



OLD BRIDGE  
ASSET MANAGEMENT



# IN SEARCH OF COMPANIES THAT **COMPOUND CAPITAL** **OVER THE LONG TERM**

## SPONSOR

Old Bridge Mutual Fund is a 100% subsidiary of Old Bridge Capital Management Private Limited, which is an independent, India domiciled investment manager with a focus on India Long Only Equity Strategy. The business was established in 2015.



The firm manages money for clients which includes- large financial planning groups, family offices, high net worth individuals and offshore institutional clients.

## BUSINESS OVERVIEW



Founded in  
**Dec 2015**

Over **INR 80 Billion**  
assets under management as on  
-December 2023



### Compliance

- SEBI Portfolio Management Services and AIF Category III registration
- SEC Advisory
- Mutual Fund Registration

## INVESTMENT PROCESS

We focus on companies that show potential to be dominant in their industry. We like to be early in that transition.

## WHAT WE LOOK FOR



### Monopolistic/ Consolidators of the Industry

- Preference for consolidating businesses
- Companies gaining market share with no change in capital employed
- Companies with lowest cost in their industry
- Leaders at the end of consolidating cycle usually end up with higher market share and pricing power



### Low Financial Leverage

- Companies with negligible debt
- Businesses leveraging into an economic up-cycle & deleveraging at the top of the cycle



### Capital Efficient Business

- Companies that migrate upwards from a low RoE
- Look for capital employed to be controlled
- Cash flow positive nature of the business with low gearing



### Low Valuation

- "Out of favour" businesses where current value of the stock reflects its depressed earnings
- EV / Sales
- Market Cap / Cash Profit (Flows)

## INVESTMENT PHILOSOPHY

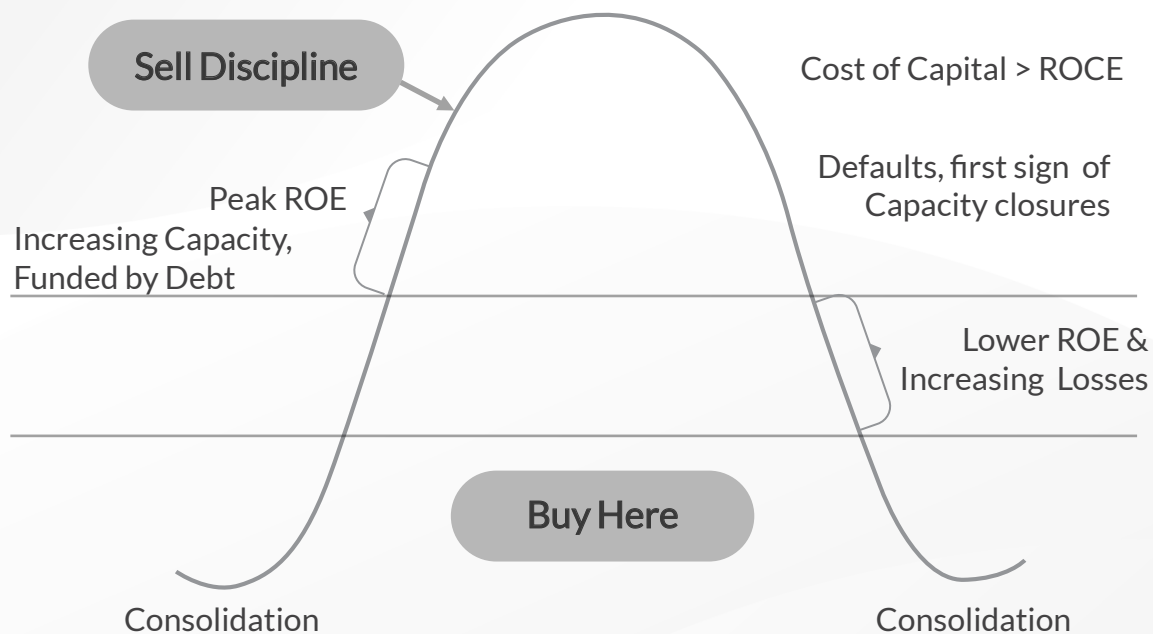
We concentrate on identifying businesses early into a cycle. The underlying companies in the portfolio would demonstrate leadership skills and have financial discipline. The endeavour would be to look for companies in industries that are consolidating.

# OLD BRIDGE STRATEGY

We are stock pickers, our strategy revolves around a buy and hold. We intend to invest in mid markets and maintain a healthy margin of safety in all what we do. Our portfolio would consists of a few names, ~25 businesses. The underlying companies in the portfolio would meet the criteria of capital efficiency, low leverage and low valuation.

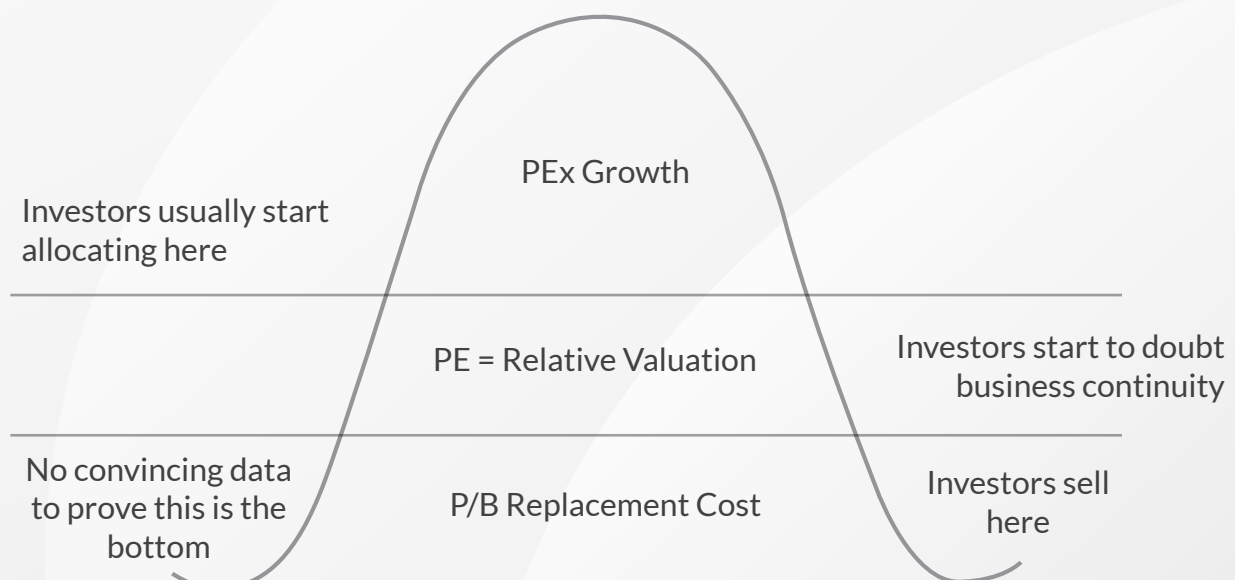
## Corporate Cycle

All Industry participants are profitable,  
fragmentation of industry



## How investors react to it

Investors ignore all warnings, extrapolate the past  
Over ownership of businesses





# THE STORY BEHIND OLD BRIDGE

In ancient Rome, when a bridge was constructed, the engineers of the bridge had to stand underneath it when the scaffolding came off. With their lives at risk, the engineers left no room for error. To design for safety and longevity, the engineers ensured that the load carrying capacity of the bridge was much higher than the actual or expected loads. They thus built a higher margin of safety into their construction.

**Our portfolio** construction echoes a similar principle. Our priorities are to buy enduring business models with emphasis on limiting capital losses, which is why we give emphasis on buying at the right price and value. By doing this, a margin of safety is built in to protect our portfolios even if our estimates are on the wrong side.

## CONTACT US

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### GENERAL ENQUIRIES



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