INVESTMENT OBJECTIVE

The investment strategy of the Fund shall be guided by a focus on businesses demonstrating the potential to scale.

The Fund shall prioritize those investments which have a proven track record of generating consistent cash flows, valuing stability over sporadic gains.

The strategy lies in the systematic investment plan model, which reflects a deliberate and measured approach. The model embodies the ethos of "slow and steady wins the race," drawing parallels to the methodical pace of a tortoise. This will help ensure that there is a resilient and sustained growth trajectory, aligning with the Fund's commitment to both financial prudence and long-term wealth creation.

FUND CHARACTERISTICS

Manager: Taksh Asset Management Private Limited

Legal Structure: Category III Open-ended AIF

First Close Date: 6th August 2024

Benchmark: Nifty 500 TRI

Management Fees: Up to 2.50%

Exit Load at the time of Redemption: 1.5% up to 12 months; 1.0% between 12-24 months; NIL thereafter

ADMINISTRATIVE INFORMATION

Custodian: Kotak Mahindra Bank

Fund Accountant: Kotak Mahindra Bank

RTA: Computer Age Management Services Limited (CAMS)

Auditor: S R Batliboi

CONTACT

Ankur Joshi, Co-Founder & COO

ankur.joshi@takshasset.com

MARKET COMMENTARY

Equity markets extended their positive momentum in May, with **broader markets leading the rally**. The **Nifty Smallcap 250 rose 9.64%**, followed by the **Midcap 150 at 6.37%**, while the **Nifty 50 gained 1.92%**.

The uptrend was supported by the **third consecutive month of positive FII inflows**, totalling **USD 1.7 billion**, while **Domestic Institutional Investors (DIIs) invested USD 7.9 billion**, marking the **third-highest monthly inflow on record**. Together, this resulted in the **highest institutional flow in 14 months**.

Better-than-expected **Q4FY25 corporate earnings** further bolstered sentiment, adding fundamental support to the rally.

Additionally, macroeconomic data provided an extra boost — **Real GDP growth came in at 7.4% for Q4FY25**, the highest in four quarters, while **Nominal GDP rose 10.8% YoY** indicating a stable and improving growth trajectory.

EARNINGS REVIEW – Q4FY25

Q4FY25 corporate earnings exceeded expectations and improved sequentially, with **broad-based strength across key sectors**. Metals, Oil Marketing Companies (OMCs), PSU Banks, Automobiles, Healthcare, Technology, and Capital Goods contributed positively, while Oil & Gas (ex-OMCs) and select Private Banks weighed on overall profitability.

Nifty earnings grew by **6% YoY inQ4FY25 and 7% for FY25**, compared to **13%** and **12%**, respectively, in the previous year. While quarterly numbers were ahead of expectations, forward earnings revisions remain weak, with downgrades outpacing upgrades.

Despite near-term headwinds—ranging from global macro uncertainties and trade disruptions to earnings volatility—we believe **India's medium-to-long-term structural growth story remains intact**.

RBI PRIORITISES GROWTH WITH FRONT-LOADED LIQUIDITY PUSH — A STRONG SIGNAL FOR EQUITIES

The Reserve Bank of India (RBI) has stepped up its efforts to support economic growth, delivering a **50-basis point cut in the repo rate, bringing it down to 5.50%**. This marks the third consecutive cut in 2025, taking the total easing to 100 basis points since February. Additionally, a phased **100 basis point reduction in the Cash Reserve Ratio (CRR)** starting September is set to release ₹2.5 lakh crore of liquidity into the banking system. This comes on top of ₹9.5 lakh crore already infused since January, highlighting the central bank's commitment to ensuring ample credit availability and easing systemic liquidity.

The RBI's front-loaded action comes at a time when inflation has cooled significantly—April retail **inflation stood at a six-year low of 3.16%**, well below the 4% target. With inflation under control and global economic uncertainty persisting, the policy focus has shifted decisively toward boosting domestic growth.

Post the budgetary boost for consumption through personal income tax cuts, this monetary stimulus through repo rate and CRR reductions provides an additional fiscal tailwind. Together, these measures are expected to **aid a meaningful revival in consumption over the coming quarters**.

At **Taksh**, as we've consistently highlighted, our **portfolio** is positioned to align with this **domestic-oriented growth narrative**. Following the Union Budget, we increased our **exposure to the B2C (Business-to-Consumer) segment**, which now accounts for approximately **55% of the portfolio**. We see strong tailwinds in the revival of domestic consumption and remain focused on participating in this structural opportunity.

MARKET OUTLOOK

We remain constructive on the domestic growth cycle and expect the current momentum to sustain. A combination of **favourable monsoon forecasts, rising government spending, easing inflation, and a softer interest rate environment** is likely to support continued economic expansion. The **upcoming festive season is likely to outperform last year**, supported by better consumer sentiment. Additionally, the base effect should aid earnings, and we anticipate an improved earnings trajectory in the quarters ahead.

That said, key risks to monitor include **geopolitical developments and tariff-related uncertainties**, which could introduce near-term volatility.

Overall, the market continues to be **stock-specific**, and we maintain our **bullish stance on our portfolio companies**, which we believe are well-positioned to benefit from the evolving domestic growth narrative.

PORTFOLIO STRATEGY: GROWTH WITH RESILIENCE

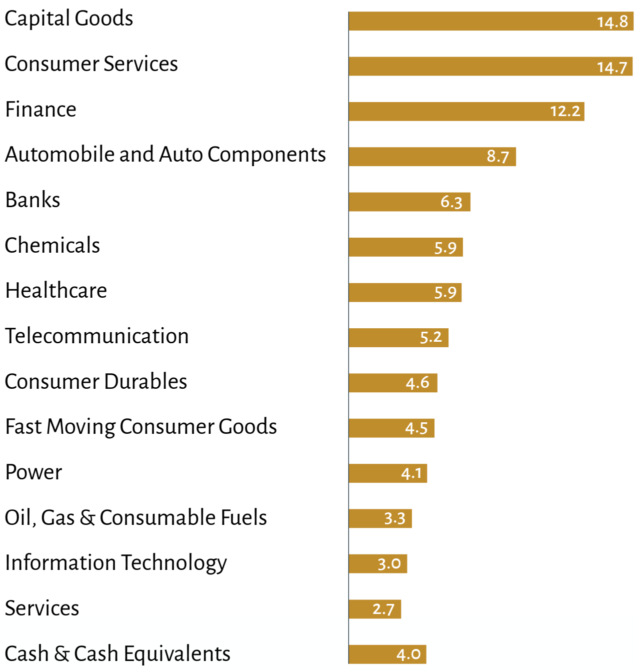
Despite a broad-based market rally this month, our portfolio — anchored by a higher large-cap bias—outperformed the benchmark (Nifty 500 TRI), reflecting the strength of our stock selection approach.

Our portfolio is structured for long-term capital appreciation, with a **targeted RoE of 23% for FY27 and earnings CAGR of 20% over FY25–27E**. Valuations remain attractive, supporting our focus on sustainable growth and income across a diversified sectoral mix.

We thank you for your continued trust and look forward to navigating the future together—with conviction, prudence, and purpose.

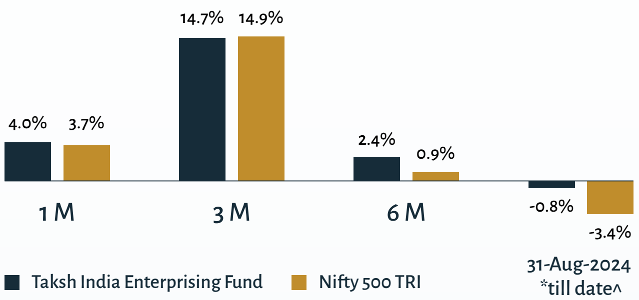
FUND DYNAMICS

SECTOR BREAKUP



As per AMFI Classification; Data as on May 31, 2025

FUND PERFORMANCE



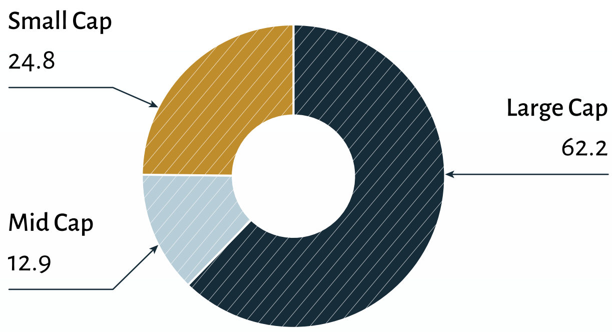
^Data as on 31st May,2025
First Close date - 6th August,2024.
*Note - As the fund was in the capital deployment phase during its first month (August 2024) with an average cash holding of approximately 69%, the returns are presented from the end of August 2024 which is the 9-month returns as of the end of May 2025.
Disclaimer: Returns are calculated on a post-expenses, pre-carry, and pre-tax basis. Above mentioned returns are Strategy level returns and might deviate for different share classes. Past performance may or may not be sustained in future. Returns for greater than one year are annualised returns.

TOP 10 HOLDINGS

Company	Sector	Weight %
ICICI Bank Limited	Banks	5.6
Bharti Airtel Limited	Telecommunication	5.2
Divis Laboratories Limited	Healthcare	4.8
Bajaj Finance Limited	Finance	4.4
Eternal Limited	Consumer Services	4.3
Avenue Supermarts Limited	Consumer Services	4.1
Torrent Power Ltd	Power	4.1
Cholamandalam Investment and Finance Company Limited	Finance	3.9
Steelcast Limited	Capital Goods	3.8
Bharat Electronics Ltd	Capital Goods	3.7

Data as on May 31, 2025

MARKET CAPITALIZATION*



As per AMFI Classification; Data as on May 31, 2025
*Cash excluded

PORTFOLIO QUANTS

Portfolio Quants	TIEF	Nifty 500 TRI
RoE FY27e (%)^	23	15
EPS CAGR: FY25-27e (%)	20	11
PEG Ratio*	2.2	2.2

Source: Bloomberg; Internal Research. Data as on May 31, 2025
*PEG Ratio is Price/Earnings to Growth calculated as FY25 PE divided by the expected EPS growth for FY25-27e
^adjusted for one-time and non-recurring items

DISCLAIMERS

The Scheme is yet to complete one year from the date of first closing and hence benchmark report is not available as of now. Further, the Scheme notes to publish the same as when it is available. The NIFTY 500 TRI returns are disclosed from reference perspective to show performance of the scheme and the said benchmark to the readers and the same shall not be construed as the Scheme has been benchmarked with NIFTY 500 TRI. The Investment objective/ strategy of the Fund is not structured in a way which is identical/ similar to the compared benchmark.

This document is purely for information purposes and should not be considered as an investment advice/recommendation or an offer or solicitation of an offer to buy/sell any securities. There is no guarantee that the aimed returns may be met and there can be no assurance that the same will be achieved in the products managed by Taksh Asset Management Private Limited (Taksh).Certain data and numbers mentioned in this document are on the basis of internal research data of Taksh and data available in the public forum and shall not be considered as investment recommendation or opinion of Taksh. Taksh is the investment manager and sponsor of the Taksh Alternative Investment Trust (Taksh AIF), a Category III SEBI registered AIF. Taksh India Enterprising Fund is the first scheme of the Taksh AIF. Taksh and its employees/directors shall not be liable for any loss, damage, or liability whatsoever for any direct or indirect loss arising from the use of this information. All investors must read the fund documents of Taksh AIF and shall consult their financial, legal, tax advisors, before making any investment decision/contribution with Taksh. Performance: Past performance may or may not be sustained in future. Returns are dependent on prevalent market factors, liquidity and credit conditions. Instrument returns depicted are in the current context and may be significantly different in the future. There is no guarantee that the aimed returns may be met. Contributors should bear in mind that past performance is not necessarily indicative of future results, and there can be no assurance that the Fund will achieve comparable results.