

Bajaj Finserv Large Cap Fund

(An open ended equity scheme predominantly investing in large cap stocks)

Focusing on Champions of Corporate India

May 2025



What are Large Caps?

What are Large Cap?

Large Cap consists of Top 100 Companies by Market Cap

- Market Leaders
- Extensively researched by Analysts
- High Institutional Holding Both Domestic and International.



Market Cap
19,00,000 Cr
to 84,000 Cr

Mid Cap consists of Top 101st to 250th Companies by Market Cap

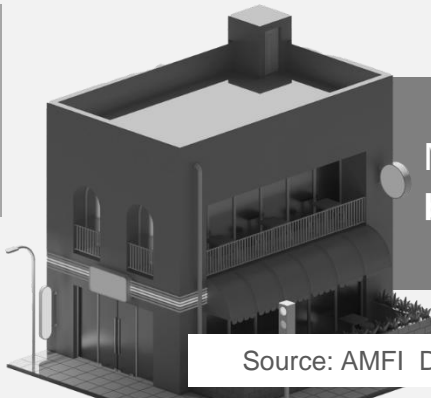
- Under researched by analysts,
- Under owned by FII/DII*
- Companies with High Growth potential.



Market Cap
82,000 Cr
to 27,000 Cr

Small Cap Consists of 251st Company and below by Market Cap

- Early-Stage companies
- Volatile Growth Story
- Under owned by FII/DII
- Under researched by analysts.

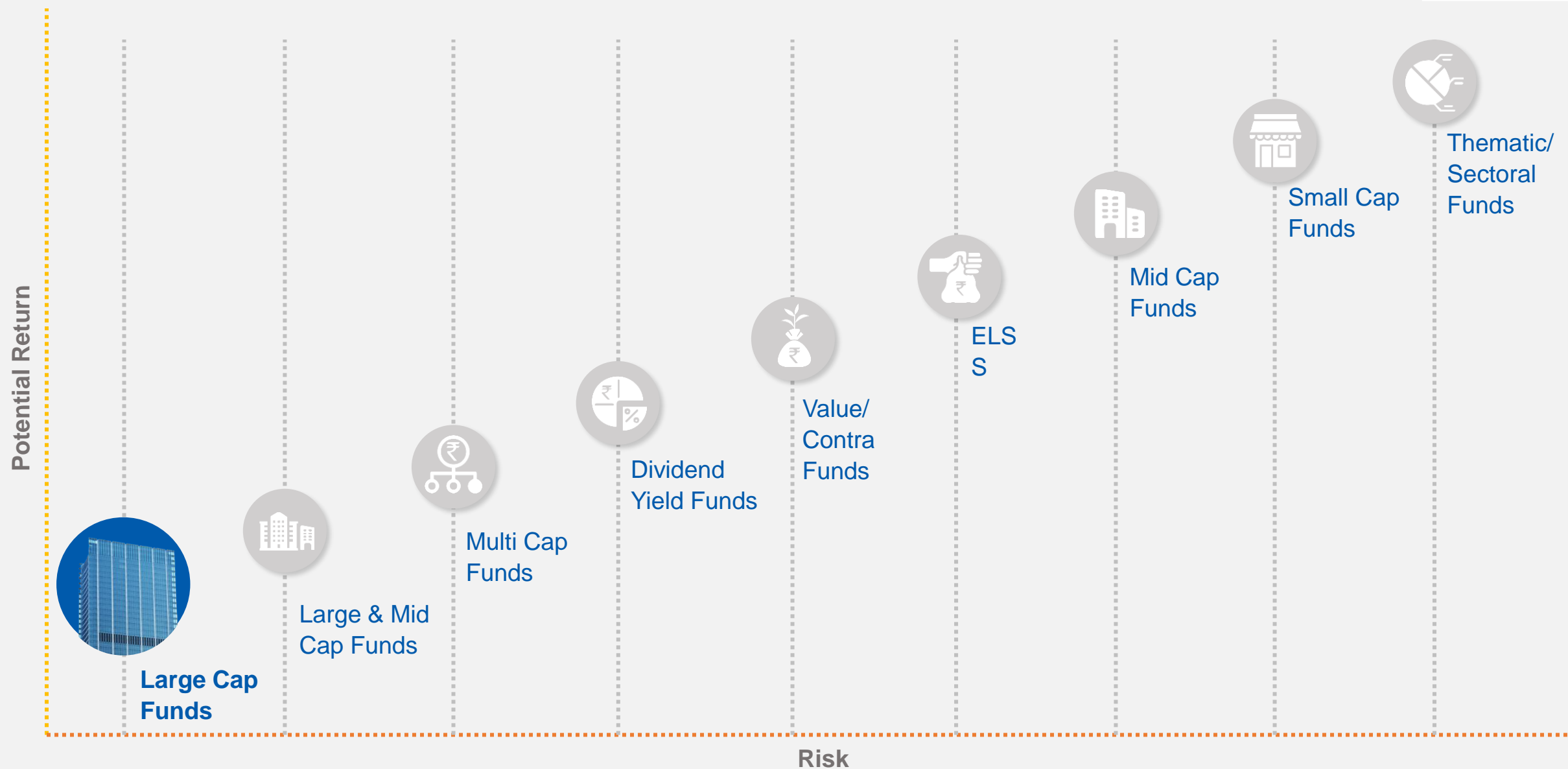


Market Cap
below 27,000 Cr

*FII- Foreign Institutional Investors
*DII- Domestic Institutional Investors

Source: AMFI Data as of 30th June 2024

Risk Return Matrix of Equity Funds

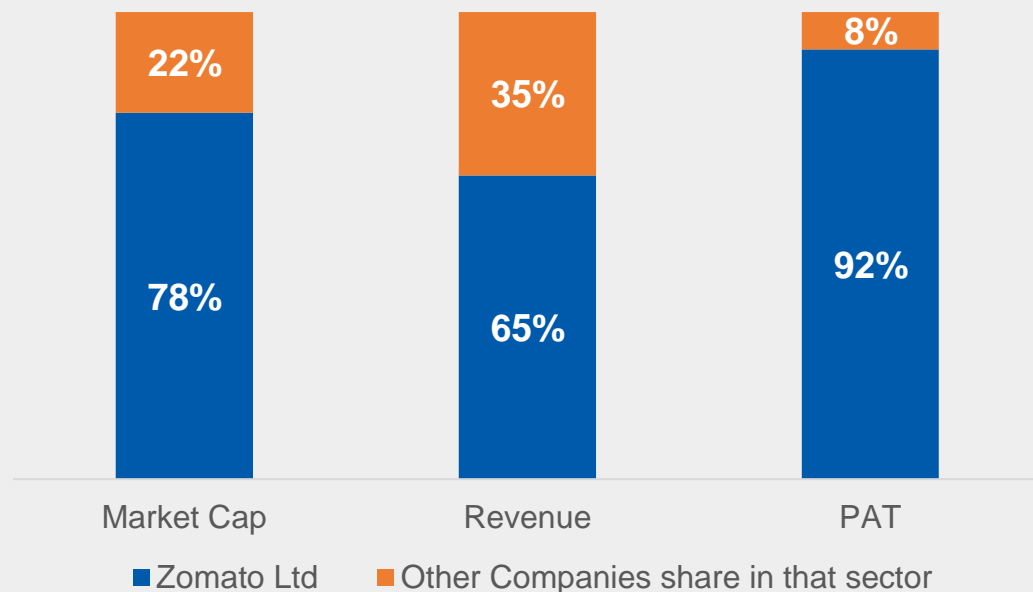


Champions of Corporate India

Proxy Play for growth in many sectors: Revenue Champions



E-Retail/ E-Commerce

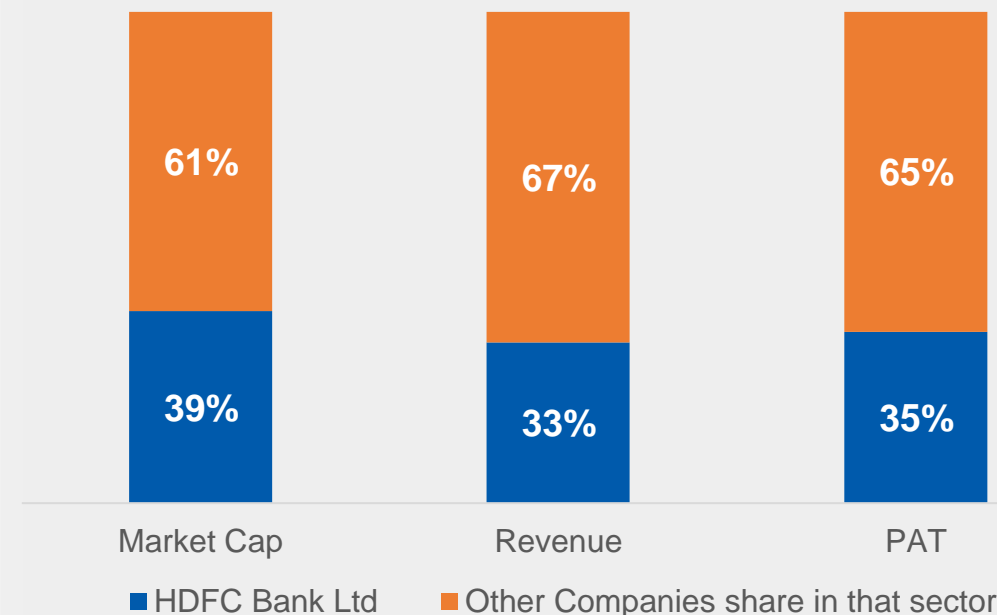


Zomato Ltd:

Disrupted food delivery with user-friendly platform, extensive restaurant partnerships, and strategic expansions, becoming a leading food tech company in India.



Private Sector Bank



HDFC Bank Ltd:

Transformed Indian banking with customer-centric approach, innovation, and strong financial performance, emerging as India's premier private bank.

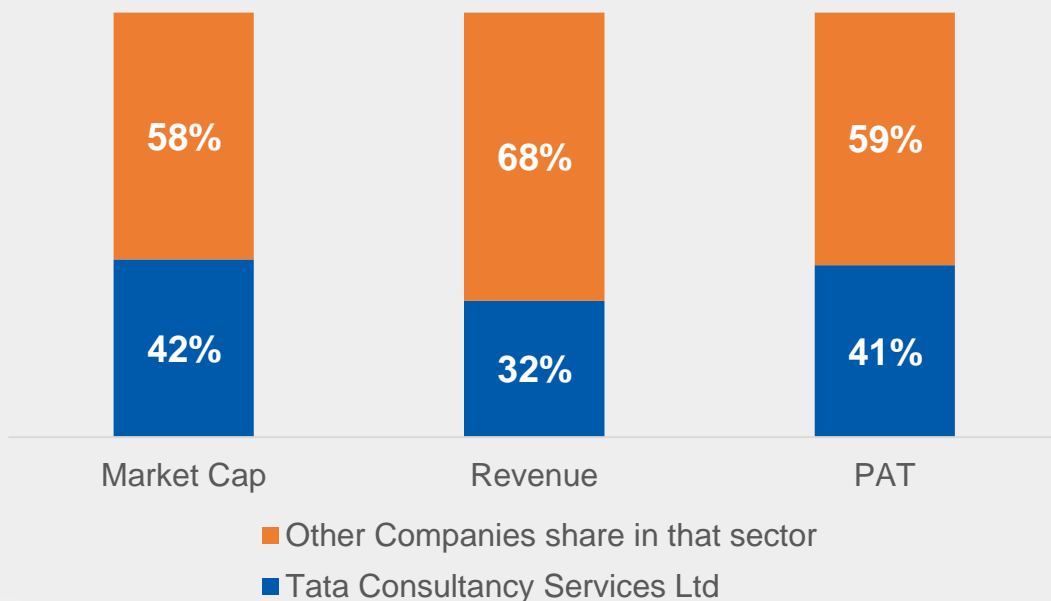
This slide is used for illustrative purpose to explain the concept of how some companies have demonstrated strong growth, performance and profitability thereby becoming Champions of Corporate India. There might be other companies apart from the mentioned in these slides who can be called as Champions of Corporate India. Past performance may or may not be sustained in future and should not in any manner be construed that these companies might be able to retain their market leadership. This stock may/may not form part of the portfolio and investors are advised to consult with their financial advisors before investing.

Source: Bloomberg Data as on 31st March 24| Past performance may or may not be sustained in future
Revenue & PAT – Profit After Tax are as on FY24

Proxy Play for growth in many sectors: Champions across parameters



Computers - Software & Consulting

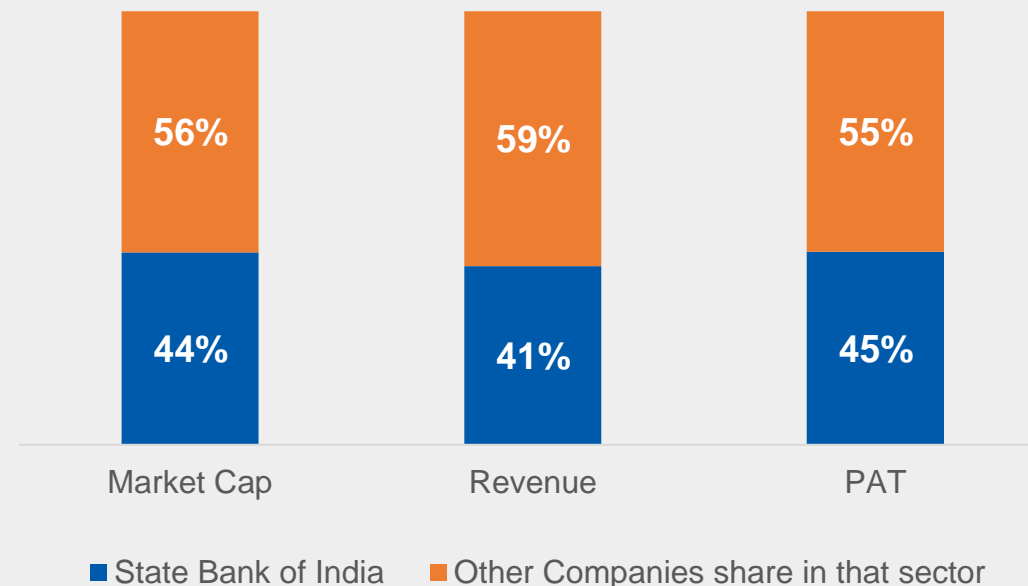


Tata Consultancy Services Ltd:

Pioneered Indian IT services globally through innovation, quality, and customer-centric solutions, becoming a top global IT leader.



Public Sector Bank



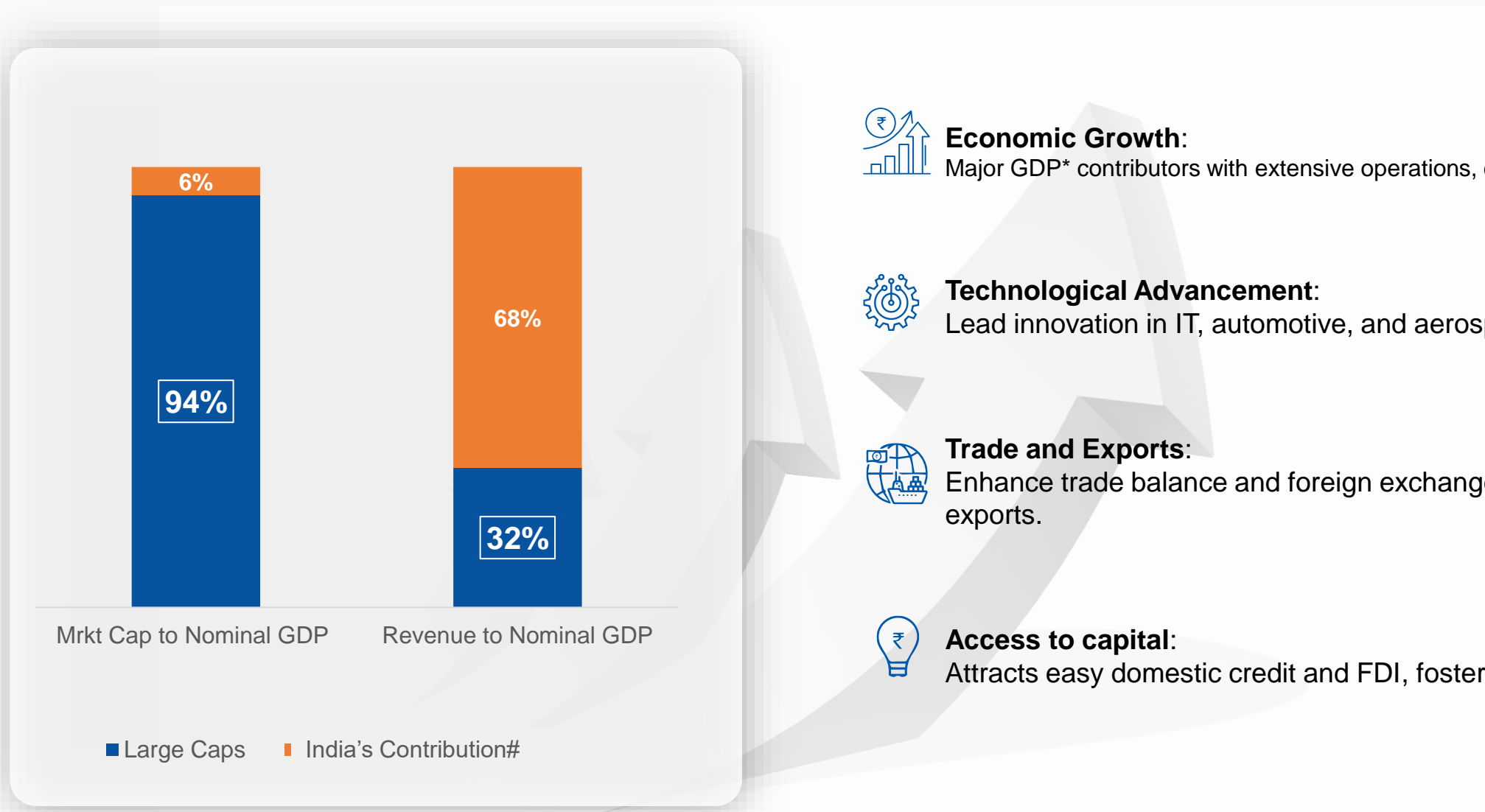
State Bank of India:

Leveraged extensive network, government backing, and customer trust to dominate Indian banking as the largest public sector bank.

This slide is used for illustrative purpose to explain the concept of how some companies have demonstrated strong growth, performance and profitability thereby becoming Champions of Corporate India. There might be other companies apart from the mentioned in these slides who can be called as Champions of Corporate India. Past performance may or may not be sustained in future and should not in any manner be construed that these companies might be able to retain their market leadership. This stock may/may not form part of the portfolio and investors are advised to consult with their financial advisors before investing.

Source: Bloomberg Data as on 31st March 24| Past performance may or may not be sustained in future
Revenue & PAT – Profit After Tax are as on FY24

Contribution of Champions to India's Growth.



Economic Growth:

Major GDP* contributors with extensive operations, creating millions of jobs.



Technological Advancement:

Lead innovation in IT, automotive, and aerospace sectors.



Trade and Exports:

Enhance trade balance and foreign exchange through significant exports.



Access to capital:

Attracts easy domestic credit and FDI, fostering growth.

This slide is used for illustrative purpose to explain the concept of how some companies have demonstrated strong growth, performance and profitability thereby becoming Champions of Corporate India. There might be other companies apart from the mentioned in these slides who can be called as Champions of Corporate India. Past performance may or may not be sustained in future and should not in any manner be construed that these companies might be able to retain their market leadership. Source: Bloomberg Data as on 31st March 24 for Nifty 100 Index| Past performance may or may not be sustained in future

Why invest in Champions of Corporate India?



Growth Contribution of Some of the Largest Companies in India

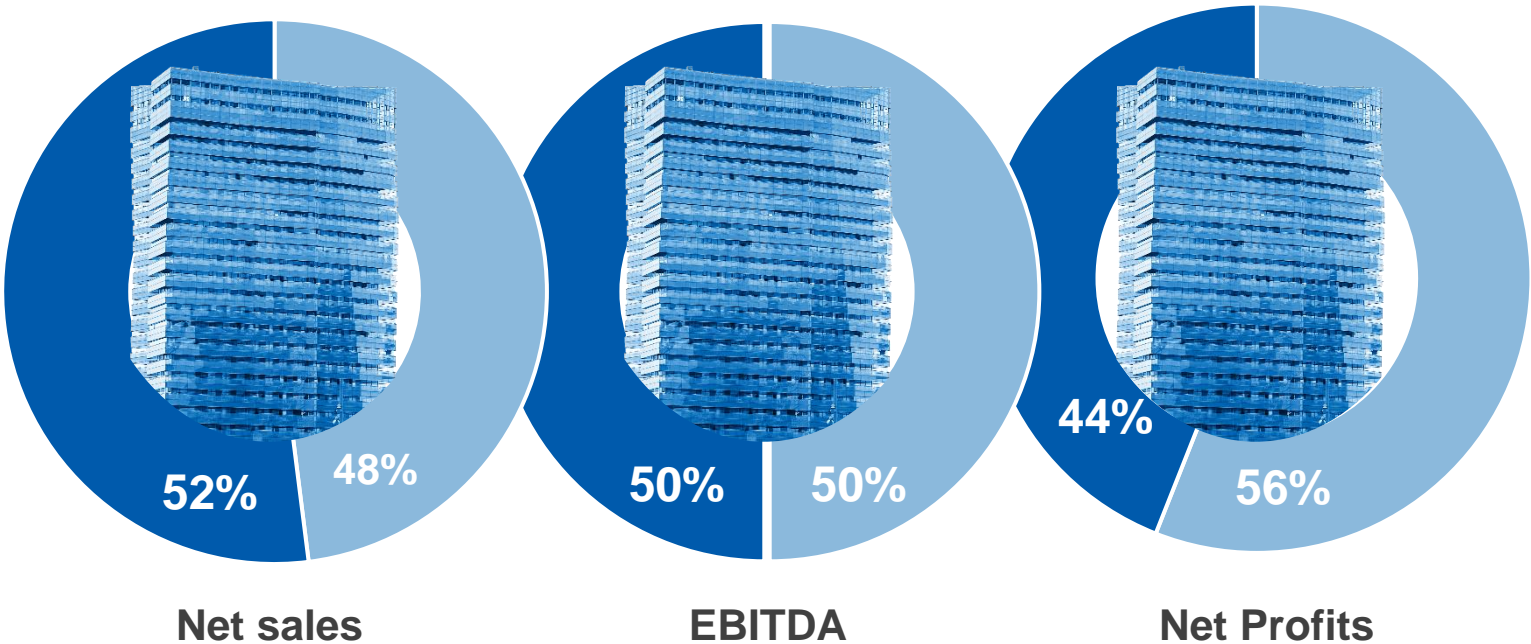
Large caps have meaningful economic contribution



Top 50 (Nifty 50 Cos)



Next 450 Cos



Barometers of economy's health.



Market/Sector leaders.



Resilience to economic downturns.



Prudent liquidity profile.



Global presence.



Considered as safe haven by FIIs and FPIs.



History of consistent long term wealth creation.



Large Cap have easier access to Capital and Reputed Management. and many more advantages...

Source: Bloomberg, As on 31st March 24 for Nifty 50 and Nifty 500 | Past performance may or may not be sustained in future

Top 10 Economies Decade Wise in USD

| Rank | 1980 | 1990 | 2000 | 2010 | 2020 | 2030E |
|------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1 | United States | United States | United States | United States | United States | China |
| 2 | Japan | Japan | Japan | China | China | United States |
| 3 | Germany | Germany | Germany | Japan | Japan | India |
| 4 | France | France | United Kingdom | Germany | Germany | Japan |
| 5 | United Kingdom | United Kingdom | France | France | United Kingdom | Germany |
| 6 | Italy | Italy | China | United Kingdom | India | United Kingdom |
| 7 | Canada | Canada | Italy | Brazil | France | France |
| 8 | Mexico | Spain | Canada | Italy | Italy | Brazil |
| 9 | China | China | Mexico | India | Canada | Canada |
| 10 | Spain | Brazil | Brazil | Russia | Korea | Russia |

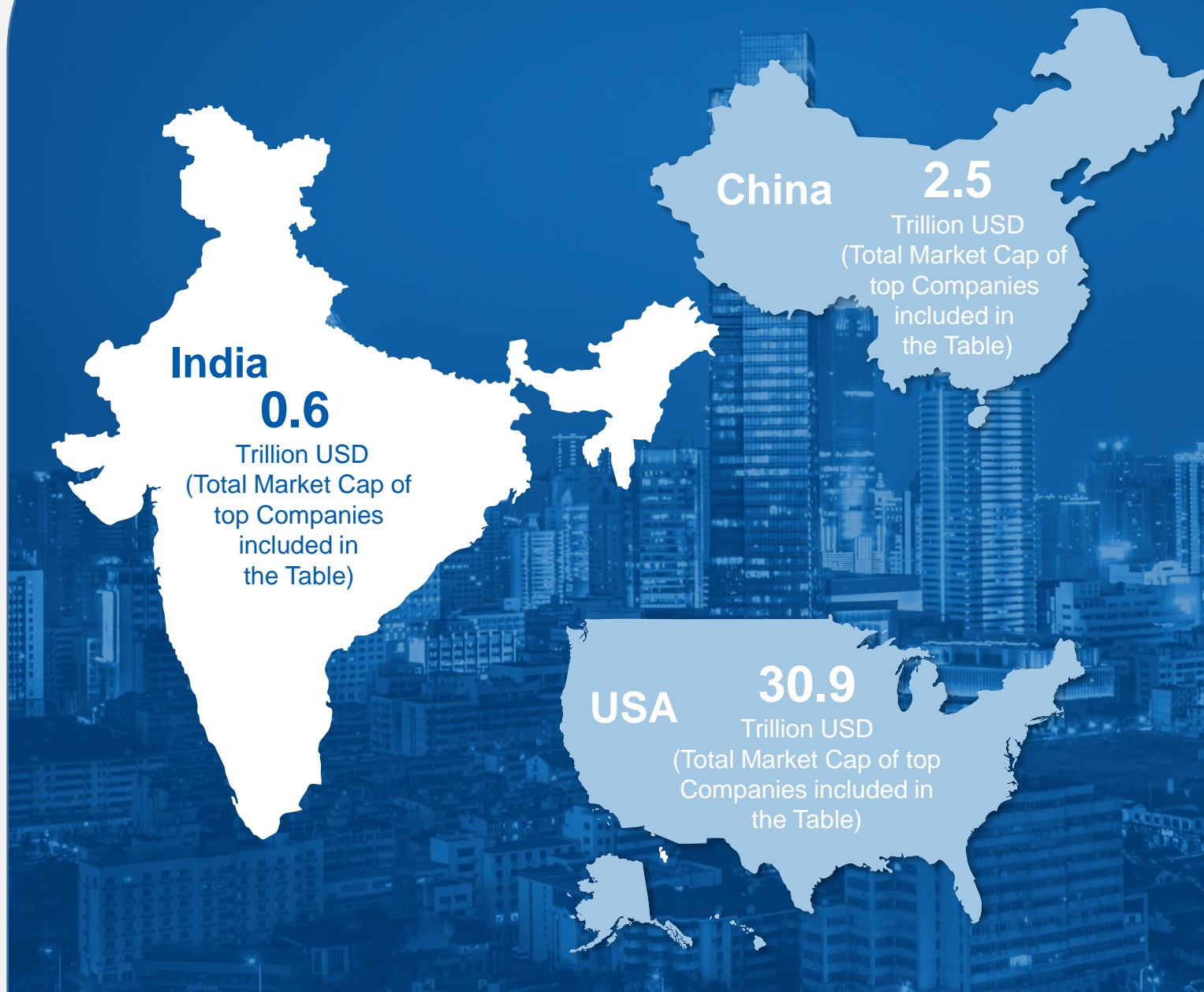
Source: Bloomberg, IMF, 2030 estimates from CEBR (The Centre for Economics and Business Research)

A lot more room to grow..

| Countries | Number of Companies | % Share in top 100 |
|----------------|---------------------|--------------------|
| United States | 60 | 72.50% |
| China | 11 | 5.87% |
| Saudi Arabia | 1 | 4.26% |
| France | 4 | 2.47% |
| United Kingdom | 5 | 2.38% |
| Taiwan | 1 | 2.10% |
| Switzerland | 3 | 1.70% |
| Denmark | 1 | 1.55% |
| India | 3 | 1.34% |
| Netherlands | 2 | 1.32% |
| South Korea | 1 | 0.91% |
| Germany | 2 | 0.87% |
| Japan | 1 | 0.65% |
| UAE | 1 | 0.57% |
| Ireland | 1 | 0.45% |
| Spain | 1 | 0.37% |
| Canada | 1 | 0.35% |
| Australia | 1 | 0.34% |
| Total | 100 | 100% |

Source: Bloomberg, As of 30th June 24
Market capitalization in Trillion USD has been considered for the above data.

Indian Large cap share in the global arena too will rise as the Indian GDP ranking rises



USA **30.9**
Trillion USD
(Total Market Cap of top Companies included in the Table)

Top companies by market cap in India

| Top 10 Indian Companies | Market Cap (Billion USD) |
|--------------------------------|--------------------------|
| Reliance Industries Ltd. | \$197 |
| Tata Consultancy Services Ltd. | \$174 |
| HDFC Bank Ltd. | \$150 |
| ICICI Bank Ltd. | \$104 |
| Bharti Airtel Ltd. | \$102 |
| Infosys Ltd. | \$82 |
| State Bank Of India | \$81 |
| ITC Ltd. | \$65 |
| Larsen & Toubro Ltd. | \$60 |
| Axis Bank Ltd. | \$48 |

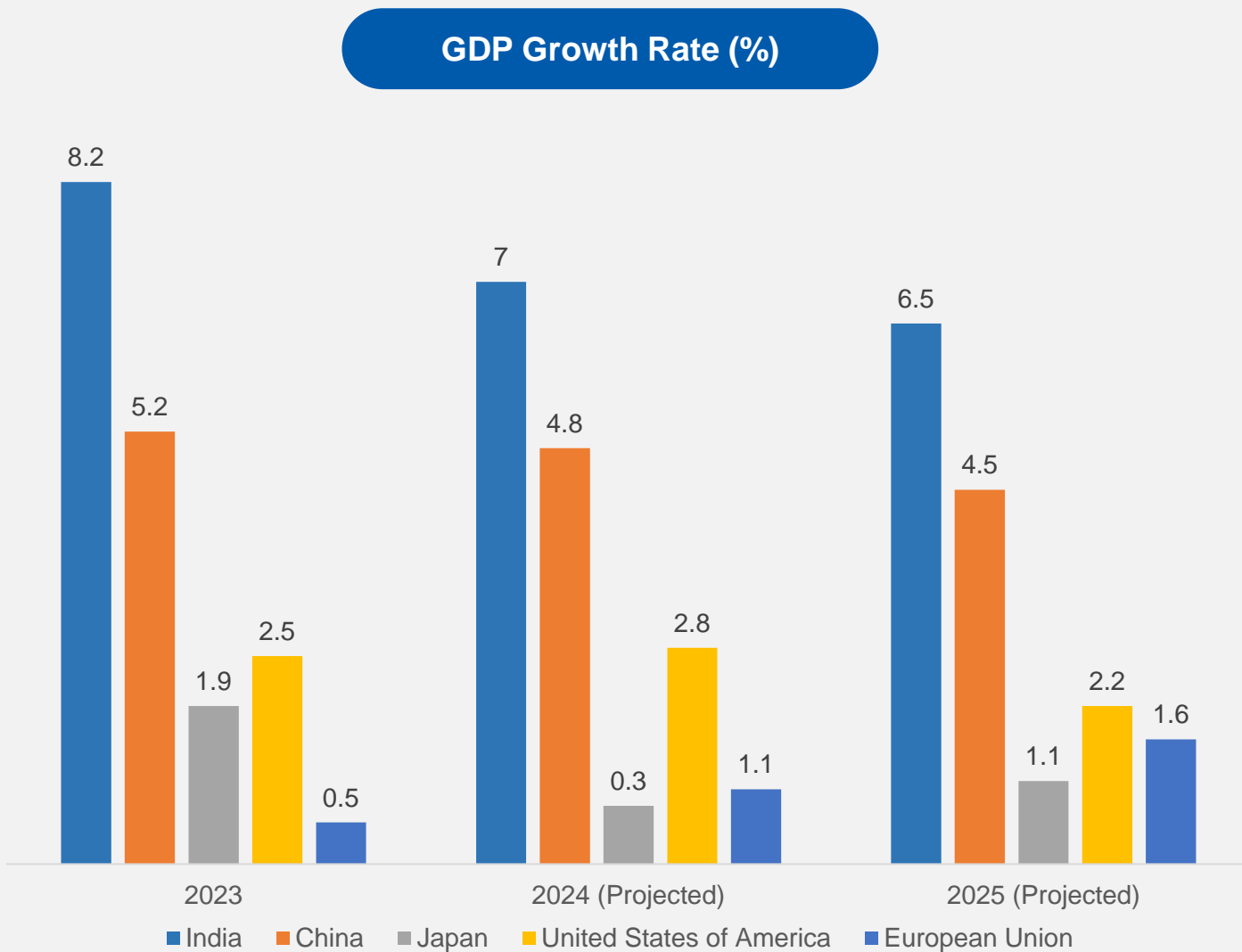
Top companies by market cap in USA

| Top 10 US Companies | Market Cap (Billion USD) |
|---------------------------|--------------------------|
| Microsoft | \$3,475 |
| Apple | \$3,471 |
| NVIDIA | \$3,095 |
| Alphabet (Google) | \$2,363 |
| Amazon | \$2,081 |
| Meta Platforms (Facebook) | \$1,370 |
| Berkshire Hathaway | \$887 |
| Eli Lilly | \$869 |
| Tesla | \$802 |
| Broadcom | \$793 |

- **Champions of Corporate India**, embodying resilience and innovation, are rapidly expanding to capitalize on India's dynamic economy, leveraging a robust consumer base and rising middle class.
- Indian large caps still have substantial room to grow compared to the largest US companies.

India poised to grow with Champions of Corporate India at the forefront

Gearing up for India's Golden Era



Source: IMF; Latest available data as on October 2024.



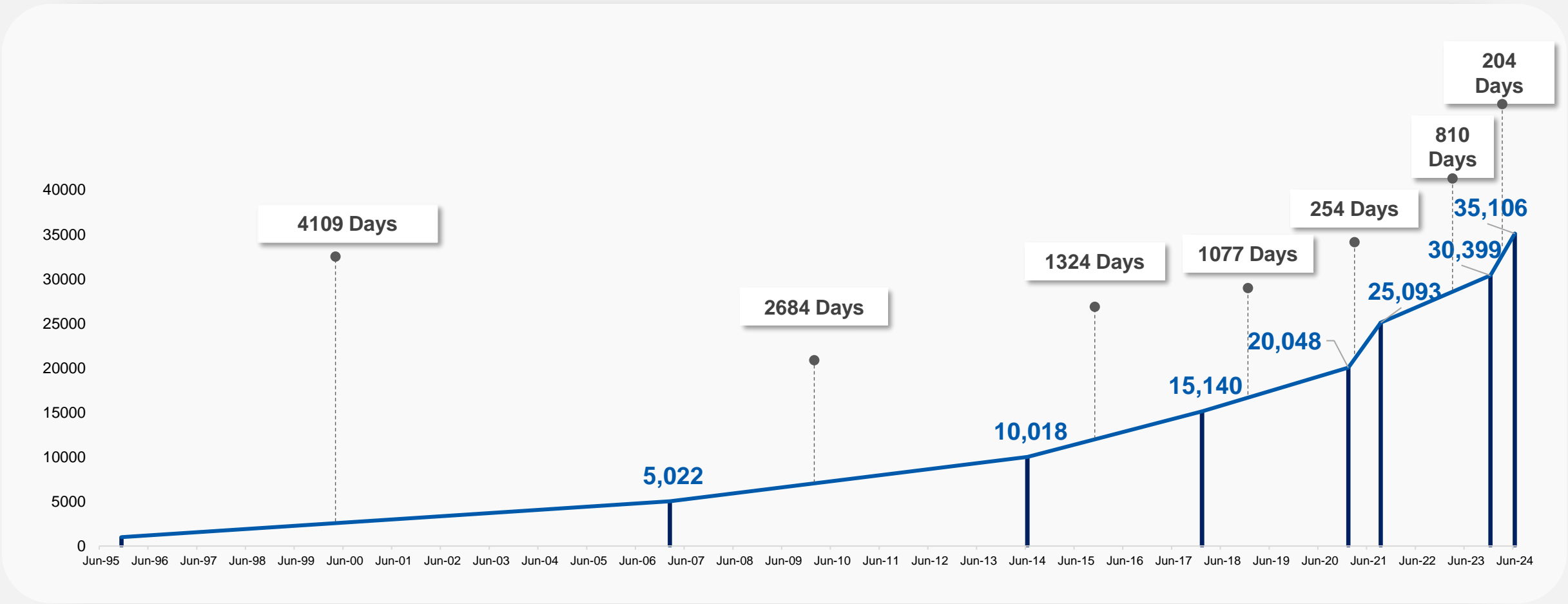
- India has historically exceeded global performance estimates on growth.
- Large caps are likely to be major beneficiary from India's GDP (Gross Domestic Product) growth through increased consumer demand and expanded investment opportunities.



Why Large Caps Now?



Nifty 50 TRI Milestones: Time taken to cross 5,000 points

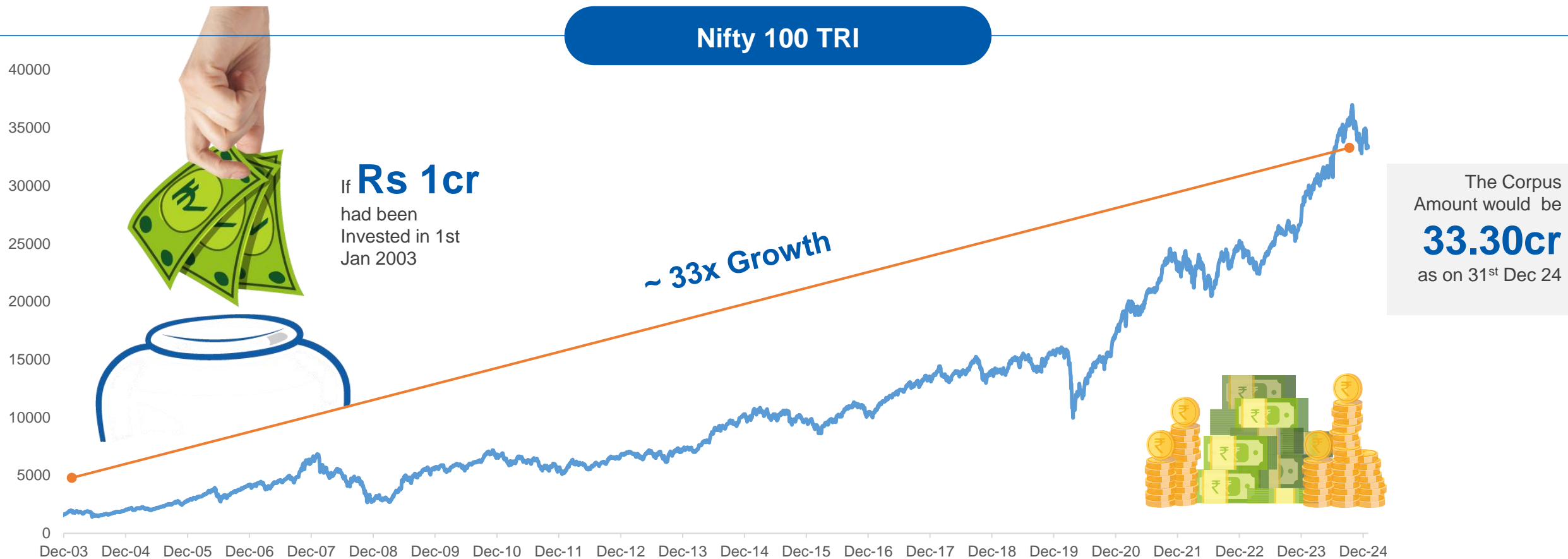


- The intervals of achieving incremental **5K points** on **Nifty 50 TRI** is on a declining trend.
- Thus, highlighting the **potential for faster wealth creation** from large caps.
- Recently Nifty 50 TRI has **reached 35000** in **record 204 days**.

Source: NSE Indices, As on 31st Dec 24| Past performance may or may not be sustained in future

Nifty 100 TRI Historical Performance

Nifty 100 TRI

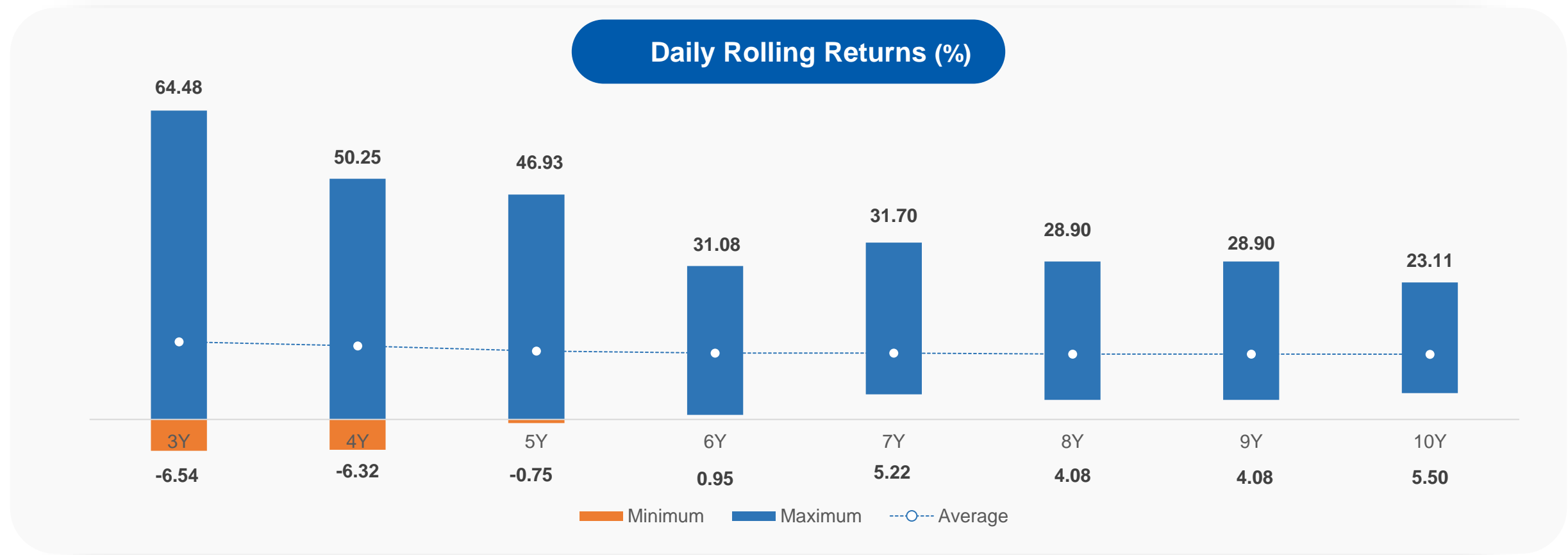


| Index Name | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------|--------|---------|---------|-----------------|
| Nifty 100 TRI | 12.9% | 13.21% | 15.92% | 18.17% |

* Less than 1-year Absolute returns, Greater than 1 year Compound Annualized returns

Source: ICRA MFI, Data As on 31st Dec 24 | Past performance may or may not be sustained in future

Relatively Steady Returns & Wealth Creation over Long Term



No negative returns over the 5 years holding period.

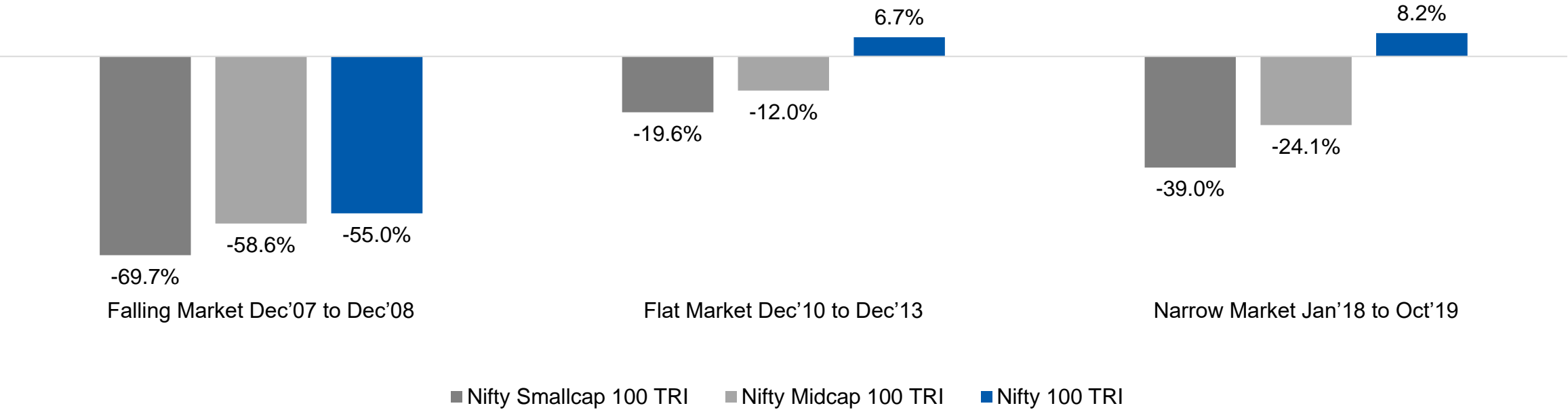


High potential for long term wealth creation.

Source: NSE & Internal Analysis, As on 31st Dec 24 Index Nifty 100 TRI | Past performance may or may not be sustained in future
"RR" Denotes Rolling Return presented on Y axis and number of years on X axis.



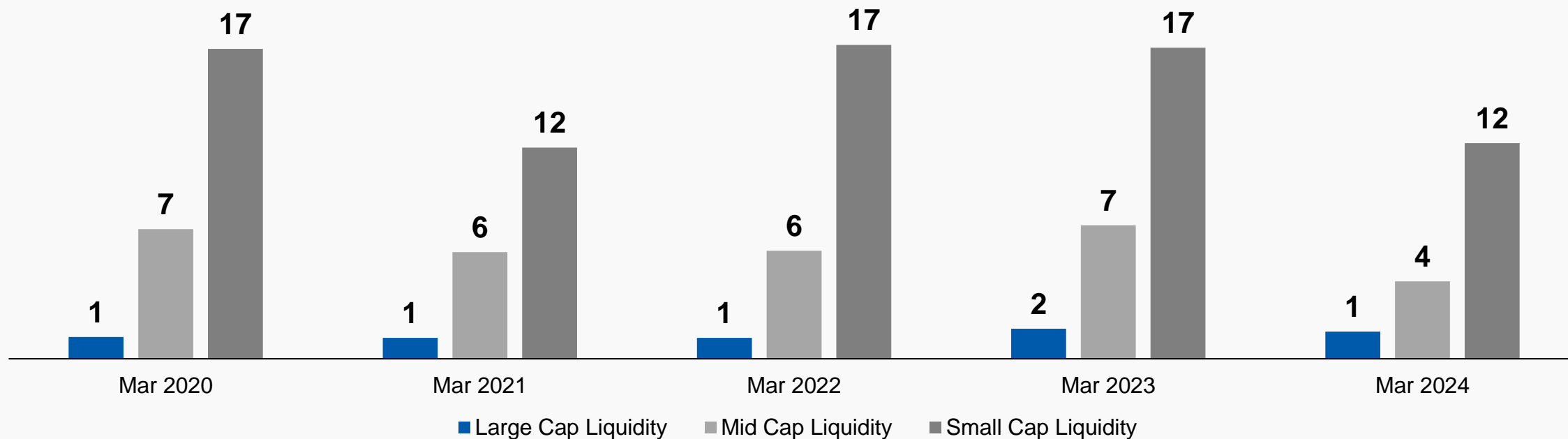
Large-caps tend to be relatively stable during market fluctuations.



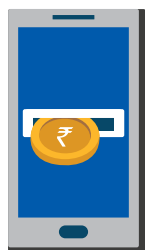
Large Cap Index performed relatively well during Falling Market, Flat Market and Narrow Market than Mid and Small Caps

Past performance may or may not be sustained in future | Source: ICRA MFI
Point to Point Absolute returns has been considered for the above calculation

Liquidity Risk in Large Cap are very Low



Liquidity in Large-Cap Stocks:



High trading volumes offer frequent trading opportunities



Narrow bid-ask spreads show efficient market transactions.



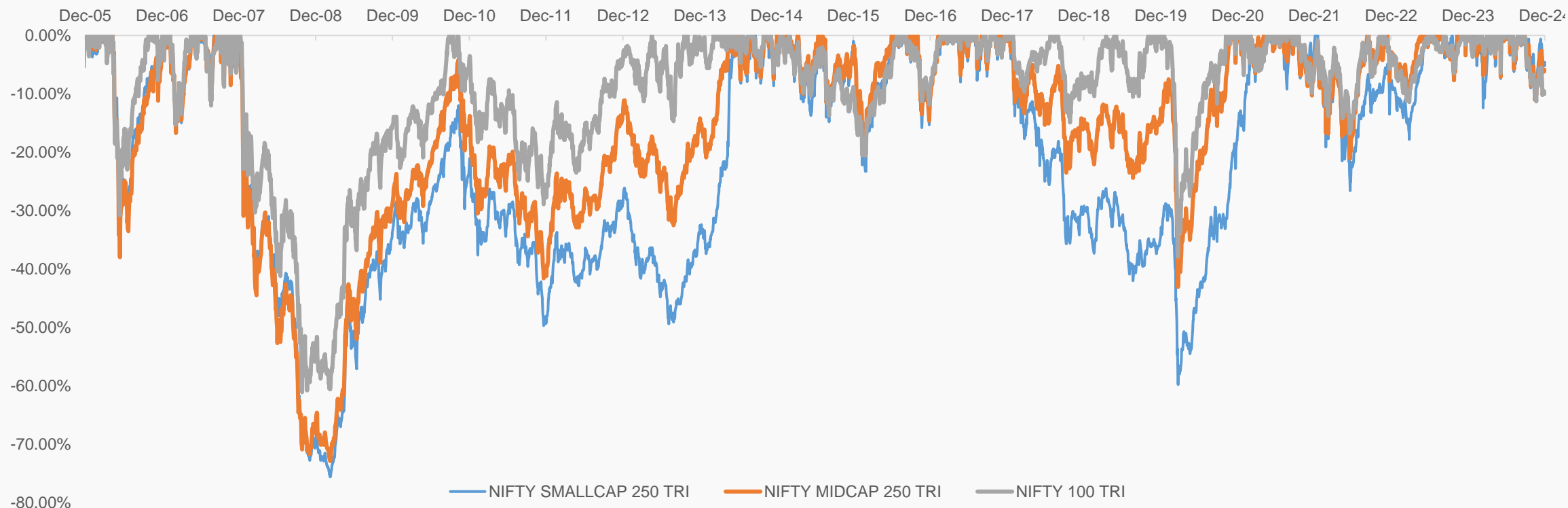
Liquidity in Days indicates days needed to cash out a portfolio.



Low impact costs allow large trades with minimal price impact.

Source ICRA MF | Average of all Large Cap, Mid Cap and Small cap fund's portfolio liquidity measured which are present In the industry. Past performance may or may not be sustained in future

Drawdown Analysis

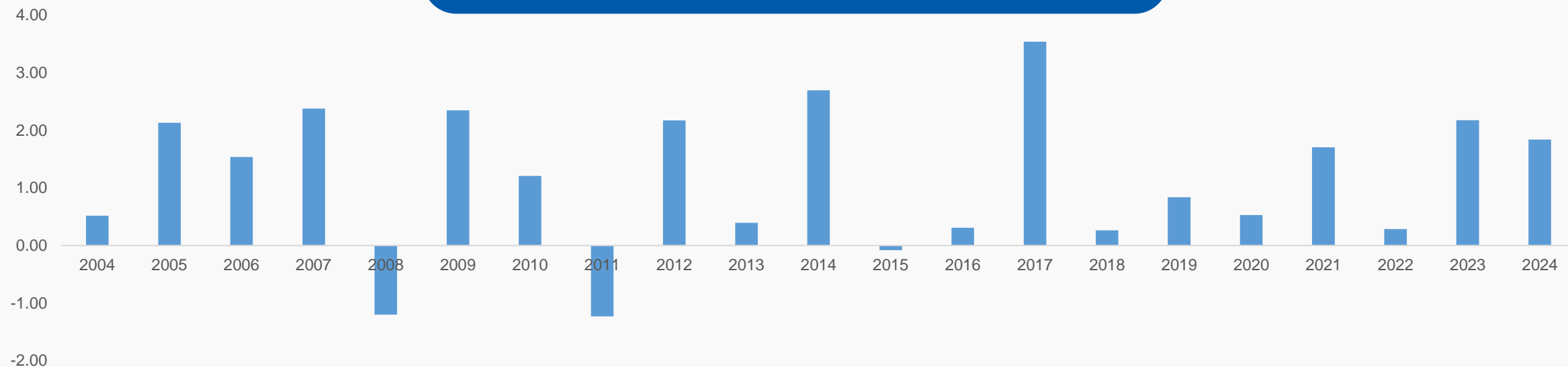


- Large caps tends to fall lesser than their peers in mid and small cap space.

- They regain their losses much faster than their peers

Source: ICRA MFI & Internal Analysis, As on 31st December 24 | Past performance may or may not be sustained in future | Y axis shows the Returns

CY Risk Adjusted Return Nifty 100 TRI



Stability

Large-cap stocks offer stability and lower volatility, boosting risk-adjusted returns.



Liquidity

High trading volumes and liquidity reduce costs and enhance portfolio management.

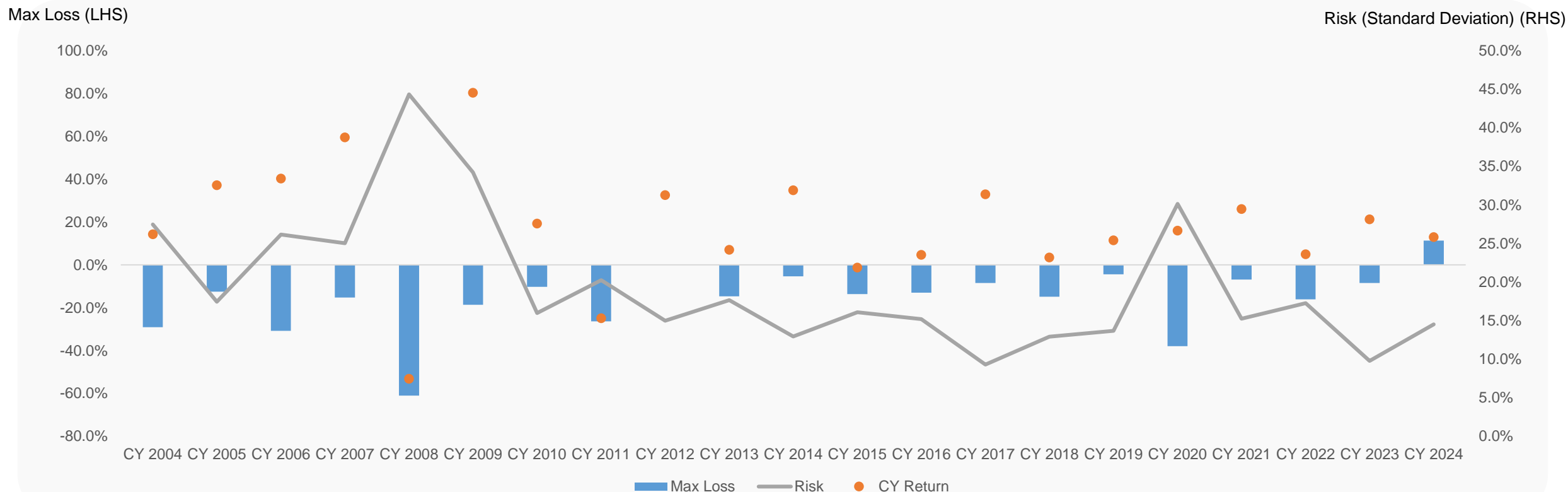


Resilience

Large-cap stocks perform relatively consistently across market cycles.

Source: ICRA MFI & Internal Analysis, As on 31st Dec 24 | Past performance may or may not be sustained in future | Y axis shows the Risk adjusted Returns in %.

Large Caps are Relatively Consistent Performers



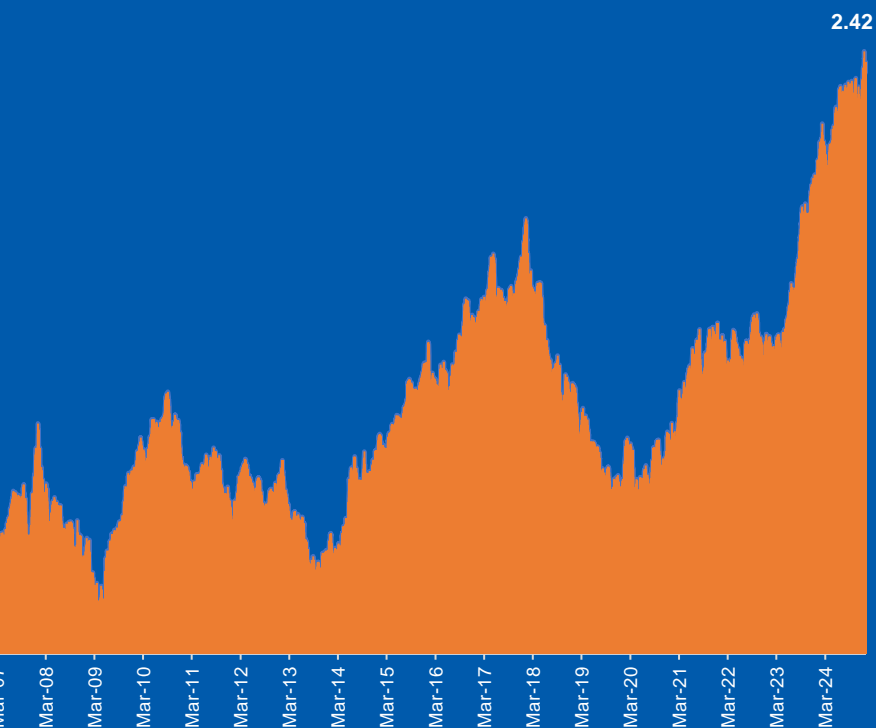
- 18 out of 21 years, **Large Caps have closed in the positive territory.**

- The Risk (Standard Deviation) of Large Caps have been in **below 20 zone for 14 out of last 21 years.**

Source: NSE & Internal Analysis, Nifty 100 TRI Data As on 31st Dec 24 | Past performance may or may not be sustained in future

Large Caps more Attractive Vis a Vis Small & Mid Cap

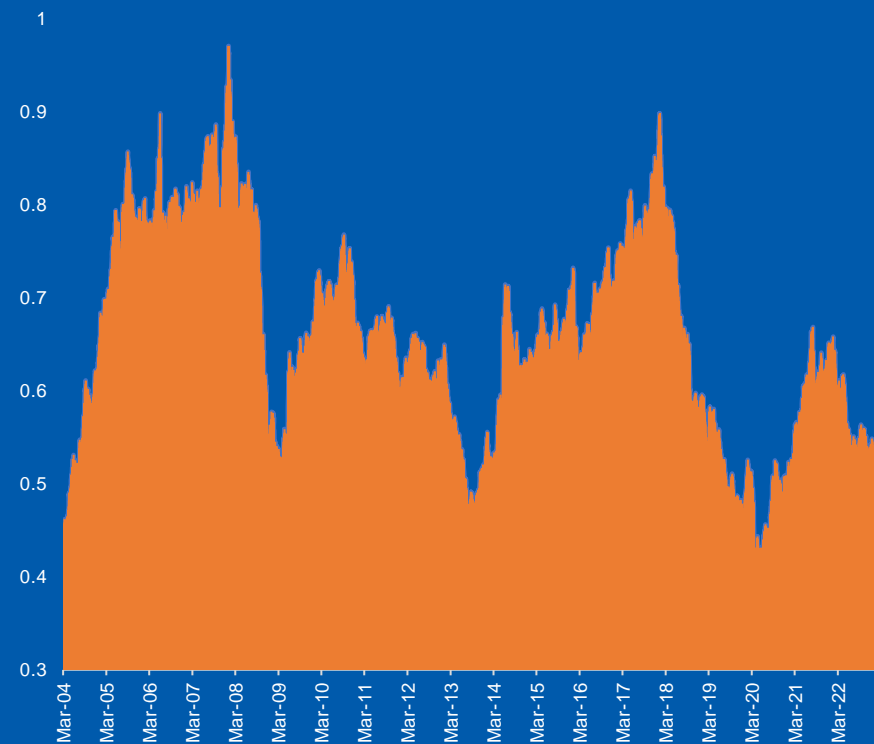
Midcaps vs large caps



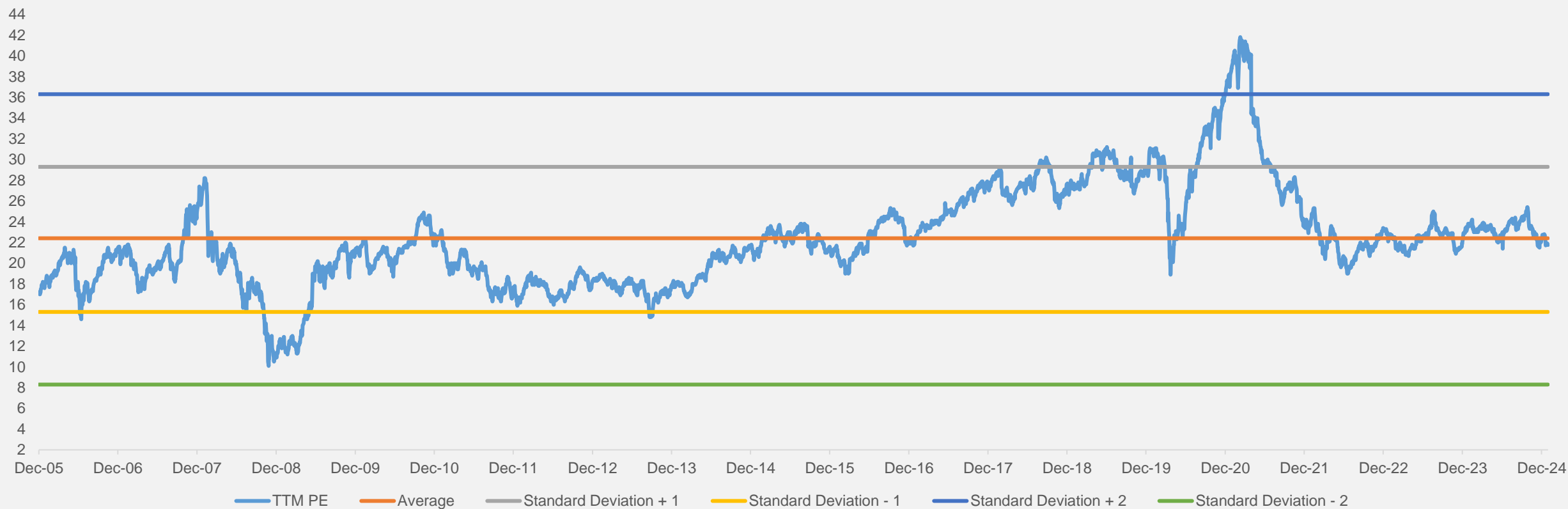
- The relative strength of **midcap vis-à-vis large caps** is at **2.3X** and **small caps vis-à-vis large caps** at **0.7X**.
- The trend has been in an upward move, indicating that the **midcap and small cap indices** has been **outperforming the large cap index**.
- The **current relative strength, when compared to the long-term median** indicates that any mean reversion would be largely positive for large cap stocks.

Source: Bloomberg & Internal Analysis, Nifty 50, Nifty Midcap 100 & Nifty Smallcap 100 Indices value data As on 31st December 24 | Y axis represents the valuation.
Past performance may or may not be sustained in future

Small caps vs large caps



Large Cap currently available at Fair valuation

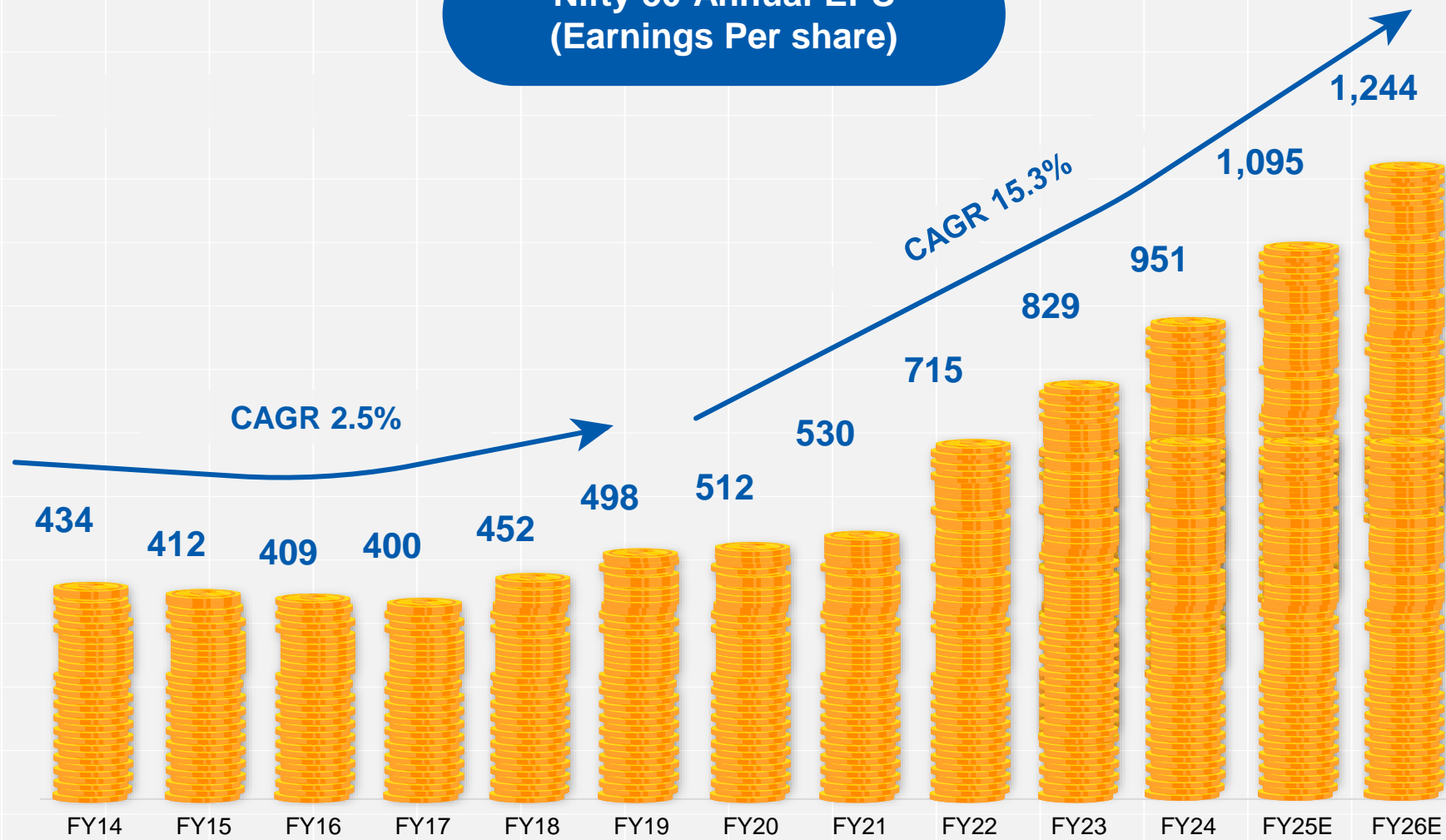


- The current valuation of the large caps is closer to the long-term average of 23.1.
- The valuations have been range bound around the long-term average.
- This indicates that the large caps are fairly valued for long term investments.

Source: NSE & Internal Analysis, Nifty 100 TRI Data as on 31st December 24 | Past performance does not guarantee future results
PE- Price to Earning Ratio | TTM-Trailing Twelve Month | Y axis represents the valuation

Earnings Growth of Large Caps

Nifty 50-Annual EPS (Earnings Per share)

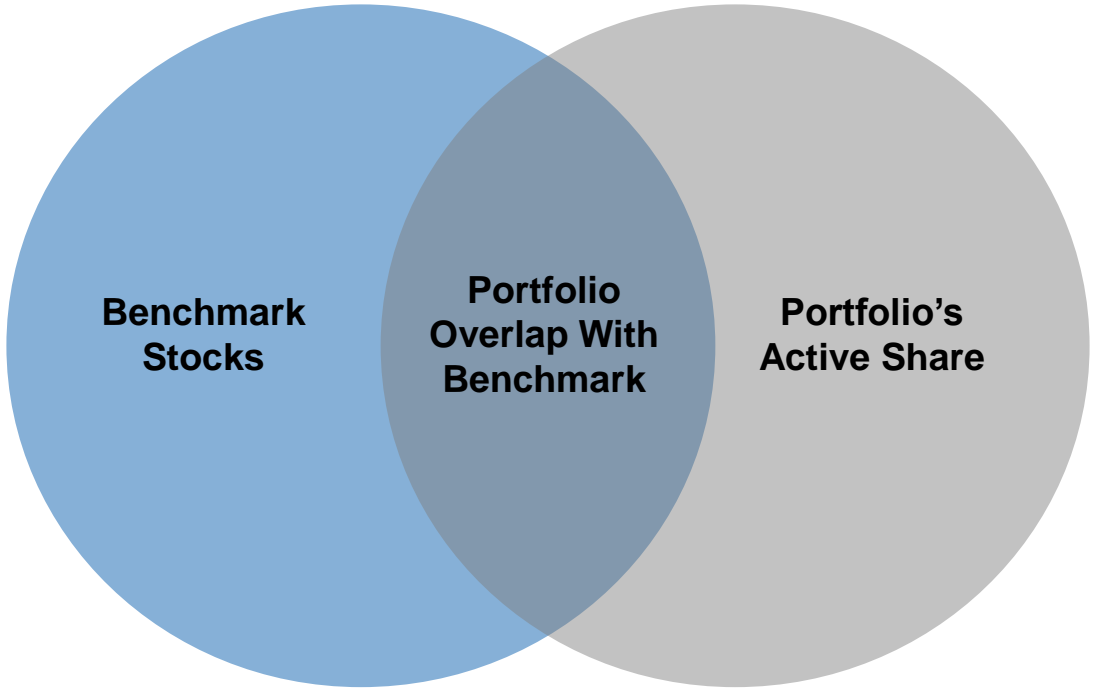


Source: Bloomberg, & Internal Analysis As on 31st March 24 | Past performance may or may not be sustained in future
"E" Denotes Estimated

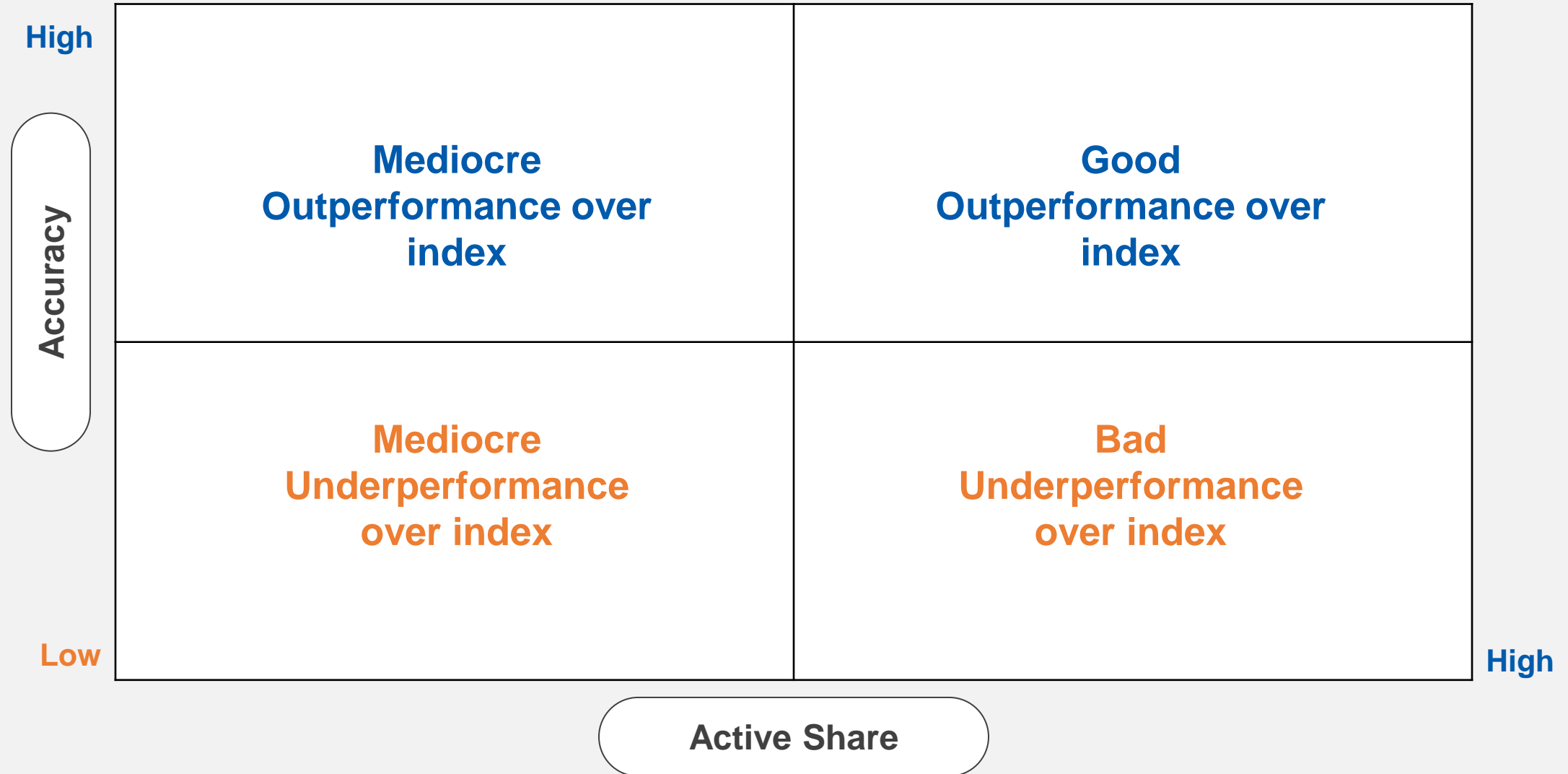
- Large Caps' earnings have crossed the inflection point in 2021 and currently appears to be in a robust growth phase.
- The EPS is expected to grow at 15% and 14% for FY25 and FY26 respectively.

Why to Invest in Bajaj Finserv Large Cap Fund?

If You Buy The Index, You Cannot Beat The Index



- Bajaj Finserv Large Cap Fund will aim to have a **high Active Share** which would indicate that the fund will take high conviction bets in select stocks for growth.
- Active Share measures the percentage of stock holdings, that **deviates** from the benchmark index.
- We believe and practice that “**if you buy the index, you cannot beat the index.**”
- Traditional indices reflect the past, but our investment strategy looks ahead, positioning your portfolio for **future opportunities and growth.**



| Stock Name | Allocation | | Overlap |
|------------------------------|-------------|-------|---------|
| | Portfolio A | Index | |
| Stock A | 19 | 20 | 19 |
| Stock B | 16 | 18 | 16 |
| Stock C | 12 | 15 | 12 |
| Stock D | 15 | 12 | 12 |
| Stock E | 12 | 10 | 10 |
| Stock F | 9 | 8 | 8 |
| Stock G | 5 | 6 | 5 |
| Stock H | 4 | 5 | 4 |
| Stock I | 5 | 4 | 4 |
| Stock J | 3 | 2 | 2 |
| Total Portfolio Overlap | | | 92 |
| Active Share (100 - Overlap) | | | 8 |

| Stock Name | Allocation | | Overlap |
|------------------------------|-------------|-------|---------|
| | Portfolio B | Index | |
| Stock A | 9 | 20 | 9 |
| Stock B | 12 | 18 | 12 |
| Stock C | 8 | 15 | 8 |
| Stock D | 7 | 12 | 7 |
| Stock E | 5 | 10 | 5 |
| Stock F | 11 | 8 | 8 |
| Stock G | 15 | 6 | 6 |
| Stock H | 10 | 5 | 5 |
| Stock I | 10 | 4 | 4 |
| Stock J | 13 | 2 | 2 |
| Total Portfolio Overlap | | | 66 |
| Active Share (100 - Overlap) | | | 34 |

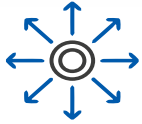
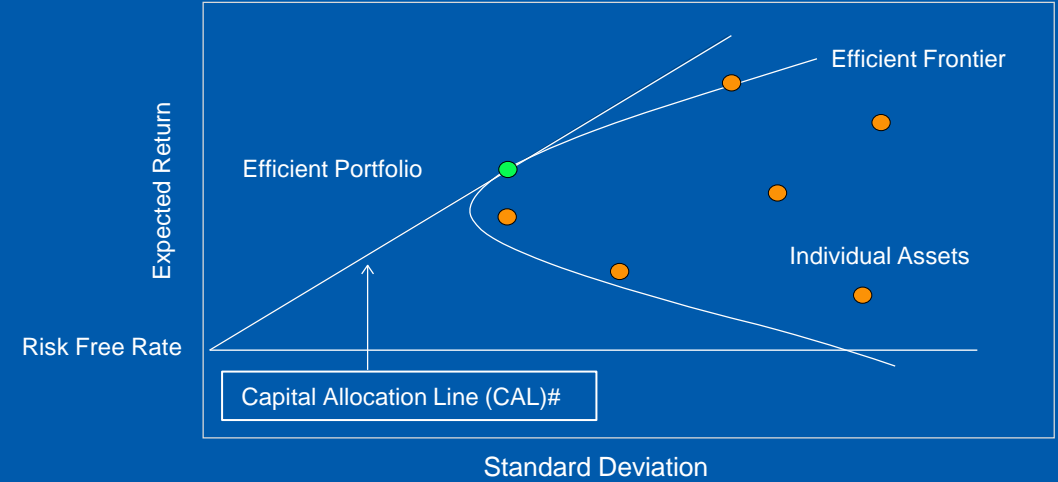
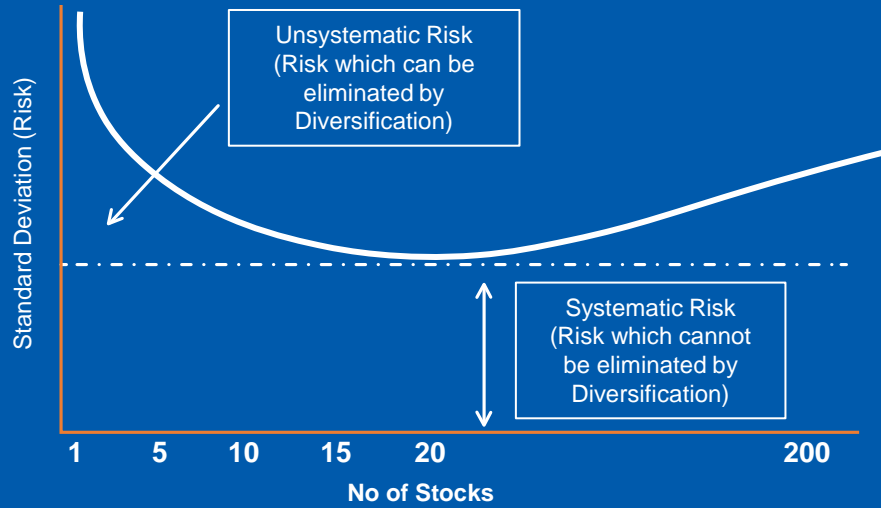
The above table is an illustration.

Portfolio A is more index hugging whereas Portfolio B is more actively managed.

- Portfolio Managers often face the stock selection challenge owing to limited stocks in large cap universe (only Top 100).
- Hence, allocating to high-conviction stocks is key to success in managing a Large Cap Fund.
- High Active Share is outcome of high conviction concentrated bets in select stocks

Concentrated Portfolio of 25 to 30 stocks for optimum risk return reward*

Stock Specific Risk



Research indicates that holding 20-30 stocks provides statistically significant **diversification** benefits, reducing portfolio-specific risk.



Introduced by Nobel laureate Harry Markowitz in 1952, **MPT (Modern Portfolio Theory)** optimizes expected returns for a given risk level by **diversifying** across different asset types.



Our strategy is to build a portfolio of approximately **25 to 30 Stocks**, aiming for optimal **risk diversification** consistent with **MPT** principles.

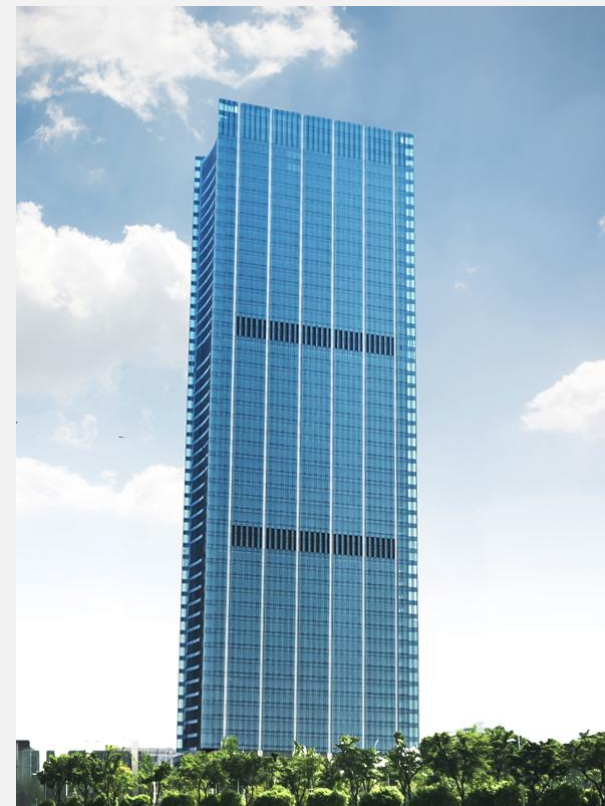
*The above investment strategy is based on prevailing market conditions and opportunities available at the time of investment. The Fund Manager reserves the right to change the count of stocks invested based on the SID and the opportunities available at the time of investment done, Position in derivatives will not be considered for the computation of total number of stocks in the portfolio

#The Capital Allocation Line (CAL) is a line that graphically depicts the risk-and-reward profile of assets and can be used to find the optimal portfolio.

**Highly Concentrated
portfolio** with high
conviction in stock
selection



**High Active
Share** with aim to
outperform the
benchmark index
over
long-term



**Bajaj Finserv
Large Cap Fund**

IN

INFORMATION
EDGE

- Outperform the market on superior information collection

QU

QUANTITATIVE
EDGE

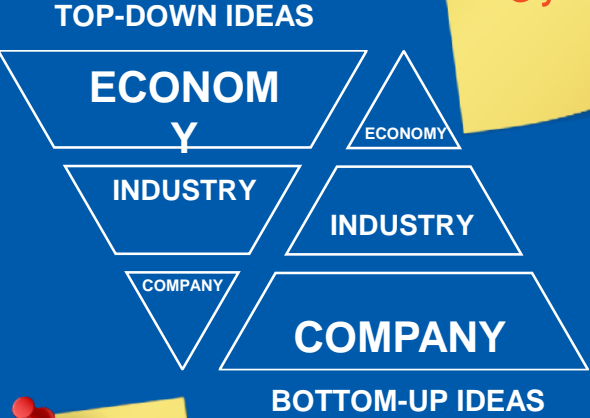
- Outperform the market on processing information better
- Quant models, Analytical models

BE

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



Cycles

Behavioral Screening

Analysing Ideas

- Business
- Management
- Valuation

Checklist

Pre-mortem

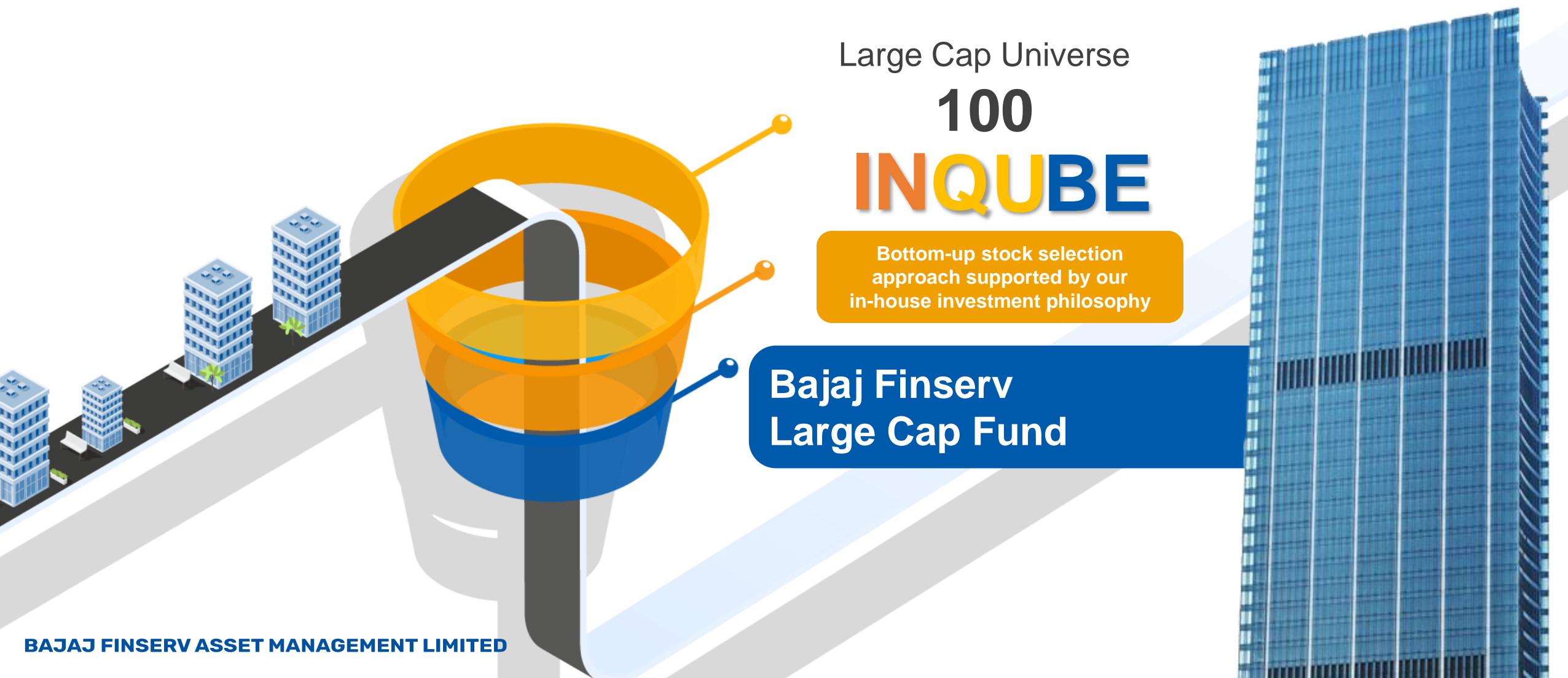
Allocating

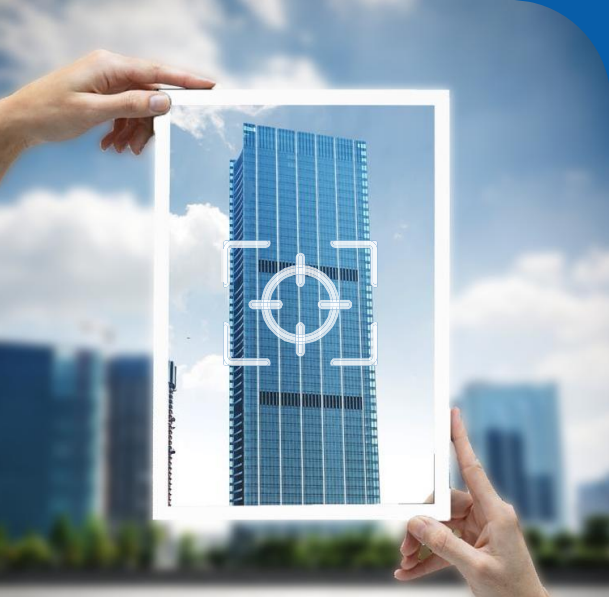
- Size
- Quality
- Value
- Growth
- Risk

Journal

Quant

Pre-commitment

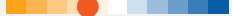

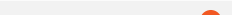
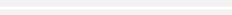

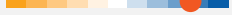
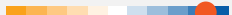
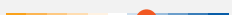
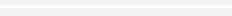
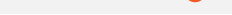
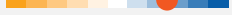
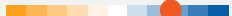



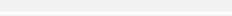
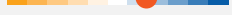

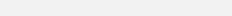


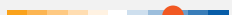
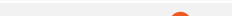
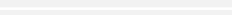
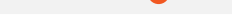
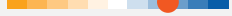


BAJAJ FINSERV LARGE CAP FUND

(An open ended equity scheme
predominantly
investing in large cap stocks)

May 2025

| Company name | % to NAV | Underweight/Overweight |
|-------------------------------------|----------|---|
| | | -5 -4 -3 -2 -1 0 1 2 3 4 5 |
| HDFC Bank Limited | 9.29% |  |
| Reliance Industries Limited | 6.79% |  |
| State Bank of India | 6.64% |  |
| ICICI Bank Limited | 6.48% |  |
| Kotak Mahindra Bank Limited | 5.82% |  |
| UltraTech Cement Limited | 5.19% |  |
| Larsen & Toubro Limited | 4.36% |  |
| Divi's Laboratories Limited | 4.36% |  |
| InterGlobe Aviation Limited | 3.89% |  |
| United Spirits Limited | 3.71% |  |
| Infosys Limited | 3.64% |  |
| HDFC Life Insurance Company Limited | 3.59% |  |

| Company name | % to NAV | Underweight/Overweight |
|---------------------------------------|----------|---|
| | | -5 -4 -3 -2 -1 0 1 2 3 4 5 |
| Sun Pharmaceutical Industries Limited | 3.58% |  |
| Bajaj Finance Limited | 3.49% |  |
| Tata Consultancy Services Limited | 3.30% |  |
| Bharti Airtel Limited | 3.30% |  |
| Bharat Electronics Limited | 3.26% |  |
| Britannia Industries Limited | 3.16% |  |
| Aditya Birla Capital Limited | 3.08% |  |
| Tata Steel Limited | 3.00% |  |
| Havells India Limited | 2.54% |  |
| Mahindra & Mahindra Limited | 1.42% |  |
| Eternal Limited | 1.40% |  |
| Maruti Suzuki India Limited | 0.97% |  |

Bajaj Finserv Large Cap Fund reflects a balanced yet growth-oriented approach with a strong emphasis on market leaders across diversified sectors. The core thesis focuses on long-term sustainability and market dominance.



Blue-chip stock allocation
Preference for established market players with potential for returns in long term, even in volatile conditions.



Pharmaceuticals & insurance exposure
Highlights belief in healthcare and financial protection as critical for navigating uncertainties and sectoral resilience.



Consumer staples & telecom presence
Indicates belief in steady cash flow generation due to recurring demand, regardless of market disruptions.



Digital economy exposure
Reflects optimism in India's tech-driven transformation and future growth potential.

The fund's portfolio is strategically constructed on the back of high conviction investment ideas. Furthermore, the overall philosophy revolves around balancing defensive plays with selective growth opportunities, underpinned by quality, market leadership, and sectoral resilience. The sequence, relationship and nature of trends in these assets helps understand and anticipate market movements driven by psychological factors, leading to more informed and effective investment decisions. By integrating behavioural insights with fundamental analysis, our model offers a comprehensive approach to asset allocation, optimizing returns while managing risks.



Active Share measures the percentage of stock holdings, based on weights (% to NAV) in a investment manager's portfolio that differs from the benchmark index.

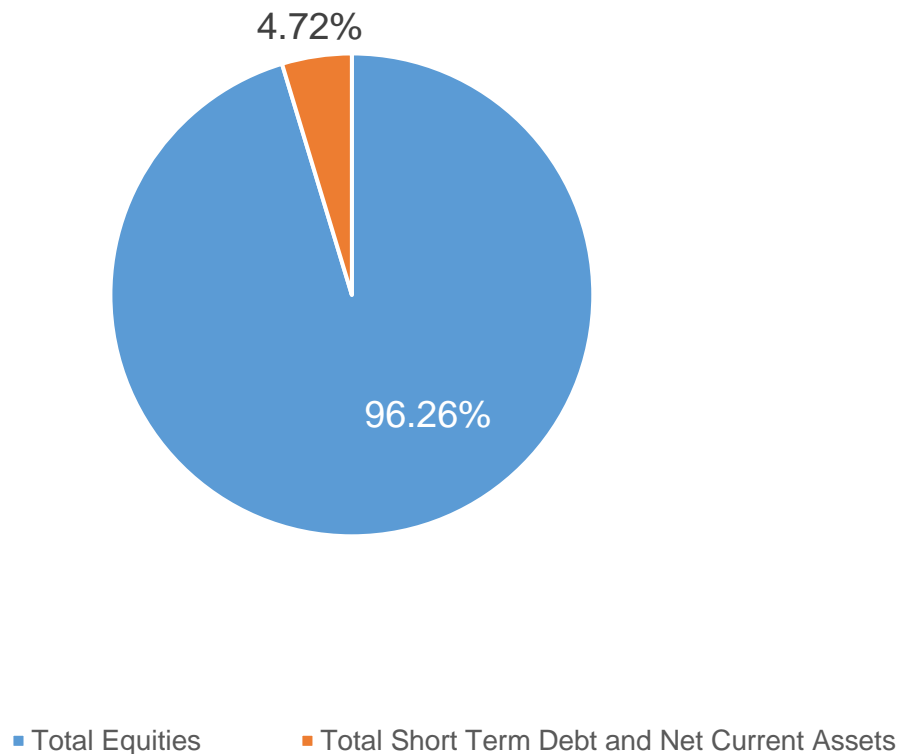
- A low Active Share score is said to indicate that a portfolio manager is closely replicating the benchmark index and engaging in a passive investment strategy.
- A high Active Share score is said to indicate that a fund's holdings differ from the benchmark index and that the portfolio manager is actively managing it.

Data as on 30th April 2025

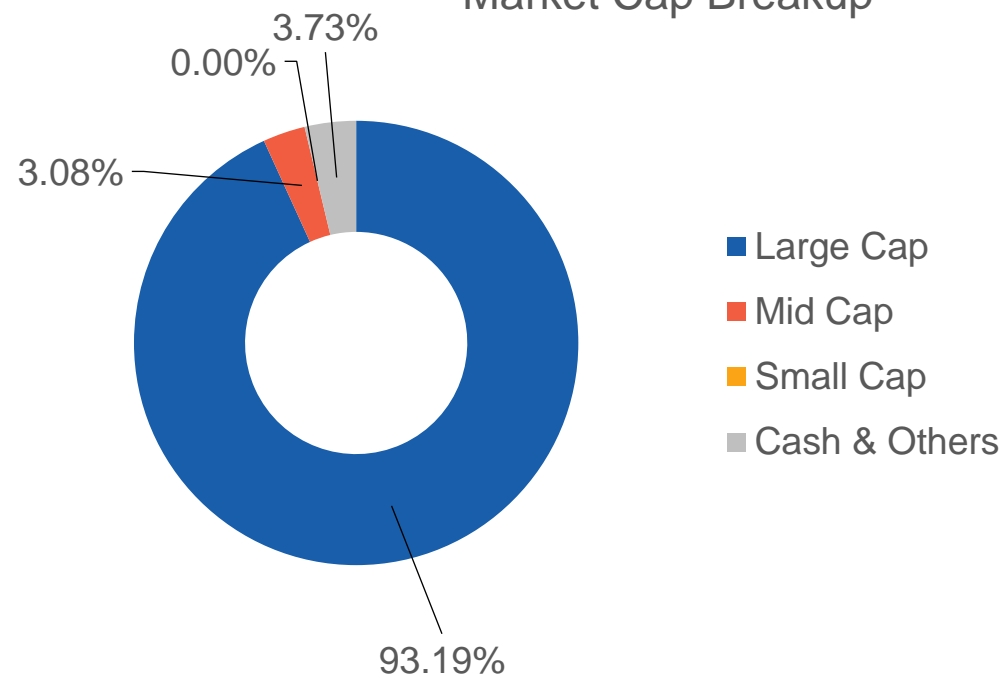
Active Share : 47%

Portfolio Overlap: 53%

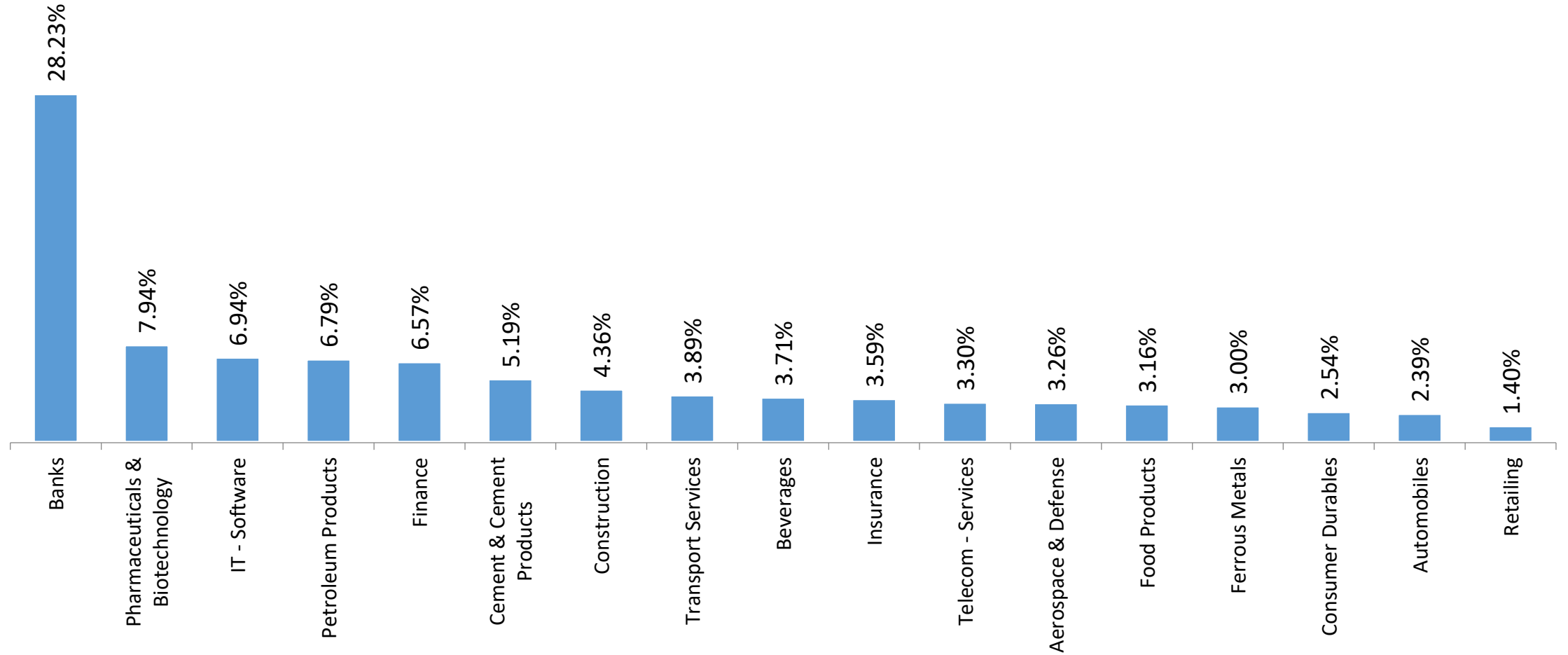
Asset Allocation



Market Cap Breakup



Data as on 30th April 2025.



Data as on 30th April 2025.

Scheme Type

An open ended equity scheme predominantly investing in large cap stocks

Plans

Bajaj Finserv Large Cap Fund - Regular Plan | Bajaj Finserv Large Cap Fund - Direct Plan

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

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: 1% of applicable NAV.
- if units are redeemed/switched out after 6 months from the date of allotment, no exit load is payable.

The Scheme will not levy exit load in case the timelines for rebalancing portfolio as stated in SEBI Master Circular for Mutual Funds dated June 27, 2024, is not complied with.

Fund Manager

Mr. Nimesh Chandan and Mr. Sorbh Gupta (Equity Portion) | Mr. Siddharth Chaudhary (Debt Portion)

Benchmark Index

Nifty 100 Total Return Index (TRI)

SIP / SWP / STP

Available

BAJAJ FINSERV LARGE CAP FUND

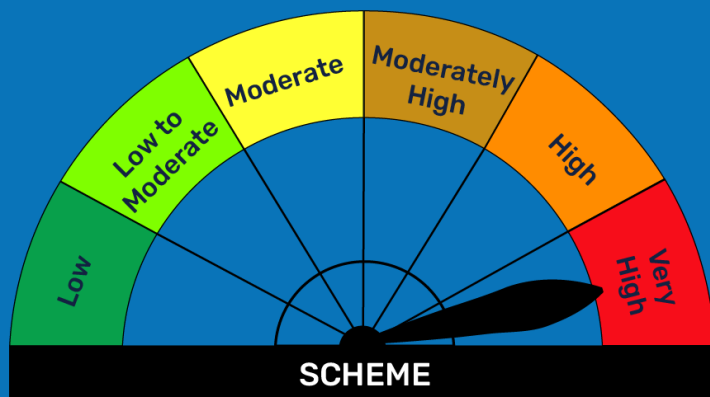
An open ended equity scheme predominantly investing in large cap stocks

This product is suitable for investors who are seeking*:

- wealth creation over long term
- to invest predominantly in equity and equity related instruments of large cap companies

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

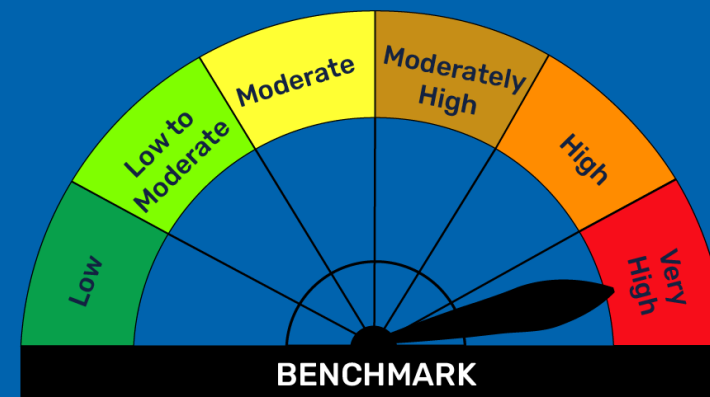
SCHEME



The risk of the scheme is very high

RISKOMETER

BENCHMARK



The risk of the benchmark i.e. NIFTY 100 Total Return Index (TRI) is very high

This document should not be treated as endorsement of the views/opinions or as an investment advice. This document should not be construed as a research report or a recommendation to buy or sell any security. This document alone is not sufficient and should not be used for the development or implementation of an investment strategy. The recipient should note and understand that the information provided above may not contain all the material aspects relevant for making an investment decision. The decision of the Investment Manager may not always be profitable; as such decisions are based on the prevailing market conditions and the understanding of the Investment Manager. Actual market movements may vary from the anticipated trends. Neither Bajaj Finserv Mutual Fund / Bajaj Finserv Mutual Fund Trustee Limited / Bajaj Finserv Asset Management Limited nor its Directors or employees shall be liable for any damages whether direct or indirect, incidental, punitive special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. Investors are advised to consult their own investment advisor before making any investment decision in light of their risk appetite, investment goals and horizon. This information is subject to change without any prior notice.

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

**THANK
YOU**