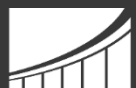


# Old Bridge Mutual Fund Newsletter

## December 2025



OLD BRIDGE  
ASSET MANAGEMENT

## Macroeconomic & Market Overview

The September 2025 quarter marked a notable shift in the corporate financial performance, with double-digit profit growth returning after several subdued quarters. At the beginning of the year, macro conditions appeared challenging—global trade resets and domestic uncertainties had resulted in nearly eight quarters of muted, single-digit corporate growth. However, the resilience of local policy and corporate adaptability has been a defining theme. Domestic-focused measures, including consumption-oriented tax adjustments and improved liquidity, have helped maintain GDP growth above the 6% mark. Corporates, too, displayed strong agility by diversifying markets, managing working capital efficiently, and preponing export cycles wherever required. While the outlook for the remainder of the financial year remains broadly constructive, valuations in certain pockets have begun to narrow. Despite headline indices remaining firm, market breadth has weakened, with more stocks delivering negative returns over the quarter—particularly in the small and mid-cap segments.

From	27-Sep-24 Members	Advance	To Decline	30-Nov-25 Closing	% Change
NIFTY INDEX	50	26	24	26,203	0%
BSE500 INDEX	501	175	326	37,536	-3%
NSEMCAP INDEX	100	49	51	61,043	1%
BSESML INDEX	1,226	330	896	52,054	-9%

Source – Bloomberg

## Corporate Earnings & Market Behaviour (Q2FY26)

The second quarter earnings season (Q2FY26) marked the seventh consecutive period of modest profitability growth for corporate India. Although the trajectory improved, progress remains subdued. Meanwhile, broader indices have stayed range-bound for over 14 months, and market performance has become increasingly narrow.

Despite this, the operating performance of our underlying portfolio businesses continues to demonstrate resilience—even in an environment where sentiment has often dictated near-term market direction.

## Forward Outlook – H2FY26

As we step into the second half of FY26, several policy and liquidity measures implemented in recent months are expected to gain traction. These include consumption-boosting tax cuts, GST reductions, liquidity infusion via rate cuts and CRR adjustments, and reforms aimed at improving credit supply. Much of the negative sentiment around global trade has already been digested by markets. As visibility improves, the drag from uncertainty is expected to fade. A favourable low base over the coming quarters further strengthens the case for an improvement in profitability. However, elevated valuations across several segments suggest that the coming period will be a stock picker's market, where disciplined capital allocation remains key.

## Portfolio Perspective

Across our holdings, operating momentum has remained healthy despite a challenging macro backdrop. We see several common structural themes in the portfolio: completion of capex cycles, recovery from difficult business cycles, and businesses consolidating on prior momentum. From our vantage point, the underlying growth trends within our investee universe remained stronger than the broader benchmark, despite several one-off factors inflating headline EBITDA and PAT numbers for the index.

Operating Metrics (% growth, YoY – Q2FY26)			
Name	Revenue	EBITDA	PAT
BSE500^	8%	18%	58%
BSE500*^	9%	12%	14%
Portfolio stock of Old Bridge Focused Fund#	13%	23%	29%

^Benchmark Index

#Excludes Financial Services,

\*Excludes Financial Services, 5 Oil Marketing Companies (OMC's) and Tata Motors Passenger Vehicles Ltd (TMPVL)

For a coherent comparison of YoY growth for the manufacturing universe. Profitability of OMC's and TMPVL were positively impacted by one-time non-recurring events in Q2FY26.

Source – Ambit Institutional Equities, Old Bridge, ACE Equity

## Investment Approach & Positioning

We maintain a consistent investment philosophy anchored in competitive advantage at scale, industry leadership or challenger positioning, strong operating cash cycles, and long-term structural relevance. Areas where challenges persist are under review, and we will proactively re-configure select parts of the portfolio where required.

While valuations remain elevated and selective froth persists—particularly in IPO markets—such phases often create opportunities. Market dislocation or narrow breadth provides the right backdrop to rotate capital toward businesses closer to their cyclical bottoms and more attractive risk-reward dynamics.

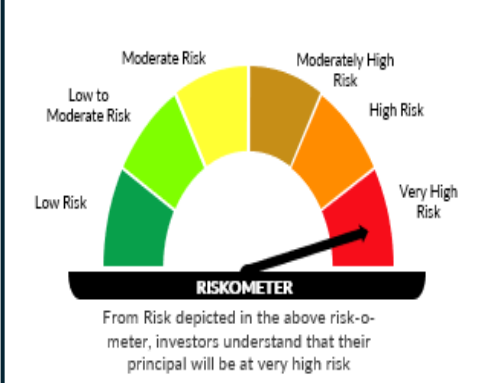

## Conclusion

The near-term outlook appears reasonably supported by improving domestic demand, supportive policy conditions, and easing global uncertainties. While medium-term visibility remains mixed, the environment is conducive for selective deployment and portfolio optimisation.

As active managers, we will use this period of market dispersion to strengthen the portfolio construct. If operating performance continues to hold up, we expect market narratives to realign with the underlying fundamentals.

## RISK O METER

### Old Bridge Focused Fund (An Open-ended Equity Scheme investing in maximum 30 stocks) (multi cap)

This product is suitable for investors who are seeking*:	#Risk-o-meter	
	Scheme	Benchmark (BSE 500 TRI)
<ul style="list-style-type: none"> <li>Capital Appreciation over long-term.</li> <li>Investing in concentrated portfolio of equity and equity related instruments of up to 30 companies</li> </ul>	 <p>From Risk depicted in the above risk-o-meter, investors understand that their principal will be at very high risk</p>	 <p>Benchmark, Riskometer is at Very High Risk</p>

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

# As on November 30, 2025. For latest risk o meter, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. [www.oldbridgemf.com](http://www.oldbridgemf.com)

## Disclaimer

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Date of Release: 09<sup>th</sup> December 2025

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