Three Years Strong: Bajaj Finserv Flexi Cap Fund Records 18.21% CAGR Since Inception Under Direct-Growth Plan

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Some meaningful investment opportunities begin with changes whose impact extends across sectors and company sizes. These long-duration structural shifts, called megatrends, can reshape how India consumes, saves, builds and does business, creating possibilities across established leaders, emerging challengers and specialised companies.

Since inception, the fund has outperformed its benchmark, BSE 500 TRI, by 3.85 percentage points under the Regular Plan and 5.47 percentage points under the Direct Plan

[Bajaj Finserv Flexi Cap Fund](#) follows a megatrend investing strategy, pairing this long-term lens with the freedom to invest across large cap, mid cap and small cap companies subject to minimum 65% investment in equity and equity-related instruments. The flagship fund of Bajaj Asset Management Limited (formerly known as Bajaj Finserv Asset Management Limited) completed three years since inception on 14 August 2026.

In its journey, the fund has regularly outperformed the benchmark. Since inception, the Regular Growth plan delivered 16.59% annualised returns and the Direct Growth plan delivered 18.21%, compared with 12.74% for its benchmark, BSE 500 TRI. Over the last year, the respective returns were 9.85% and 11.26%, against the benchmark’s 4.93%*.

The milestone marks three years of following structural change across sectors and company sizes.

***Source:** Internal Analysis, MFI360 and Bloomberg. Data as of August 13, 2026. Past performance may or may not be sustained in future.

What is a megatrend?

A megatrend is a deep and lasting change in how an economy or society works. It usually unfolds over many years, cuts across industries and can alter how businesses compete and how people live, work and consume. A trend may dominate headlines for a few quarters; a megatrend can reshape an economy for years.

For instance, digitisation has changed banking, shopping, entertainment, logistics and healthcare. Rising incomes and urbanisation can influence financial services, housing, travel and discretionary consumption. Manufacturing policies, cleaner energy and infrastructure development can open opportunities across industrial businesses and their supply chains.

These forces often reinforce one another. Electric mobility, for example, sits at the meeting point of technology, regulation, environmental priorities and consumer behaviour. Its effects can extend from vehicle makers to component suppliers and charging networks. Digital payments offer another example: smartphone adoption, affordable data, payment infrastructure and changing consumer habits have together altered how transactions are made.

Megatrend investing is therefore not one narrow sector call. It can cut across industries, markets and even geographies.

Six lenses for a changing economy

Bajaj Finserv Flexi Cap Fund studies megatrends through its T.R.E.N.D.S. framework: Technological, Regulatory, Economic, Nature, Demographic and Social.

Each lens captures a different source of long-term change:

- **Technological:** Advances such as digitisation, automation and artificial intelligence can change how industries operate and deliver products or services.
- **Regulatory:** Policy and regulatory shifts, including manufacturing and infrastructure initiatives, can reshape industries or create new markets.
- **Economic:** Structural changes such as financialisation, rising consumption and infrastructure expansion can influence long-term business growth.
- **Nature:** Environmental priorities such as sustainability, clean energy and cleaner mobility are gaining momentum, and businesses responding to them may be aligned for future growth.
- **Demographic:** A large working-age population, rising incomes and urbanisation are supporting consumption and economic growth.
- **Social:** Evolving lifestyles and consumer behaviour, including urbanisation and the growing focus on health and wellness, are creating new patterns of demand across industries.

The portfolio process

Identifying a megatrend is the starting point. The next step is to determine whether that long-term change can translate into a viable opportunity at the company level. For fund managers, a company needs to meet the following parameters to be considered for the portfolio:

- It should be a beneficiary of the trend
- It should offer a monetizable opportunity
- It should have strong fundamentals
- It should be trading at favourable valuations

The investment process begins with a universe of roughly 1,100 stocks. Applying the megatrends lens narrows this to around 340 to 380 companies whose businesses may be positioned to participate in one or more of the structural shifts identified through the T.R.E.N.D.S. framework.

Top-down research examines how these shifts may affect economies, industries and value chains. Bottom-up analysis then assesses individual companies. The process also incorporates the AMC’s INQUBE philosophy, combining informational, quantitative and behavioural insights in investment decisions. From the screened universe, a portfolio of approximately 40 to 60* holdings may be constructed.

**The number of stocks mentioned is tentative and for understanding purposes only; the final portfolio may hold more or fewer names depending on prevailing market conditions. Source: Internal Analysis. The data provided in the communication is based on latest available information and is subject to change in future. The AMC is not responsible for any decision taken based on the data disclosed in the communication.*

Flexible approach

A megatrend does not arrive labelled large cap, mid cap or small cap. A large company may have the resources to scale a new market. A mid-sized business may gain share as an industry expands. A smaller company may own a specialised capability within a developing value chain.

A flexi cap mandate lets the fund manager follow opportunities without maintaining a fixed allocation across market-cap segments subject to minimum 65% investment in equity and equity related instruments. As of July 31, 2026, Bajaj Finserv Flexi Cap Fund held 44.17% in large cap companies, 23.02% in mid cap companies and 29.33% in small cap companies. The allocation reflects the opportunities identified through the investment process rather than a pre-set balance among the three market-cap segments.

The portfolio’s strategic choices extend beyond market cap allocation. Its active share against the BSE 500 TRI stood at 70% as of July 31, 2026. Active share measures how far a portfolio’s holdings and weights differ from its benchmark, offering an indication of how distinctly it is positioned.

Source: Internal Analysis | Active share is calculated vis-a-vis scheme benchmark i.e. BSE 500 TRI | Data as on July 31, 2026.

Conclusion

At three, Bajaj Finserv Flexi Cap Fund has established a distinct investment identity: megatrends provide the direction, while flexi cap investing provides the freedom to pursue their beneficiaries across company sizes and sectors.

For investors with a long horizon and the ability to accept equity market fluctuations, the fund brings several engines of structural change into one portfolio. Structural changes can advance unevenly, and the companies positioned to benefit from them can change over time. The fund’s flexi cap mandate allows the portfolio to adjust as those opportunity sets evolve.

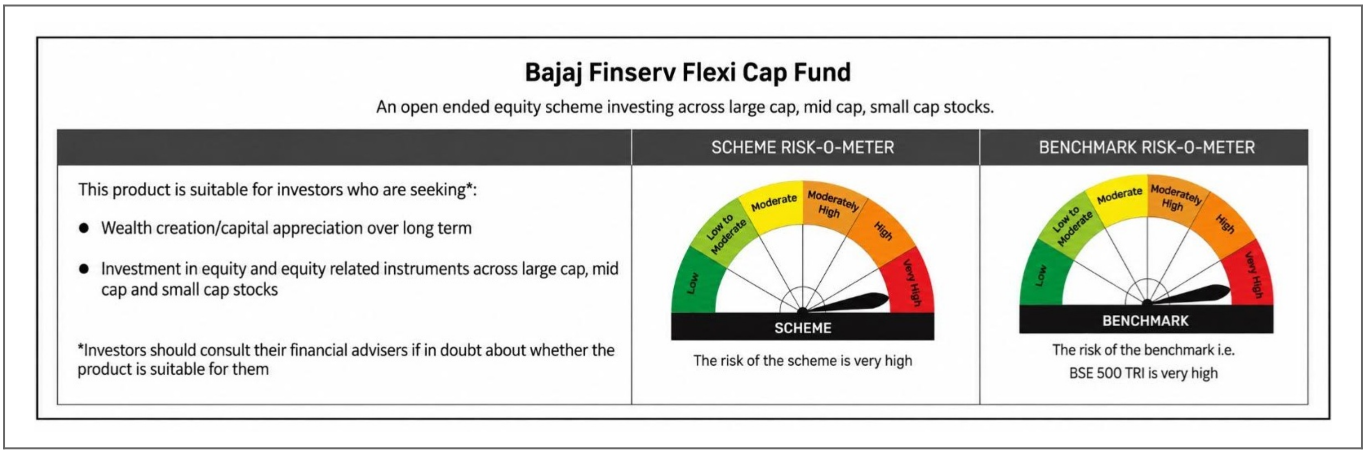
Investors can invest in Bajaj Finserv Flexi Cap Fund through a lump-sum investment or a Systematic Investment Plan (SIP). After completing the applicable KYC requirements and carefully reviewing the scheme-related documents, investors may invest through the official website of Bajaj Asset Management Limited, an authorised mutual fund distributor or an eligible third-party investment platform or app. Investors should consider their investment objectives, time horizon and risk appetite before investing.

Past performance may or may not be sustained in future.

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

SCHEME DETAILS	
Type of scheme	An open ended equity scheme investing across large cap, mid cap, small cap stocks
Plans	Bajaj Finserv Flexi Cap Fund – Regular PlanBajaj Finserv Flexi Cap Fund – Direct Plan
Option	Growth and Income Distribution cum Capital Withdrawal (IDCW)
Minimum application amount	Rs 500 (plus multiples of Rs 1)
Minimum additional application	Rs 100 (plus multiples of Rs 1)
Entry load	Nil
Exit load	For each purchase of units through Lumpsum/switch-in/Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP), exit load will be as follows:If units are redeemed/switched out within 6 months from the date of allotment:if upto 10% of units allotted are redeemed/switched out – Nilany 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 500 TRI
SIP/SWP/STP	Available



Bajaj Finserv Flexi Cap Fund

BAJAJ FINSERV FLEXI CAP FUND				Value of Investment of Rs.10,000		
Period	**Fund Returns (%)**	**Benchmark Returns (%)**	**Additional Benchmark Returns (%)**	**Fund (Rs)**	**Benchmark (Rs)**	**Additional Benchmark (Rs)**
Bajaj Finserv Flexi Cap Fund – Regular – Growth						
Last 1 Year	9.85	4.93	0.13	10,985	10,493	10,013
Since Inception	16.59	12.74	9.15	15,843	14,325	13,003
Bajaj Finserv Flexi Cap Fund – Direct – Growth						
Last 1 Year	11.26	4.93	0.13	11,126	10,493	10,013
Since Inception	18.21	12.74	9.15	16,513	14,325	13,003

For the performance of other schemes managed by the Fund Managers which have completed 1 year or more than 1 year since inception, please visit https://www.bajajamc.com/downloads?factsheet and download the latest Factsheet or click here.