



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	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception <sup>^^</sup> (p.a.)
Gross Return Before Tax <sup>+</sup>	0.9%	7.3%	6.6%	19.1%	17.9%	11.8%
Benchmark <sup>**</sup>	1.2%	3.9%	2.8%	17.5%	19.3%	11.8%
<b>Strategy Relative Performance</b>	<b>-0.3%</b>	<b>3.4%</b>	<b>3.8%</b>	<b>1.6%</b>	<b>-1.4%</b>	<b>0.0%</b>

<sup>+</sup> Strategy performance before taking into account fees, costs and applicable capital gains taxes. Past performance is not a reliable indication of future performance.

<sup>\*\*</sup> Benchmark is MSCI India Net Return Index (AUD) and does not take into account capital gains taxes.

<sup>^^</sup> Inception date is 4 May 2017

## Investor Performance Summary

Period	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception <sup>^^</sup> (p.a.)
Net Return After Tax <sup>^</sup>	0.3%	7.0%	3.1%	15.6%	14.8%	9.6%
Benchmark <sup>**</sup>	1.2%	3.9%	2.8%	17.5%	19.3%	11.8%
<b>Investor Relative Performance</b>	<b>-0.9%</b>	<b>3.1%</b>	<b>0.3%</b>	<b>-1.9%</b>	<b>-4.5%</b>	<b>-2.2%</b>

<sup>^</sup> 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. Past performance is not a reliable indication of future performance.

<sup>\*\*</sup> Benchmark is MSCI India Net Return Index (AUD) and does not take into account capital gains taxes.

<sup>^^</sup> Inception date is 4 May 2017

## Key Information

<b>Investment Objective</b>	To outperform the Benchmark on a net of fees and tax basis, with a focus on capital growth and downside protection.
<b>Benchmark</b>	MSCI India Net Return Index (AUD)
<b>Liquidity</b>	Daily
<b>Target Number of Holdings</b>	20-50
<b>Minimum Investment</b>	Initial investment - \$10,000 Additional investment - \$5,000
<b>Distribution Frequency</b>	Half-Yearly (where available)
<b>Management Fee</b>	1.10% p.a.
<b>Performance Fee<sup>1</sup></b>	15.00%
<b>Buy/Sell Spread</b>	0.25% / 0.25%
<b>Unit Prices</b>	Application - \$1.1695 Net Asset Value - \$1.1666 Redemption - \$1.1637

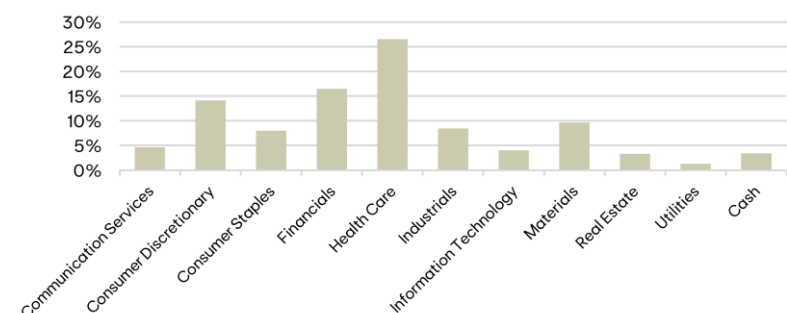
<sup>1</sup> Of the investment return above the benchmark, after recovering any underperformance in past periods.

## Top Holdings\*

Company	Sector
Aptus Value Housing Finance India	Financials
AXIS Bank	Financials
HDFC Bank	Financials
Mrs. Bector's Food Specialities	Consumer Staples
Rainbow Childrens Medicare	Health Care

\*In alphabetical order  
Source: Ellerston Capital

## Sector Allocation



Source: Ellerston Capital

## COMMENTARY

Ellerston India Fund (EIF) was up 0.3% (net) in June versus the MSCI India Index (MXIN) which was up 1.2%. In INR, MSCI India was up 3.7% in June. For the quarter, EIF was up 7.0% while MXIN was up 3.9%. MXIN had a solid June carrying forward the April and May rally. The up-move was driven by the Reserve Bank of India RBI cutting rates by 50bps and CRR by 100bps combined with expectations of bottoming out of earnings downcycle in Q1FY26 with strong growth in H2FY26 driven by good monsoons and a better festive season. Easing geopolitical tensions and stabilizing crude prices have helped markets.

Foreign Institutional Investors (FIIs) were net buyers in June to the tune of USD\$1.8bn (secondary) and Domestic Institutional Investors (DIIs) remained net buyers to the tune of USD\$8.5bn. Global equity markets continued their rally in June, with the S&P 500 up 5.1% and Nasdaq 100 up 6.6% ending at new all-time highs. Offsetting US equity market performance was the continued decline of the USD, with the DXY falling 7% in the quarter and 11% over the calendar year, marking the biggest 6 month decline in 16 years (since the GFC).

### KEY QUARTERLY CONTRIBUTOR

**Bharti Hexacom** was the key quarterly outperformer for the June quarter. Bharti Hexacom is a pure play Indian telecommunications company and a subsidiary of Bharti Airtel focusing on the higher growth Rajasthan and Northeast telecom circles of India. In April, it entered into a significant agreement with Adani Data Networks, acquiring 400 MHz of spectrum, a strategic move to enhance the company's service capabilities. For the 4QFY25, it reported 23% and 110% year-on-year growth in revenue and profit, respectively. PAT was also supported by recognition of a one-off gain stemming from a positive Supreme Court decision waiving interest on revenue linked license fees.

### KEY QUARTERLY DETRACTOR

Not owning **Reliance Industries** was the key quarterly detractor. Reliance Industries reported a decent 4QFY25 with EBITDA ~3% above consensus driven by a strong beat in retail and more resilient energy earnings. Stock is benefitting from potential turnaround in the Retail segment. Further, the new energy vertical is also getting traction as the production of solar modules commenced operations with EPC work for 10GW integrated solar capacity now completed. Several broker upgrades along with news flow on a potential Reliance JIO IPO also kept the stock lively.

### Outlook

India is trudging through a short-term period of weaker economic and earnings growth within the longer-term trend of superior relative growth. Valuation has stayed elevated and requires the earnings compounding engine to grind valuations to more palatable levels. We have had 3 quarters of weak growth and potentially 1-2 more quarters to go before earnings move back to superior growth. Meanwhile, we remain focused on building a bottom-up portfolio of high conviction and high growth stocks. US dollar weakness and tariff negotiations remain the key near-term global macro variables. Further reduction in CPI, stabilizing earnings trend, improving consumption and capex stay key domestic variables to watch out.

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](mailto: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.

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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](mailto:info@ellerstoncapital.com) or visit us at [ellerstoncapital.com](http://ellerstoncapital.com).

All holding enquiries should be directed to our registry, Automic Group on 1300 101 595 or [ellerstonfunds@automicgroup.com.au](mailto:ellerstonfunds@automicgroup.com.au).

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