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

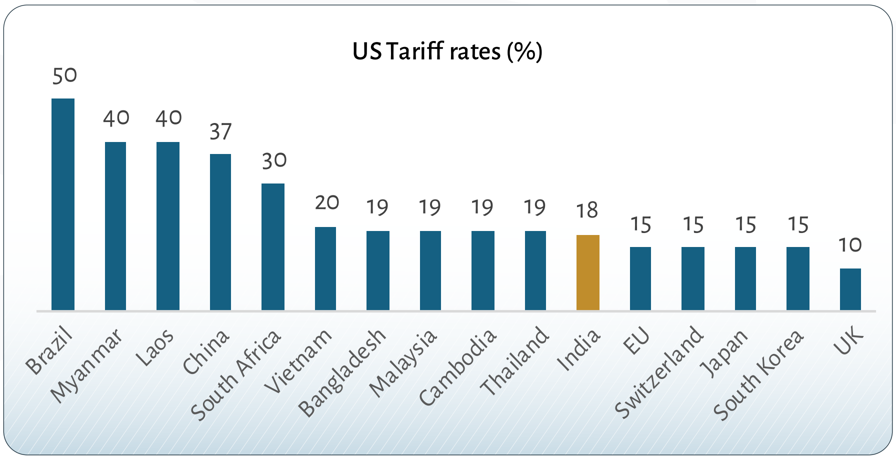
Onwards and Upwards

Over the past few weeks, the mood around Indian markets has shifted from nervous anticipation to cautious optimism. That change in sentiment is meaningful and stands in clear contrast to the uncertainty that prevailed a year ago.

On the macro front, the economy continues to surprise on the upside. Consumption has remained resilient, government led capital expenditure has provided stability through global slowdowns, and private investment is showing early but visible signs of revival. Together, these factors are creating a more durable foundation for growth.

Policy support has also been constructive. **Income tax reliefs and GST rationalisation** have aimed to **strengthen domestic demand**, while recent trade agreements are improving India's external positioning. The **EU trade agreement is expected to create long term export opportunities.** In addition, the interim **US trade framework lowers tariffs on most Indian exports to around 18 percent**, while providing zero duty access for select sectors such as pharmaceuticals, gems and jewellery, and certain specialised products. Compared with other exporting nations, this improves India's relative competitiveness and supports incremental export growth over time.

US tariff rates across nations



Source: Internal Analysis

India's emergence as the world's fourth largest economy is not merely symbolic. It reflects a deeper structural shift in global economic weight. Such transitions are gradual, but once underway, they tend to reinforce themselves through sustained capital flows, corporate investment, and policy focus.

Looking ahead, the balance of probabilities appears more favourable than it did last year. **Earnings growth**, which faced downgrades and margin pressures over recent quarters, is **likely to improve as operating leverage begins to play out across sectors.**

Input cost volatility has moderated, balance sheets are healthier, and capacity utilisation in several industries is nearing levels that justify fresh capital expenditure. Business confidence, which had remained cautious post elections and amid global uncertainties, is gradually strengthening.

Currency stability could further ease pressure on foreign flows and support more consistent FII participation.

From a portfolio perspective, we continue to find attractive opportunities in Autos and Auto Components, Financials, and select niche export-oriented businesses where earnings visibility remains relatively stronger. At the same time, we remain mindful of risks such as sustained crude oil volatility and intermittent global disruptions.

We therefore enter 2026 with a more constructive outlook than we had a year ago. Valuations in parts of the market are no longer inexpensive, but they are increasingly being supported by earnings visibility rather than liquidity alone. We believe **markets have the potential to scale new highs over the medium term, led by companies with strong balance sheets, pricing power, and disciplined execution.**

Encouragingly, the IPO pipeline is also evolving. The next phase is likely to feature larger, higher quality businesses with proven cash flows and governance standards. This maturation of the primary market is important for sustaining investor trust and broadening participation.

In summary, while global uncertainties will persist and volatility will remain part of the journey, India's structural strengths such as demographics, domestic demand, policy continuity, and entrepreneurial depth continue to compound quietly. The path may not be linear, but the direction remains clear.

BUDGET OVERVIEW

Prudent budget in the backdrop of world uncertainty

The **Union Budget 2026-27** reinforces the **government's commitment to fiscal discipline while sustaining growth through steady and targeted public investment.** The fiscal deficit is budgeted at 4.3% of GDP, improving from 4.4% in FY26, reflecting a **calibrated path of consolidation without slowing the development agenda.** The overall approach prioritises stability, credibility, and long-term capital formation over short term stimulus.

- Revenue trends remain supportive. **GST collections are projected at ₹10.19 lakh crore, indicating continued formalization of the economy and resilience of the tax base despite recent rate rationalization.** This strengthens revenue visibility and reduces dependence on aggressive borrowing assumptions.
- The macro framework is built on realistic projections. **Nominal GDP growth is estimated at 10%, providing a prudent base for fiscal planning and enhancing the reliability of budget math.**
- Public investment continues to anchor the growth strategy. **Capital expenditure is budgeted at ₹12.22 lakh crore, marking an increase of about 9% year on year** and sustaining infrastructure build out across transport, logistics, and core sectors. Within this, **defence capital outlay rises by about 18%, reflecting a sharper focus on modernisation and domestic manufacturing.**
- On the financing side, gross market borrowings are marginally higher at ₹17.21 lakh crore, aligned with the higher capex programme. Importantly, incremental borrowings are directed toward asset creation rather than revenue spending, supporting medium term sustainability, while the calibrated borrowing path remains manageable within stable monetary and liquidity conditions.

The Union Budget 2026-27 reflects continuity and discipline rather than short term stimulus. With a credible fiscal consolidation path, sustained capital expenditure, and realistic macro assumptions, the focus remains on building long term economic capacity and strengthening structural drivers of growth.

Unlike years driven by broad based policy tailwinds, this budget provides a stable and predictable backdrop. As a result, **market performance is likely to be increasingly driven by company specific fundamentals, earnings visibility, and capital efficiency rather than broad macro triggers.**

We expect opportunities to emerge selectively across sectors where balance sheet strength, execution capability, and sustainable growth differentiate leaders.

Click here for detailed report

PORTFOLIO POSITIONING & STRATEGY

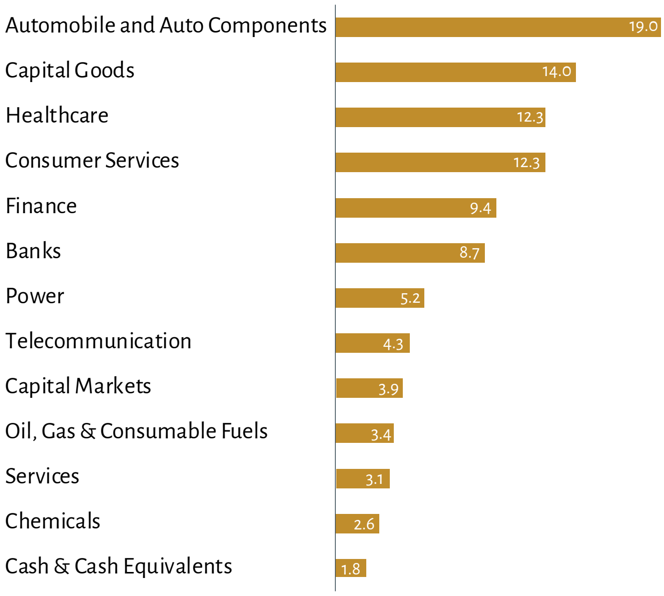
Our portfolio approach remains bottom up and stock specific, focusing on high quality businesses that can compound steadily across cycles.

The portfolio is strategically positioned for long-term capital appreciation, supported by robust earnings growth, prudent sectoral diversification, and attractive valuations. **By FY28, we are targeting a RoE of 19% and an earnings CAGR of 24% over FY26–28E, compared to 15% RoE and 15% earnings CAGR for the benchmark.** The portfolio is also available at more **attractive valuations, with a PEG ratio of 1.5x v/s 1.6x for the benchmark.**

We appreciate your continued trust and support as we remain focused on navigating the market with discipline and a long-term perspective.

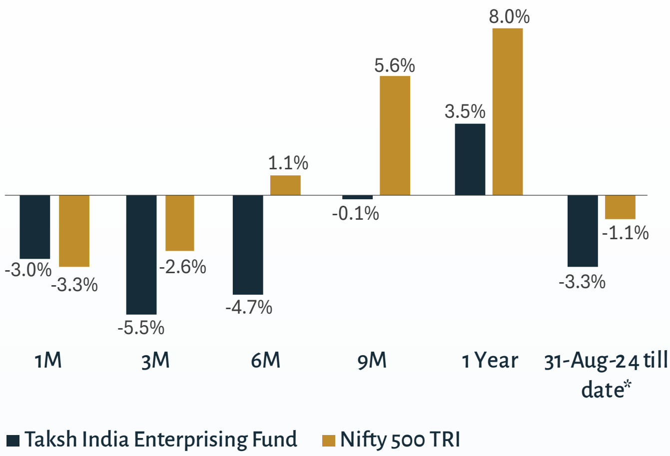
FUND DYNAMICS

SECTOR BREAKUP



As per AMFI Classification; Data as on January 31, 2026

FUND PERFORMANCE



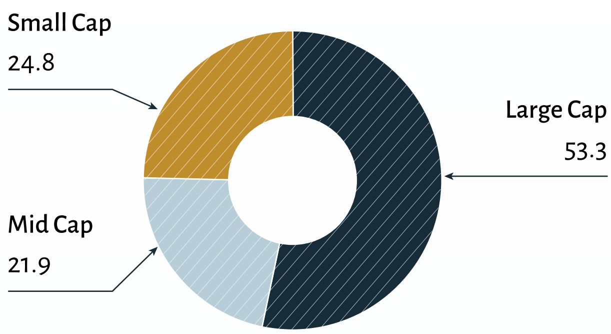
^Data as on 31st January,2026
First Close date - 6th August,2024.
*Note - As the fund was in the capital deployment phase during its first month (August 2024) with an average cash holding of approximately 69%, the returns are presented from the end of August 2024.
Disclaimer: Returns are calculated on 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	7.4
State Bank of India Limited	Banks	5.6
Torrent Power Ltd	Power	5.2
Rubicon Research Limited	Healthcare	5.2
Divis Laboratories Limited	Healthcare	5.1
ITC Hotels Limited	Consumer Services	4.9
Sansera Engineering Limited	Automobile and Auto Components	4.8
Bajaj Finance Limited	Finance	4.8
Cholamandalam Investment and Finance Company Limited	Finance	4.7
Bharti Airtel Limited	Telecommunication	4.4

Data as on January 31, 2026

MARKET CAPITALIZATION*



As per AMFI Classification; Data as on January 31, 2026
*Cash excluded

PORTFOLIO QUANTS

Portfolio Quants	TIEF	Nifty 500 TRI
RoE FY28e (%)^	19	15
EPS CAGR: FY26-28e (%)	24	15
PEG Ratio*	1.5	1.6

Source: Bloomberg; Internal Research. Data as on January 31, 2026
*PEG Ratio is Price/Earnings to Growth calculated as FY26 PE divided by the expected EPS growth for FY26-28e
^adjusted for one-time and non-recurring items

DISCLAIMERS

As of 31st March, 2025, the scheme has not completed one year from the date of first closing and hence benchmark report is not available. 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.