Back to the past!

It all played out well in the last 10 years.

Between 2016 and 2026, an investment in a passive equity index fund would have more than tripled in value, delivering compounded annual returns of approximately 12–13%.

Index	Apr 2016	Oct 2026	CAGR
NIFTY 50	7,713.05	23,939.55	12.29%
NIFTY 500	6,445.50	22,664.30	13.44%

But no, this is not another note about the virtues of long-term investing.

As we navigated the pessimism surrounding the investment environment, a few charts caught our attention. They offered a rather different perspective from the prevailing narrative.

We thought they were worth sharing. Perhaps they will help put some of the noise surrounding investing into perspective.

Back to 2016 – A decade in charts

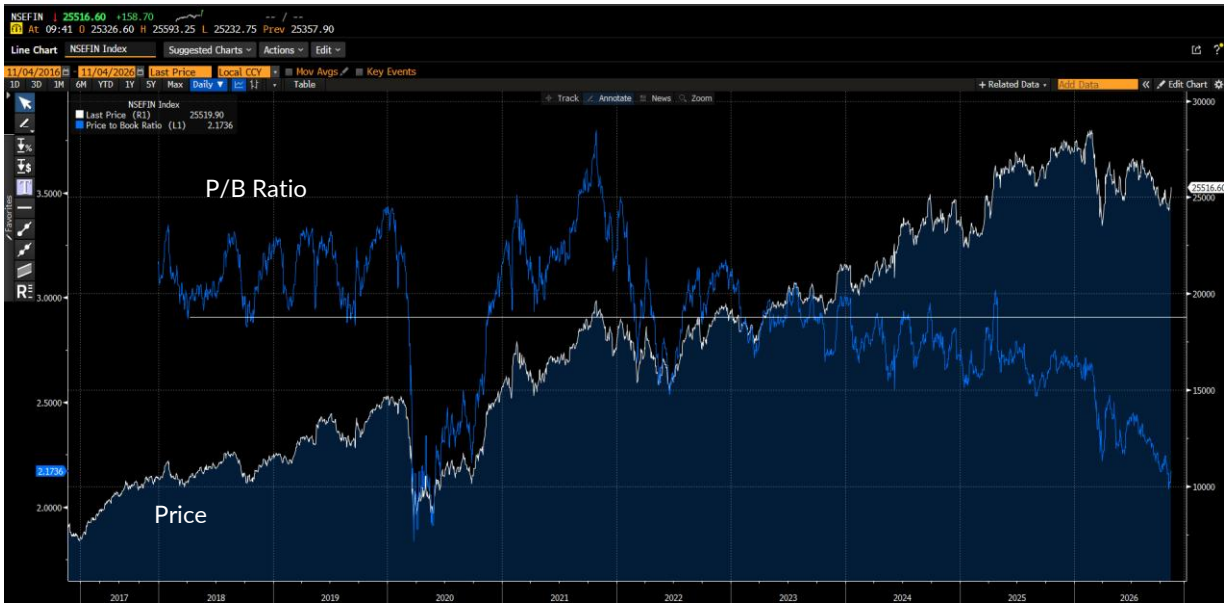
Source: Bloomberg | Historical comparison 2015-2026

NIFTY 50 – "The market has tripled. The multiples haven't."



Both the P/B and the P/E are back to year 2016 levels.

NIFTY Financial Index – Back to the past



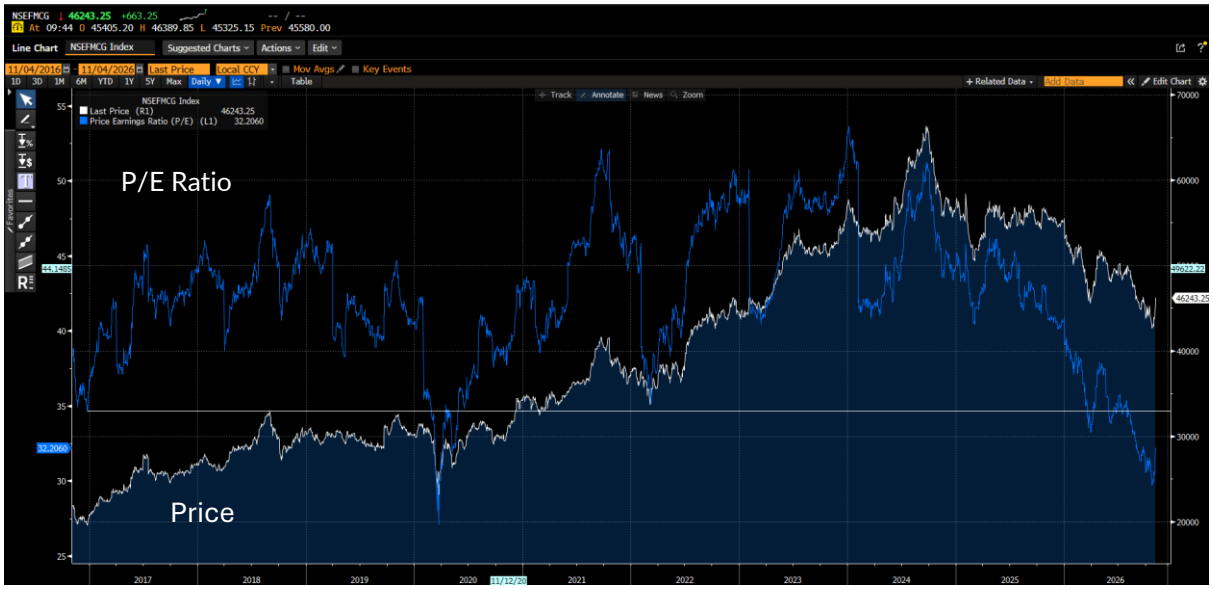
P/B – Below 2016 levels

NIFTY IT Index – A decade later



P/E – Almost at 2016 levels

NIFTY FMCG Index – Even Defensives are not pricey anymore



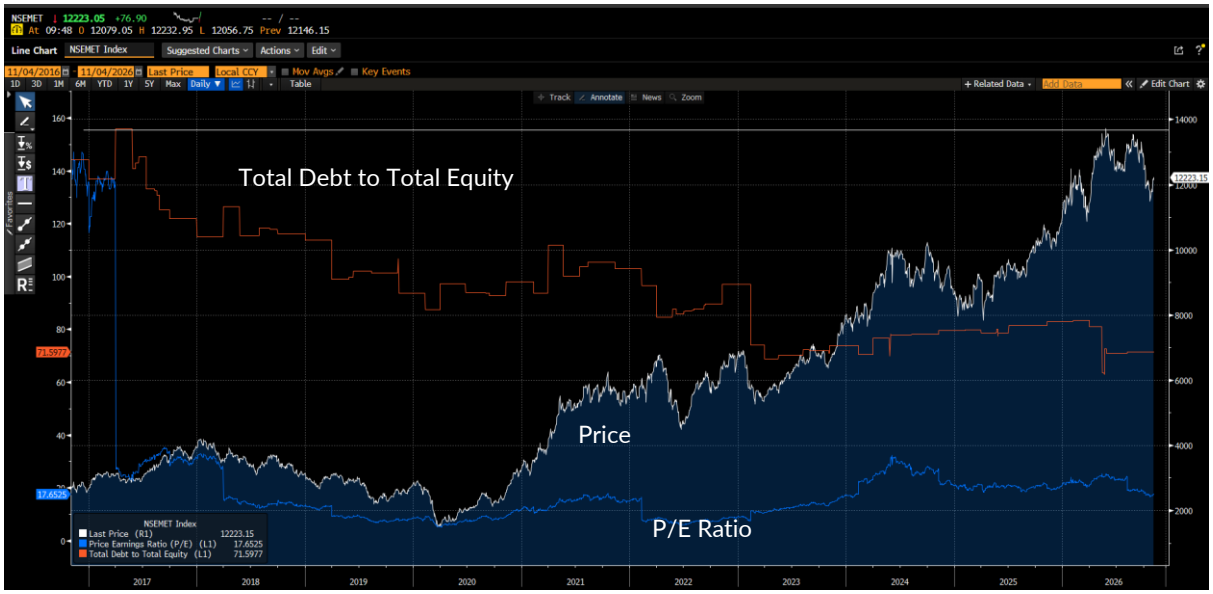
P/E – Below 2016 levels

NIFTY Auto Index – Back to where we started



P/E – Close to 2016 levels

NIFTY Metals – A very different balance sheet



Debt: Equity – Significantly below its 2016 levels – this indicates no solvency risk and very strong cash flows.

We may be back in 2016!

The majority sectoral indices are there. For many investors the last three years have been exhausting. Returns have disappointed, volatility has persisted, and conviction has steadily eroded.

The wait has narrowed now.

But! When valuations begin to look interesting, conviction is in short supply.

There is always a reason not to invest.

War. Inflation. Tariffs. Interest rates. Elections. Earnings. Currency. Geopolitics. The arguments are getting louder. The investors are getting more apprehensive.

All the above graphs tell a different story – they are not making an argument; they are not predictive – they are simply depicting where we are to where we have been. The remarkable thing about markets is they occasionally give us a second chance.

Is this one of those moments?

Our Funds and Strategy

We haven't written too much about our funds and our strategy, that is also because nothing much has changed. We continue to build long-term holding in portfolio components.

Old Bridge Flexi Cap Fund

The fund is in its first year of portfolio construction – the underlying portfolio is evolving and in its eight month is more balanced towards a valuation framework now than from where we began. We have held on an average 35 names – over the course of the next couple of months we will consolidate some holding, while also replacing some of the companies with businesses that have less demanding valuations. The last month sell off in the marketplace has triggered this shift.

Our objective: build a portfolio of businesses where the prospective returns are supported by valuations, rather than dependent on increasingly optimistic expectations.

Old Bridge Focused Fund

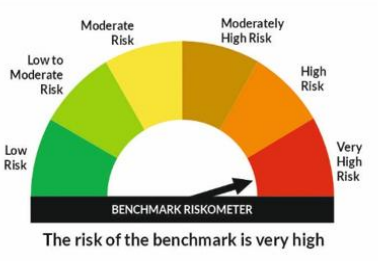
Over the last 33 months, our stance and portfolio positioning away from the lending businesses and the IT services industry had a lot to do with the positive deviation of the fund v/s its/all benchmarks.

As we enter the fourth year of the life of the product, the overall valuations provide us an opportunity to relook where we are in the cycle. A lot of companies and businesses now are in a valuation cycle where the future doesn't need to be extrapolated to justify their place in the portfolio. There will be a moderate shift in the portfolio constituents as we transition into 2027.

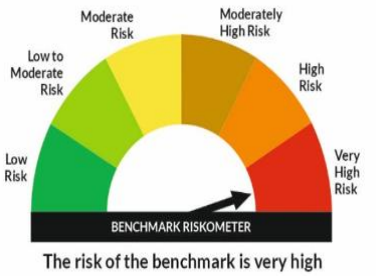
The investment philosophy remains unchanged. What is changing is the opportunity set.

Risk-o-Meter:

Old Bridge Flexi Cap Fund:

This product is suitable for investors who are seeking*:	#Risk-o-meter	
	Old Bridge Flexi Cap Fund	Benchmark (BSE 500 TRI)
• Long term capital appreciation. • Investments in equity and equity related instruments across large cap, mid cap, small cap stocks.	 The risk of the scheme is very high	 The risk of the benchmark is very high

Old Bridge Focused Fund:

This product is suitable for investors who are seeking*:	#Risk-o-meter	
	Old Bridge Focused Fund	Benchmark (BSE 500 TRI)
• Capital Appreciation over long-term. • Investing in concentrated portfolio of equity and equity related instruments of up to 30 companies	 The risk of the scheme is very high	 The risk of the benchmark is very high

For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.oldbridgemf.com
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

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