

India Avenue Equity Fund

December 2024

Investment Objective

The India Avenue Equity Fund is a registered, unlisted unit trust, which invests in listed companies trading on Indian stock exchanges or on other exchanges, with significant exposure to India’s economy. The Fund aims to outperform its benchmark in AUD terms, after fees and over rolling 5-year periods.

IAEF M Class Units 31/12/2024	1 month	3 months	1 year	3 years p.a.	5 years p.a.
IAEF Pre Tax Net Returns*	1.64%	1.38%	26.78%	13.65%	17.38%
MSCI India (net) in AUD#	2.13%	-0.64%	22.57%	13.24%	15.42%
Alpha	-0.49%	2.02%	4.21%	0.41%	1.96%
IAEF Net Returns**	1.58%	0.88%	24.81%	11.90%	16.13%
iShares MSCI India ETF in AUD##	1.85%	1.51%	19.73%	10.82%	12.92%
Alpha	-0.27%	-0.63%	5.08%	1.08%	3.21%

Source: MSCI

*Performance is calculated on a post fee, but pre-CGI and withholding taxes paid in India. Australian domiciled investors receive a partial credit for these taxes in their annual tax refund. Over the last 5 years the impact on performance from payment of Indian CGT is approximately 1.0% per annum. We estimate that 50-100% of Indian CGT paid is recoverable in Australian investor tax returns as a tax credit. The MSCI India benchmark returns are calculated pre taxes paid.

The MSCI India benchmark does not pay Indian CGT

** India Avenue Equity Fund M Class returns based on NAV (exit price to exit price)

iShares ETF is a benchmark which includes Indian CGT and transaction costs, which provide an "invested" benchmark experience

Past performance is not an indicator of future performance. Above returns are calculated based on the exit price of 30* November 2024, net of fees and assuming reinvestment of dividends. Returns of longer duration than 1 year are annualised

Portfolio and Market returns

The India Avenue Equity Fund M Class Units returned 1.64% over the month of December 2024, underperforming its benchmark by 0.49%. However, it outperformed the MSCI India (Net) in AUD over both 3 and 12-month periods by 2.02% and 4.21%, respectively. Despite a robust year for Indian markets in 2024, the December quarter saw increased volatility, driven by slower GDP growth and weaker Q2FY25 earnings and stubborn food price inflation in India as well as rising geopolitical risks, particularly regarding President Trump’s tariff policies.

The driving force behind India’s robust returns in 2024 continues to be domestic investors, who added US\$63bn over the year, which was equivalent to the cumulative investments over the previous four calendar years. This supported the Fund’s robust return of 26.78% over 2024. In contrast foreign investors continued to remain neutral towards allocations to the world’s fastest growing economy, favouring other regions like the US (AI/Tech) and China (valuation/stimulus), given concerns about a cyclical slowdown in India as well as high valuations.

Our Fund continued to outperform its benchmark over the last 12 months due to its bias towards finding companies in the mid/small cap space from an undiscovered growth and valuation perspective. However, the valuation opportunity has become narrower due to the significant outperformance of mid, small, and micro-cap stocks in India from 2020-2024. As a result, the Fund has slowly drifted up the capitalisation curve from a weighted average market cap of A\$33bn towards its current A\$45bn. It remains well below the benchmark’s A\$98bn.

Portfolio statistics	As of 31.12.24	
Return on Invested Capital	14.8%	13.6%
Gross Profit Margin	48.1%	38.8%
Asset Growth 3 years	14.4%	14.3%
Forecast LT Sales Growth	13.0%	13.1%
Forecast LT Earnings Growth	20.1%	18.4%
Return on Assets	10.9%	9.8%
Price-to-Book	4.1	4.1
P/E Forward (Mar-26)	21.1	21.3
Free Cash Flow Yield	3.7%	3.3%
Beta	1.1	1.0
Market Capitalisation	\$45bn	\$98bn
Dividend Yield	1.2%	1.1%

Source: Foresight Analytics

Risk Characteristics	IAEF	MSCI India
Volatility	17.66%	16.1%
Tracking Error	5.69%	
Information Ratio	0.27	
Sharpe Ratio	0.70	

1) Volatility: Standard deviation annualised since inception

2) Standard deviation of active return (before fees)

3) Sharpe ratio: Excess return (before fees) over the Ausbond Bank Bill Index, divided by standard deviation

4) Information ratio: Active return (before fees) divided by tracking error

India Avenue Equity Fund

December 2024

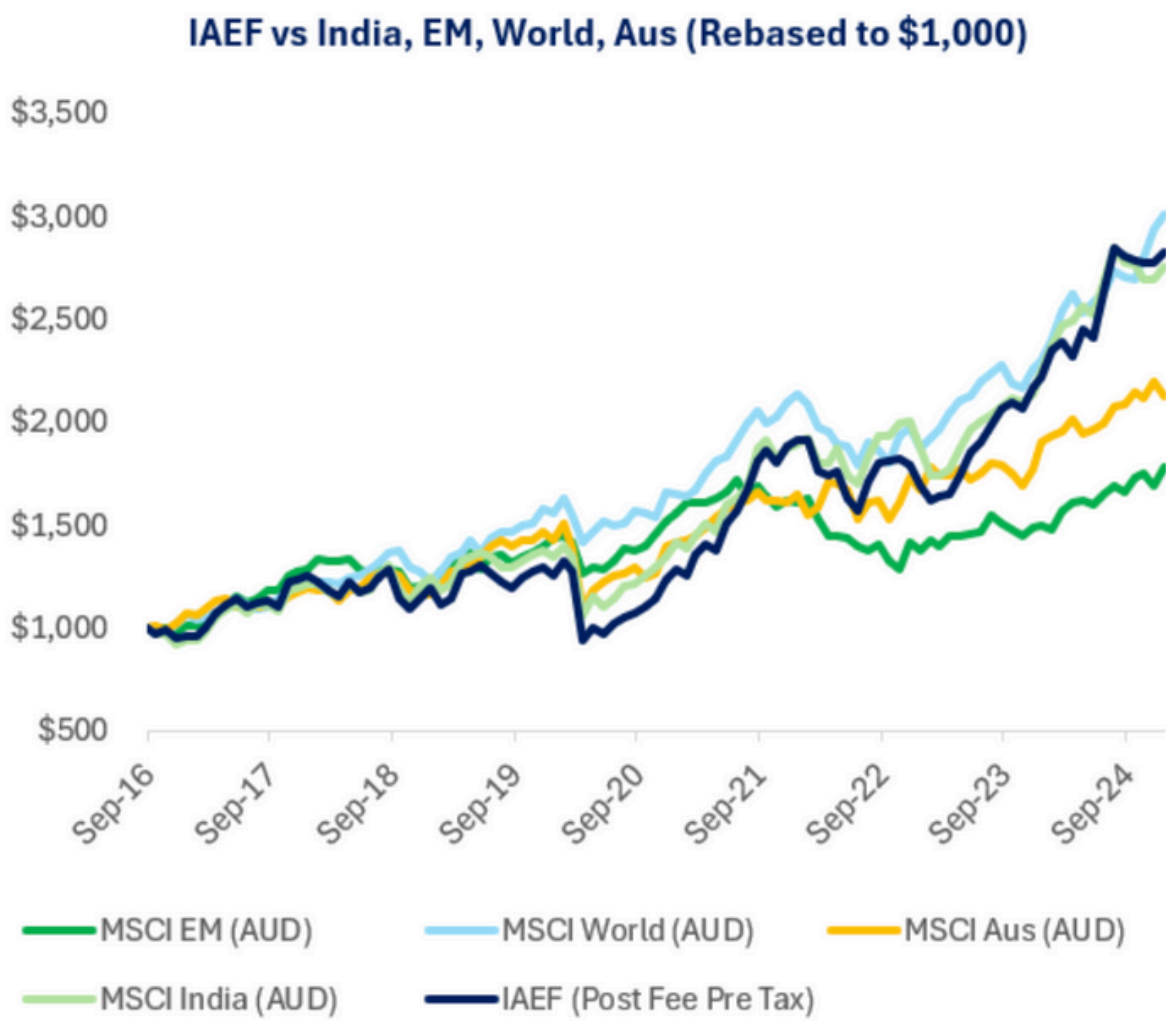
Performance by Unit Class^	1 month	3 months	1 year	3 years p.a.	5 years p.a.	7 years p.a.
M Class	1.58%	0.88%	24.81%	11.90%	16.13%	11.31%
H Class	1.51%	0.76%	23.81%	11.31%	15.51%	10.72%
L Class	1.65%	0.70%	24.12%	11.91%		
MSCI India	2.13%	-0.64%	22.57%	13.24%	15.42%	12.93%

Source: MSCI

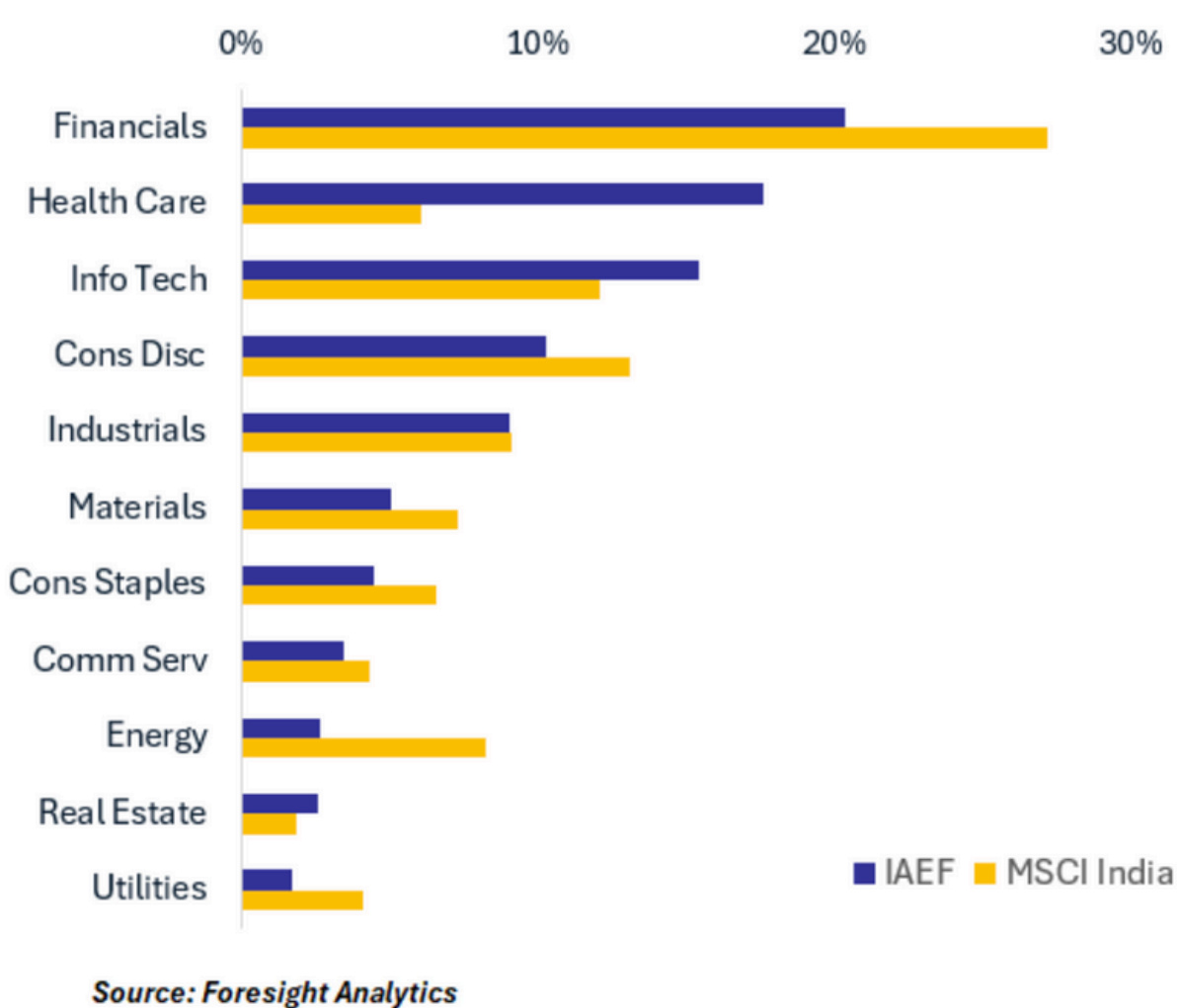
^Performance in the table able above is calculated on exit price NAVs after fees and all includes all Indian CGT taxes

Past performance is not an indicator of future performance. Above returns are calculated based on the exit price of 31st December 2024, net of fees and assuming reinvestment of dividends. Returns of longer duration than 1 year are annualised. The only difference between the M, H and L class are the management and performance fees charged. The underlying investments of each class are identical.

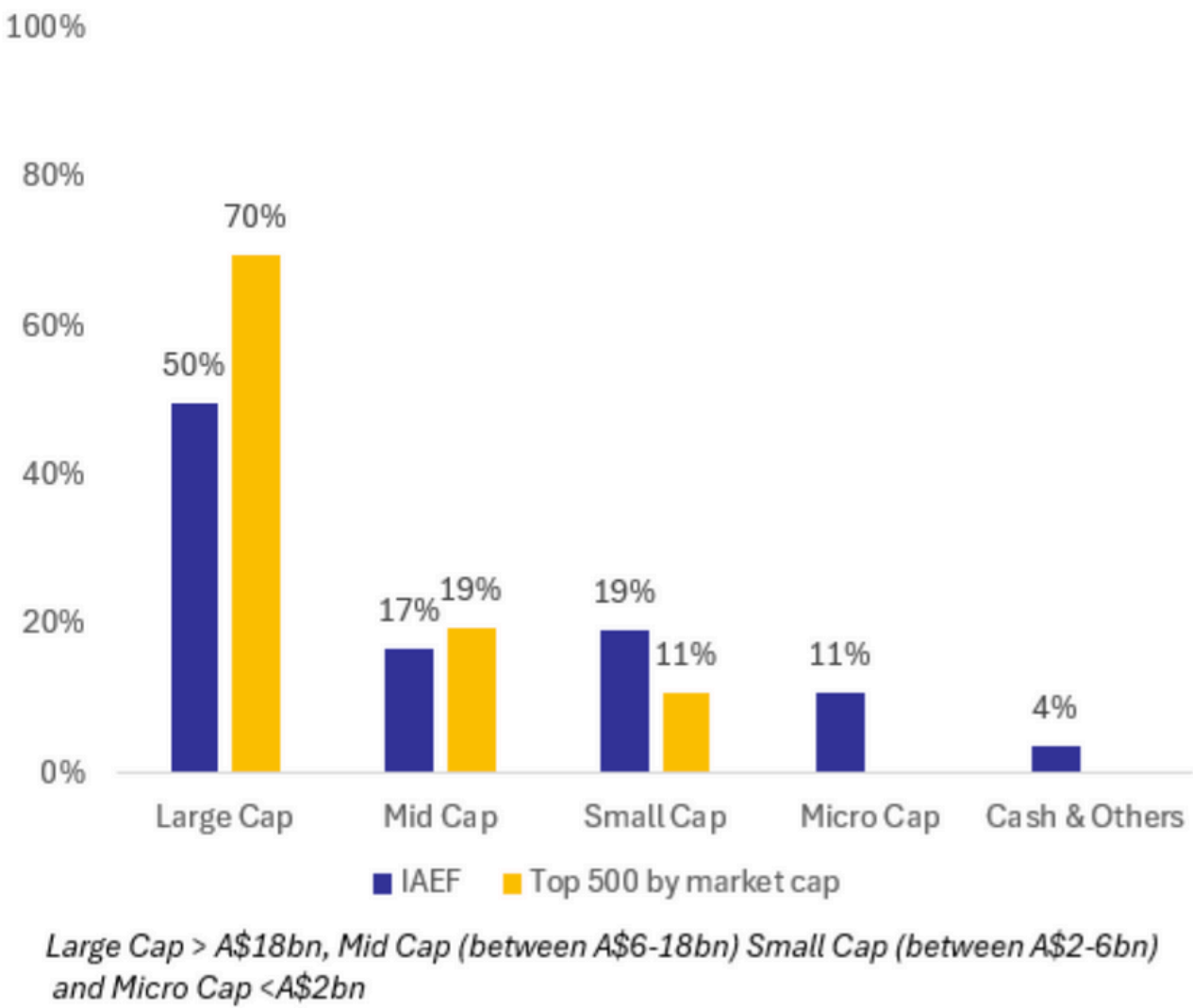
Comparative Returns



Sector Positioning



Size Distribution



Top 10 Stocks

Holdings	Sector	Weight%
Aurobindo Pharma	Healthcare	3.2%
Infosys	Information Technology	3.2%
Bajaj Finance	Financials	3.2%
ICICI Bank	Financials	3.0%
HCL Technologies	Information Technology	3.0%
HDFC Bank	Financials	2.8%
Coforge	Information Technology	2.8%
Bharti Airtel	Communication Services	2.7%
Redington	Information Technology	2.6%
Hero MotoCorp	Consumer Discretionary	2.4%
Top 10 Weight		28.9%

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December 2024

Fund Overview - 31.12.24				Platform Availability
	M Class	H Class	L Class	
NAV	1.9929	1.9673	1.6138	Hub24
Inception Date	6/09/2016	9/04/2017	21/04/2021	Netwealth
APIR Code	ETL0482AU	ETL0478AU	ETL2814AU	Mason Stevens
ARSN	611374586	611374586	611374586	Macquarie Wrap
ISIN	AU60ETL04826	AU60ETL04784	AU60ETL28148	Praemium
Morningstar Code	ETL0482AU	ETL0478AU	ETL2814AU	DASH
Management Fee	1.10%	1.50%	0.95%	Acclaim Wealth
Performance Fee	10%	10%	15%	
FY24 Distribution	0.1106	0.0955	0.0902	
Distribution Frequency	Annually as of 30 June			
Assets under Management	\$129m			
Benchmark	MSCI India (net) AUD			
Investment Universe	Predominantly securites listed on Indian stock exchanges			
Investment Style	Multi-manager, Neutral			

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Rating



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India Avenue Equity Fund’s Target Market Determination is available on our website: www.indiaavenue.com.au

A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.