GreatBear India Equity

Conservative & Concentrated

Long term value investment strategy in growing Indian companies

Managed Accounts

Not for Indian Investors

About GreatBear

GreatBear began operations when Mr. Saptarshi Das shifted base back from London, UK to India in 2015. The essence of GreatBear is built on the cognizance that investing is not just an act but a way of life. GreatBear brings to the fore, in every act of its investment operations, simple life principles of prudence, humility, continuous learning, hard work, deep research, patience, and foremost, persistence. Saptarshi is the torchbearer of these basic life principles.

We want to allocate capital to those companies which display similar attributes, have sustainable innovation, and with very high shareholder alignment.

We are value investors. We think long term and do extensive on ground due diligence to identify opportunities.

Stewardship

Stewardship is a word that means taking care of something. It's overseeing something on behalf of someone else and acting in a way that keeps the owner's best interests at heart.

When you entrust GreatBear with your capital to invest for your future, for example, we take stewardship of your investment – and so it is our duty to look after it with the utmost care.

When it comes to investments, there may be short-term ups and downs in the markets from time to time. But our responsibility is to help your investment grow over time, while supporting long-term benefits for the economy, the environment, and society more broadly.

> "We are value investors and broadly follow a *natural* ESG framework and avoid sin stocks."
>
> -Saptarshi Das, CFA- Portfolio Manager

Code of Conduct

1. We will always operate a culture of true partnership. Our investor clients will be our partners and our fortunes will always be directly proportional to the fortunes of our clients. Most of our personal wealth will also be invested along with them. When it hurts, we will get hurt too. We don't sell a product; we partner with our investors.

2. Our effort is to survive the vicissitudes of financial markets and economic conditions and not collide head-on with it. Our intention is to make decent returns for our investors, not enter a roulette game together.

3. We are not in the business of buying into a company just to sell it later. We don't see any reason why we should sell out of our stake simply because it is valued by the market higher than when we bought into it in a short time. We would like to grow our wealth with the fortunes of a good company.

4. We will take immediate action when we have made an error about the prospects of the business because of error in information processing, new information or plain simple dumbness.

5. We will be always fully transparent about our operations. We will not enter into confidential binding agreements which might jeopardize the trust that our investors or clients have placed on us. However, that also means that there will be no special treatment given to any single party as we believe each investor, however small or large his investment is, has equal right to all the information and service that can be given to him about all matters, investments or operational.

6. We will always communicate with our clients and investors the bad news first, and effort will be made that the information comes from us first rather than a third party. Good news can always wait.

7. If there is such a time when we feel that there are no suitable capital allocations to be made, given our fussiness about allocating capital, we will happily use short term money market instruments to wait for a more conducive opportunity.

8. We will never enter into agreements with third parties which have incentives misaligned with the incentives of our investors however strong or fair the incentive might be.

9. Lastly, we want us to be a happy bunch of people, both our investors and the management team. We will treat everyone with dignity, respect and care in all our dealings.

Investment Philosophy

We invest in businesses, not a ticker.

First, we don't subscribe to the philosophy that only buying low multiple stocks is value investing. Ofcourse price we pay is very important, but we believe largest potential value exists in cash flow generating innovation driven business making earth a more sustainable place for our future generation.

We also believe in '*responsible capitalism*'- Capitalism in which stakeholder are interests largely aligned with shareholder interests, and profit maximization is directly proportional to human value maximisation.

Strategy Synthesis

1. Essentially, GreatBear is a **long-only value investor**. That is not to say that we think shorting stocks is not an appropriate activity. GreatBear simply feels that market irrationality about the price of a business may have no upper bound. We don't particularly like that exposure.

2. We look at a business with a **private equity approach**. Buying stock is essentially an opportunity for us to grow with the fortunes of a company. We think we are owners of a business when we allocate money. GreatBear's job as an investor is to invest in productive assets which it envisages, with fair confidence, will grow in time to meet return expectations. Our time frame for analysis is never less than 5 years.

Capital allocation is our main job.

Research methodology (Stock Selection Process)

Step 1
Continuously research companies and identify those which show moat widening over time relative to its peers in the industry.

Step 2
Understand industry microeconomics to form a view on future company specific business picture.

Step 3
Select those companies which, given their competitive position and its respective industry dynamics, has a considerable chance, with margin of safety, to meet our return expectations on a 5 to 10 year basis.

Step 4
Buy only if valuations are opportune for an investment. We typically **never buy at more than 1 PEG (Price/Earnings to Growth ratio)**

Identifying a widening moat business

1. Is the business increasing or atleast maintaining its market share in its respective industries?

2. Does the company show a broadly stable or growing operating margin profile? Focus on variable costs. Ideally like companies with more flexible cost profile.

3. Is the company moving up the value chain in its products or services to enable it to maintain or increase its margins in future?

4. Is there evidence of organic sustainable growth or has there been sufficient justification for its inorganic activities?

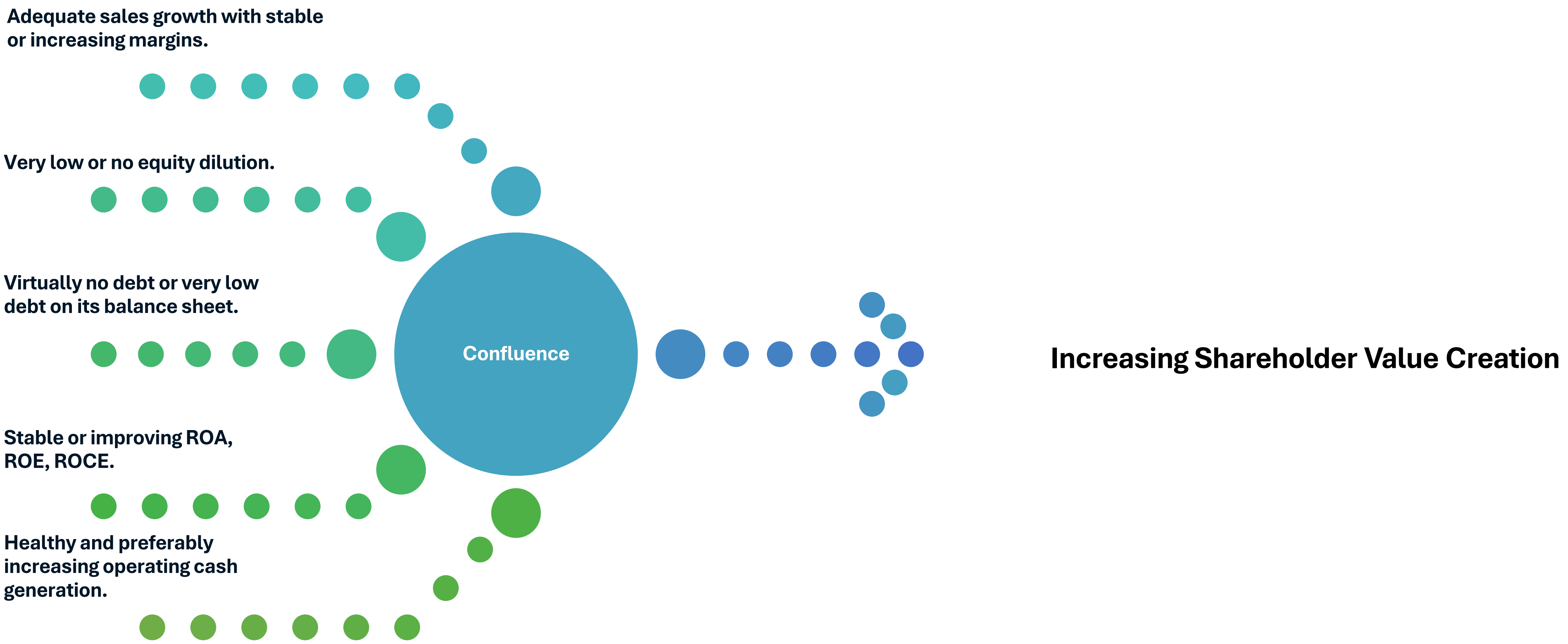
5. Is there enough management stake in the company to provide confidence of minimisation of agency problem?

6. Is the industry the business is operating in growing? Are we comfortable with the vitality and growth the industry is showing? Is there enough freedom from government interference to enable capitalist behaviour?

7. Is the business in question improving people's lives. We think sustainable, profitable, long-term growth in business cannot be possible without positive social effects.

We are looking for a positive delta (above 1) in possible future business growth.

Growth to shareholder pass-through



Assessing Management Quality

GreatBear has a view that management quality is what the management does or has done rather than what they say or the reputation they have. In addition to the quality checks on financial management. A view is taken on:-

1. If the management/ promoter has a significant stake still existing in the business (at least above 50% and is not decreasing over time aggressively).

2. The freedom of the board. Sitting fees paid.

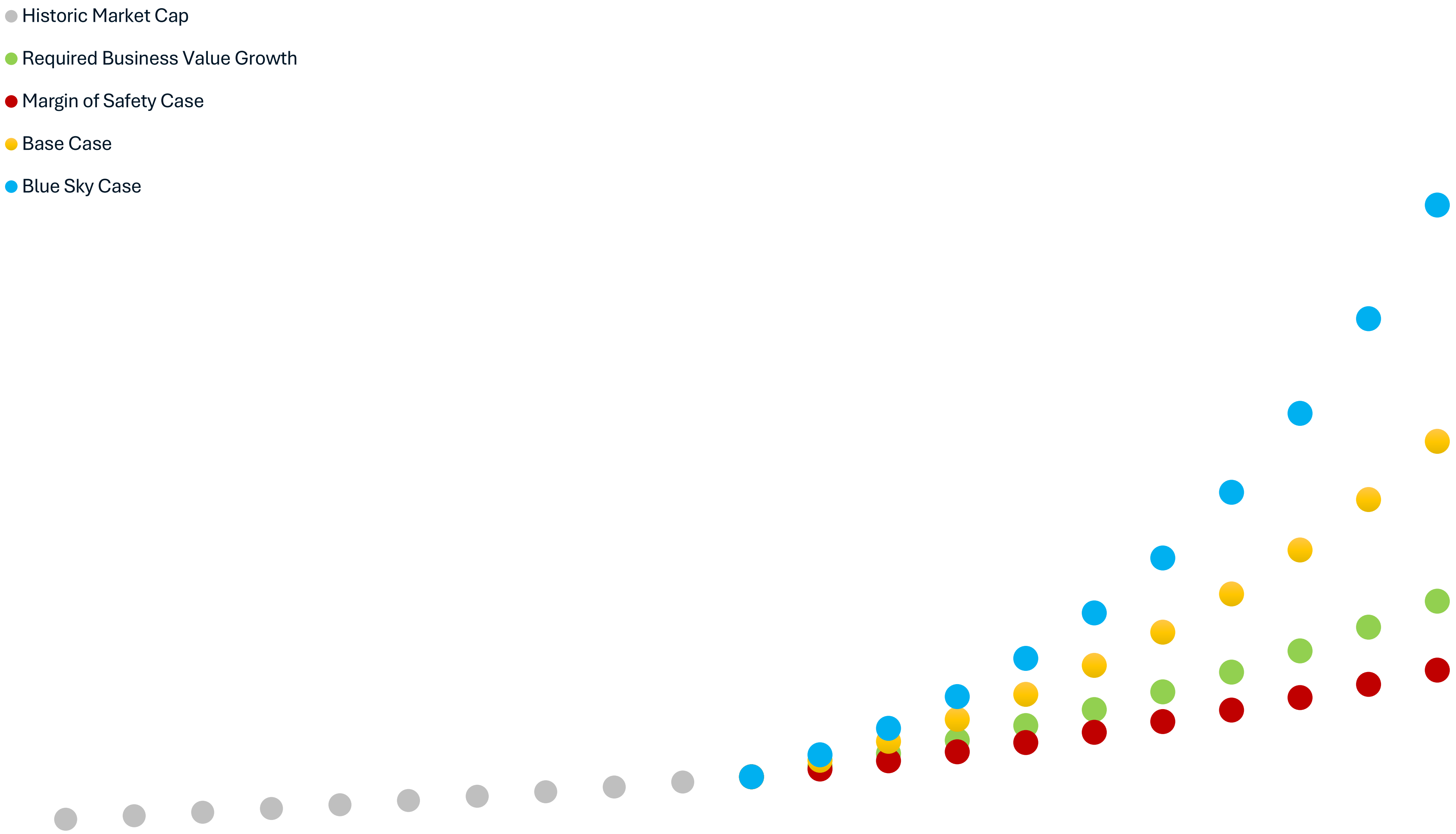
3. If the management has a clear focus as to its core competencies. For example, we would not like a company manufacturing textiles for generations venturing into financial services.

4. That management does not have a track record with the law, tax officials, or human rights practices.

Checklist Approach

- ✓ No anomalies in interest income/ payment (adjust for those).
- ✓ No deferred taxation issues.
- ✓ Interest cover high enough (preferably above 5x)?
- ✓ Would want at least 80% of assets to be tangible (unless there are some outstanding business acquisitions).
- ✓ Make sure account receivables are not abnormal and compare them with account payables.
- ✓ Positive working capital and ideally increasing.
- ✓ Carefully look at whether there are aggressive cash variations from company's investing activities apart from capital expenditure.
- ✓ Does the cash from financing activities match up with debt/ interest/ dividend payments and equity/ debt cash infusion?
- ✓ Option remuneration and its implications to equity dilution

Valuing a Company Effort to be broadly correct than precisely wrong.



Portfolio Construction

7- 15% allocation
10-15 stocks

We typically do not buy low liquidity stocks, so we are mostly looking at companies with a market cap of half a billion dollars as a minimum.

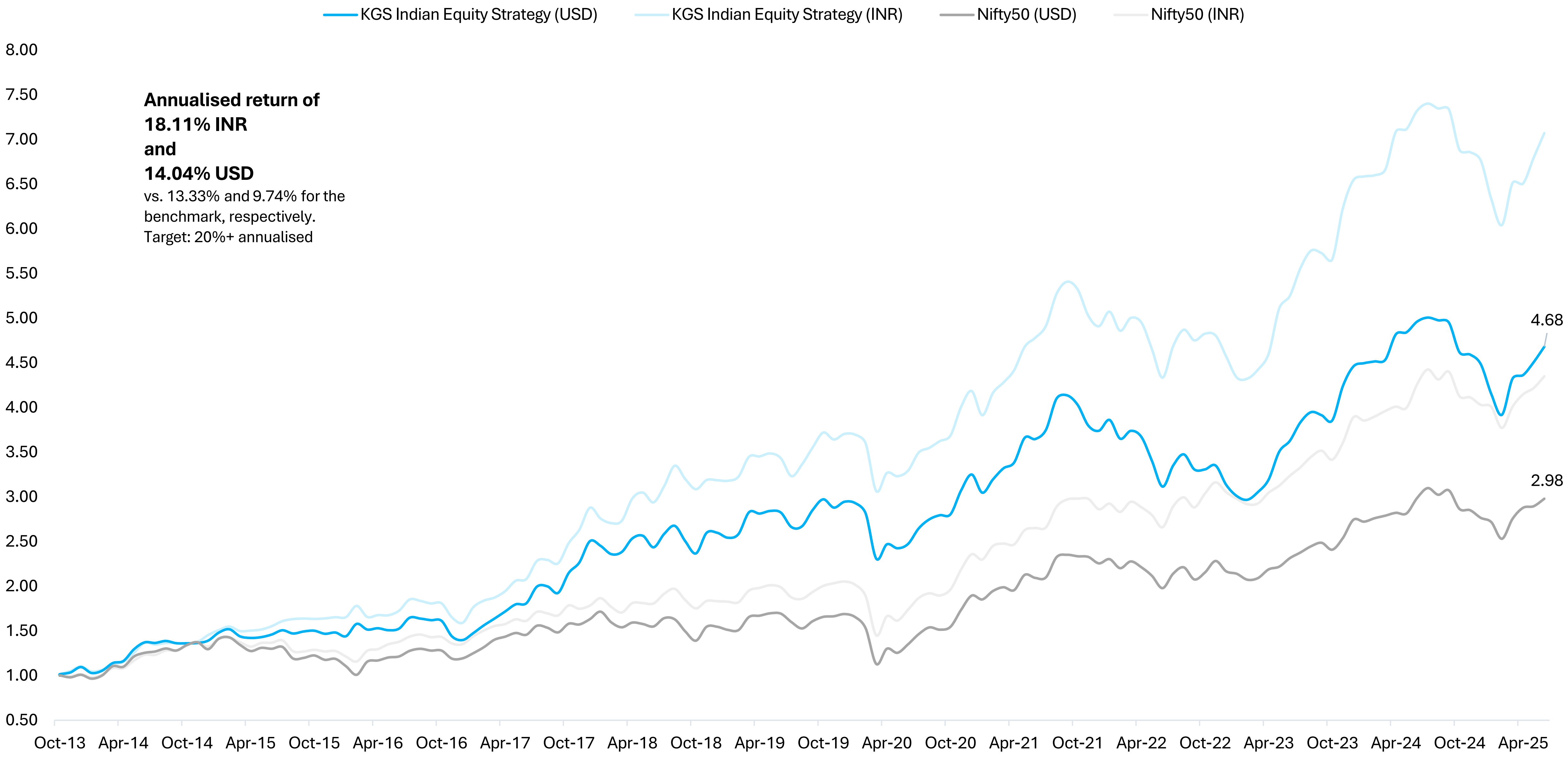
Continual Revision

Portfolio behaviour is continually monitored
The behaviour of the representative NAV of the portfolio is continuously monitored through various market environments. This forms the primary qualitative basis for the price risk behaviour.

Stock selection is revisited again and again
Sometimes, there is new information, error in analysis or plain simple dumbness regarding a stock investment which may change the thesis for which it was invested in. Long term investing is a thought process, not an action of sticking to an investment just to prove the point.

New ideas continuously explored
Needless to say, there may be many ideas that may have the potential to be included in the portfolio. News sources, research reports, corporate action, or simple search may unearth them.

Track Record *Composite Performance as of June 2025*



Current Portfolio (Top 10)

Sr. No	Name	Sector
1.	ICICI Bank	Financial Services
2.	Shriram Finance	Financial Services
3.	Cholamandalam Inv & Finance	Financial Services
4.	Polycab	Capital Goods
5.	Bank Of Baroda	Financial Services
6.	Waaree Energies	Renewables
7.	Authum Investment & Infra	Financial Services
8.	Karur Vysya Bank	Financial Services
9.	SBFC	Financial Services
10.	Natco Pharma	Healthcare

Salient features of the portfolio

- Sales and profit growth of more than 30%.
- ROE greater than 20%.
- Very strong moat companies.
- PE lower than the benchmark.

GreatBear's competitive advantage?

1. Self-Imposed constrains and targets to conform to the "*Ronseal Test*". The only way GreatBear is incentivised is to conform to a long-term investment process. Stock selection is the key and only driver of portfolio returns.
    a) No- leverage and no portfolio shorting.
    b) No aggressive trading done in the portfolio.

2. No stylistic bias, no over diversification, no maverick inclinations
    a) Concentrated portfolio.
    b) Few portfolios in Indian/ Asian equity space going down the market cap spectrum as GreatBear does. This is only possible due to the long-term nature of the investment process where expectation of gigantic returns from some of the holdings when held for 5 to 10 years.

3. We strive to do the hardest thing in investing… **Wait**
    a) GreatBear does not believe that we have any skill in market timing, leave alone sector or quality rotation timing.

Portfolio Manager- Mr. Saptarshi Das, CFA

2015- Present
GreatBear Ventures
- Private Wealth Management Services: GreatBear currently engages with an elite list of HNI entrepreneurs and family offices to implement their private wealth investment policy which involves discretionary fund advisory.

2009- 2015
Octopus Investments, FQS Capital, Visiongain Global (London)
- Worked in a $7 Bn asset management house (Octopus) in London, UK, investing globally (multi asset class). Portfolio management activities of a $75 Mn absolute return fund. While at Octopus, Saptarshi was responsible for overseeing and monitoring considerable ($300- 500 Mn) allocation to Emerging and Asian markets including India.
- Prior to Octopus, worked at FQS Capital Partners responsible for risk analytics, quantitative analysis and portfolio analytics and at Visiongain Global as an industry analyst.

2008-2009
Masters in Management (Imperial College London).

2002-2006
Mechanical Engineering (Gujarat University, India)

Asia Hedge 2018
nominated

Assets under Management
~$20 Mn.

Terms

Minimum commitment
$1 Mn

Management fee
2.0%

Performance fee
20.0% with a hurdle of 15% with High Water Mark

TER cap
2.5%

Lockup/ Exit fee
No lockup. Exit fee of 2% for the first 3 years.

Custodian and Administrator
Orbis Financial

Brokers
Tipsons and Equirus

Setup Fee
$5,000 for corporates, $1,000 for HNIs

Contact

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