

## India Avenue Equity Fund

31 May 2026

### 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 H Class Units	1 month	3 months	1 year	3 years p.a.	5 years p.a.	Since Inception p.a.
IAEF H Class Net Returns in NZD **	-1.08%	-6.96%	-13.18%	7.59%	8.22%	7.73%
MSCI India (net) in NZD *	-2.11%	-7.41%	-11.71%	6.90%	8.85%	8.81%
Alpha	1.03%	0.45%	-1.47%	0.69%	-0.63%	-1.08%
iShares MSCI India ETF in NZD ***	-3.37%	-6.89%	-10.83%	5.57%	7.22%	7.68%

Source: MSCI, Morningstar

\*The MSCI India benchmark does not pay Indian CGT

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

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

Past performance is not indicative of future performance and are net of fees and Indian capital gains tax. However, they exclude any taxes payable by New Zealand based investors at their relevant marginal tax rates. Returns in the attached report are in New Zealand Dollars and are calculated based on the exit price 31 May 2026, assuming the reinvestment of dividends. Returns of longer than one year are annualised. Please note that this report refers to the Retail (Class H) unit class. Please refer to the attached update for further information.

### Portfolio and Market Returns

The India Avenue Equity Fund (H Class Units) in NZD delivered a return of -1.08% in May 2026, outperforming the MSCI India Net Return Index (NZD) by 1.03%. 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\$6.7 bn 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\$3.7 bn, 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

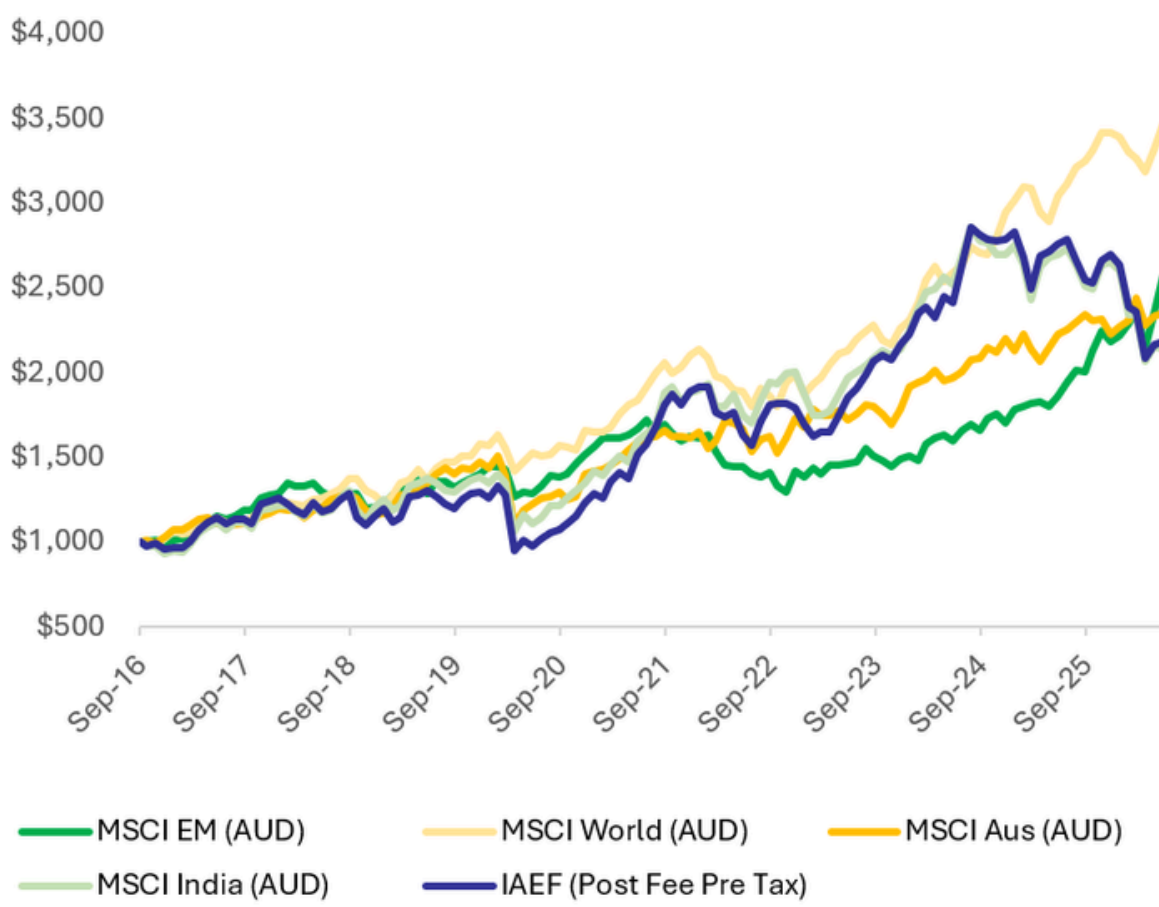
2) Standard deviation of active return (before fees)

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

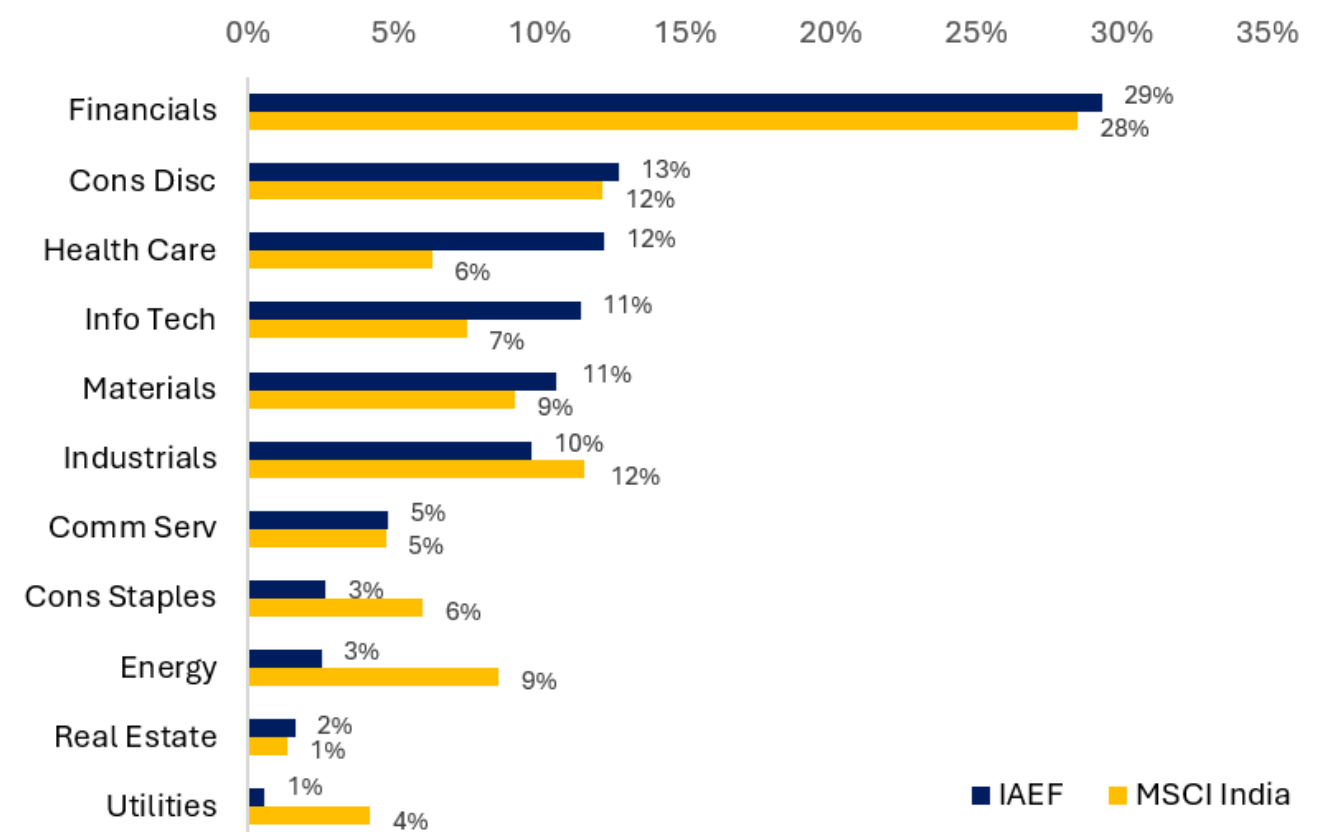
**Comparative Returns**

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



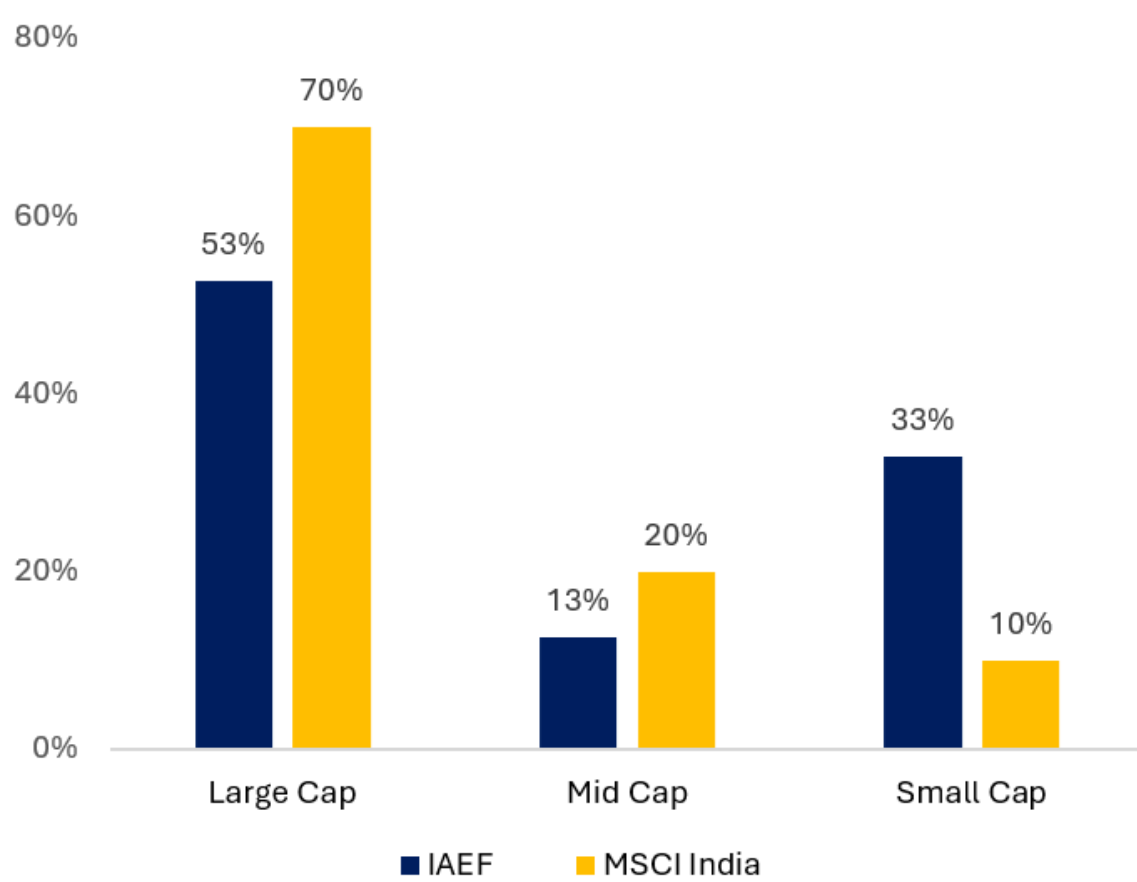
Source: MSCI  
Past Performance is not a reliable indicator of future performance

**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>H Class</b>
NAV	1.3709
Inception Date	9/04/2017
APIR Code	ETL0478AU
ARSN	611374586
ISIN	AU60ETL04784
Morningstar Code	ETL0478AU
Management Fee	1.50%
Performance Fee	10%
FY25 Distribution	0.1488
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**

FNZ  
Apex  
InvestNow

**Contact Details**

India Avenue Investment Management Pty Ltd  
AFSL 478233 | ABN: 38 604 095 954  
Level 4, 261 George Street, Sydney, NSW 2000, Australia  
T: +61 2 9071 0124, E: IA@indiaavenue.com.au  
W: www.indiaavenue.com.au

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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.