS. 19 MBAS, 6 CFAS, 3 CAS, 1 MA (ECO)



SEASONED TEAM WITH MULTI-DOMAIN EXPERTISE



ENSURING QUALITY IN SMALL CAP INVESTING

Forensic Research Process



STEPS	FOCUS AREA	KEY CHECKS/INDICATORS
Initial Screening	Forensic risk model, red flag triggers	<ul style="list-style-type: none"> Unusual profit growth, auditor changes, high pledging, sudden equity dilution
Accounting Quality	Earnings credibility & revenue recognition	<ul style="list-style-type: none"> Cash flow vs. profit mismatch, aggressive revenue booking, capex vs. asset productivity
Cash Flow & Balance Sheet	Earnings credibility & revenue recognition	<ul style="list-style-type: none"> CFO vs. PAT, rising receivables/inventory, high leverage, poor interest coverage
Promoter & Governance	Promoter intent, board practices, historical conduct	<ul style="list-style-type: none"> Promoter pledging, litigation history, related-party transactions, board independence – independent directors, board autonomy ensuring proper checks and balances
Auditor & Disclosure Check	Auditor quality, reporting transparency	<ul style="list-style-type: none"> Frequent auditor change, qualified audit opinions, delayed financials, inadequate disclosures
Red Flag Mapping & Scoring	Risk assessment & investment decision support	<ul style="list-style-type: none"> Forensic scorecard, watchlist maintenance

WHO IS THIS FUND FOR?

INVESTORS WHO:

Want to invest in fundamentally strong businesses in the small cap space trading below intrinsic value.

Prefer quality small cap businesses with robust governance and long-term sustainability.

Want to diversify their portfolio adding small caps with high growth potential.

Are looking to build wealth by capturing small cap growth over time.

PORTFOLIO



Stock	Market Value as % of Net Asset (Eq)
Rubicon Research Limited	3.37%
Timken India Limited	3.27%
Schaeffler India Limited	3.13%
Navin Fluorine International Limited	3.10%
Angel One Limited	2.98%
The Federal Bank Limited	2.96%
S.J.S. Enterprises Limited	2.84%
Welspun Corp Limited	2.69%
Neuland Laboratories Limited	2.66%
TD Power Systems Limited	2.33%
HEG Limited	2.19%
Schneider Electric Infrastructure Limited	2.18%
Ingersoll Rand (India) Limited	2.05%
Whirlpool of India Limited	1.89%
Sobha Limited	1.89%
K.P.R. Mill Limited	1.87%
Amber Enterprises India Limited	1.74%
Ujjivan Small Finance Bank Limited	1.73%
PVR INOX Limited	1.71%
Manappuram Finance Limited	1.67%
Thangamayil Jewellery Limited	1.67%
KNR Constructions Limited	1.62%
Aditya Birla Real Estate Limited	1.51%
Devyani International Limited	1.49%
Zyduz Wellness Limited	1.43%
Steel Authority of India Limited	1.43%
Piramal Pharma Limited	1.37%
RHI Magnesita India Limited	1.35%

Stock	Market Value as % of Net Asset (Eq)
Sanofi Consumer Healthcare India Limited	1.33%
Brigade Enterprises Limited	1.30%
Clean Max Enviro Energy Solutions Limited	1.24%
Kalpataru Projects International Limited	1.23%
Tega Industries Limited	1.21%
VA Tech Wabag Limited	1.20%
Safari Industries (India) Limited	1.17%
RBL Bank Limited	1.16%
ACC Limited	1.12%
Elecon Engineering Company Limited	1.12%
Ahluwalia Contracts (India) Limited	1.09%
Voltamp Transformers Limited	1.02%
Vardhman Textiles Limited	0.92%
Apar Industries Limited	0.90%
KSB Limited	0.90%
Prudent Corporate Advisory Services Limited	0.87%
ZF Commercial Vehicle Control Systems India Limited	0.86%
Niva Bupa Health Insurance Company Limited	0.85%
Time Technoplast Limited	0.82%
Century Plyboards (India) Limited	0.80%
V-Mart Retail Limited	0.79%
Aditya Infotech Limited	0.77%
Kajaria Ceramics Limited	0.76%
Metro Brands Limited	0.76%
Nitin Spinners Limited	0.74%
JK Lakshmi Cement Limited	0.74%
Dalmia Bharat Limited	0.73%
CreditAccess Grameen Limited	0.72%

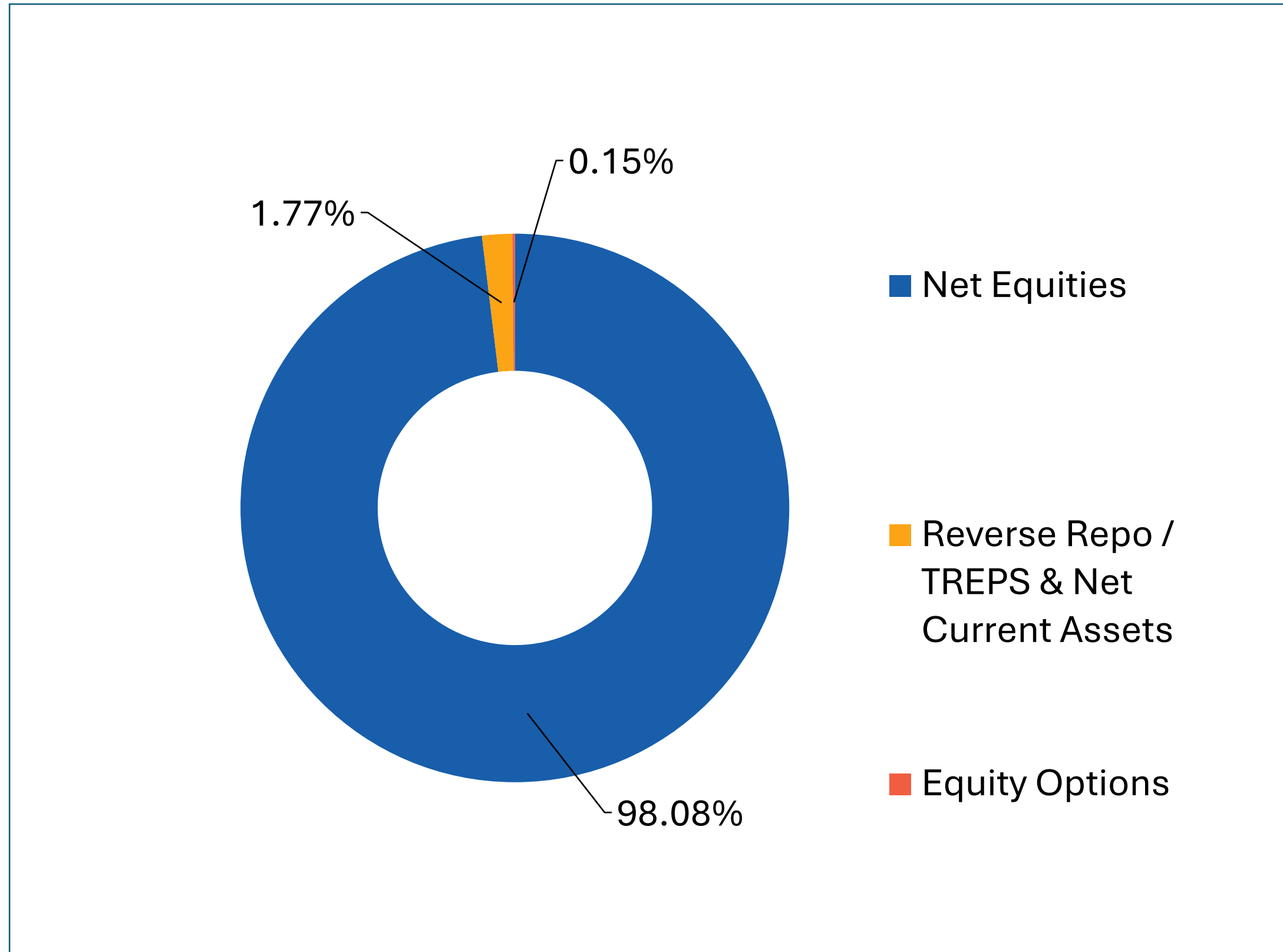
Stock	Market Value as % of Net Asset (Eq)
Awfis Space Solutions Limited	0.71%
Dixon Technologies (India) Limited	0.71%
Nesco Limited	0.70%
Sona BLW Precision Forgings Limited	0.70%
Orient Electric Limited	0.65%
Urban Company Ltd.	0.65%
The Ramco Cements Limited	0.64%
EPL Limited	0.54%
La Opala RG Limited	0.52%
Neogen Chemicals Limited	0.51%
Syrma SGS Technology Limited	0.50%
Arvind Fashions Limited	0.48%
Garware Technical Fibres Limited	0.48%
Senores Pharmaceuticals Limited	0.47%
Page Industries Limited	0.46%
JSW Holdings Limited	0.43%
AIA Engineering Limited	0.30%
Ather Energy Limited	0.29%
Go Digit General Insurance Limited	0.28%
Black Buck Ltd	0.26%
Westlife Foodworld Limited	0.24%
Gabriel India Limited	0.17%
Vedant Fashions Limited	0.15%
Equity	98.08%
NIFTY	0.15%
Equity Options	0.15%
Reverse Repo / TREPS	0.97%
Cash & Cash Equivalent	0.80%
Grand Total	100.00%

Data as on 30th April 2026

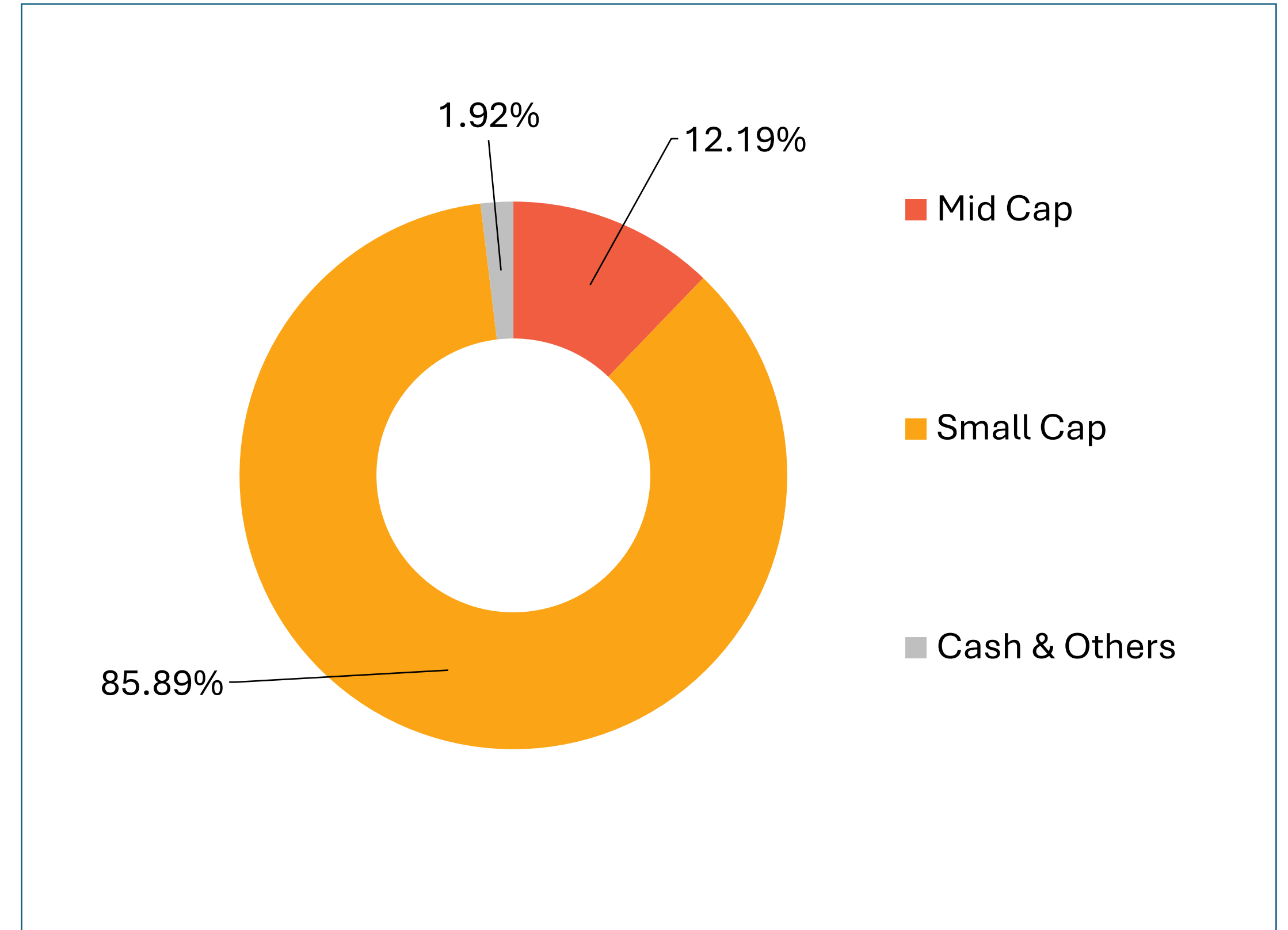
Portfolio Allocation



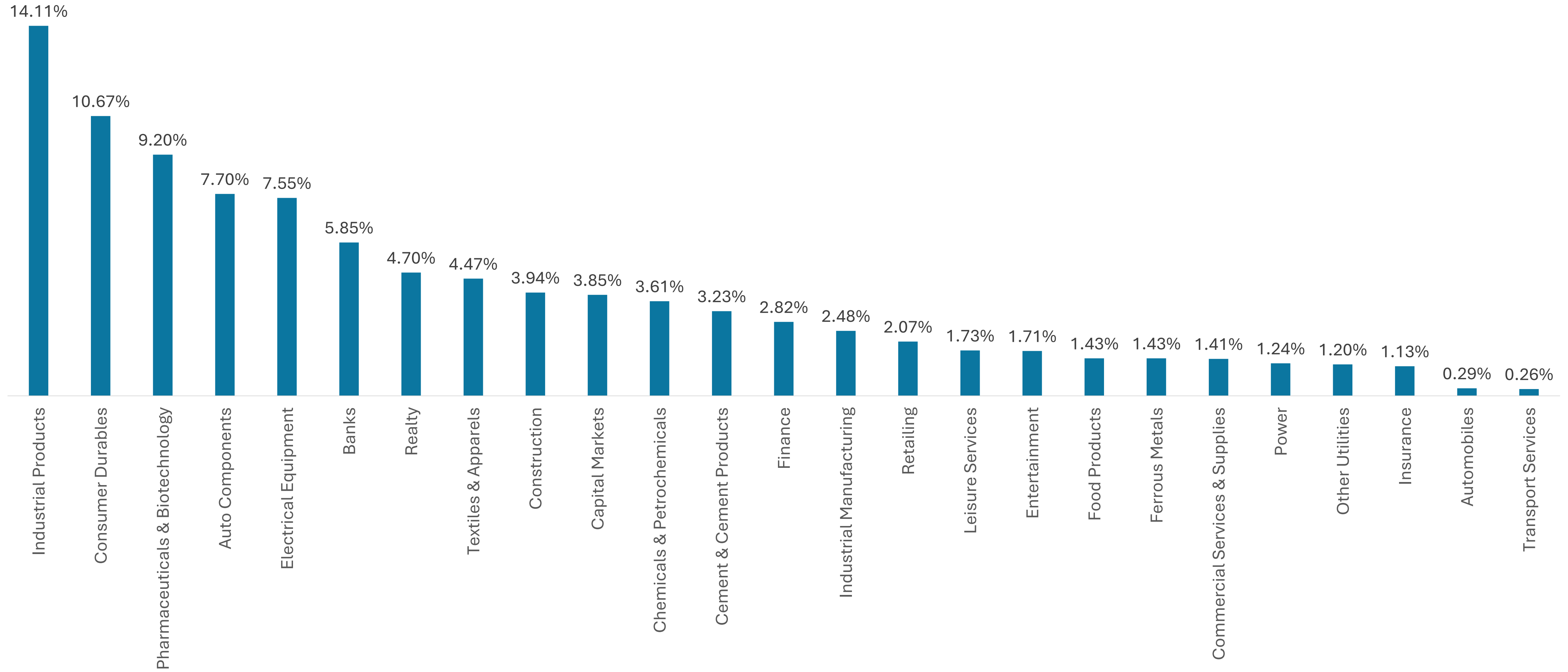
Asset Allocation



Market Cap Breakup



Sector Allocation



Scheme Features



Scheme Type	An open-ended equity scheme investing predominantly in small caps
Plans	Regular Direct
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	Not Applicable
Exit Load	If units are redeemed switched out : Within 6 months from the date of allotment- if 10% of units held- Nil ,if rest 90% are held then 1% of the applicable NAV More than 6 months from the date of allotment – Nil
Fund Manager	Equity portion – Mr. Nimesh Chandan & Mr. Sorbh Gupta Debt Portion: Mr. Siddharth Chaudhary
Benchmark Index	BSE 250 Small cap TRI
SIP/ SWP/ STP	Available
NAV in Rs.	Regular: 9.9450 Direct: 10.0680
AUM in Rs Cr.	1,905.51 cr.
BER*	Regular: 1.77% Direct: 0.52%

*To know about Total Expense Ratio (TER), please visit <https://www.bajajamc.com/downloads?ter=>

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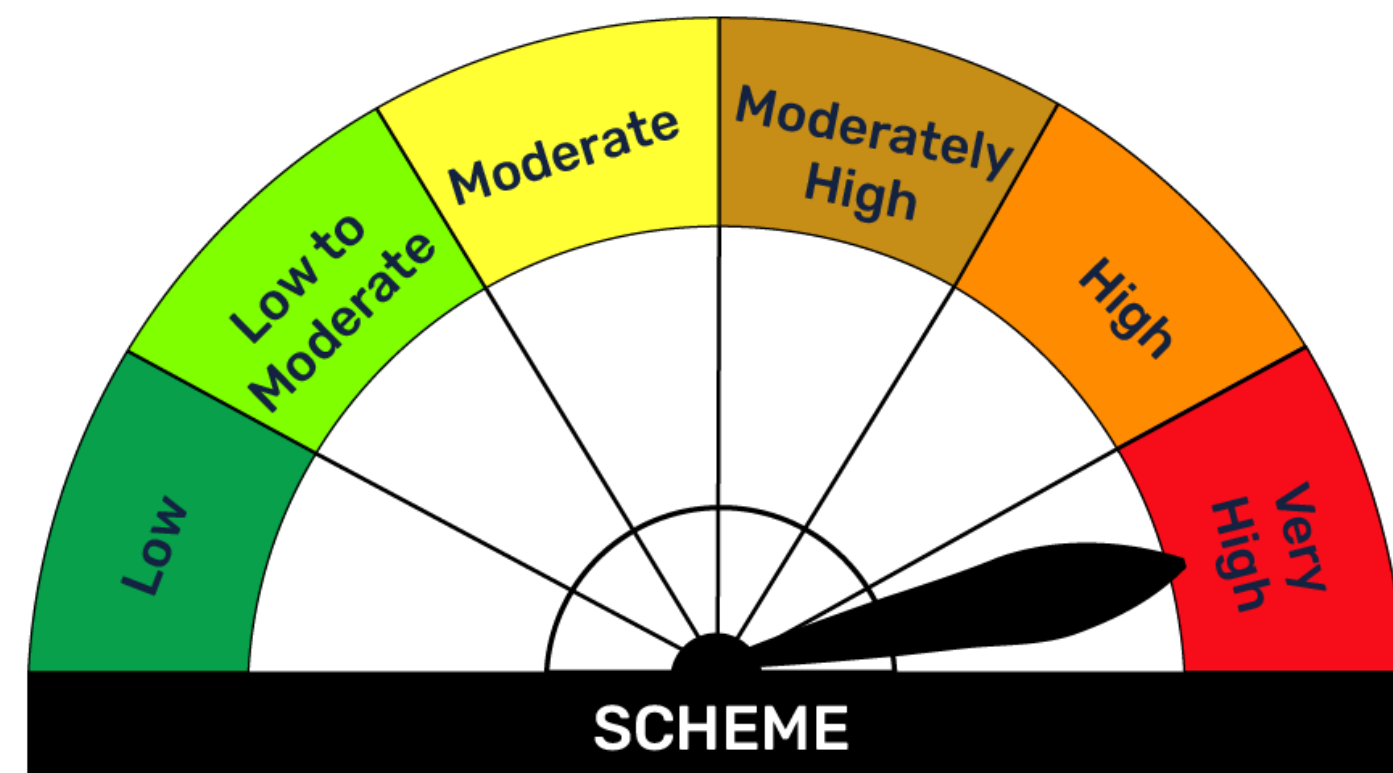
Product label

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.

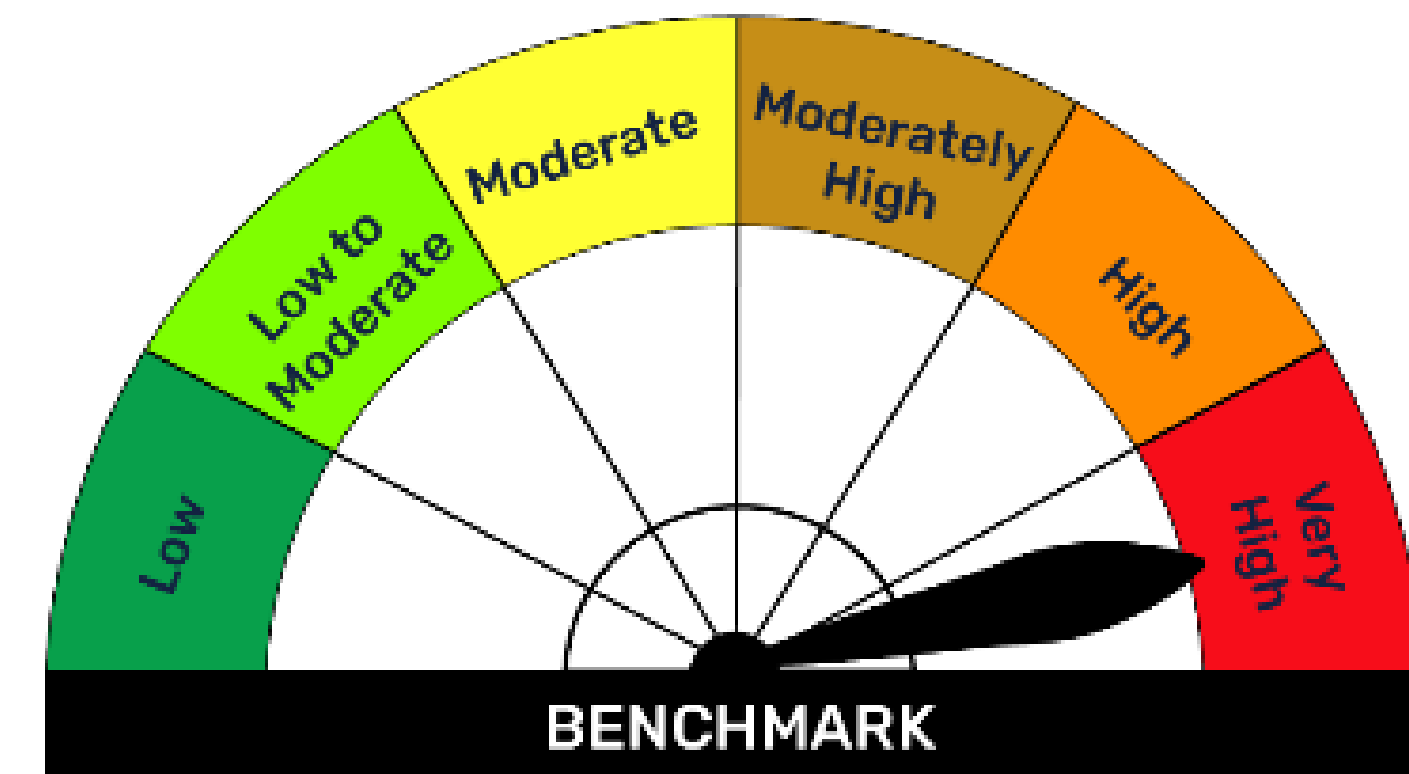
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

SCHEME



RISKOMETER

BENCHMARK



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MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.