

# BAJAJ FINSERV FLEXI CAP FUND

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

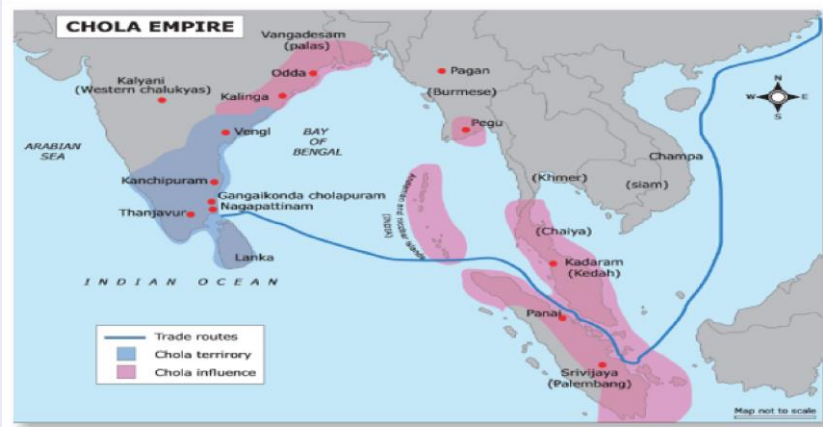
**FUTURE-READY INVESTMENT: MEGATRENDS STRATEGY**

July 2024



# Megatrends – Historical Perspective

# CHOLA DYNASTY: PIONEERING THE ART OF NAVY BUILDING



Empire and Influence

## Naval Expansion and Modernization

Prominent Chola king develops a powerful navy in the 10th century.

## South East Asian Conquest

Cholas used their strong navy to expand their influence in Southeast Asia.

## Historical Legacy

The Chola Dynasty's naval achievements in East Asia shaped the region's history and set a precedent for future maritime power.



Organized Navy In India

# 12TH CENTURY EUROPE: NAVY FOR TERRITORIAL EXPANSION



English Naval Fleet

## Lost Focus

Most invasions in the next 500-600 years took place via the land route through the Northwest of the Indian subcontinent.

## Skill Loss

The skill of shipbuilding was lost, and many Indian kingdoms lacked a navy.

## Strategic Advantage Shifts

European countries recognized the strategic advantages of having a strong naval fleet.

## Opportunity Moves Ashore

European countries expanded their trade and military influences through colonization, enabling them to extend their control over various regions.



Portuguese Fleet



# MARATHAS: IDENTIFYING A MEGATREND - SHIP BUILDING



Sindhudurg Fort and Naval Fortifications

## Naval Expansion and Modernization

The Marathas, with their vision of maritime dominance, initiated the construction of a strong naval fleet.

## Naval Warfare Expertise

Marathas honed their naval warfare skills and employed tactics to counter the Portuguese naval prowess.

## Containing the Portuguese

Naval force played a crucial role in restricting Portuguese control and expansion of economic growth.



Maratha Naval Tactics

# Megatrends: Business Perspective

# SUCCESS IS CONFLUENCE OF PREPAREDNESS + MEGATRENDS



**Easy Access**  
Improved Internet  
Broadband Connectivity.

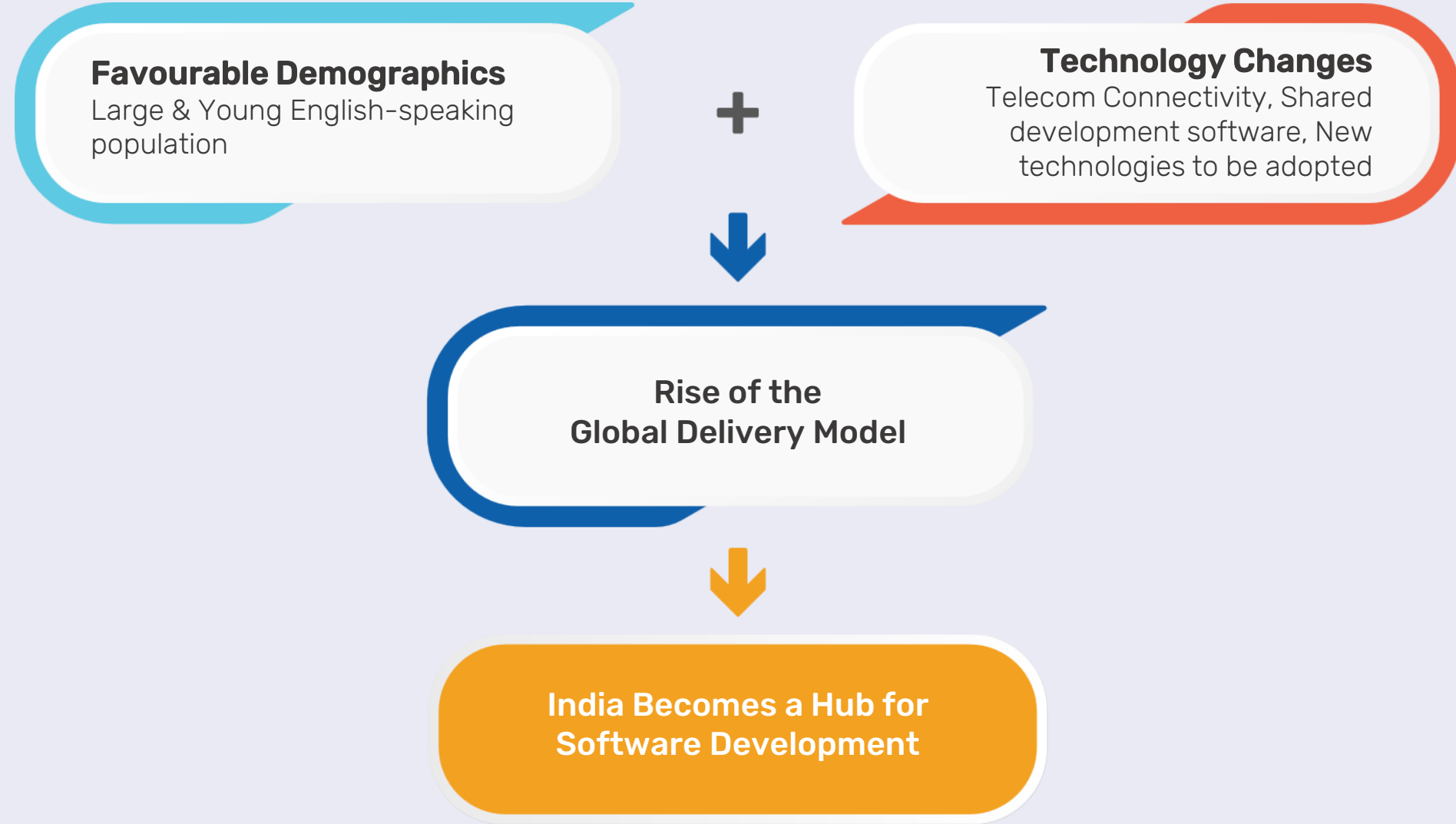


**Social Media  
Integration**  
Seamless sharing fueled viral  
videos and audience growth.

**YouTube's success can be attributed to seizing opportunities at the right time by embracing advancements in hardware, software, telecom, and shifting generational preferences.**

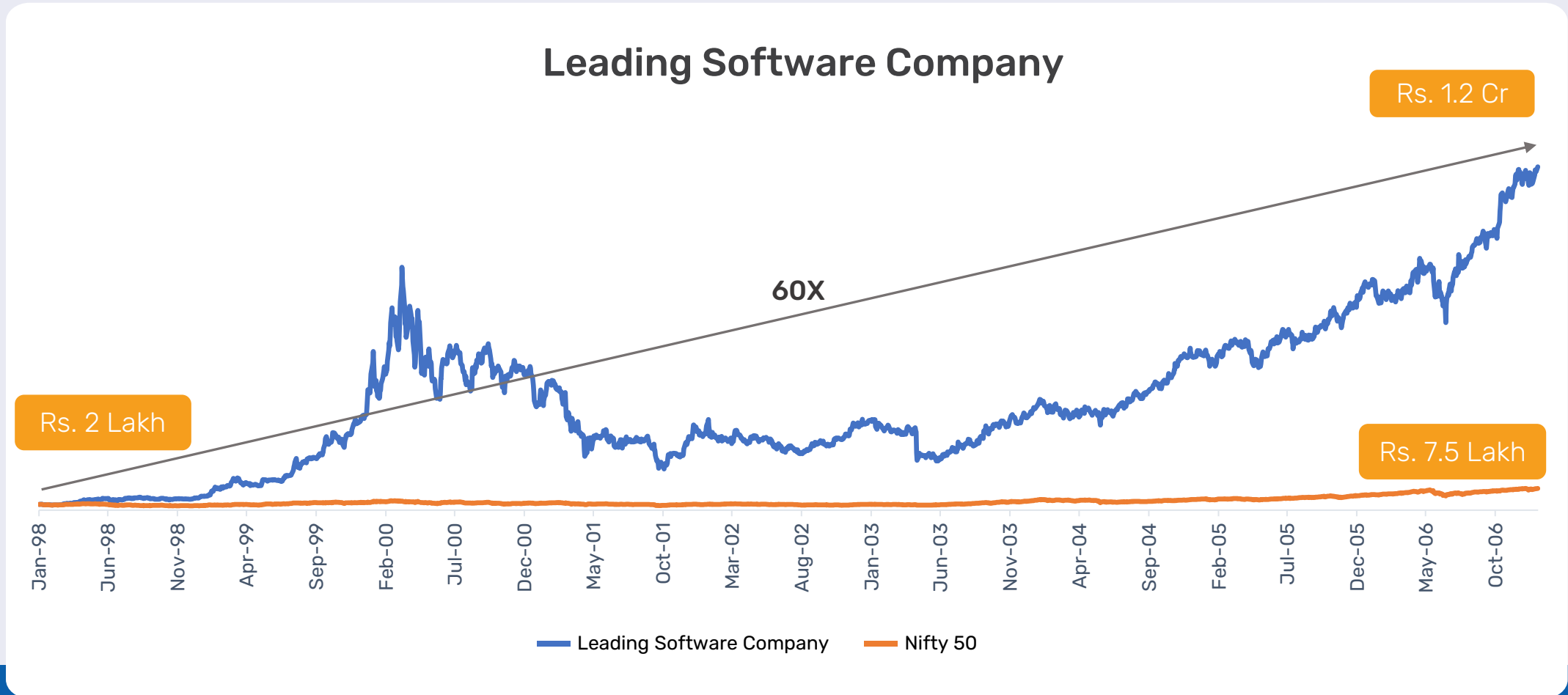
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# INDIA – MEGATRENDS STUDY 1 – YEAR 1998



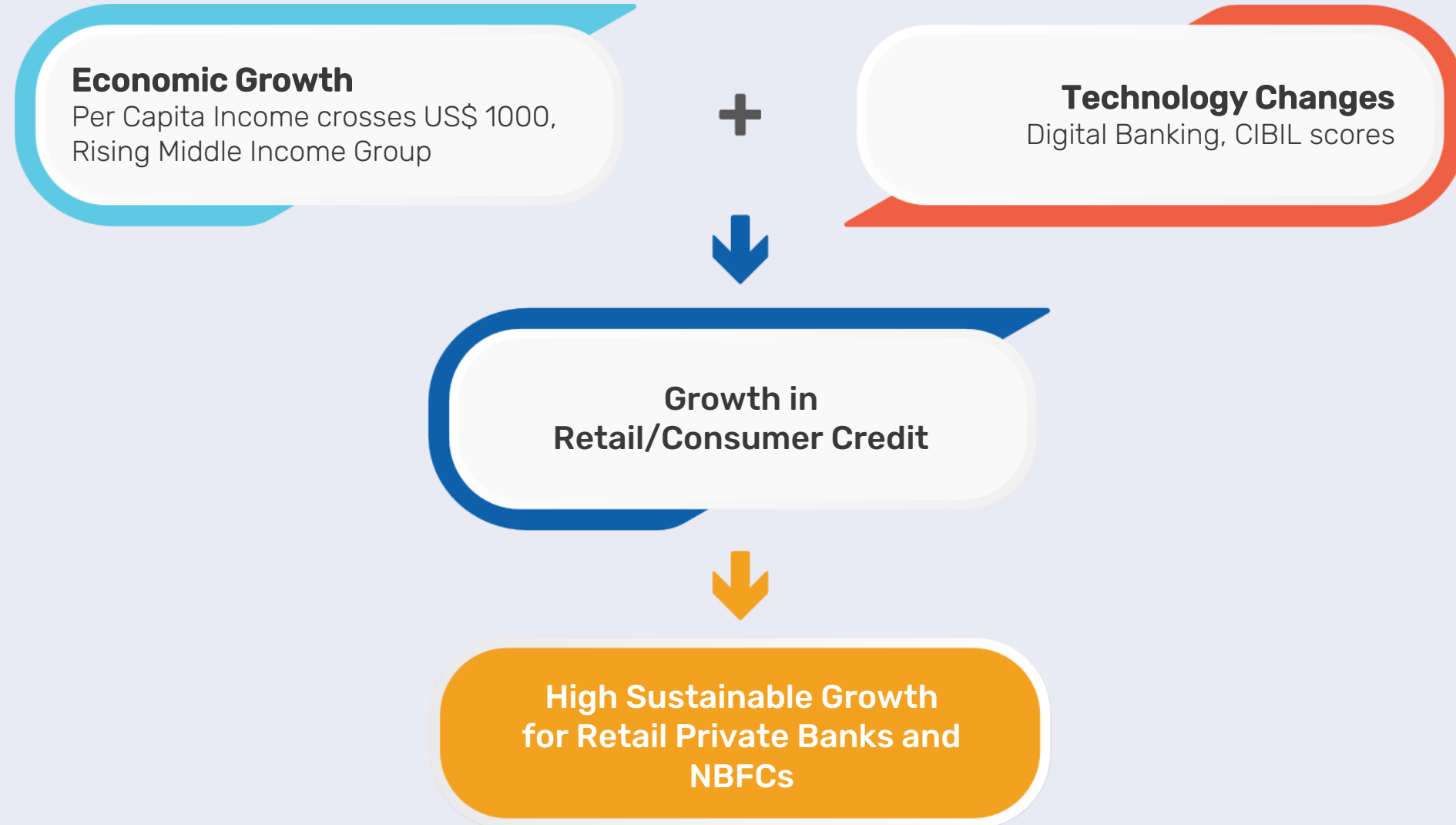


# INDIA – MEGATRENDS STUDY 1 – YEAR 1998

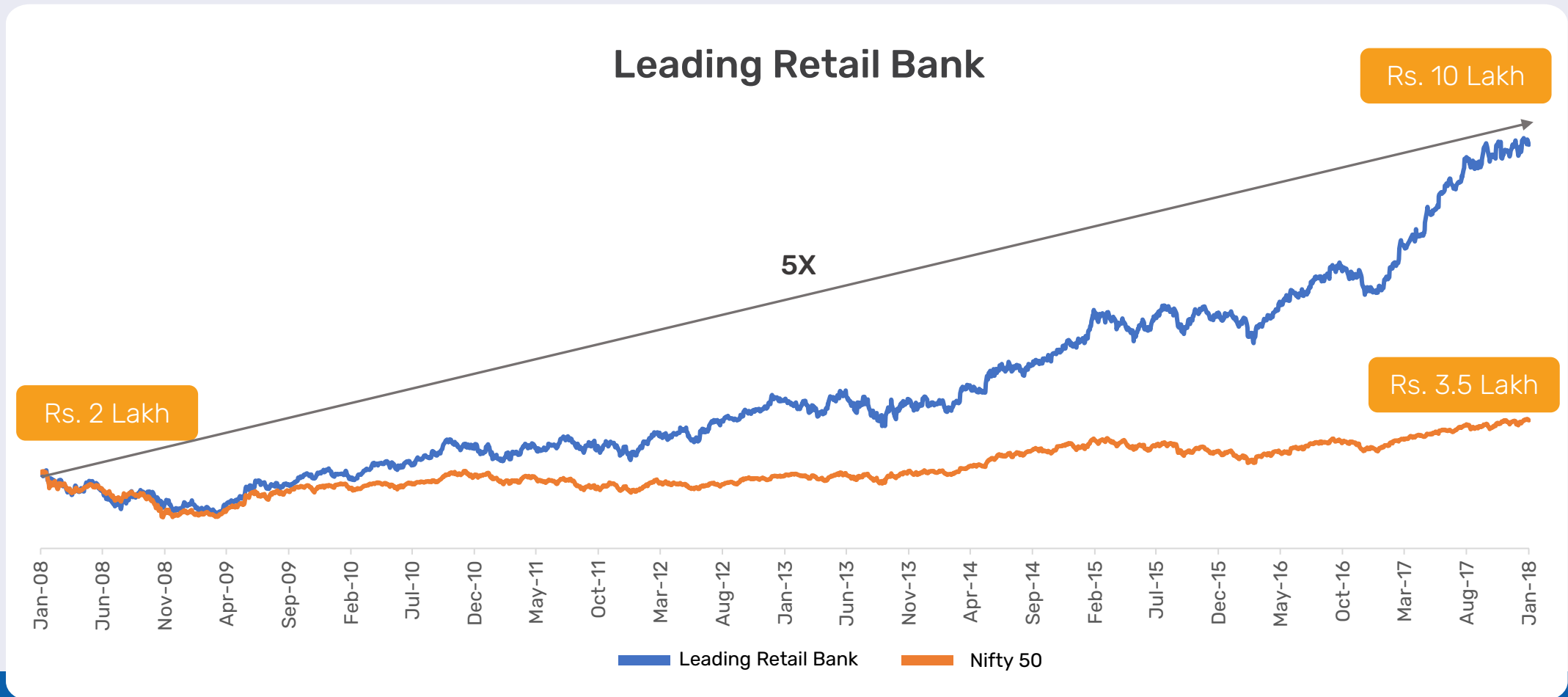


In a span of approx. 9 years, a prominent technology company harnessed the power of digitization, outsourcing, a low-cost technical workforce, and globalization to achieve an extraordinary growth of 60 times. This transformation turned a modest Rs. 2 lakh investment into an impressive Rs. 1.2 crore.

# INDIA – MEGATRENDS STUDY 2 – YEAR 2008

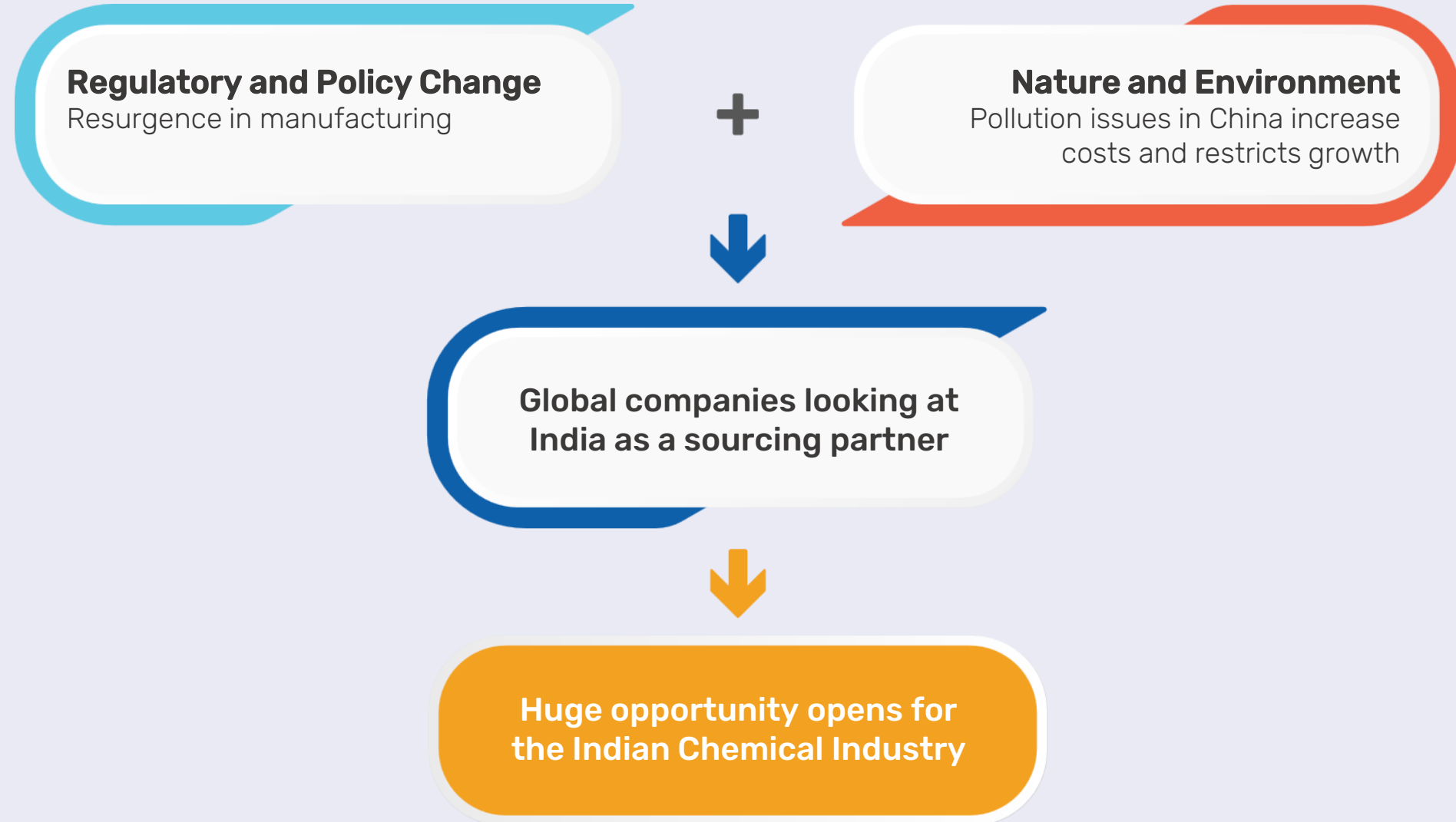


# INDIA – MEGATRENDS STUDY 2 – YEAR 2008

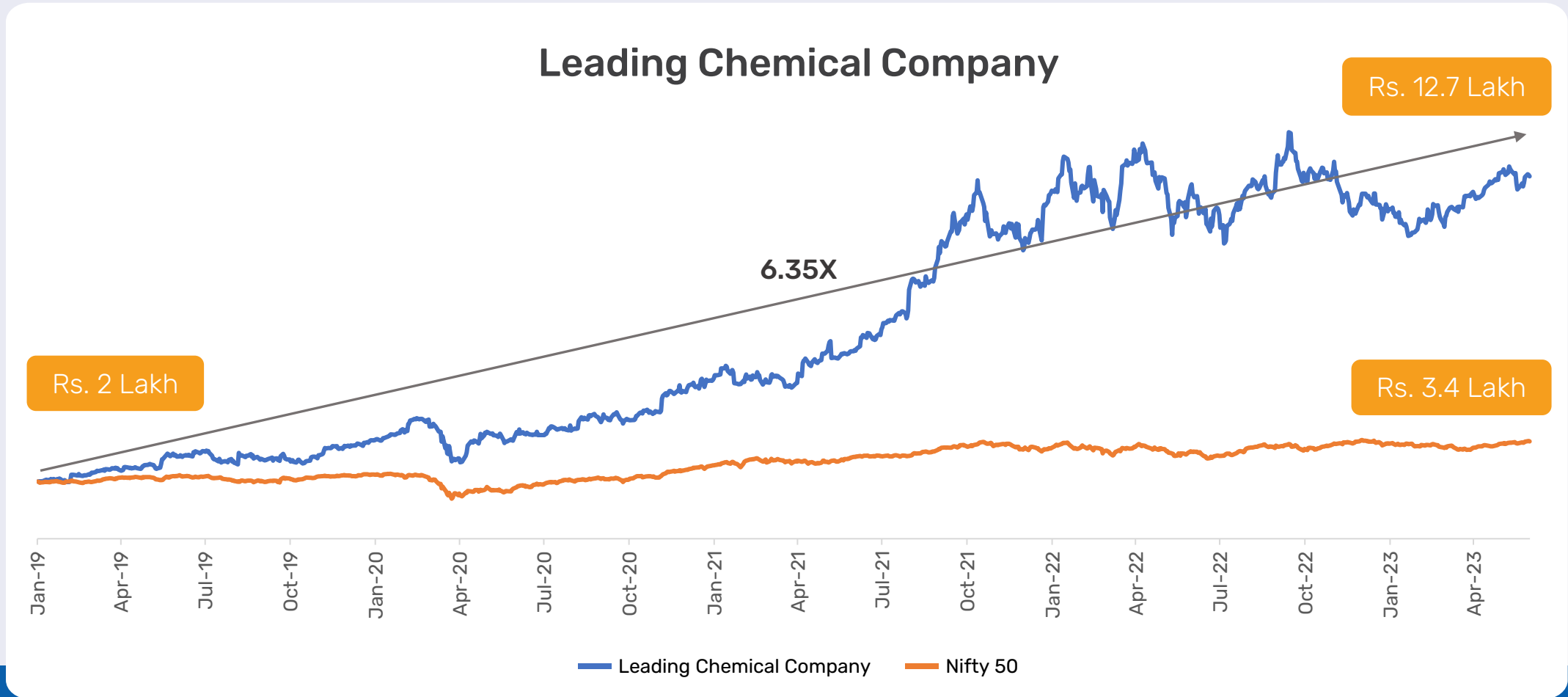


By capitalizing on the megatrends of the emerging middle class, financial liberalization, and fintech, a prominent bank achieved high growth, turning a Rs. 2 lakh investment into Rs. 10 lakh within a span of 10 years multiplying the initial investment by 5 times.

# INDIA – MEGATRENDS STUDY 3 – YEAR 2018



# INDIA – MEGATRENDS STUDY 3 – YEAR 2018



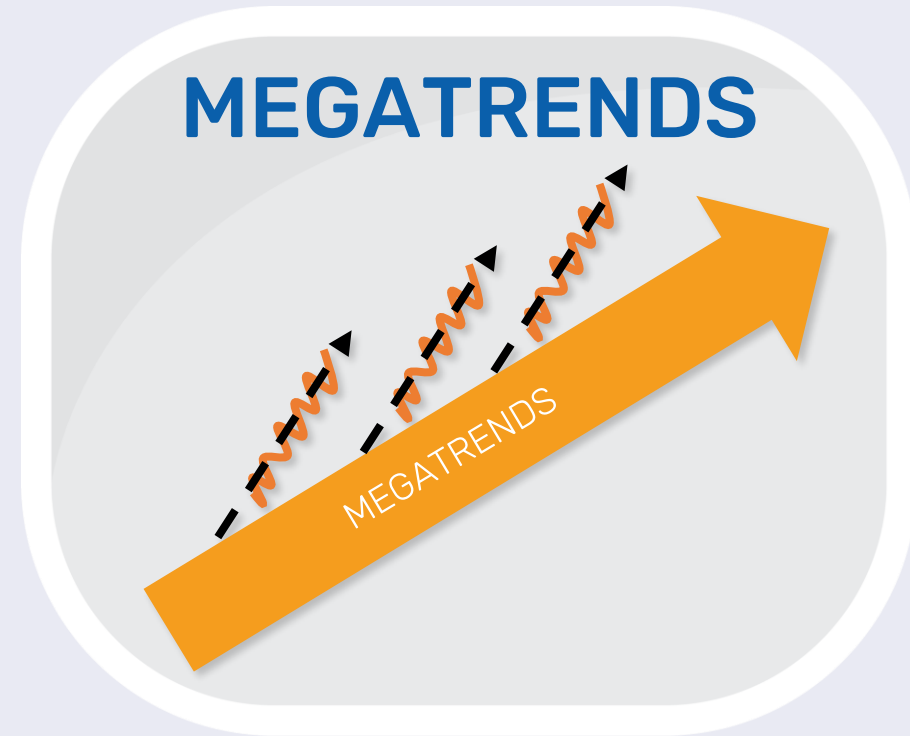
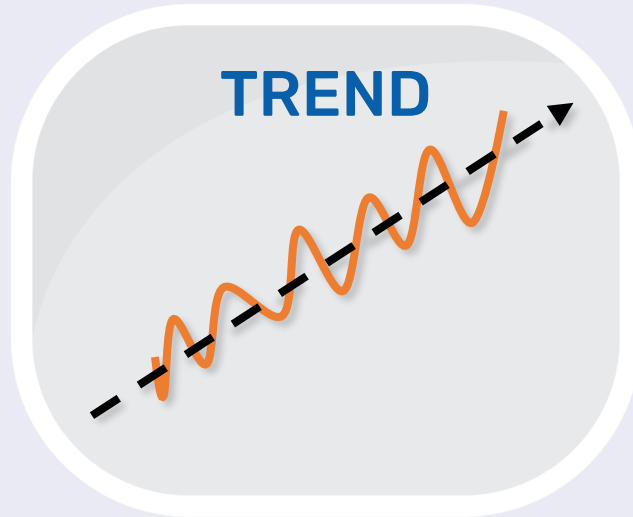
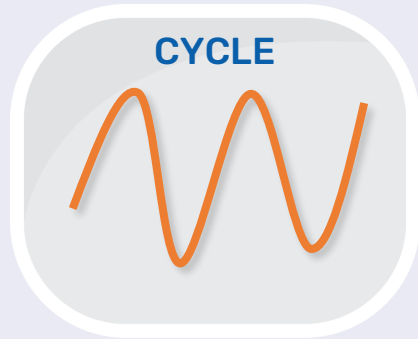
Harnessing megatrends such as the resurgence in manufacturing, a leading chemical company achieved notable results, multiplying a Rs. 2 lakh investment by 6.35 times and transforming it into an impressive Rs. 12.7 lakh in just ~4 years\*





A Megatrend is a powerful long-term change that affects economies, businesses and companies.

# MEGATRENDS INVESTING: BUY & WATCH



# WHY UNDERSTANDING MEGATRENDS IS IMPORTANT

“You can't go to sleep holding cyclical stocks for a decade and expect to be richly rewarded. The rich rewards are in growth stocks and special situations.” –Peter Lynch



**Long Term  
Impact**



**Impacts Across  
Sectors**



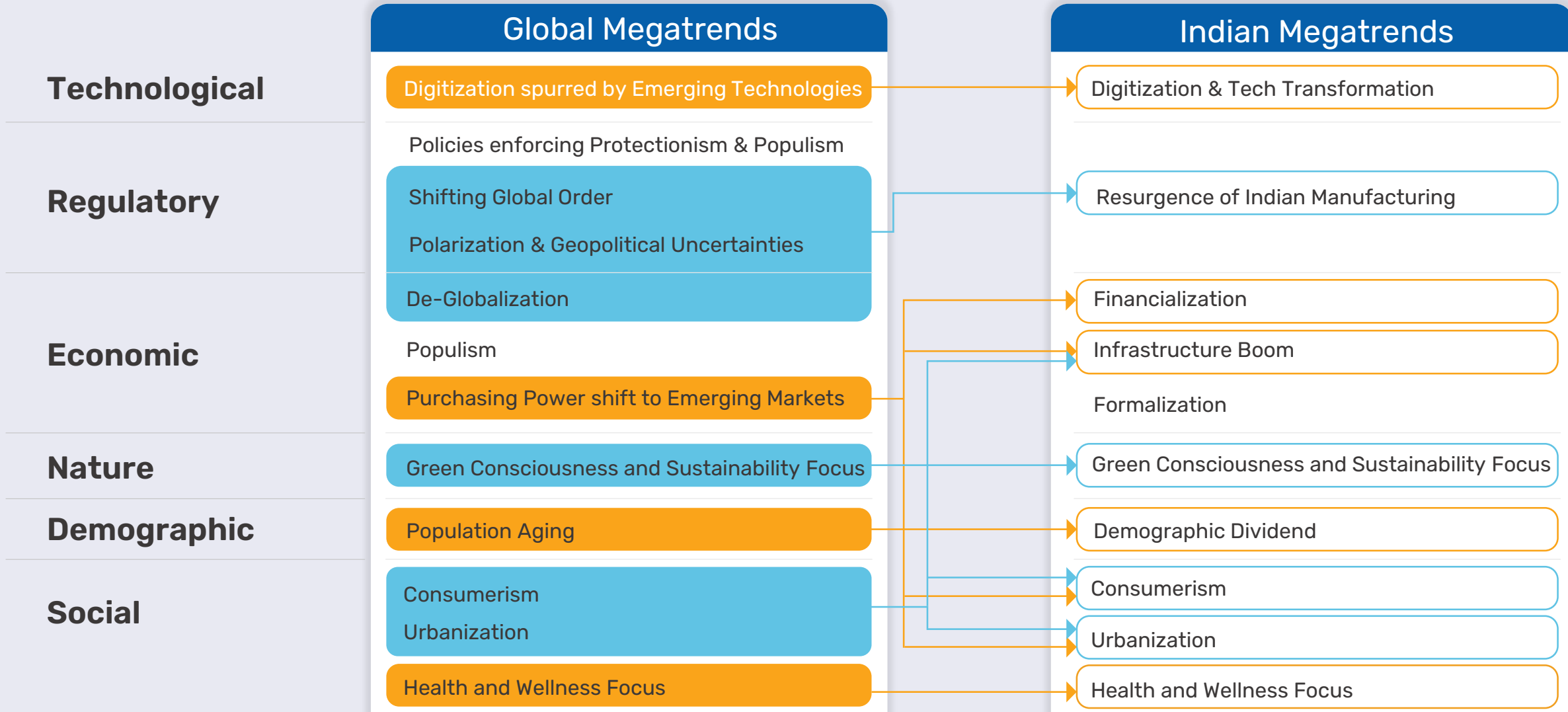
**Creates  
Opportunities & Risks**

# UNDERSTANDING THE SOURCE OF:



TECHNOLOGICAL	REGULATORY	ECONOMIC	NATURE	DEMOGRAPHIC	SOCIAL
<p>Digitization &amp; Tech Transformation</p>	<p>Resurgence of Indian Manufacturing</p>	<p>Financialization</p> <hr/> <p>Infrastructure Boom</p>	<p>Green Consciousness and Sustainability Focus</p>	<p>Demographic Dividend</p>	<p>Health and Wellness Focus</p> <hr/> <p>Consumerism &amp; Urbanization</p>

# INTERLINKAGES BETWEEN GLOBAL MEGATRENDS AND INDIAN MEGATRENDS

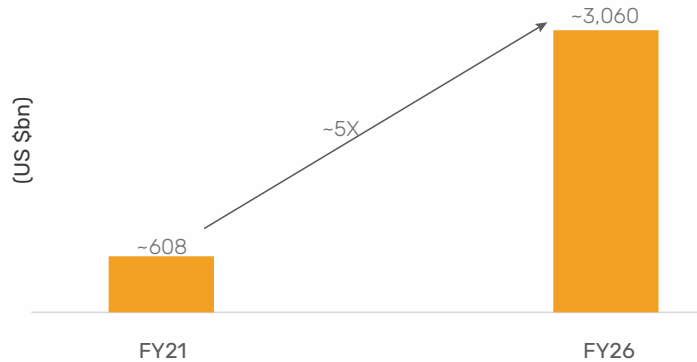




# CURRENT MEGATRENDS



## Technology-Digitization & Tech Transformation



UPI (Unified Payments Interface) transactions in India may surge to a fivefold increase by FY 2026.

Source: PayTM RHP

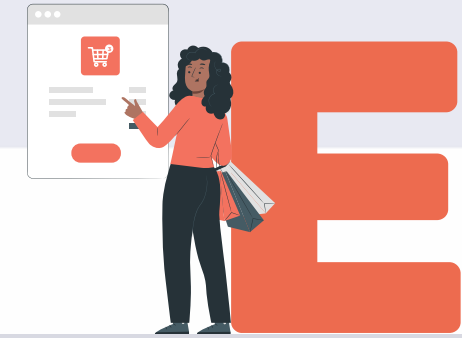


## Regulatory - Resurgence of Indian Manufacturing

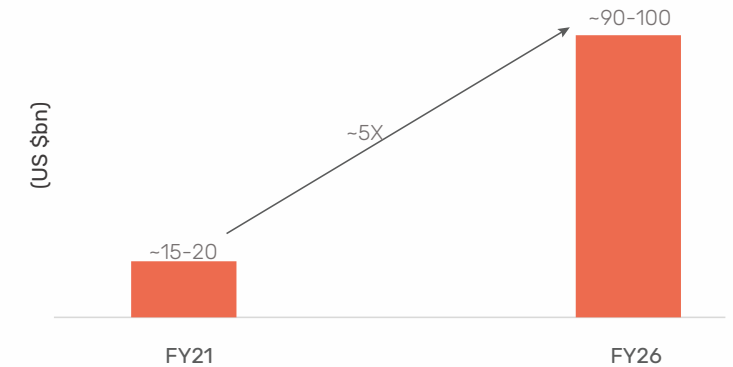


The PLI Scheme seeks to make India a global manufacturing hub.

Source: GS Report/PIB



## Economic-Formalisation



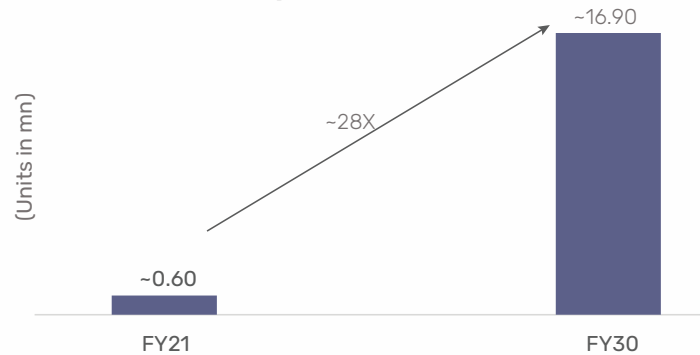
The BNPL\* business is expected to grow fivefold by FY26.

\*Buy now pay later  
Source: PayTM RHP

# CURRENT MEGATRENDS

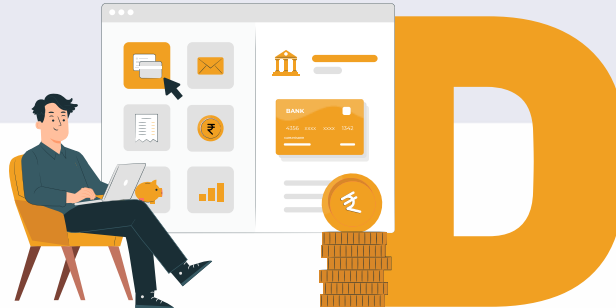


## Nature-Green Consciousness & Sustainability Focus

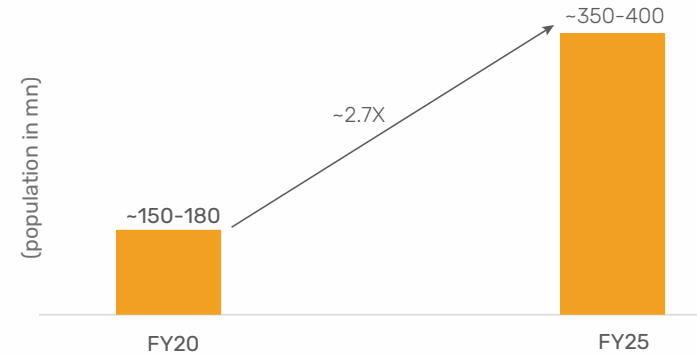


India's EV production is expected to rise from 0.6 mn units in FY21 to ~16.90 mn units by FY30.

Source: [www.researchandmarkets.com/reports/5457633](http://www.researchandmarkets.com/reports/5457633)



## Demographic Dividend

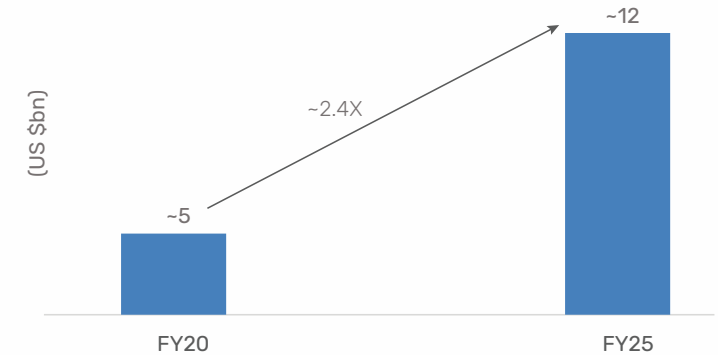


The e-commerce customer base is expected to grow by 2.7 times by FY25.

Source: Bernstein report



## Social - Rising Consumerism and Urbanization



Social Behavior is changing radically. Eating out expense may rise 2.4 times by FY25.

Source: Nykaa RHP

# INTRODUCING BAJAJ FINSERV FLEXI CAP FUND

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

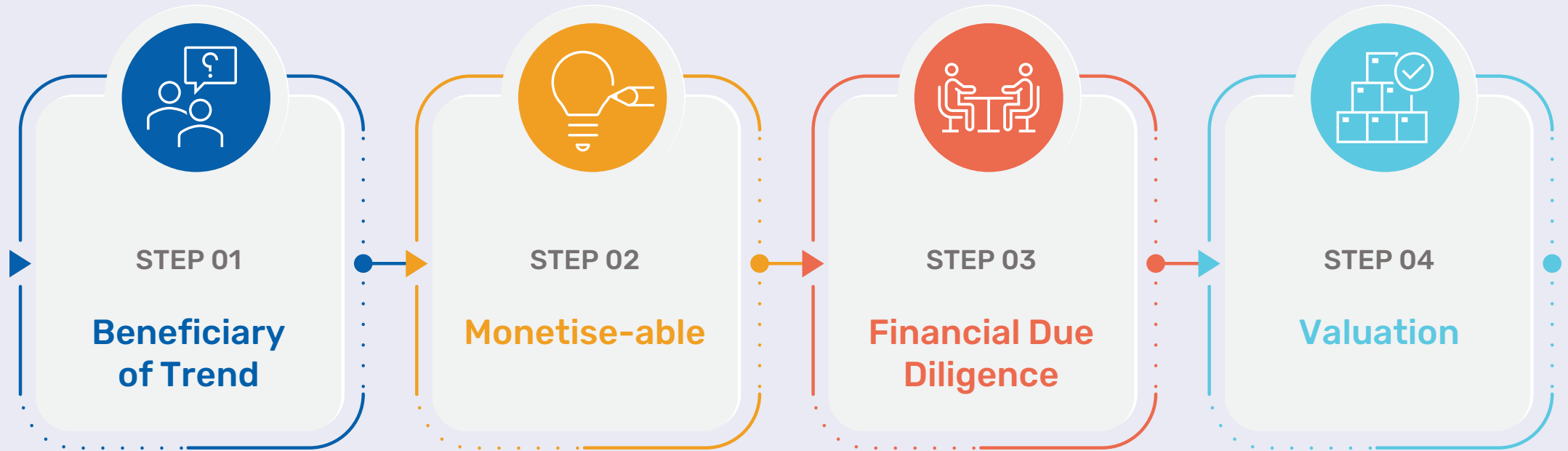
“Nothing is more powerful than an idea whose time has come.”— Victor Hugo

# MEGATRENDS TO PORTFOLIO



A Portfolio of companies with the potential of sustainable high growth.

# TREND ASSESSMENT & STOCK SELECTION PROCESS



Select the Business and Management that can capitalise on the opportunity

Understand Financials

Ascertain appropriate valuation zone

## INQUBE PROCESS



# OUR INVESTMENT PHILOSOPHY

# INQUBE

## INFORMATION EDGE

- Outperform the market on superior information collection

## QUANTITATIVE EDGE

- Outperform the market on processing information better
- Quant models, Analytical models

## BEHAVIORAL EDGE

- Outperform the market by better decision making
- Take advantage of crowd over-reaction and underreaction
- Reduces one's own behavioral pitfalls

## Hunting Ideas

TOP-DOWN  
IDEAS

ECONOMY

ECONOMY

INDUSTRY

INDUSTRY

COMPANY

COMPANY

BOTTOM-UP  
IDEAS

Cycles

Behavioral  
Screening

## Analysing Ideas

- Business
- Management
- Valuation

Checklist

Pre-  
mortem

## Allocating

- Size
- Quality
- Value
- Growth
- Risk

Journal

Quant

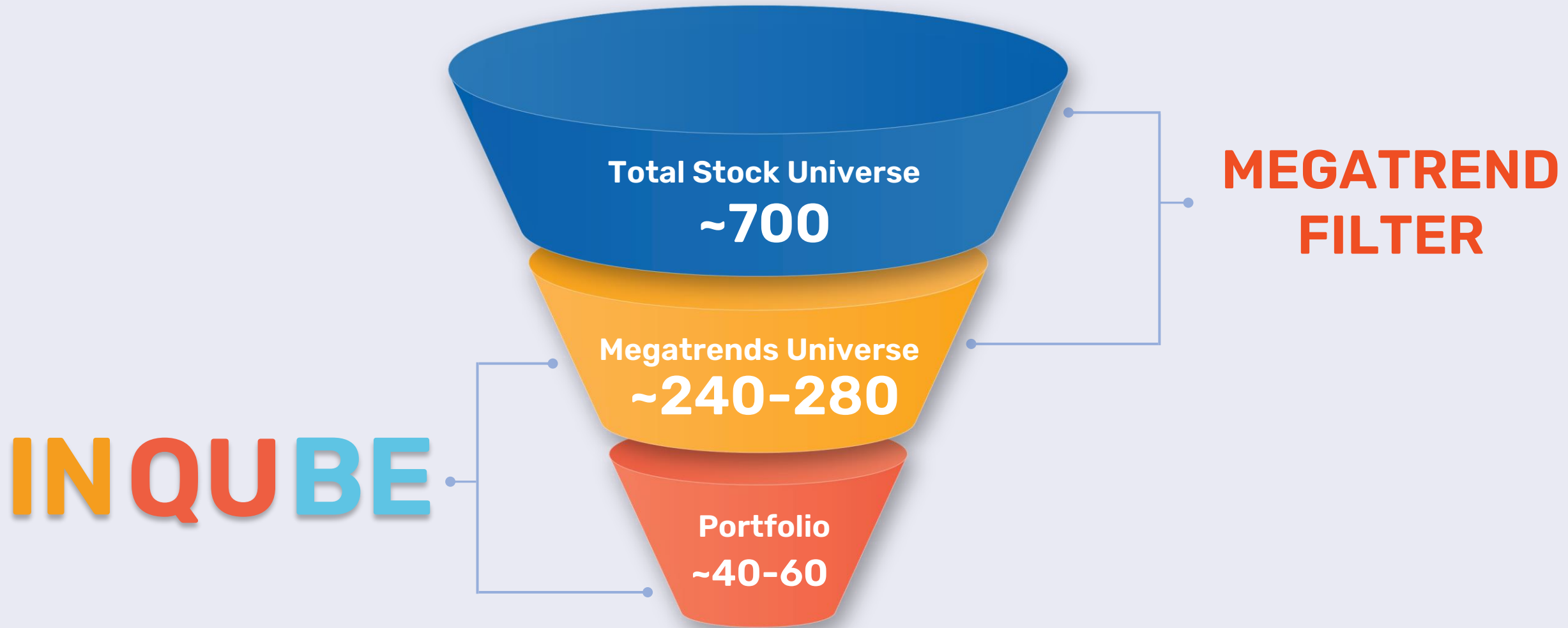
Pre-  
commitment

# MEGATRENDS TO PORTFOLIO

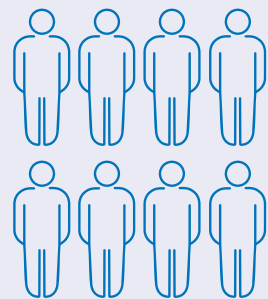
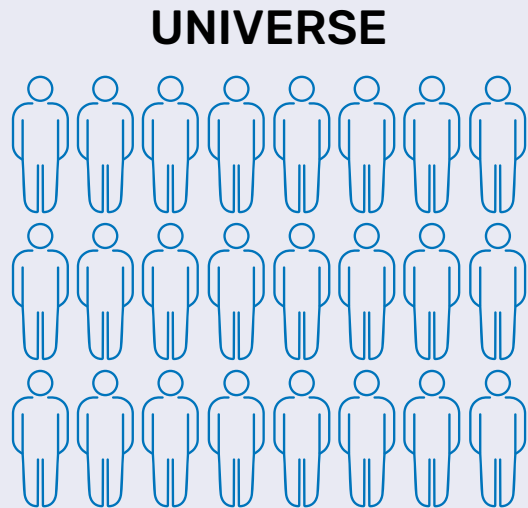


A Portfolio of companies with the potential of sustainable high growth.

# PORTFOLIO CONSTRUCTION PROCESS



# PORTFOLIO MANAGEMENT PROCESS

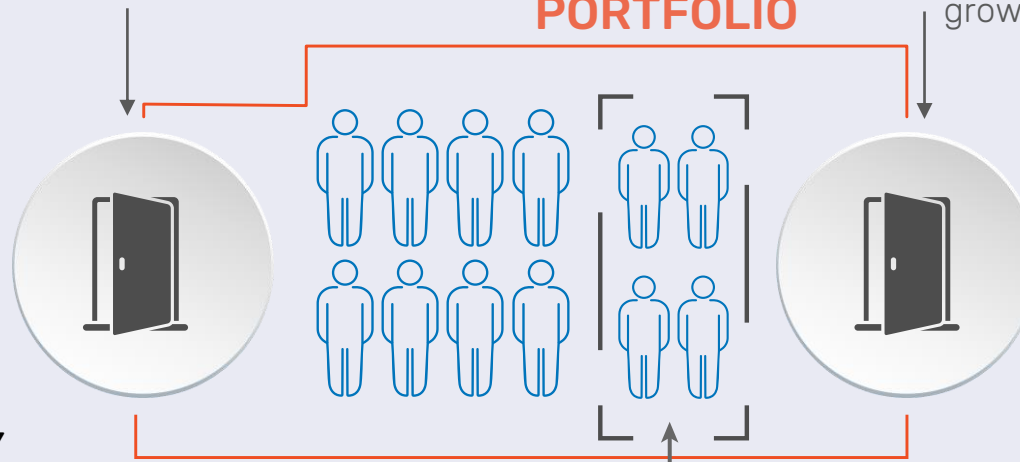


**WHAT TO BUY**

- Beneficiary of trend
- Monetise-able opportunities
- Financial strength

**WHEN TO BUY**

- Near term trend confirmation
- Over reaction to negative short-term trigger
- Under reaction to positive long-term trigger



**WHAT TO SELL**

- Over reaction to long-term megatrend
- New megatrend emerging
- Change in company's fundamentals

**WHEN TO SELL**

- Change of megatrend
- Long term megatrend growth maturing

**VALUATION GUIDES OUR ALLOCATION**

Rebalancing weights, where valuation overreaches in short term

# PORTFOLIO WHICH IS: 5 IN 1



Long-Term



Multi-Trend



Growth Compounders

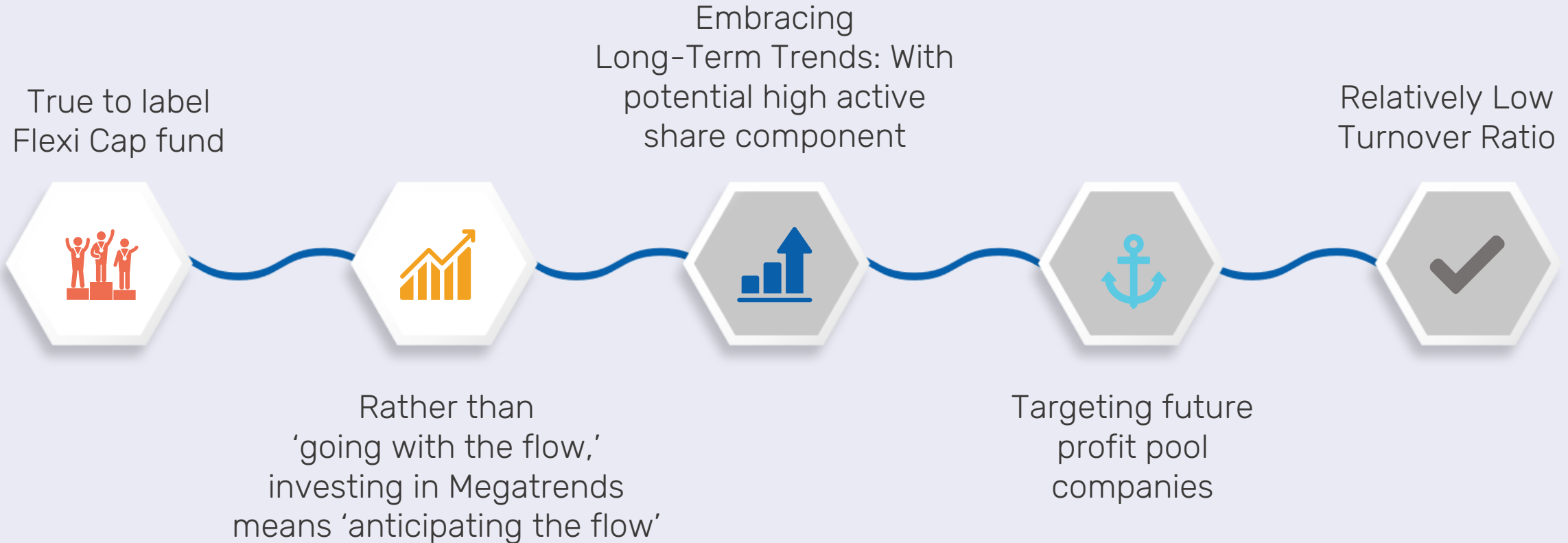


Multi-Sector



Flexi Cap

# HOW BAJAJ FINSERV FLEXI CAP FUND IS A DIFFERENT PROPOSITION



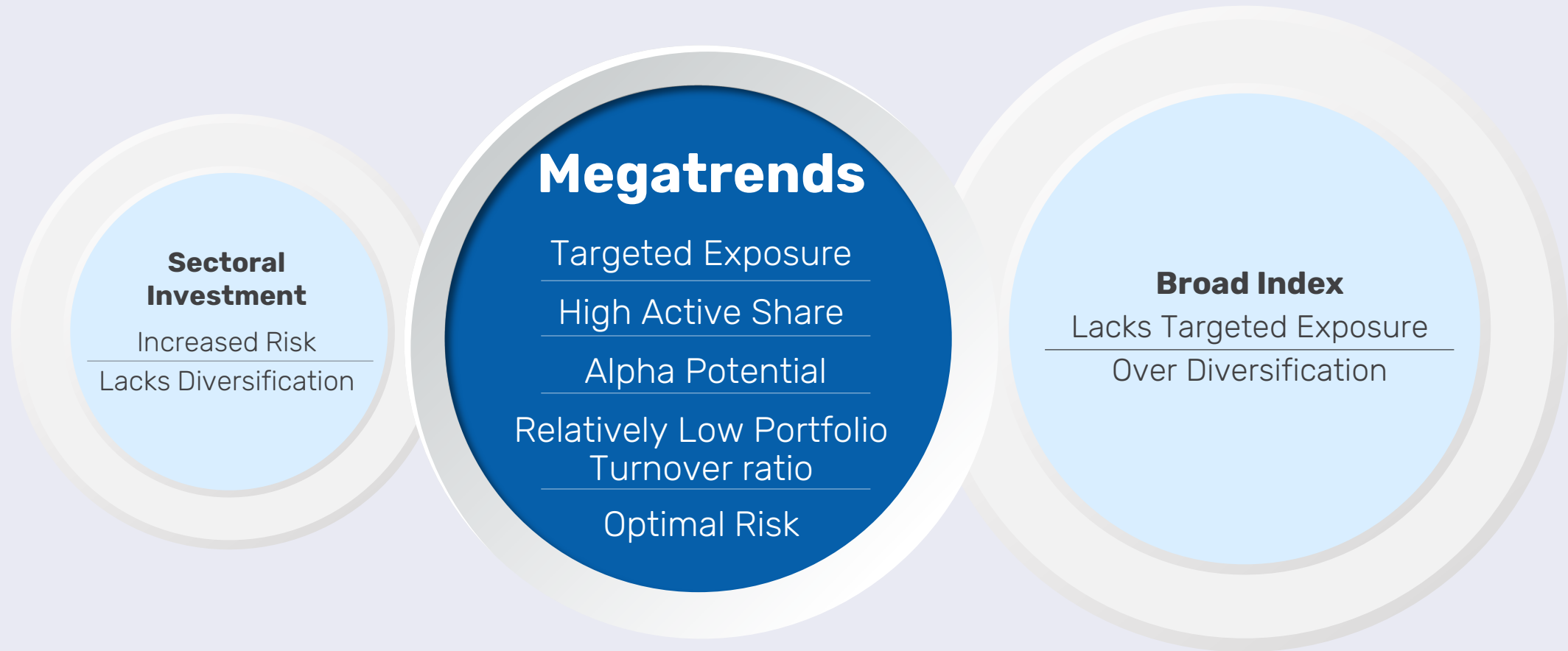
# IDENTIFYING FUTURE WINNER



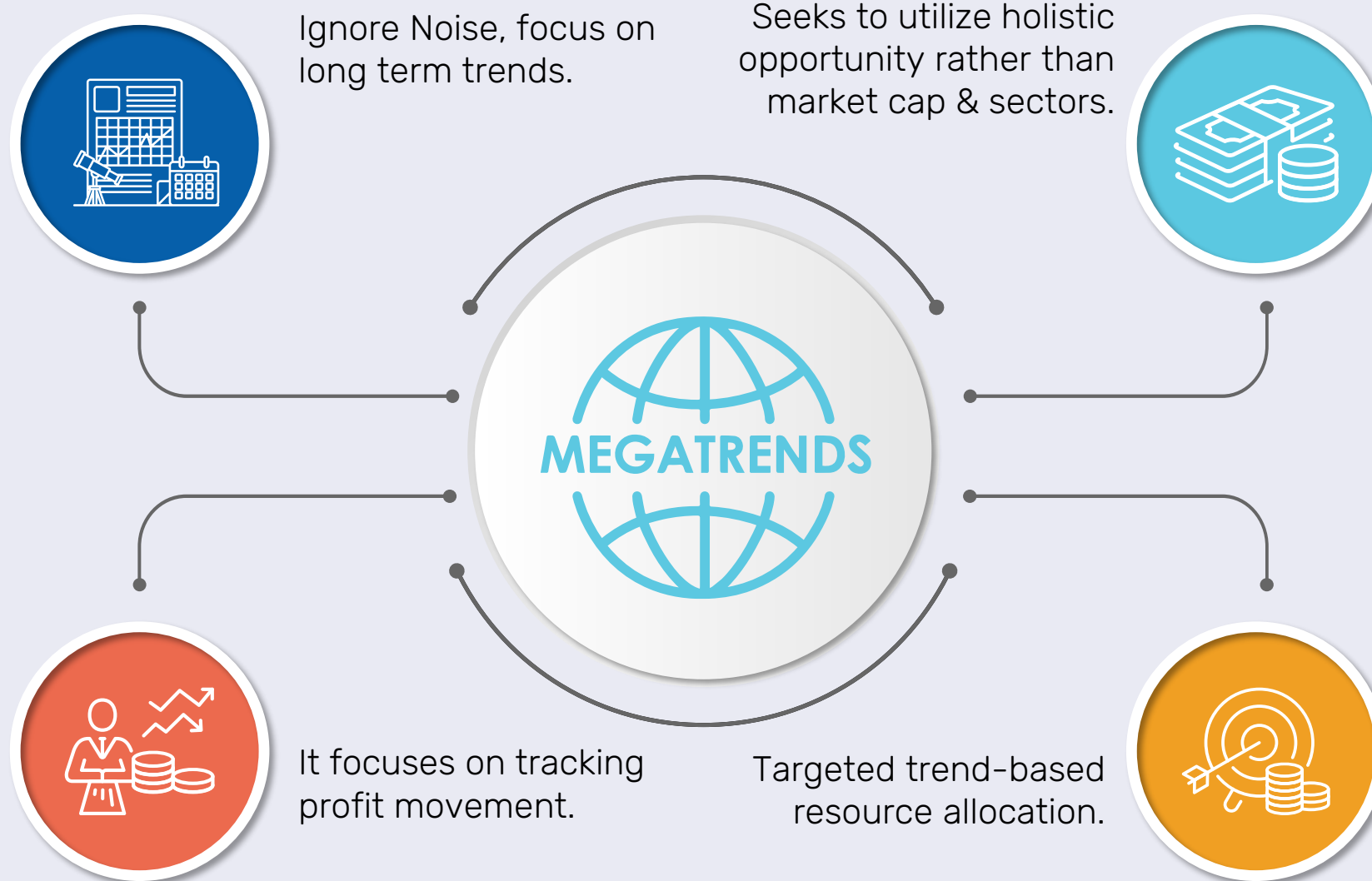
Rather than **Going with the flow**, investing in Megatrends means **Anticipating the flow**.



# NAVIGATING MEGATRENDS: FINDING THE BALANCE



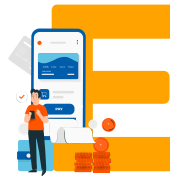
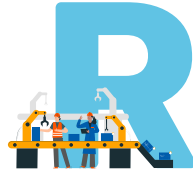
# WHY BAJAJ FINSERV FLEXI CAP FUND IS USEFUL FOR INVESTORS?



# KEY FEATURES OF THE FUND:



Investing in the megatrends with  
**BAJAJ FINSERV FLEXI CAP FUND**



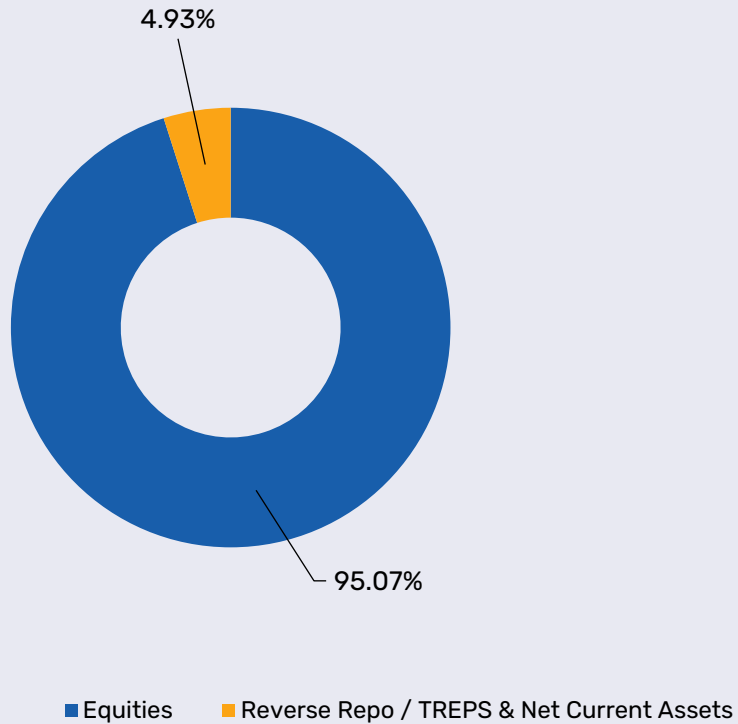
TECHNOLOGICAL			REGULATORY			ECONOMIC			NATURE			DEMOGRAPHIC			SOCIAL		
Company Name	Trend	% to Net Assets	Company Name	Trend	% to Net Assets	Company Name	Trend	% to Net Assets	Company Name	Trend	% to Net Assets	Company Name	Trend	% to Net Assets			
HDFC Bank Limited	●●	7.92%	Thomas Cook (India) Limited	●	1.48%	Syngene International Limited	●	0.75%									
ICICI Bank Limited	●●	5.22%	VA Tech Wabag Limited	●●	1.45%	Schneider Electric Infrastructure Limited	●●	0.70%									
Reliance Industries Limited	●●●●●	4.84%	Honeywell Automation India Limited	●●	1.35%	Tata Motors Limited	●●	0.70%									
Bharti Airtel Limited	●	3.42%	Jubilant Foodworks Limited	●●●	1.25%	Indiamart Intermesh Limited	●●	0.67%									
Tata Consultancy Services Limited	●	2.62%	Siemens Limited	●●	1.18%	Bharat Electronics Limited	●	0.65%									
GE T&D India Limited	●●	2.46%	Grindwell Norton Limited	●	1.14%	Prataap Snacks Limited	●	0.54%									
Sudarshan Chemical Industries Limited	●	2.41%	Engineers India Limited	●●	1.12%	Genus Power Infrastructures Limited	●	0.53%									
Aarti Industries Limited	●	2.40%	Kajaria Ceramics Limited	●●●	1.12%	REC Limited	●●	0.52%									
Hitachi Energy India Limited	●●●	2.29%	Sanofi Consumer Healthcare India Limited	●●	1.12%	KSB Limited	●	0.51%									
Divi's Laboratories Limited	●	2.25%	Multi Commodity Exchange of India Limited	●	1.11%	AIA Engineering Limited	●●	0.50%									
Nestle India Limited	●●	2.21%	Computer Age Management Services Limited	●●	1.10%	ABB India Limited	●●	0.50%									
Kotak Mahindra Bank Limited	●●	2.15%	Gillette India Limited	●●	1.06%	The Ramco Cements Limited	●	0.49%									
UNO Minda Limited	●	2.14%	Dixon Technologies (India) Limited	●	1.02%	Vedant Fashions Limited	●●	0.49%									
SRF Limited	●●	2.05%	Cera Sanitaryware Limited	●●	1.00%	Westlife Foodworld Limited	●●●	0.48%									
Hindustan Unilever Limited	●●	1.97%	FSN E-Commerce Ventures Limited	●●●	1.00%	Global Health Limited	●●	0.47%									
Havells India Limited	●●	1.94%	Landmark Cars Limited	●	0.98%	Metro Brands Limited	●●	0.43%									
Sanofi India Limited	●	1.93%	TVS Motor Company Limited	●	0.98%	Safari Industries (India) Limited	●●	0.42%									
State Bank of India	●●	1.85%	Orchid Pharma Limited	●●	0.96%	Mold-Tek Packaging Limited	●	0.41%									
SBI Life Insurance Company Limited	●	1.72%	Neuland Laboratories Limited	●●	0.85%	Wipro Limited	●	0.33%									
Mahindra & Mahindra Limited	●●	1.71%	Sterling And Wilson Renewable Energy Limited	●	0.85%	Solar Industries India Limited	●	0.29%									
United Breweries Limited	●●	1.59%	Sobha Limited	●●	0.84%	Sobha Ltd Rights	●	0.02%									
Zomato Limited	●●	1.54%	Piramal Pharma Limited	●●	0.80%												
Bajaj Auto Limited	●	1.53%	Nazara Technologies Limited	●●	0.77%												

● TECHNOLOGICAL    ● REGULATORY    ● ECONOMIC    ● NATURE    ● DEMOGRAPHIC    ● SOCIAL

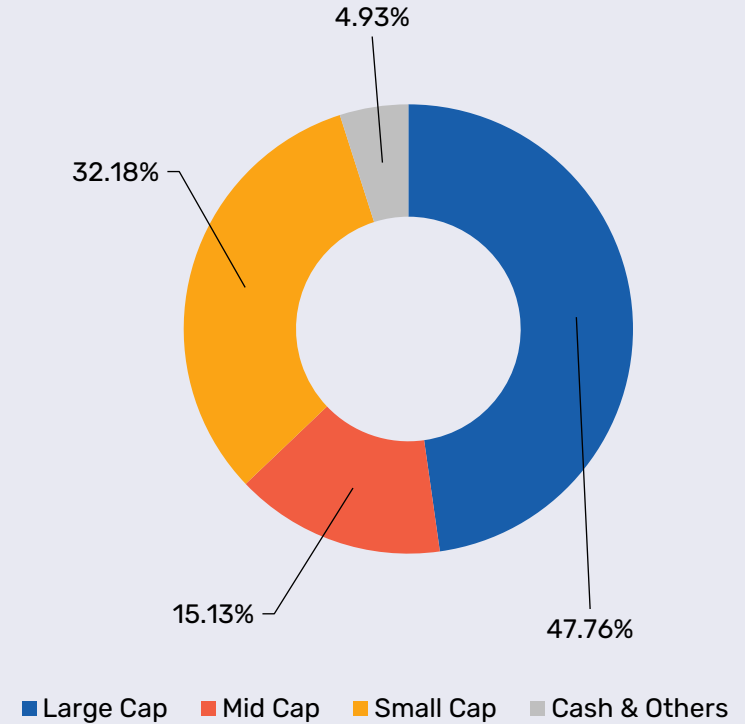
These 6 color dots represent each trend and the dots after each company's name represent it's presence in that particular trend wherever applicable. We have also shown % to Net Assets for each company. Data as on 30th June 2024.

# BAJAJ FINSERV FLEXI CAP FUND - ALLOCATION

## Asset Allocation



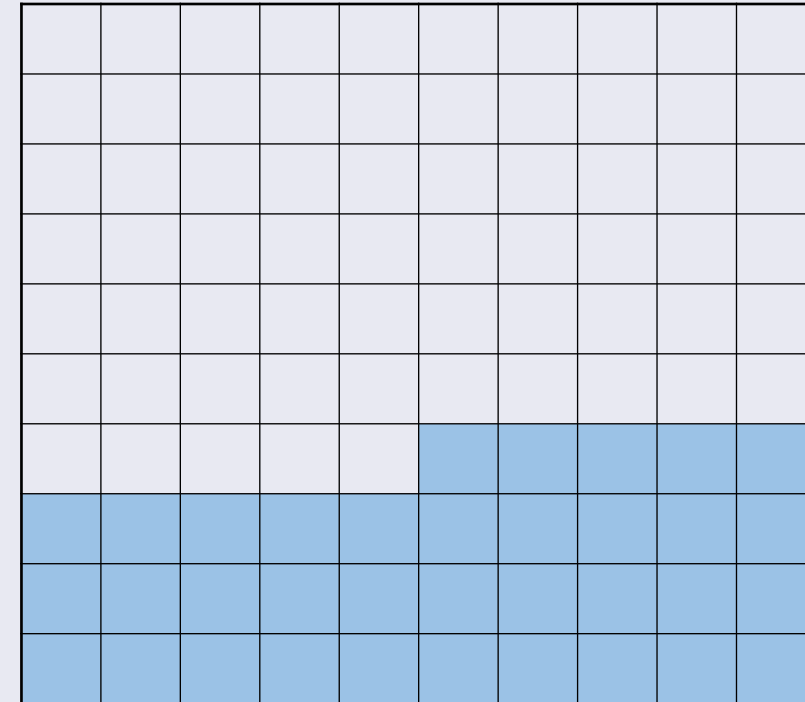
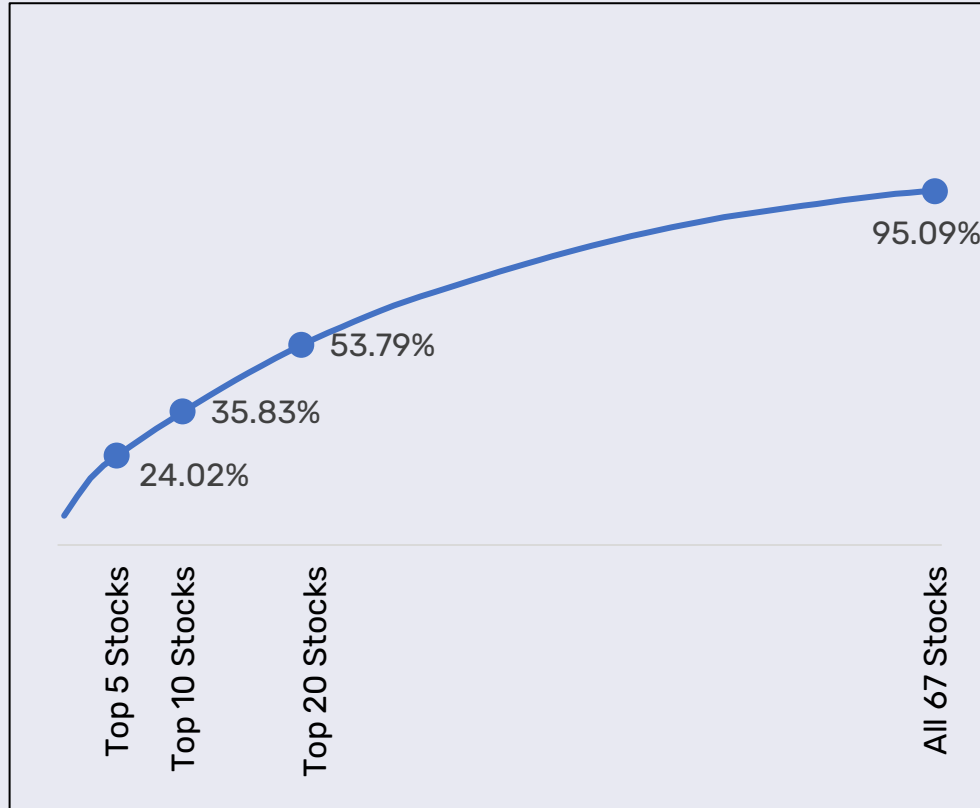
## Market Cap Allocation



Data as on 30th June 2024

# PORTFOLIO CONCENTRATION & ACTIVE SHARE

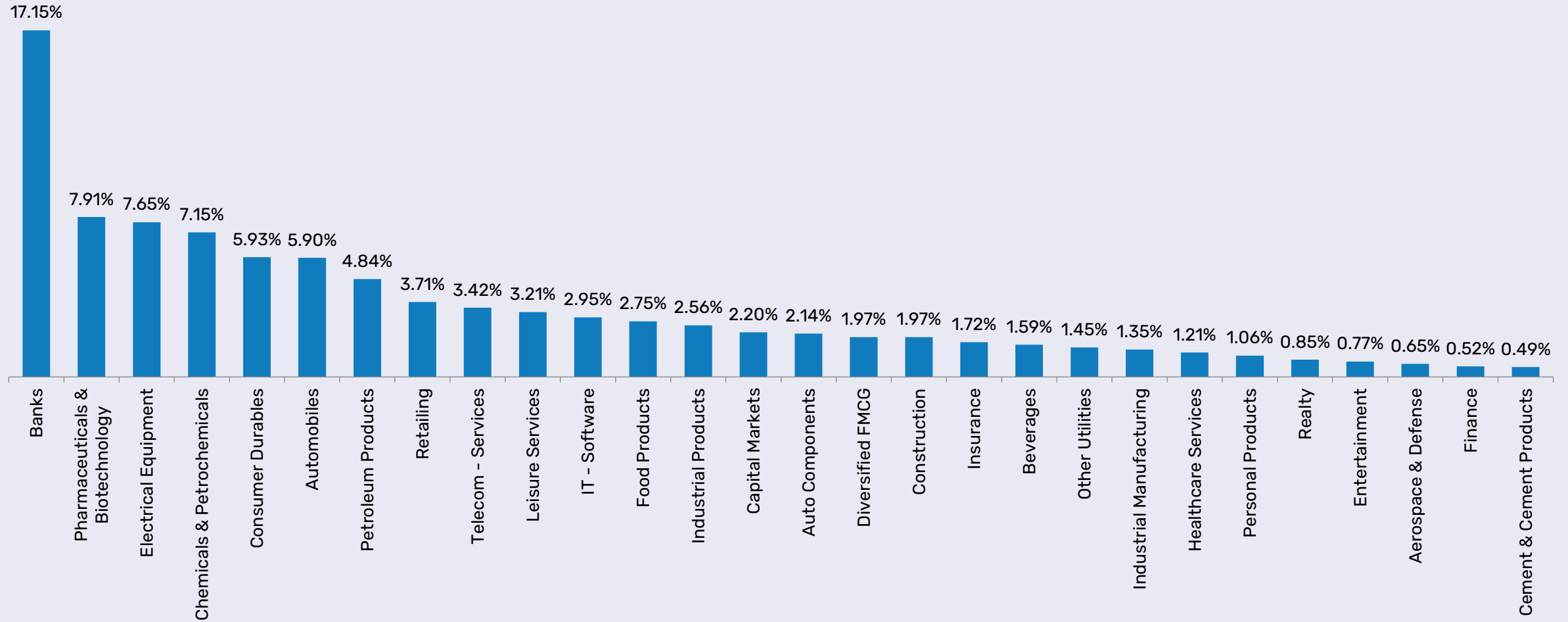
Portfolio Concentration



Active Share (65%)
  Portfolio overlap (35%)

Data as on 30th June 2024

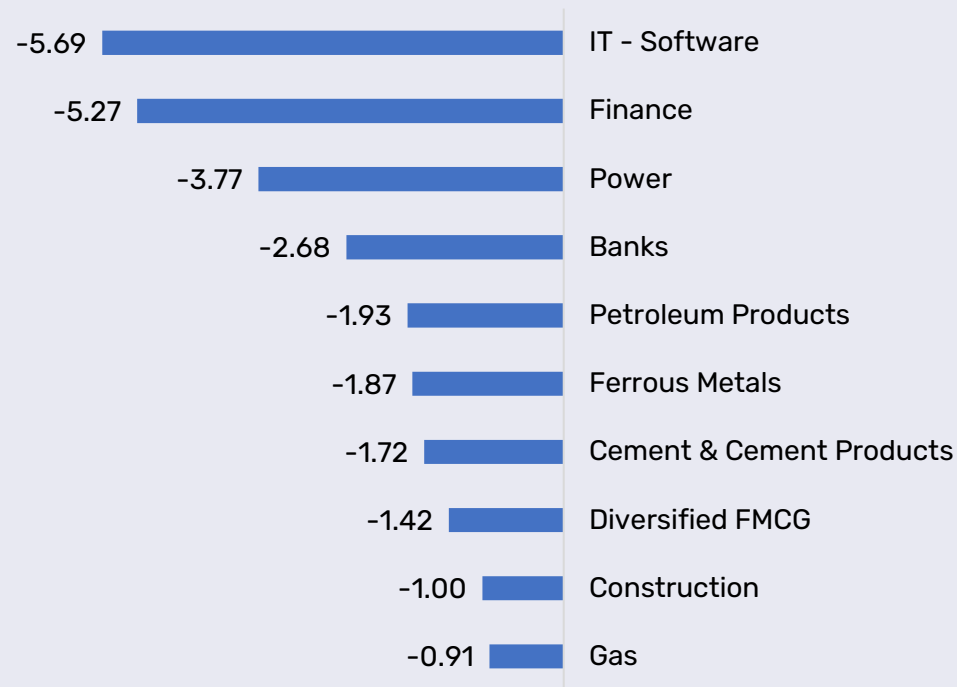
# BAJAJ FINSERV FLEXI CAP FUND - INDUSTRY ALLOCATION



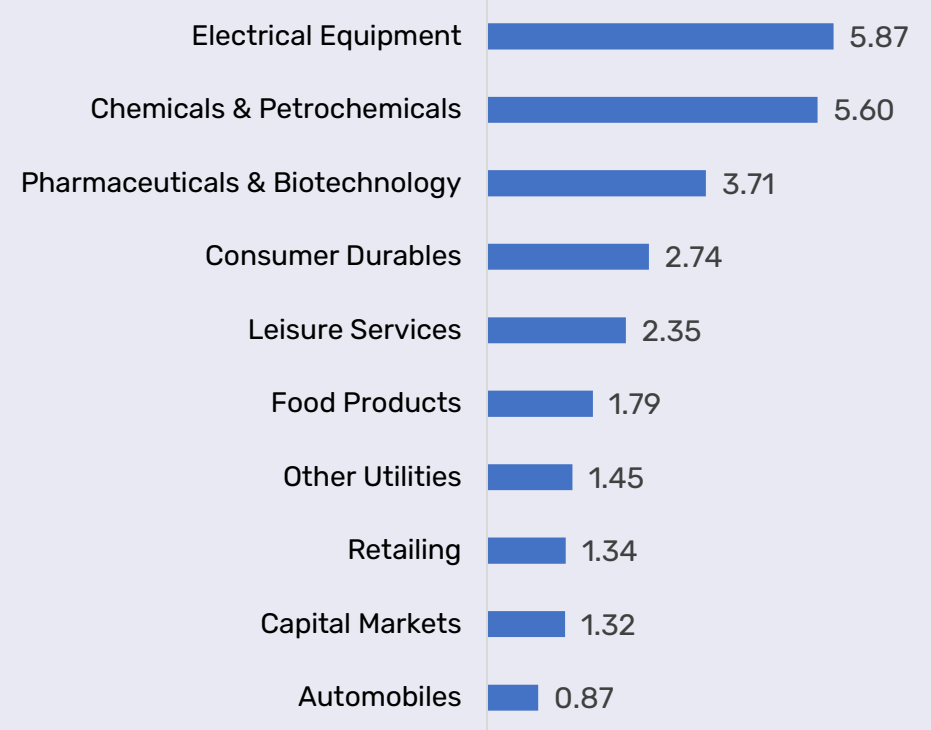
Data as on 30th June 2024

# RELATIVE WEIGHTAGE ALLOCATION

## Top 10 Underweight Industries (%)



## Top 10 Overweight Industries (%)



Data as on 30th June 2024



# SCHEME FEATURES

<b>Scheme Type</b>	An open ended equity scheme investing across large cap, mid cap, small cap stocks
<b>Plans</b>	Bajaj Finserv Flexi Cap Fund - Regular Plan   Bajaj Finserv Flexi Cap Fund - Direct Plan
<b>Option</b>	Growth & IDCW
<b>Minimum Application Amount</b>	Rs. 500 (Plus multiples of Re.1)
<b>Minimum Additional Application</b>	Rs. 100 (Plus multiples of Re.1)
<b>Entry Load</b>	Not Applicable
<b>Exit Load</b>	10% of units up to six months from allotment - Nil   Above 10% of units within six months- 1% of applicable NAV   More than six months - Nil
<b>Fund Manager</b>	Mr. Nimesh Chandan and Mr. Sorbh Gupta (Equity Portion)   Mr. Siddharth Chaudhary (Debt Portion)
<b>Benchmark Index</b>	BSE 500 TRI
<b>SIP / SWP / STP</b>	Available

# BAJAJ FINSERV FLEXI CAP FUND

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

- Wealth creation/capital appreciation over long term
- Investment in equity and equity related instruments across large cap, mid cap and small cap stocks

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

## SCHEME

### RISKOMETER



Investors understand that their principal will be at very high risk

## BENCHMARK

### RISKOMETER



BSE 500 TRI

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

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

**THANK YOU**