



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.

Strategy Performance Summary

Period	1 Month	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception ^{^^} (p.a.)
Gross Return Before Tax ⁺	0.5%	14.4%	39.3%	14.4%	14.5%	13.0%
Benchmark ^{**}	0.1%	7.0%	26.1%	12.9%	14.4%	12.4%
Strategy Relative Performance	0.4%	7.4%	13.2%	1.5%	0.1%	0.6%

⁺ Strategy performance before taking into account fees, costs and applicable capital gains taxes.

^{**} Benchmark is MSCI India Net Return Index (AUD) and does not take into account capital gains taxes.

^{^^} Inception date is 4 May 2017

Investor Performance Summary

Period	1 Month	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception ^{^^} (p.a.)
Net Return After Tax [^]	0.8%	10.6%	31.0%	11.5%	11.4%	10.6%
Benchmark ^{**}	0.1%	7.0%	26.1%	12.9%	14.4%	12.4%
Investor Relative Performance	0.7%	3.6%	4.9%	-1.4%	-3.0%	-1.8%

[^] Fund return is calculated after taking into account management fees and expenses as well as capital gains taxes on unrealised gains/losses. This return is based on the NAV calculation and reflects the return received by investors in the Fund.

^{**} Benchmark is MSCI India Net Return Index (AUD) and does not take into account capital gains taxes.

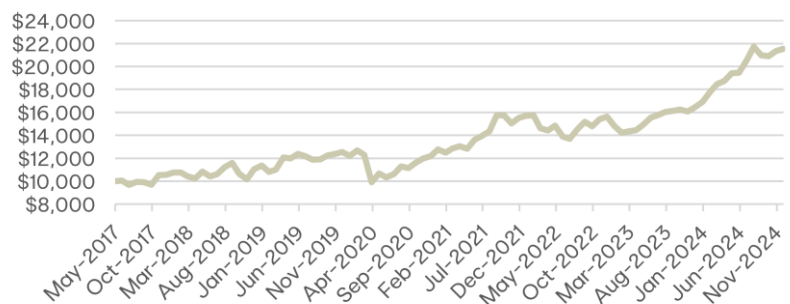
^{^^} Inception date is 4 May 2017

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	45
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 - \$1.1904 Net Asset Value - \$1.1874 Redemption - \$1.1844

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

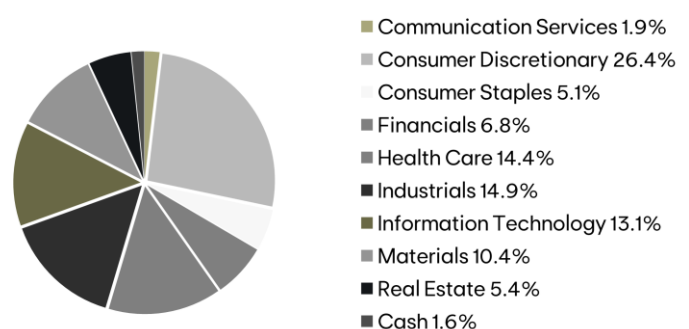
Growth of \$10,000 Investment



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
Syrma SGS Technology Limited	Information Technology	4.8%
Titagarh Rail Systems Ltd	Industrials	3.5%
Brigade Enterprises Limited	Real Estate	3.3%
NCC Limited	Consumer Discretionary	3.0%
Cello World Limited	Consumer Discretionary	2.9%
Sona BLW Precision Forgings Ltd.	Consumer Discretionary	2.9%
CreditAccess Grameen Ltd.	Financials	2.7%
Kalpataru Projects International Limited	Industrials	2.5%
Sonata Software Limited	Information Technology	2.4%
Orchid Pharma Limited	Health Care	2.4%

Source: Ellerston Capital

COMMENTARY

Ellerston India Fund (EIF) was up 0.83% (net) in November versus the MSCI India Index (MXIN) which was up 0.13%. While the market was flat in November, it was down almost 4% in the early half as one of weakest results season came to an end, post that the market started recovering towards the end of month. Foreign Institutional Investors (FII) selling continued in the first half, also prompted by stronger Dollar but subsided towards the end of month, further helping market recovery from oversold levels. FIIs sold to the tune of USD\$5.2bn in the secondary market and Domestic Institutional Investors (DIIs) remained net buyers to the tune of USD\$5.3bn.

In November 2024, U.S. equity markets experienced a robust rally, with the S&P 500 surging 5.87%, the Nasdaq up 6.29%, and the Russell 2000 leading gains with a remarkable 10.97% rise. This strong performance was primarily driven by the outcomes of US elections and underpinned by solid economic indicators. We have seen escalation in tariff discussions, and these could potentially benefit India on a relative basis. On 7 November, the Federal Reserve implemented a 25-basis-point rate cut, lowering the target range to 4.50%–4.75% to sustain economic growth.

The Q2FY25 quarterly results have been one of the weakest in the recent quarters. Revenue and earnings growth for Nifty 50 companies for the current quarter stood at 4% and 6% year-on-year, while for 1HFY25 it stands at 3% and 6% year-on-year. Across a broader broker coverage universe, revenue and earnings growth for the current quarter stood at 4% and -1% year-on-year, with 1HFY25 standing at 5% and 0% year-on-year. This was led by 1) subdued consumer demand, 2) slower credit growth and credit stress in pockets, 3) weaker exports (IT services and manufacturing) and 4) slower capex (due to election and seasonal factors).

For November, India's high frequency indicators have been mixed, suggesting no further deterioration, but no signs of improvement on the horizon yet. Pickup in volumes sold across automobile categories, with 2-wheelers registration up 27% and passenger vehicles up 35% month-on-month. Further, tractor volumes were also up 44% month-on-month, but capex is down 55% and GST collections dropped 3% month-on-month (though up 8.5% year-on-year). India's forex reserves also came down to USD\$658bn, from USD\$685bn a month ago. Manufacturing PMI slowed in November, dropping to a 11-month low of 56.5, down from 57.5 in October. The output and new orders sub-indexes fell to their lowest and second lowest this year, respectively. Credit growth (non-food) weakened to 11.1% year-on-year in November, its lowest since June 2022, down from 11.5% in October. All this culminated in India's 2QFY25 GDP coming in lower at 5.4%, below expectations of 6.5%.

Portfolio Performance

Turning to portfolio performance, our positions in Healthcare and Real Estate were key contributors to alpha. Conversely, our positions in Industrials and Financials were the main detractors.

At the company level, **Syrma SGS, Orchid Pharma and not owning Reliance** were the largest contributors to relative performance. On the other hand, **Akums Pharmaceuticals, Inox Wind and Kalpataru Projects** were the main detractors.

Syrma SGS is one of the largest PCBA (Printed Circuit Board Assembly) manufacturers in India. It is a key Electronics manufacturing services (EMS) player and is well placed to benefit from India's push for exports, job creation and increased local manufacturing. The company reported strong earnings beat with 45% year-on-year growth in EBITDA and EBITDA margin of 8.5% vs expectation of 6–6.5%.

Orchid Pharma is an API (Active Pharmaceutical Ingredient) manufacturer. The company is on a strong growth path as it makes limited competition molecules used across Cephalosporins and is looking at further Valued-added offerings in those (ACA-7). Orchid benefits from Government's PLI (Product Linked Incentive) schemes for Import substitution and China+1 policy in the CDMO and chemical manufacturing sectors.

Reliance's 2QFY25 EBITDA was down 5% year-on-year and marginally below consensus estimates. Reliance JIO had weaker than expected subscriber additions and margins. Further, Reliance Retail revenue growth continued to stay weak down 1% year-on-year, mainly driven by weaker demand in Fashion & Lifestyle and restructuring of operations.

Akums Pharmaceuticals reported a soft quarter and has downgraded its full year guidance. Though its long-term potential as India's largest domestic formulation CDMO is high. We have exited the position and would wait for weakness in business to settle down before a relook.

Inox Wind and Kalpataru Projects saw a sharper correction in the recent market weakness, they have both reported strong quarterly results and have been strong performers in previous months. We continue to hold them as core holdings in our portfolio.

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**

There have been no changes to the primary investment personnel responsible for managing the Fund.

Find out more:

Contact Us

Sydney

Level 11, 179 Elizabeth Street,
Sydney, NSW 2000
+612 9021 7701
info@ellerstoncapital.com

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 registry, Automic Group on 1300 101 595 or ellerstonfunds@automicgroup.com.au.

This report has been prepared by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000 (Manager), as the responsible entity of the Ellerston India Fund ARSN 618 549 796 without taking account the objectives, financial situation or needs of individuals. Before making an investment decision about the Fund persons should read the Fund's Product Disclosure Statement and Target Market Determination (TMD) which can be obtained from the Manager's website www.ellerstoncapital.com or by contacting info@ellerstoncapital.com and obtain advice from an appropriate financial adviser. Units in the Fund are issued by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000. This information is current as at the date on the first page.

This material has been prepared based on information believed to be accurate at the time of publication. Assumptions and estimates may have been made which may prove not to be accurate. Ellerston Capital Limited undertakes no responsibility to correct any such inaccuracy. Subsequent changes in circumstances may occur at any time and may impact the accuracy of the information. To the full extent permitted by law, none of Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, or any member of the Ellerston Capital Limited Group of companies makes any warranty as to the accuracy or completeness of the information in this newsletter and disclaims all liability that may arise due to any information contained in this newsletter being inaccurate, unreliable or incomplete. Past performance is not a reliable indicator of future performance.