

# How to choose a flexi cap fund suitable for you in 2025

Category: Business

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For investors looking to participate in the potential growth of companies across the large, mid and small cap markets, a flexi cap fund may be a potentially suitable option. Unlike category-specific funds, a flexi cap fund offers fund managers flexibility to allocate investments based on market conditions and potential opportunities. Flexi cap funds may provide investors with exposure to relative stability from large caps as well as potential growth from mid and small cap sectors.



## **Investors may consider the Bajaj Finserv Flexi Cap Fund with a MEGATRENDS strategy**

Before you choose a flexi cap fund to invest in 2025, let's look at a few factors that may assist you in making an informed decision.

### **Factors to consider before selecting a flexi cap fund**

- 1. Portfolio allocation** – While large cap companies might provide relative stability, small and large cap companies may often carry risk while potentially delivering higher potential growth. Hence, reviewing a fund's portfolio structure over time may help you understand its positioning.
- 2. Investment philosophy** – Another factor to consider is the fund's investment theme. Some funds focus on cyclical opportunities, while others pay attention to long-term trends. Understanding a fund's approach may help you decide whether it matches your perspective on growth.
- 3. Fund turnover** – The expense ratio and turnover of a fund influence its net potential returns. Lower turnovers may be indicative of a long-term focus with reduced transaction costs.
- 4. Risk analysis** – When evaluating a fund, it may help to look at both its historical performance and how it has adapted to changing market conditions to gauge how risky the investment might be.
- 5. Investment horizon** – Lastly, considering your own investment horizon may also help in making an investment decision. Flexi cap funds might be more suitable for long-term investors with a horizon of five years or more.

Past performance may or may not be sustained in future.

To get a sense of how wealth may potentially compound over time, you may experiment with a [compound interest calculator](#).

The calculator is an aid, not a prediction tool. It may provide only an indicative picture.

### **Bajaj Finserv Flexi Cap Fund: Two years of progress**

When talking about flexi cap funds present in the market, we may consider Bajaj Finserv Flexi Cap Fund launched in August 2023. The [Bajaj Finserv Flexi Cap Fund](#) has recently marked its second anniversary by crossing Rs. 5,410.04 crore in Assets Under Management (AUM) as of August 31, 2025. Since inception, it has delivered a Compound Annual Growth Rate (CAGR) of 19.19%\* under the regular plan and 20.91%\* under the direct plan.

Source: Internal Data As On 29th August 2025 (Since Inception Annualised Return). \*Past performance may or may not be sustained in future.

### **The megatrend advantage**

Bajaj Finserv Flexi Cap Fund follows a megatrend philosophy. Megatrends are long-term structural shifts that shape economies, businesses, and societies for years to come. They go beyond short-term market movements and tend to often drive fundamental changes in how industries operate and potentially grow.

The fund invests with a long-term view, aligning with structural shifts in technology, regulation, demographics, environment, and society.

The Bajaj Finserv Flexi Cap Fund aligns with these megatrends through its T.R.E.N.D.S framework:

- **Technology:** Digitisation, automation, and technology-led

transformations are reshaping how businesses deliver products and services. Companies adapting to these changes may discover new, potential growth opportunities.

- **Regulatory:** Policy shifts such as the push for domestic manufacturing and government-led reforms are creating conditions that may support potential growth in multiple sectors of the economy.
- **Economic:** India's growing financial participation, rising consumption, and infrastructure expansion are structural drivers that may influence long-term business potential.
- **Nature:** Sustainability, clean energy, and environmentally conscious practices are gaining importance. Businesses aligning with green priorities may be positioned differently in the evolving marketplace.
- **Demographic:** With a young population, rising income levels, and changing rural-urban dynamics, India's demographics are shaping fresh demand patterns across industries.
- **Social:** Trends such as health and wellness awareness, rapid urbanisation, and shifting consumer lifestyles are influencing the way people consume goods and services.

By tracking T.R.E.N.D.S, the fund seeks to identify sectors and businesses that reflect these long-term transformations. Combined with the flexibility to invest across large, mid, and small cap companies, this approach may help build a diversified portfolio aligned with India's evolving growth story.

## **Investor participation and fund performance**

With more than 2,52,000 folios as of August 31, 2025, the fund has seen newer inflows. It is benchmarked against the BSE 500 TRI, and its active management approach results in a portfolio that differs from the benchmark through selective stock picking.

### **Key characteristics**

- **Market exposure:** The Bajaj Finserv Flexi Cap Fund combines relative stability of large caps with growth potential of mid and small caps.
- **Longer outlook:** The fund's investment strategy focuses on potentially maintaining a relatively low turnover ratio.
- **Management style:** The fund is managed actively due to its distinctive portfolio compared to its benchmark.

### **Who may consider this fund**

Risk-tolerant individuals with a long-term (5-10 year) horizon looking for diversification across market caps may find Bajaj Finserv Flexi Cap Fund suitable as an investment option. Investors who wish to align their investments with the potential growth of megatrends as well as add flexibility to their portfolio may also consider the fund as a potential investment choice.

Investors preferring a disciplined approach may also consider investing via a Systematic Investment Plan (SIP) to gradually participate in equity markets while potentially mitigating the impact of short-term market fluctuations.

### **Conclusion**

A flexi cap fund that offers both diversification and flexibility across market caps may be a suitable investment option for investors. By reviewing factors such as portfolio

allocation, philosophy, costs, and risk, you may be able to align your choice with your financial goals. Investors looking to invest in such a fund may consider The Bajaj Finserv Flexi Cap Fund.

\*Source: Internal Data As on 29th August 2025 (Since Inception Annualized Return). Past performance may or may not be sustained in future.

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

