



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>	-0.1%	4.8%	0.1%	16.4%	16.4%	11.7%
Benchmark <sup>**</sup>	-3.4%	-1.7%	-6.6%	13.3%	17.1%	11.2%
<b>Strategy Relative Performance</b>	<b>3.3%</b>	<b>6.5%</b>	<b>6.7%</b>	<b>3.1%</b>	<b>-0.7%</b>	<b>0.5%</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>	-0.2%	2.1%	-2.8%	13.3%	13.3%	9.5%
Benchmark <sup>**</sup>	-3.4%	-1.7%	-6.6%	13.3%	17.1%	11.2%
<b>Investor Relative Performance</b>	<b>3.2%</b>	<b>3.8%</b>	<b>3.8%</b>	<b>0.0%</b>	<b>-3.8%</b>	<b>-1.7%</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 - \$1.0236 Net Asset Value - \$1.0210 Redemption - \$1.0184

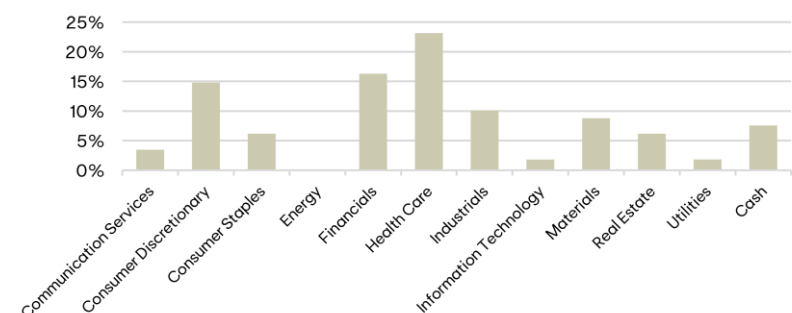
<sup>1</sup> Of the investment return above the benchmark, after recovering any underperformance in past periods.

## Top Holdings\*

Company	Sector
Aptus Value Housing Finance India	Financials
AXIS Bank	Financials
Gujarat Fluorochemicals	Materials
HDFC Bank	Financials
Mrs. Bector's Food Specialities	Consumer Staples

\*In alphabetical order  
Source: Ellerston Capital

## Sector Allocation



Source: Ellerston Capital

## MARKET COMMENTARY

Ellerston India Fund (EIF) was down 0.2% (net) in July versus the MSCI India Index (MXIN) which was down 3.4%. In INR, MSCI India was down 3.0% in July. The weakness in the stock market was driven by market concerns on Tariff Tantrums towards the end of the month, which could impact exports to the US and potentially have a ~25bps negative hit on GDP. Further, the earnings season has been fairly muted with weaker INR adding to concerns.

The White House announced an additional 25% levy on Indian imports (later pushing effective duties toward 50%) as early negotiations failed to reach common grounds. Earnings were particularly weak across Information Technology (IT) Sector (slowing US discretionary Tech spend) and large Private Sector Banks (slowing credit growth and higher than expected asset quality issues). Foreign Institutional Investors (FIIs) were net sellers in July to the tune of USD\$4.3bn (secondary) and Domestic Institutional Investors (DIIs) remained net buyers to the tune of USD\$7bn.

## KEY MONTHLY CONTRIBUTOR

Syrma SGS Technology 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, China+1, domestic job creation and increased local manufacturing. The company reported strong earnings beat with EBITDA and PAT up 94% and 106% year-on-year, respectively. This was driven by improved margin mix towards Industrial, Automotive and Exports from Consumer Electronics. Management maintained their full year's guidance and were optimistic about key exports growth.

## KEY MONTHLY DETRACTOR

Not owning ICICI Bank was the key detractor. ICICI Bank reported better than expected core operating performance up 14% year-on-year with stable asset quality during a tough environment. Within the financial sector, that is facing challenges of reducing NIMs (banks), asset quality issues and lower credit growth; ICICI bank numbers stood out. NIM decline was lower at 14bps, and loan growth was decent at 12% year-on-year.

## OUTLOOK

India is trudging through a short-term period of weaker economic and earnings growth within the longer-term trend of superior relative growth. Valuations are still elevated, and Tariff Tantrums are not helping. Now with Q1FY26 earnings coming to an end, India has had 4 quarters of weak earnings growth. Expect earnings to move back to stronger growth trajectory from H2FY26 driven by good monsoons, a better festive season and easing geopolitical tensions. CPI eased further to 1.6% year-on-year in July (from 2.1% in June), marking the lowest reading since 2017. Disinflation is underway and is likely to continue through the year, this along with weak domestic demand creates an ideal opportunity for RBI (Reserve Bank of India) to ease fast. We expect that it should help boost consumption and capex.

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:

**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](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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