



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 <sup>^^</sup> (p.a.)
Gross Return Before Tax+	-5.2%	-1.2%	-7.8%	11.2%	13.0%	10.4%
Benchmark**	0.7%	5.6%	-0.6%	10.2%	14.8%	10.8%
<b>Strategy Relative Performance</b>	<b>-5.9%</b>	<b>-6.8%</b>	<b>-7.2%</b>	<b>1.0%</b>	<b>-1.8%</b>	<b>-0.4%</b>

+ 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.

<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%	-1.9%	-8.9%	7.9%	10.0%	8.2%
Benchmark**	0.7%	5.6%	-0.6%	10.2%	14.8%	10.8%
<b>Investor Relative Performance</b>	<b>-6.0%</b>	<b>-7.5%</b>	<b>-8.3%</b>	<b>-2.3%</b>	<b>-4.8%</b>	<b>-2.6%</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.

\*\* 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 - \$0.9514 Net Asset Value - \$0.9490 Redemption - \$0.9466

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

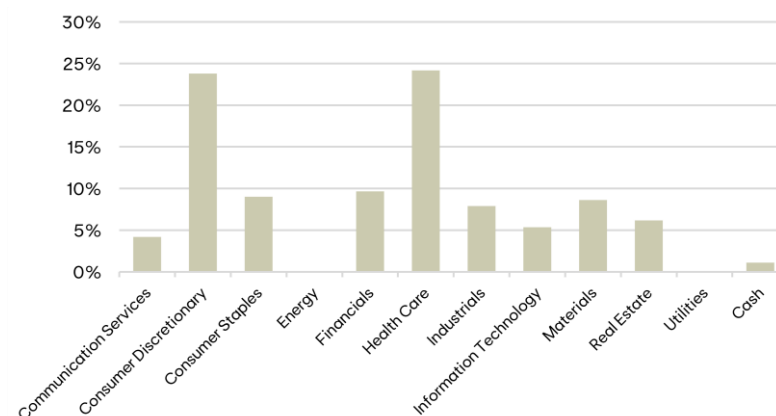
## Top Holdings\*

Company	Sector
Aptus Value Housing Finance India	Financials
Eris Lifesciences	Health Care
Mrs. Bector's Food Specialities	Consumer Staples
Rainbow Childrens Medicare	Health Care
Schneider Electric Infrastructure	Consumer Discretionary

\*In alphabetical order.

Source: Ellerston Capital.

## Sector Allocation



Source: Ellerston Capital

## MARKET COMMENTARY

The Ellerston India Fund (EIF) was down 5.29% (net) in November versus the MSCI India Index (MXIN) which was up 0.69%. In INR terms, the MXIN was up 1.66%, while the MSCI India Small Cap Index was down 1.95%. November saw the large-cap index breach the Sep-2024 highs after 14-months wait. The rally was primarily in index heavy select large-cap names driven by positive global cues, RBI and Fed rate cut optimism, anticipation of a US-India trade deal, earnings trajectories bottoming and beginning to improve, reasonable valuations and short covering as risk-on sentiment increased. Foreign Institutional Investors (FIIs) remained net sellers in November to the tune of ~USD\$1.3bn (secondary). However, domestic flows stayed strong with Domestic Institutional Investors (DIIs) buying to the tune of USD\$8.6bn.

### KEY MONTHLY CONTRIBUTOR

**Piramal Finance** is a mid-tier NBFC (Non-Banking Financial Company) primarily focused on retail and small business loans including home loans, loans against property, MSME loans, used vehicle finance, and working capital solutions. The Pan-India company is going through a fast AUM growth phase, positioned as a digital/AI based loan provider, while remaining focused on reducing operating expenses and credit costs. It listed on 7 November after its merger with its parent holding entity Piramal Enterprise. We believe the business was undervalued at its discovered price of INR1124, on an absolute basis (trading at discount to book value) and on a relative basis to other NBFCs.

### 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 November, it posted a weak

set of results with a 41%/47% year-on year decline in EBITDA/PAT on the back of CDMO order delays, product destocking, and a generic API plant shutdown. Management sharply cut FY26 guidance to flat sales (vs earlier double-digit growth) and EBITDA margins in the high twenties (vs low thirties earlier), citing challenges across businesses. While the management has acknowledged recent issues and outlined corrective measures, it might take a few quarters to pan-out and as such, we have exited this investment.

### OUTLOOK

As we move in 2026, we are turning more optimistic on India. Banks/NBFC credit growth is decent and corporate balance sheets remain healthy. Recent GST rate cuts have aided consumption across autos and FMEG. After four quarters of weak earnings growth, negative earnings revisions are likely behind, with a case for ~15% earnings growth trajectory possible over the next 4-8 quarters. Inflation is low, with November headline inflation at 0.7% y/y in-line with consensus (October: 0.3% y/y). This has been achieved along with fiscal/monetary stability and with real GDP growth of 8.2%y/y for 2QFY26 (7.4% consensus), though nominal GDP growth remained broadly stable at 8.7% y/y. The RBI has also brought in 150bps of rate cuts (potential for one more 25bps cut in Feb-26) along with additional liquidity easing measures.

Valuations have turned more reasonable though still not cheap. FIIs have been sellers since 30th Sep 2024, having sold ~USD\$40bn in the secondary market. RBI has used recent FII outflows to its advantage by letting the INR slide vs the USD to keep exports competitive, while material incremental INR weakness seems unlikely in 2026. At the other end, domestic flows have been strong with domestic fund have running at ~USD\$3bn/month.

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

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.