



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, utilising '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 ^{^^} (p.a.)
Gross Return Before Tax ⁺	5.0%	-1.2%	-2.3%	13.8%	14.6%	11.2%
Benchmark ^{**}	5.7%	0.0%	-1.1%	10.1%	15.4%	10.8%
Strategy Relative Performance	-0.7%	-1.2%	-1.2%	3.7%	-0.8%	0.4%

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

^{**} 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	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception ^{^^} (p.a.)
Net Return After Tax [^]	4.6%	-1.9%	-3.0%	10.4%	11.6%	8.9%
Benchmark ^{**}	5.7%	0.0%	-1.1%	10.1%	15.4%	10.8%
Investor Relative Performance	-1.1%	-1.9%	-1.9%	0.3%	-3.8%	-1.9%

[^] 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.

^{**} 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
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 - \$1.0045 Net Asset Value - \$1.0020 Redemption - \$0.9995

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

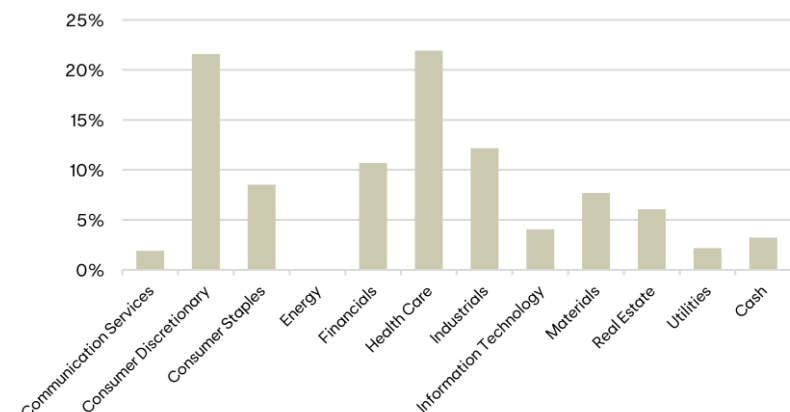
Top Holdings*

Company	Sector
Aptus Value Housing Finance India	Financials
Mrs. Bector's Food Specialities	Consumer Staples
Poly Medicare	Health Care
Rainbow Childrens Medicare	Health Care
Trent Limited	Consumer Discretionary

*In alphabetical order.

Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital

MARKET COMMENTARY

The Ellerston India Fund (EIF) was up 4.6% (net) in October versus the MSCI India Index (MXIN) which was up 5.7% (MXIN was up 4.4% in INR terms). October saw strong gains (the best month since March) driven by hopes of a US-India trade deal, initial positive results print for the September quarter and a 25 bps Fed rate cut driving global risk-on sentiment. The Reserve Bank of India also adopted a supportive stance, with potential rate cuts on the horizon, aimed at boosting growth amidst falling inflation.

Foreign Institutional Investors (FIIs) turned buyers in October to the tune of ~\$USD 206mn, following heavy selling (~\$USD 17bn) throughout January to September. Domestic Institutional Investors (DIIs) remained net buyers to the tune of ~\$USD 5.9bn (driven by strong inflows).

In October, all 11 sectors delivered positive returns on an absolute basis. The Real estate sector gained on healthy pre-sales numbers, whilst Financials and IT sector rebounded due to marginally better earnings.

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 it is an excellent market which is near duopolistic with high entry barriers. PAYTM rose on expectation of inclusion in the MSCI India Index and expectations of strong quarterly results. In early November, the company reported solid numbers, with revenue growth of 7.5% q/q and GMV growth of 27.5% y/y. The key positive was EBITDA margins at 8.5% (up 320bps q/q), driven by strong operating leverage. Further, strong growth in GMV and financial services revenue pointed towards strength in the company's engine of acquiring customers (both consumers and merchants) on payments funnel, along with monetizing them through cross-selling of financial services.

KEY MONTHLY DETRACTOR

Cohance Lifesciences is primarily a CDMO (Contract research and manufacturing services) player with multiple niche chemistry and manufacturing capabilities to produce NCEs, bulk drugs, intermediates, as well as specialty chemicals for global pharma, biotechnology and chemical companies. In October, one of their small facilities (EBITDA contribution <1%) received a penalty due to 6 observations made by the USFDA. Furthermore, its CEO resigned noting personal reasons for the same. The company is also navigating weak monthly sales numbers due to inventory de-stocking in two key molecules, along with one of its plants being in shutdown.

OUTLOOK

India is moving towards the end of weak earnings growth phase (past 4-quarters), and valuations have turned more reasonable. We expect earnings to move back to stronger growth trajectory from H2FY26, driven by pent-up demand post GST reduction, revival in domestic capital spend, better festive season and easing geopolitical tensions. October GST collection growth was weak at 4.6% y/y however, Manufacturing PMI rose to 59.2 in October from 57.7 in September, suggesting strength in domestic demand which helped offset slowdown in export growth. Disinflation is underway with October headline CPI inflation declining to an all-time low of 0.3% y/y (Consensus: 0.4% y/y, September: 1.4% y/y), driven by continued food deflation. After factoring in GST reduction, November inflation could stay <1%. Whilst the RBI left the Repo Rate unchanged at 5.50%, we expect a rate cut in the December policy meetings, with further rate cuts over the next 6 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.

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:

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

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