

## 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	1 month	3 months	1 year	3 years p.a.	5 years p.a.	Since Inception p.a.
IAEF Pre Tax Net Returns*	0.83%	-7.38%	-20.80%	5.43%	7.45%	8.25%
MSCI India (net) in AUD#	-0.68%	-8.58%	-20.74%	3.14%	6.23%	8.22%
Alpha	1.51%	1.20%	-0.06%	2.29%	1.22%	0.04%
IAEF Net Returns**	0.55%	-7.94%	-21.81%	3.83%	5.93%	7.45%
iShares MSCI India ETF in AUD##	-1.82%	-7.98%	-20.03%	1.87%	4.75%	6.76%
Alpha	2.37%	0.04%	-1.78%	1.96%	1.18%	0.69%

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. However, we are not tax advisors and investors should seek their own tax advice. 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 31 May 2026, 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) delivered a return of 0.83% (pre-tax) in May 2026, outperforming the MSCI India Net Return Index (AUD) by 1.51%. Indian equity markets experienced a volatile May, with headline indices like the Nifty 50 sliding 1.9%. The market opened under pressure as the conflict in West Asia entered its fourth month, with persistent foreign capital flight extending the record-breaking foreign selloff of 2026. Foreign Portfolio Investors (FPIs) pulled out approximately US\$6.7bn from equities during the month.

Unlike the broad-based relief rally seen in April following the temporary US-Iran ceasefire, May was defined by a stark capitalisation divergence. Selling pressure concentrated heavily on large-cap heavyweights, particularly within Financial Services and Oil & Gas. Conversely, the broader market showed a remarkable appetite for risk; mid-cap, small-cap, and select sectoral indices advanced, buoyed by domestic capital shifting into Services, Capital Goods, and Metals & Mining.

The conclusion of the Q4 FY26 earnings season confirmed a softer corporate earnings growth trajectory, making price reactions unforgiving for companies providing cautious guidance or missing expectations. Demand remains healthy, but margin pressures persist due to input costs and limited pricing power. Valuations remain a central constraint for the market, though the year-to-date (YTD) correction has served as a necessary reset, pulling large-cap Price-to-Earnings (PE) multiples back toward historical averages. However, this valuation cooling was uneven. While large-caps absorbed the brunt of macro-driven weakness, strong retail inflows into small- and mid-cap segments kept broader market multiples elevated.

The RBI maintained its repo rate at 5.25%, projecting FY27 real GDP growth at 6.6%. The central bank adopted a more cautious tone, raising inflation projections to 5.1% due to geopolitical volatility and a weakening rupee. The structural case for India is bolstered by forex reserves, which stood at US\$681.4 bn as of late May, providing a substantial buffer despite a recent decline from February peaks. Domestic participation remains a critical pillar; although equity fund inflows hit a one-year low, monthly Systematic Investment Plan (SIP) contributions held steady at approximately US\$3.7bn, continuing to provide a durable bid beneath the market.

Portfolio Characteristics	IAEF	MSCI India
Return on Invested Capital	12.4%	13.1%
Gross Profit Margin	41.3%	39.1%
Asset Growth 3 years	14.3%	14.9%
Forecast LT Sales Growth	12.4%	12.7%
Forecast LT Earnings Growth	18.0%	17.9%
Return on Assets	9.5%	9.1%
Price-to-Book	3.2	3.4
P/E Forward (Mar-26)	19.1	21.0
Free Cash Flow Yield	5.0%	4.3%
Beta	1.0	1.0
Market Capitalisation	\$47bn	\$69bn
Dividend Yield	1.2%	1.1%

Source: Foresight Analytics

Risk Characteristics	IAEF	MSCI India
Volatility	18.0%	18.3%
Tracking Error	4.9%	
Information Ratio	0.23	
Sharpe Ratio	0.40	0.33

Source: MSCI

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

31 May 2026

Performance by Unit Class <sup>^</sup>	1 month	3 months	1 year	3 years p.a.	5 years p.a.	7 years p.a.
M Class	0.55%	-7.94%	-21.81%	3.83%	5.93%	6.44%
H Class	0.52%	-8.05%	-22.15%	3.24%	5.36%	5.89%
L Class	0.56%	-7.91%	-21.64%	3.77%	5.92%	-
MSCI India	-0.68%	-8.58%	-20.74%	3.14%	6.23%	6.73%

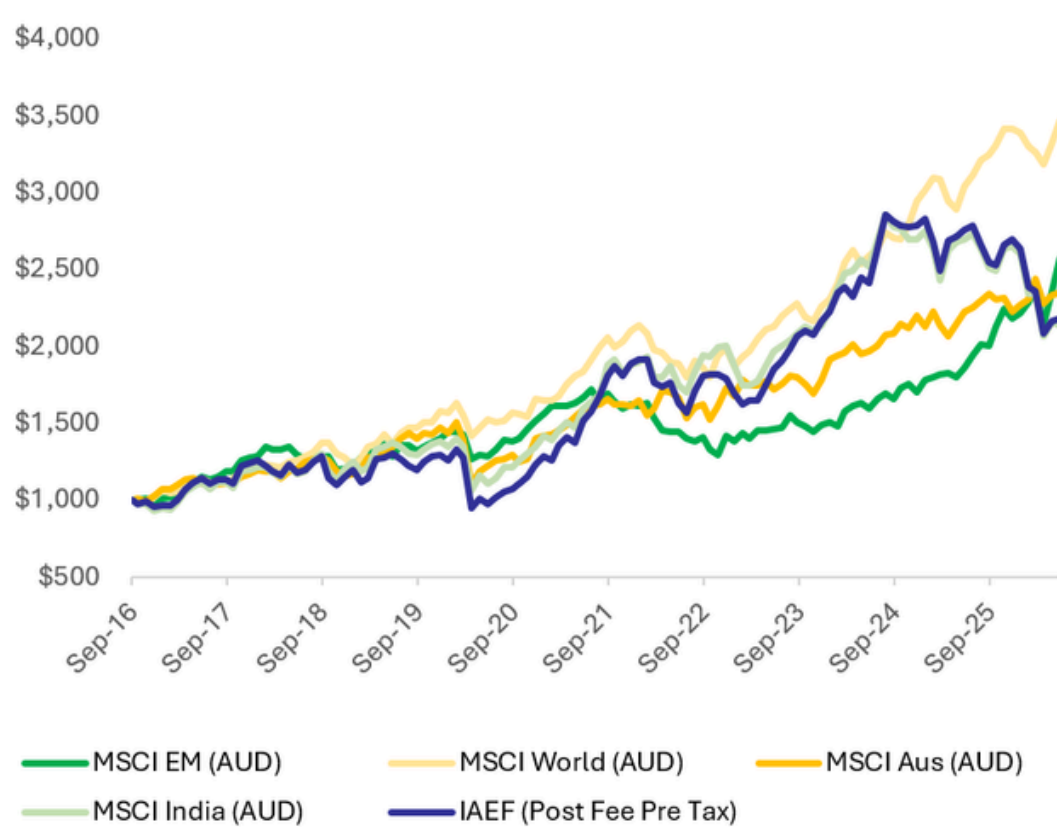
Source: MSCI

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

Past performance is not an indicator of future performance. Above returns are calculated based on the exit price of 31 May 2026, 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 is the management and performance fees charged. The underlying investments of each class are identical.

## Comparative Returns

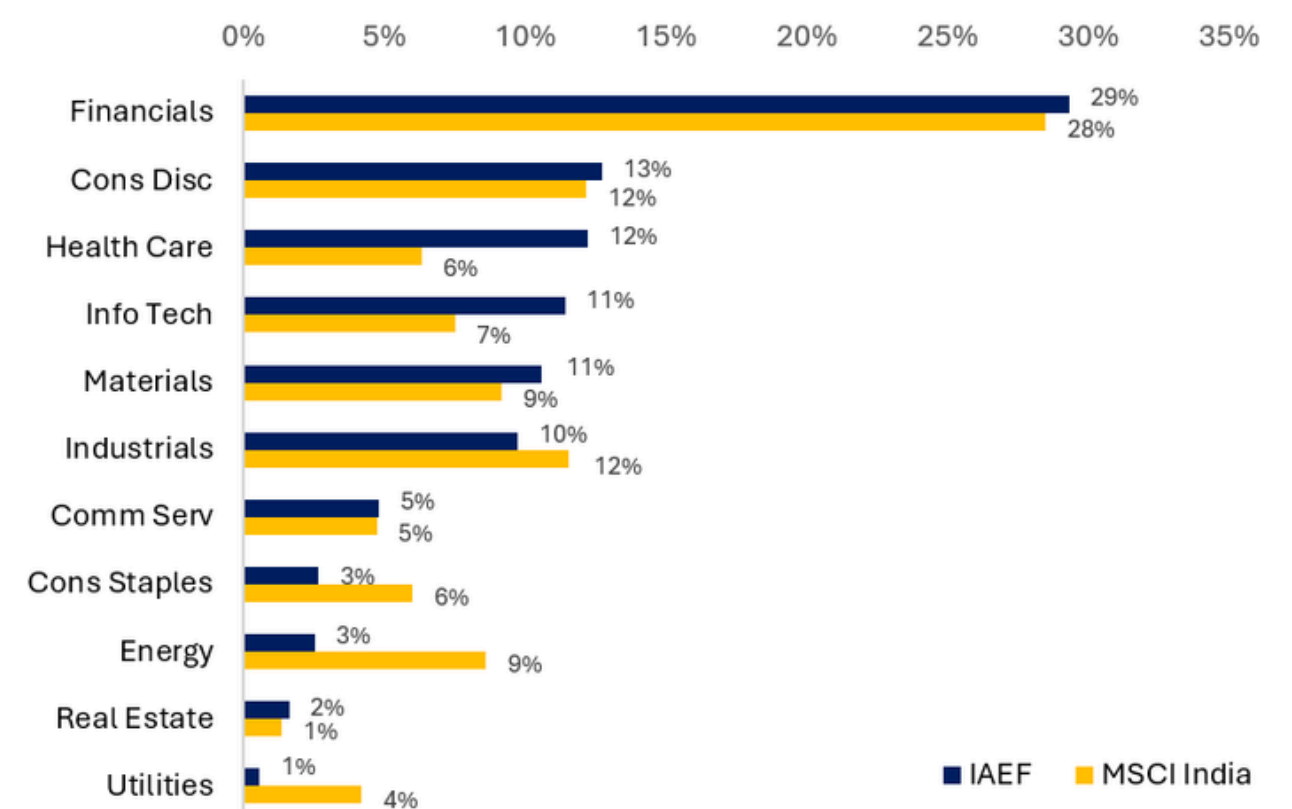
IAEF vs India, EM, World, Aus (Rebased to \$1,000)



Source: MSCI

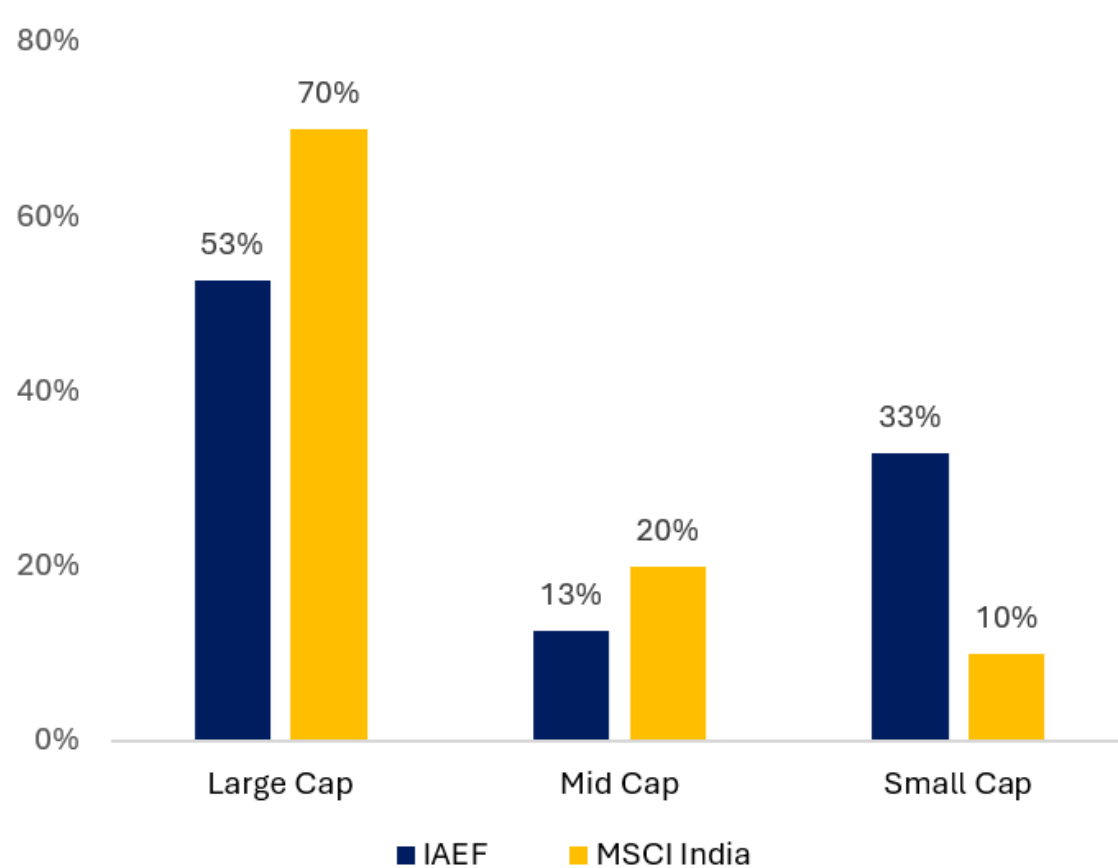
Past Performance is not a reliable indicator of future performance

## Sector Positioning - IAEF vs MSCI India



Source: Foresight Analytics

## Size Distribution



\*Large Cap (above A\$20bn), Mid Cap (between A\$5-20bn) and Small Cap (below A\$5bn)

## Top 10 Stocks

Holdings	Weight
Shriram Finance	5.1%
HDFC Bank	4.9%
Bharti Airtel	4.8%
ICICI Bank	4.2%
Axis Bank	4.2%
Aurobindo Pharmaceutical	3.3%
Interglobe Aviation	3.2%
Infosys	2.6%
Redington India	1.9%
HCL Technologies	1.8%
<b>Top 10 Weight</b>	<b>36.1%</b>

**Fund Overview - 31.05.2026**

	<b>M Class</b>	<b>H Class</b>	<b>L Class</b>
NAV	1.3837	1.3709	1.1221
Inception Date	6/09/2016	9/04/2017	21/04/2021
APIR Code	ETL0482AU	ETL0478AU	ETL2814AU
ARSN	611374586	611374586	611374586
ISIN	AU60ETL04826	AU60ETL04784	AU60ETL28148
Morningstar Code	ETL0482AU	ETL0478AU	ETL2814AU
Management Fee	1.10%	1.50%	0.95%
Performance Fee	10%	10%	15%
Min. Investment Amount	A\$50,000	A\$10,000	A\$50,000
FY25 Distribution	0.1693	0.1488	0.1398
Distribution Frequency	Annually as of 30 June		
Assets under Management	\$125m		
Benchmark	MSCI India (net) AUD		
Investment Universe	Predominantly securities listed on Indian stock exchanges		
Investment Style	Multi-manager, Neutral		

**Platform Availability**

Hub24  
Netwealth  
Mason Stevens  
Praemium  
DASH  
Acclaim Wealth

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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](http://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.