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

MARKETS ARE ADJUSTING TO UNCERTAINTY, NOT BREAKING UNDER IT.

The past few weeks have been a reminder that external shocks can disrupt sentiment far more quickly than they alter fundamentals. Geopolitical developments have once again introduced volatility, but they have not changed the underlying trajectory of the Indian economy or corporate earnings.

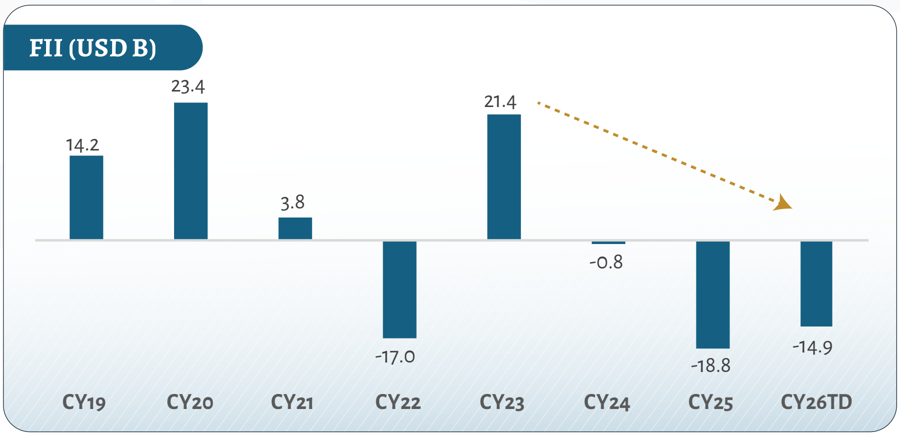
Periods of stress often distort perception. Yet markets have a habit of looking beyond the immediate noise. Markets do not wait for certainty. They move ahead of it.

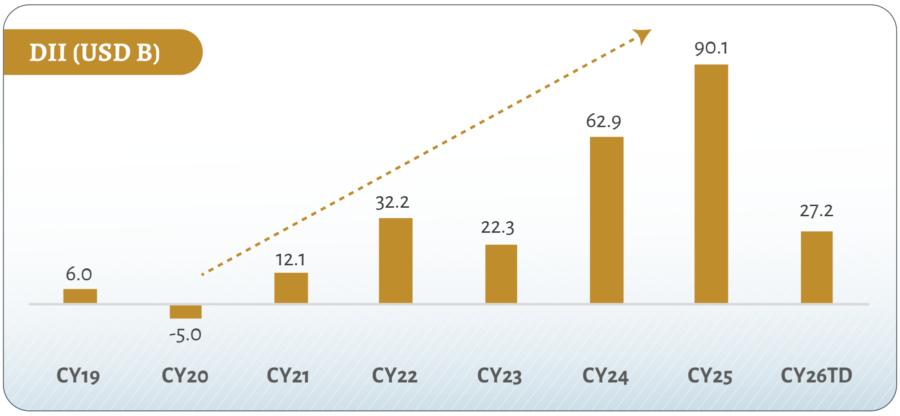
WHERE WE STAND

Indian equity markets have delivered close to zero returns over the past two years. A recovery had begun to take shape through the second half of FY26, supported by a meaningful policy push, RBI rate cuts, improved liquidity conditions, personal tax relief, GST 2.0, and progress on bilateral trade agreements with the UK, EU and US. The earnings cycle was also improving, with corporate India posting 9% and 19% YoY PAT growth in Q2 and Q3 FY26 respectively.

Then came an unforeseen disruption. The Iran-Israel-US conflict that began at the end of March 2026 reset the near-term picture. Markets have corrected approximately 11% since the conflict began. Crude oil and gas prices spiked, creating pressure on energy dependent sectors. FII outflows of USD 14.2B in March alone added to the near-term weakness.

FII REGISTERS THE HIGHEST OUTFLOW IN A QUARTER WHILE DII INFLOWS CONTINUE TO HIT RECORD HIGHS





Source: MOIE

As we write this, a two-week ceasefire has been announced. We do not know whether this holds or extends into a durable resolution. But it is a meaningful development. It reduces the tail risk that was weighing on markets and creates a window for sentiment to stabilise.

We acknowledge the uncertainty honestly. The path forward remains unpredictable. But the near-term balance of risks has shifted.

WHAT HISTORY TELLS US

Geopolitical disruptions tend to follow a pattern. Markets tend to overshoot. Uncertainty feels most intense near the bottom. And by the time clarity emerges, a meaningful part of the recovery is already behind.

Across comparable conflicts over the past three decades, including the Iraq War, Kargil, and the Russia Ukraine conflict, markets have seen an average correction of around 9%. The median recovery has been about 17% within one month from the lows and about 24% within three months. The current correction is broadly within this historical range.

Historical Reference: Market corrections during geopolitical tensions often followed by strong gains

Geopolitical Event	Date	Correction (%)	Duration (weeks)	Forward Returns from Correction Low		
				1 Month	3 Months	6 Months
Iraq War	02-08-1990	-14%	36	+26%	+39%	+65%
Kargil War	03-05-1999	-11%	6	+17%	+33%	+40%
World Trade Centre	11-09-2001	-18%	2	+18%	+35%	+45%
26/11 Mumbai Attack	26-11-2008	-3%	1	+20%	+24%	+36%
Pulwama Attack	14-02-2019	-2%	1	+9%	+12%	+14%
Russia-Ukraine Conflict	24-02-2022	-11%	23	+7%	+19%	+25%
Operation Sindoor	08-05-2025	-2%	1	+5%	+2%	+6%
Iran-Israel/US Conflict	01-03-2026	-11%	ongoing	-	-	-
Average		**-9%**	**10**	**+15%**	**+23%**	**+33%**
Median		**-11%**	**2**	**+17%**	**+24%**	**+36%**

Source: ICICI Direct & Internal research. Nifty 50 data as of 31st March 2026. Past performance is not indicative of future results. Iran-Israel/US Conflict is ongoing, forward return data not yet available.

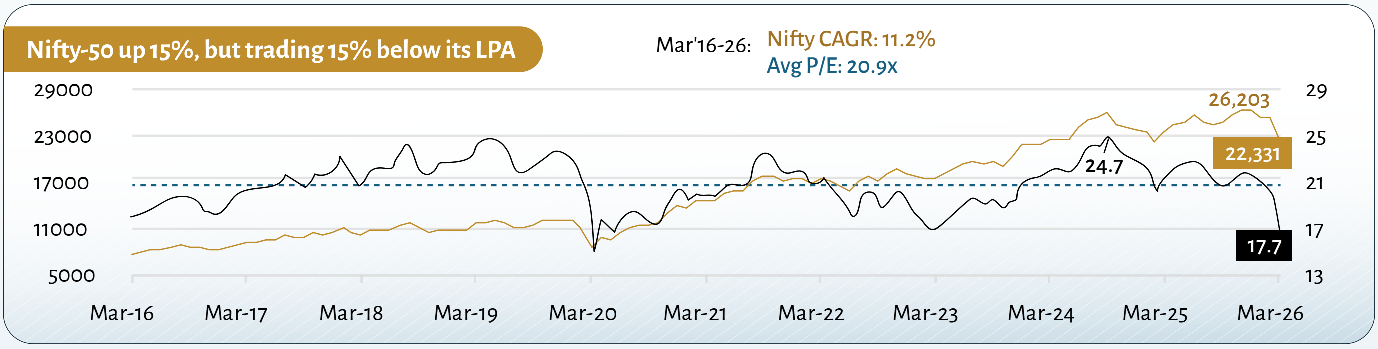
As highlighted in our CIO letter:

"The most powerful market recoveries rarely begin in moments of comfort. They begin when uncertainty is still high, but valuations have already adjusted."

A ceasefire does not need to become a permanent resolution for markets to begin pricing in a better outcome. The removal of the worst-case scenario is often enough.

VALUATIONS HAVE ADJUSTED

The Nifty is currently trading at approximately 17.7x one year forward earnings, a 15% discount to its long-term average of 20.9x. India's valuation premium over the MSCI EM basket has compressed to 27%, compared to a 10-year average of 73% and a peak of 145%.



Source: Bloomberg & Internal Analysis

This brings both absolute and relative valuations into a more compelling zone and improves the margin of safety for incremental capital deployment.

This is precisely why we maintained a degree of liquidity over the past two years while valuations were elevated. That patience now allows us to act. We are gradually deploying capital at these levels and building exposure for the next phase of the cycle.

Q4 FY26 EARNINGS: NUMBERS WILL BE RESILIENT. COMMENTARY WILL SET THE DIRECTION.

The upcoming earnings season will naturally reflect the impact of the conflict. We expect aggregate earnings growth to be softer for the broader market compared to 19% in Q3, but still positive. Mid and small caps are expected to hold up better than large caps.

While the reported numbers will provide an important read on recent performance, the focus will increasingly shift to management commentary. What management teams indicate on demand conditions, order pipelines, margin trajectories, and the impact of elevated crude on cost structures will shape FY27 earnings expectations. That is where the real signal lies.

If the ceasefire holds through the reporting season, it could meaningfully influence the tone of management commentary. Managements who were cautious two weeks ago may speak with more confidence about H1 FY27.

Importantly, consensus estimates for FY27 and FY28 continue to indicate 16 - 18% earnings CAGR for the broader market. The earnings story for India remains intact. The current phase is a delay, not a derailment.

HOW WE ARE THINKING ABOUT THE PORTFOLIO

Our portfolio is built around businesses with demonstrated earnings resilience across cycles, high return on equity, strong balance sheets, and structural demand tailwinds not dependent on the resolution of any single geopolitical event.

In our March newsletter, we outlined a portfolio compass anchored to the oil price environment. That framework remains our active guide.

Oil environment → portfolio stance → where we look			
↑	**Higher Oil** above $120	DEFENSIVE — Rotate toward sectors insulated from macro headwinds	Pharma; Select Export Tech
→	**Moderate Oil** around $90	BALANCED — Earnings quality remains the primary differentiator	Domestic Leaders; Pharma; Selective Financials
↓	**Lower Oil** $70–80 or below	AGGRESSIVE — Lean into India's domestic growth story as it accelerates	Domestic Cyclicals; Consumption; Capex & Autos

With crude prices now showing early signs of easing on the back of the ceasefire, we are monitoring for a potential move toward the Friction Zone around $90, and potentially the Sweet Spot below $80. Should oil correct meaningfully from here, we would incrementally increase exposure to domestic cyclicals, consumption, and capex-oriented names where we see strong earnings visibility, but where valuations corrected sharply during the conflict.

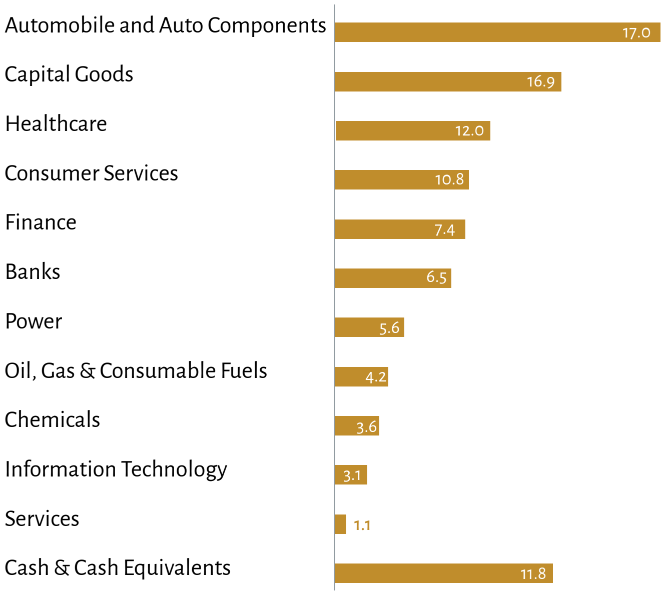
We remain active and agile. The core portfolio is anchored in quality and resilience. At the margins, we are deploying selectively into the opportunities that this volatility has created.

By FY28, we are targeting a RoE of 18% and an earnings CAGR of 22% over FY26 - 28E, compared to 15% RoE and 17% earnings CAGR for the benchmark. The portfolio is also available at more attractive valuations, with a PEG ratio of 1.5x versus 1.6x for the benchmark.

We cannot predict when uncertainty will fully fade. But the building blocks for a meaningful recovery are increasingly in place. We intend to be already invested when it arrives.

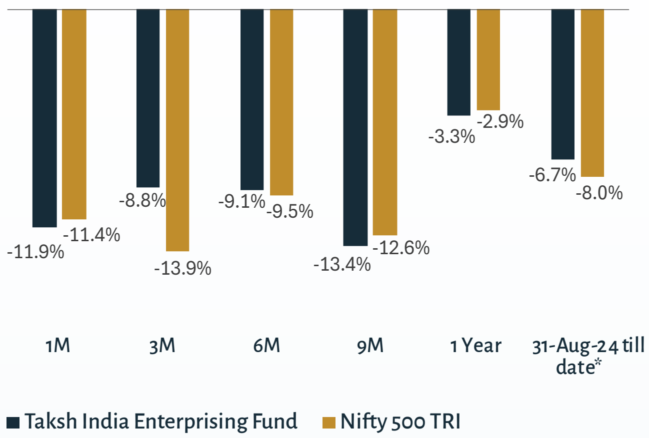
FUND DYNAMICS

SECTOR BREAKUP



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

FUND PERFORMANCE



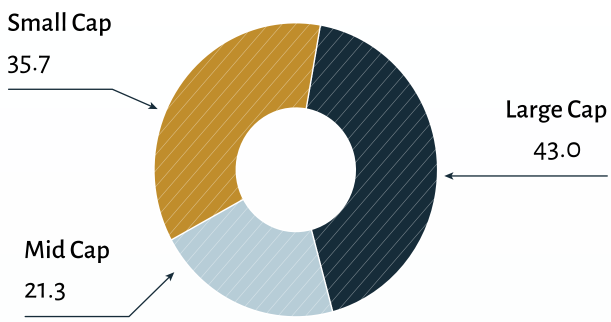
^Data as on 31st March, 2026
First Close date - 6th August,2024.
*Note - As the fund was in the capital deployment phase during its first month (August 2024) with an average cash holding of approximately 69%, the returns are presented from the end of August 2024.
Disclaimer: Returns are calculated on 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	6.1
Steelcast Limited	Capital Goods	6.1
Divis Laboratories Limited	Healthcare	6.0
Rubicon Research Limited	Healthcare	6.0
Torrent Power Ltd	Power	5.6
Sansera Engineering Limited	Automobile and Auto Components	5.5
ITC Hotels Limited	Consumer Services	4.7
State Bank of India Limited	Banks	4.6
CG Power and Industrial Solutions Limited	Capital Goods	4.6
S.J.S. Enterprises Limited	Automobile and Auto Components	4.4

Data as on March 31, 2026

MARKET CAPITALIZATION*



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

PORTFOLIO QUANTS

Portfolio Quants	TIEF	Nifty 500 TRI
RoE FY28e (%)^	18	15
EPS CAGR: FY26-28e (%)	22	17
PEG Ratio*	1.5	1.6

Source: Bloomberg; Internal Research. Data as on March 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

The scheme is awaiting benchmarking details from the agency and will publish the same as and 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.

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