TAKSH

TAKSH ASSET MANAGEMENT

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

After four consecutive months of gains, equity markets saw a pullback in July. The Nifty 50 TRI declined by **-2.77%**, while the Nifty Midcap 150 TRI fell **-2.74%** and the Nifty Smallcap 250 TRI saw a steeper drop of **-3.57%**. This was led by **FII outflows of USD -2.9 bn** after four months of net inflows.

The ongoing earnings season has also reflected muted growth. So far, 38 Nifty companies have reported Q1FY26 results, showing earnings growth of 7.5% YoY. Results have been broadly in line with expectations, with the pace of earnings downgrades slowing compared to previous quarters. Large- and mid-cap earnings have been modest, while small-cap earnings have disappointed.

We continue to believe Q1FY26 marks a bottoming-out phase, with H2 likely to be stronger than H1. The upcoming festive season, combined with last year's low base, should aid recovery. Macro conditions are also among the most supportive in recent years:

- **Inflation** eased to 1.55% in July 2025, helped by a favourable base effect, good monsoon progress, healthy kharif sowing, strong reservoir levels, and comfortable foodgrain stocks.
- **Falling interest rates**, improving credit conditions.
- **CAD at a three-year low and forex reserves near all-time highs** – India's external sector has undergone a notable structural transformation over the past decade, becoming far more resilient and stable. The vulnerabilities exposed during the 2013 taper tantrum—wide CAD, low reserves, and heavy reliance on volatile flows—have been replaced by a stronger footing in FY24–FY25, with a manageable CAD and record-high reserves.

Together with the growth impact of budgetary tax cuts, these factors should support a healthier earnings environment in the coming quarters.

STOCK PICKER'S MARKET

As we've highlighted earlier, 2025 is a stock-picker's year rather than a broad-based rally. The current earnings season underscores a clear shift in market leadership toward companies with strong fundamentals, operational excellence, and disciplined capital allocation.

For instance:

- In telecom, the second-largest player has been executing strongly, delivering higher ARPUs and profitability margins. ARPUs have risen to ~₹250, ahead of the sector leader at ~₹209.
- In retail consumer financing, the leading player delivered 22% growth on an AUM of ₹4.4 lakh crore, while peers lagged in growth or asset quality.

Such examples reinforce our conviction that quality businesses with structural growth drivers will continue to outperform. Our portfolio remains positioned to benefit from this trend.

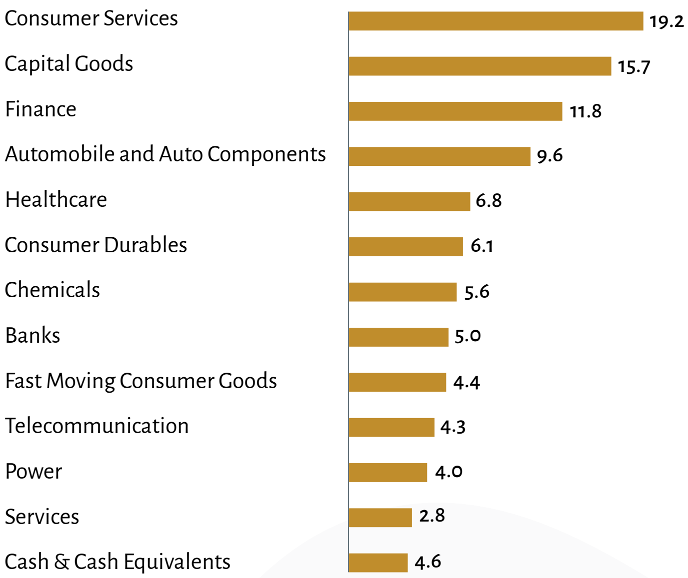
PORTFOLIO STRATEGY: GROWTH WITH RESILIENCE

Our portfolio is built for long-term capital appreciation, targeting a **23% RoE by FY27 and an earnings CAGR of 26% over FY25–27E**. Attractive valuations, sectoral diversification, and a focus on sustainable growth provide a strong foundation.

We thank you for your trust and look forward to navigating the road ahead with **conviction**, **prudence**, and **purpose**.

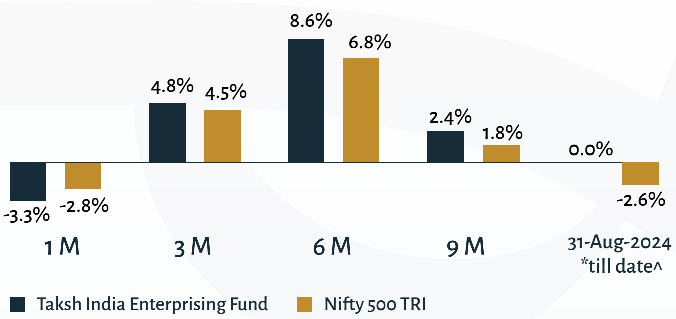
FUND DYNAMICS

SECTOR BREAKUP



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

FUND PERFORMANCE



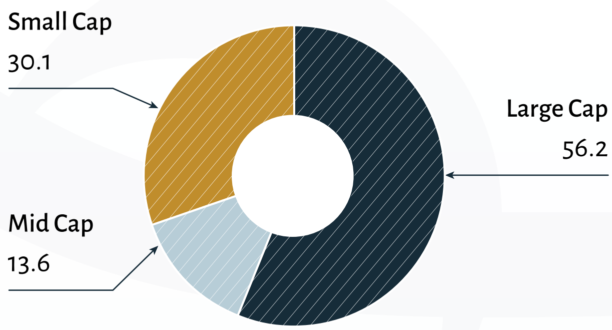
^Data as on 31st July, 2025
First Close date - 6th August,2024.
*Note - As the fund was in the capital deployment phase during its first month (August 2024) with an average cash holding of approximately 69%, the returns are presented from the end of August 2024 which is the 11-month returns as of the end of July 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 %
Eternal Limited	Consumer Services	6.5
Bajaj Finance Limited	Finance	5.2
Avenue Supermarts Limited	Consumer Services	5.0
Steelcast Limited	Capital Goods	5.0
ICICI Bank Limited	Banks	5.0
Bharti Airtel Limited	Telecommunication	4.3
Divis Laboratories Limited	Healthcare	4.1
Torrent Power Ltd	Power	4.0
ITC Hotels Limited	Consumer Services	4.0
Info Edge India Limited	Consumer Services	3.7

Data as on July 31, 2025

MARKET CAPITALIZATION*



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

PORTFOLIO QUANTS

Portfolio Quants	TIEF	Nifty 500 TRI
RoE FY27e (%)^	23	15
EPS CAGR: FY25-27e (%)	26	16
PEG Ratio*	1.9	1.5

Source: Bloomberg; Internal Research. Data as on July 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.

OUR PARTNERS

EY

TAX ADVISOR

Shardul Amarchand Mangaldas

LEGAL ADVISOR

kotak
Kotak Mahindra Bank

FUND ACCOUNTANT

AXIS TRUSTEE

TRUSTEE

MARKETING & BRANDING

Our Mission... Your Growth
CAMS

RTA

BFSI EDGE

COMPLIANCE & OPERATIONS

SYNTRANiA
iDEATE I iNNOVATE I iNITIATE

COMMUNICATIONS & CONTENT