



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+	-16.1%	-23.4%	-18.9%	7.4%	8.0%	7.7%
Benchmark**	-9.7%	-11.0%	-10.1%	10.7%	11.3%	9.1%
Strategy Relative Performance	-6.4%	-12.4%	-8.8%	-3.3%	-3.3%	-1.4%

+ 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 [^]	-16.2%	-23.6%	-20.1%	3.6%	4.8%	5.4%
Benchmark**	-9.7%	-11.0%	-10.1%	10.7%	11.3%	9.1%
Investor Relative Performance	-6.5%	-12.6%	-10.0%	-7.1%	-6.5%	-3.7%

[^] 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 - \$0.7673 Net Asset Value - \$0.7654 Redemption - \$0.7635

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

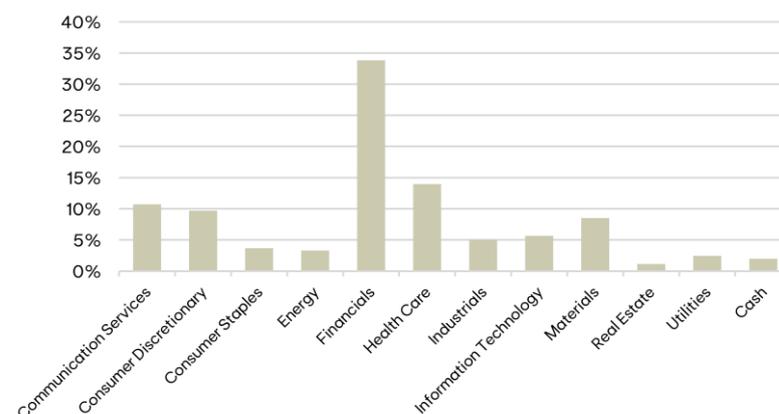
Top Holdings*

Company	Sector
Axis Bank	Financials
Bharti Airtel	Communication Services
HDFC Bank	Financials
ICICI Bank	Financials
Reliance Industries	Energy

*In alphabetical order.

Source: Ellerston Capital.

Sector Allocation



Source: Ellerston Capital

MARKET COMMENTARY

The Ellerston India Fund (EIF) was down 16.2% (net) in January versus the MSCI India Index (MXIN) which was down 9.7%. In INR terms, MXIN was down 2.9% meanwhile the MSCI India Small Cap index was down 4.9%. This contrasts the strength seen in MSCI EM Index up 8.9% and MSCI Asia ex Japan Index up 8.2% (in USD terms). Jan saw INR depreciate sharply by 6.3% vs AUD. The Indian equity market witnessed a de-risking and de-rating, led by persistent Foreign Institutional Investors (FIIs) selling (~USD3.5bn). FII selling was driven by uncertainty regarding US-India trade tariff impasse, heightened geopolitical tensions (Trump headlines of another potential tariff hike for countries purchasing Russian Oil), subdued earnings season and a self-reinforcing loop of weaker INR. Towards the end of the month, markets were also positioning for low expectations from the Union Budget on 1st Feb (including a special Sunday trading session).

KEY MONTHLY CONTRIBUTOR

Our under-weight positioning in **Reliance Industries** and **HDFC Bank** were the key attributors. Reliance reported weaker 3QFY26 results with consolidated EBITDA flat q/q and up 5% y/y, about 4% below consensus expectations. Weakness was primarily driven by moderation in Retail (on both the top line and EBITDA) while other divisions were in-line. Retail growth slowed and EBITDA grew 2% y/y impacted by promotions and Quick-commerce aggression. HDFC Bank reported in-line quarter with profit and loan growth of 11%/12% y/y. But slower CASA deposit growth at 10% y/y concerned investors given that HDFC Bank has a significantly higher LDR (loan to deposit ratio) at 99% vs other private sector banks.

KEY MONTHLY DETRACTOR

Onesource Speciality Pharma is a vertically integrated CRDMO (Contract Research, Development and Manufacturing Organisation) company that is focussed on a wide and diverse range of high growth opportunities across GLP-1s, peptides, soft gelatin capsules, biologics and Drug Device Combinations (DDCs). It is uniquely

positioned to capture the global GLP-1 genericization opportunity, particularly in Semgalutide (Ozempic generic) starting in 2026. However, the company reported weak Q3FY26 sales which were down 26% y/y due delay in approvals in Canada and negotiations across certain sales agreements taking longer. Due its substantial fixed cost production base, the EBITDA margins also dropped sharply to 6% from 28% last quarter. While the company maintained its FY28 guidance and its long-term opportunity strong remains albeit delayed. We have exited the stock and would look revisit once the prospects gain better visibility.

OUTLOOK

In February 2026, the US-India trade deal come though leading to the subsequent rollback of tariffs to a relatively benign 18% and the India-EU FTA also getting done. It has provided some relief to the market complemented with the results season closing better than it started in January.

The Economic survey 2026 expects India's FY27 GDP growth to be in the range of 6.8% to 7.2% and closer to 7%. Also, manufacturing PMI expanded to 55.4 in Jan compared to 55 in December. In the February monetary policy meeting, RBI kept the repo rate unchanged at 5.25% and retained a neutral stance. It upped its growth forecast by 20bp to 7% for H1FY27 citing trade deals with the EU and US as a supporting factor while keeping its inflation forecast broadly unchanged at 4.1%. RBI has probably reached towards the end of its easing cycle (additional 25bp rate cut at best in this cycle) with focus now shifting towards transmission and liquidity management.

As we progress through 2026, many of the macro concerns have played out and valuations have turned more reasonable, though still not cheap. We believe the market will wait for an earnings inflection before turning more upbeat.

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:

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 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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