



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>	-5.2%	-4.5%	-4.2%	12.7%	15.4%	10.9%
Benchmark <sup>**</sup>	-4.7%	-6.8%	-8.5%	9.4%	15.9%	10.4%
<b>Strategy Relative Performance</b>	-0.5%	2.3%	4.3%	3.3%	-0.5%	0.5%

<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>	-5.3%	-5.2%	-4.7%	9.6%	12.4%	8.7%
Benchmark <sup>**</sup>	-4.7%	-6.8%	-8.5%	9.4%	15.9%	10.4%
<b>Investor Relative Performance</b>	-0.6%	1.6%	3.8%	0.2%	-3.5%	-1.7%

<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 - \$ 0.9694 Net Asset Value - \$0.9670 Redemption - \$ 0.9646

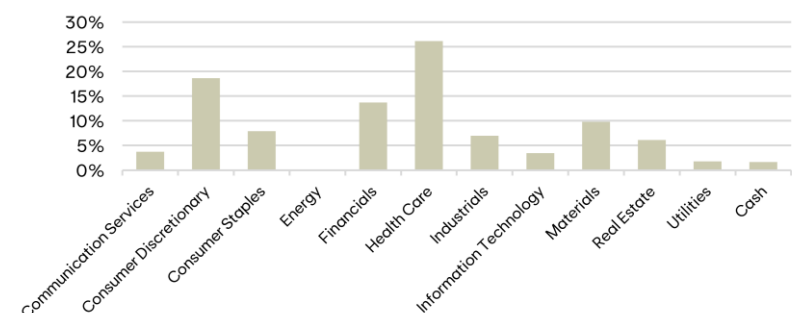
<sup>1</sup> Of the investment return above the benchmark, after recovering any underperformance in past periods.

## Top Holdings\*

Company	Sector
Aptus Value Housing	Financials
Axis Bank	Financials
Gujarat Fluorochemicals	Materials
Mrs Bector's Food Specialities	Consumer Staples
Rainbow Children's Medicare	Health Care

\* In alphabetical order  
Source: Ellerston Capital

## Sector Allocation



Source: Ellerston Capital

## MARKET COMMENTARY

Ellerston India Fund (EIF) was down 5.3% (net) in August versus the MSCI India Index (MXIN) which was down 4.7% (MSCI India was down 1.5% in INR). The weakness in the stock market was driven by a 50% tariff on Indian exports to US which became effective from 27th August, prompting heavy Foreign Institutional Investors (FIIs) selling and weakness in INR. FIIs were net sellers in August to the tune of USD\$4.7bn (secondary) and Domestic Institutional Investors (DIIs) remained net buyers to the tune of USD\$11bn. There was some rotation in consumption and domestic plays from export-driven sectors.

At the other end, there are structural tailwinds that are also emerging, such as sovereign rating upgrade of India by S&P to BBB, the first upgrade in 18 years, driven by strong fiscal consolidation. August GST collection was up a tepid 6.5% year-on-year, the government is looking at measures to boost local consumption like reducing and rationalizing GST rates.

## KEY MONTHLY CONTRIBUTOR

One 97 Communications (PAYTM) is India's leading digital payments platform, covering payment services for consumers and merchants. It is witnessing high growth driven by India's digital push and is an excellent franchise, near duopolistic with high entry barriers. It had two positive developments. Firstly, Alibaba exited the company after a USD\$435mn clean-up trade, removing ownership concerns. And after that, RBI has granted in-principal approval for a Payment Aggregator (PA) license to PAYTM's subsidiary, PAYTM Payments Services, enabling it to onboard new online payment gateway merchants after the 2022 rejection.

## KEY MONTHLY DETRACTOR

Laxmi Dental is an integrated end to end dental company (aligners, crown, bridges, dentures, etc). It is the second-largest player in the domestic Indian dental laboratory and the largest Indian exporter of dental consumables. The company reported weak Q1FY26 results. The company reported sales growth of 10% year-on-year and a decline in gross margins due to a 26% year-on-year growth in the sale of digital Intra Oral Scanners. These scanners are strategic sales which impact margin negative in the near-term, but essential for defined business commitment from dental practitioners over the long term. We believe the company is still on track to meet its guided growth of 20%-25% and maintenance to eventually improve margins over the long term.

## OUTLOOK

India is trudging through a short-term period of weaker economic and earnings growth within the longer-term trend of superior relative growth. Expect earnings to move back to stronger growth trajectory from H2FY26 driven by good monsoons, GST reduction, a better festive season and easing geopolitical tensions. India-China relations have made steady progress in the context of deteriorating India-US relations. Disinflation is underway and could continue through the year with credit growth also weak at 9.5% year-on-year. This positions RBI (Reserve Bank of India) dovishly for further rate cuts over the next 6 to 12 months.

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.

---

Find out more:

### Contact Us

#### Sydney

Level 11, 179 Elizabeth Street,  
Sydney, NSW 2000  
+612 9021 7701  
[info@ellerstoncapital.com](mailto: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).

---

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](http://www.ellerstoncapital.com) or by contacting [info@ellerstoncapital.com](mailto: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.