



Portfolio of 20-50 Indian Companies built through a distinctive high growth, high conviction, and benchmark independent investment approach.



Targets companies which offer attractive risk/reward profiles, utilizing 'bottom up' analysis, along with a 'top down' analysis of macroeconomic conditions and structural themes.



Aims to outperform the Benchmark with a focus on capital growth and downside protection.

Performance Summary

Period	Gross ⁺	Net Before Tax*	MSCI India Net Pre-Tax	Net After Tax [^]
1 Month	4.7%	4.6%	4.3%	4.0%
6 Months	17.6%	17.0%	19.1%	14.5%
1 Year	34.4%	33.0%	42.2%	28.8%
3 Years (cumulative)	55.4%	50.5%	70.9%	43.7%
Since Inception ^{^^} (cumulative)	110.4%	93.7%	123.1%	84.6%
Since Inception ^{^^} (p.a.)	11.5%	10.2%	12.5%	9.4%

⁺References to the gross fee and pre-tax contribution components of the total Net After Tax return figures.

* Net Before Tax return figures calculated after fees and expenses, assuming all distributions are reinvested.

[^]Net After Tax return figure is calculated after fees, expenses, and taxes, assuming all distributions are reinvested.

^{^^}Inception date is 4 May 2017.

All return figures in above table shown are in AUD. Past performance is not a reliable indication of future performance.

Key Information

Investment Objective	To outperform the Benchmark on a net of fees and tax basis, with a focus on capital growth and downside protection.
Benchmark	MSCI India Net Return Index (AUD)
Liquidity	Daily
Target Number of Holdings	20-50
Number of Holdings at Month End	33
Minimum Investment	Initial investment - \$10,000 Additional investment - \$5,000
Distribution Frequency	Half-Yearly (where available)
Management Fee	1.10% p.a.
Performance Fee¹	15.00%
Buy/Sell Spread	0.25% / 0.25%
Unit Prices	Application - \$1.4728 Net Asset Value - \$1.4691 Redemption - \$1.4654

¹Of the investment return above the benchmark, after recovering any underperformance in past periods.

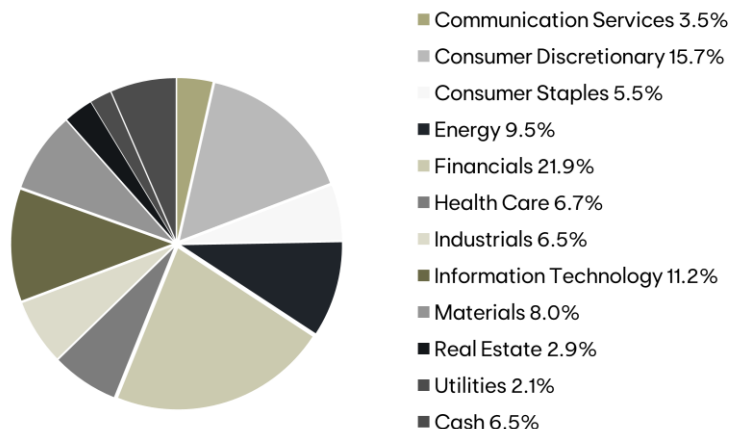
Growth of \$10,000 Investment



Fund Performance shown is after fees, expenses, and taxes assuming all distributions are reinvested. Past performance is not a reliable indication of future performance.

Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital

Top Holdings

Company	Sector	Portfolio Weight
Reliance Industries Limited	Energy	9.5%
ICICI Bank Limited	Financials	7.4%
HDFC Bank Ltd.	Financials	5.1%
Infosys Limited	Information Technology	4.4%
Axis Bank Limited	Financials	3.9%
Sun Pharmaceutical Industries Limited	Health Care	3.8%
HCL Technologies Limited	Information Technology	3.6%
Bharti Airtel Limited	Communication Services	3.5%
UltraTech Cement Limited	Materials	3.5%
Maruti Suzuki India Limited	Consumer Discretionary	3.2%

Source: *Ellerston Capital*

COMMENTARY

The Ellerston India Fund (EIF) was up 4.0% (net) in February, versus the MSCI India Index (MXIN) which was up 4.3%.

As highlighted in the performance summary table, the accrual of taxes and currency fluctuations continue to have a material impact on portfolio performance. As a reminder, EIF accrues the full potential of future capital gains tax payable on underlying movements in the portfolio, even if these positions are not realized during the given month. Please bear this in mind when comparing relative performance as our returns are stated on a post-tax basis while the benchmark is pre-tax. This means that in large up months, there is a tax headwind for EIF net performance. On currency, note that the AUD depreciated against the Indian Rupee (INR); contributing 1.4% to absolute returns.

Global equities had a strong Feb 2024 with the MSCI World Index returning 4.2% given a broad-based rally across US which was up 5.3% and across Asia, with China and the Nikkei up 8.7% and 8.0% respectively. The results season was robust globally, with less than 15% of companies reporting negative earnings surprises and 63% of US companies reporting positive earnings surprise. Only four stocks (Nvidia, Meta, Amazon and Microsoft) contributed to 45% of S&P 500 returns in Feb.

The Indian market continued its journey towards new all-time highs. FIIs bought to the tune of USD\$483mn while Domestic Investors remained net buyers to the tune of USD\$3.06bn

India retained its tag of the world's fastest growing major economy with Dec'23 quarter GDP growth at 8.4%, significantly better than consensus expectation of 6.6% and RBI estimates of 7.6%. It also compares favorably vs the previous quarter's growth of 7.6%. 2Q24 GDP has also been revised upwards to 8.1% from 7.6%. The GDP growth seems multi-pronged with manufacturing, mining, electricity, construction, trade, hotels, transport and communications, and financial services all showing good momentum. We expect robust GDP growth to continue given the strength in public capex, improving private capex and a broad-based consumer recovery going forward.

High frequency data continues to support growth momentum with credit growth (adjusted for the HDFC merger) buoyant at 16.3% YoY in Feb. Feb GST collection reflected 12.5% YoY growth and auto sales remained robust for both two-wheelers and passenger vehicles. The Union Budget confirmed the fiscal consolidation path with the FY25 fiscal deficit estimated at 5.1%, which is much better than market expectations of 5.2-5.3% and was devoid of any populist measures. The counter-cyclical budget focusing on fiscal consolidation reflects astuteness of the government to avoid overheating the economy.

Portfolio Performance

Turning to portfolio performance, Consumer Staples and Financials were the key alpha contributors. Meanwhile, Materials and Energy were the key detractors for the month.

At a company level, **Phoenix Mills**, **Indian Hotels** and **ABB** were the biggest contributors to relative performance during the month. Meanwhile, **Titagrah Rail**, **Orient Cement**, and **not owning Mahindra & Mahindra** were the key detractors to relative performance.

Phoenix Mills is the largest premium retail mall operator in India. It reported Q3 results with a massive +44% YoY increase in both revenue and EBITDA. This led to significant upgrades across the street. **Indian Hotels** is India's largest and trusted luxury-end hotel operator. The company reported strong growth across its sales and in EBITDA, respectively growing 13% YoY and 23% YoY. Indian Hotels is on track to open 20 hotels in FY24 and two each month in FY25; this addition will be mostly on an asset-light basis. Both Phoenix Mills and Indian Hotels remain our preferred play on India's burgeoning premium-end consumption. **ABB India** reported

very strong results, with +14% growth in sales and +15% growth in EBITDA, helped by a +145bps improvement in gross margins. Most importantly, the market was enthused by the +35% year over year growth in new orders (leading to +30% growth in its order book), driven by renewables, data centers, railways, robotics, discrete automation, and electronics. ABB is a key beneficiary of India's public and private capex.

Titagarh Rail is one of the largest producers of railway wagons in India. Titagarh reported solid results with revenue and profit respectively growing by +25% and +92% YoY as operating leverage kicked in. The stock underperformed during the month on account of profit booking after a strong return of +300% during the past year. The Indian railway capex is budgeted to witness muted growth next year and was a bit disappointing versus the expectation. We expect the strong order book position to help it clock a +30% earnings CAGR over the next two years. **Orient Cement** is a Central and South India based cement producer. Orient Cement's share price was under pressure owing to near term demand and pricing concerns as quarterly volumes disappointed. That said, the company reported a +64% YoY increase in its earnings, driven by a +31% rise in EBITDA/tonne and is on track to be a net cash company by next year. It remains one of the key beneficiaries of India's capex and property cycle. **Mahindra & Mahindra** is a conglomerate with strong presence in India's passenger vehicles and tractors industries and large subsidiaries across IT services and auto financing verticals. During the quarter, the market liked the strong volume growth (+11%) and the improving market share in tractors and SUVs, with +17% growth in sales YoY and +15% growth in EBITDA YoY.

As always, if you have any questions regarding any aspect of the Fund or the portfolio, please feel free to contact us at info@ellerstoncapital.com.

Regulatory Guide (RG240) Fund Disclosure Benchmark – Periodic Reporting (monthly)

- **Net Asset Value of the Fund and Redemption Price of Units**

Please refer to details on page one.

- **Any changes to key service providers including any change in related party status**

There have been no changes to key service providers, including any change in related party status.

- **Net returns after fees, costs and relevant taxes**

Please refer to details on page one.

- **Any material changes to the Fund's risk profile and strategy**

There have been no changes to the Fund's risk profile and strategy.

- **Any material changes related to the primary investment personnel responsible for managing the Fund**

Please refer to details on page one; there have been no changes to the primary investment personnel responsible for managing the Fund.

Find out more:

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Should investors have any questions or queries regarding the Fund, please contact our Investor Relations team on 02 9021 7701 or info@ellerstoncapital.com or visit us at ellerstoncapital.com.

All holding enquiries should be directed to our register, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

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