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

Registered Name: Taksh Alternative Investment Trust

Registration Number: IN/AIF3/24-25/1525

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

THE PURSUIT OF WEALTH WITH WISDOM

At Taksh, we believe that intelligent moderation in risk is the true law of enduring wealth creation and preservation. Wealth is not created by chasing every opportunity nor by avoiding every uncertainty. It is created through disciplined judgment, thoughtful capital allocation, and unwavering patience through market cycles.

The equity market is a powerful creator of long-term prosperity, but it rewards temperament as much as intellect. In a world increasingly driven by noise, speculation, and short-termism, our philosophy remains anchored in a simple belief: capital must be protected with the same conviction with which it is compounded.

This philosophy extends beyond investing. We believe that peace is the fragrance of truth. When investment decisions are grounded in rigorous research, intellectual honesty, and a clear understanding of risk, conviction emerges naturally. Such conviction allows investors to remain calm amidst volatility and focused amidst uncertainty.

The essence of Taksh lies in recognizing that wealth creation is ultimately a journey of self-mastery. Markets continuously test human emotions, and superior outcomes belong not merely to those with information, but to those with the discipline to act rationally when others cannot.

Our approach is therefore not about maximizing returns at any cost; it is about maximizing the probability of long-term success through prudent risk-taking and high-conviction ownership of exceptional businesses.

At Taksh, we see a natural progression:

Intelligent Risk → Sustainable Returns → Financial Freedom → Inner Peace → Self-Realization

Wealth, in our view, is not an end. It is a means to create independence, dignity, and the freedom to live according to one's highest values. The ultimate purpose of capital is not merely accumulation, but liberation.

Taksh is built on the belief that the finest investments create more than wealth; they create peace of mind. And when wealth is created with wisdom and preserved with discipline, it becomes a vehicle for both prosperity and purpose.

WHERE WE STAND

We believe the worst of the recent turbulence is behind Indian markets. Over the past several months, India has navigated multiple geopolitical conflicts, tariff-related disruptions, and a sharp rise in oil prices. While the near-term macro environment remains somewhat uncertain with pressure on the currency, inflation expectations, and fiscal balances, the resilience displayed by the Indian economy and corporate sector has been noteworthy. While black swan events can never be ruled out, the economy now appears to have sufficient wherewithal to absorb such shocks.

Historically, periods of heightened uncertainty have often created the most attractive opportunities for long-term investors. As oil prices and currency volatility stabilize, we expect India's growth trajectory to reassert itself, potentially leading to a strong market recovery.

More importantly, the opportunity set today extends well beyond the benchmark indices. We are witnessing compelling developments across precision engineering, defence manufacturing, energy transition, industrial supply chains, and several niche B2B businesses that are benefiting from India's growing role in global manufacturing and supply-chain diversification. This is increasingly becoming a market of stock selection rather than index participation.

In such an environment, disciplined monthly top-ups can be a prudent strategy. Volatility should be viewed not as a risk, but as an opportunity to accumulate quality businesses at attractive valuations.

We believe this is an opportune time for investors to gradually increase allocations and benefit from the long-term compounding potential that India continues to offer.

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 12% earnings CAGR for the benchmark.** The portfolio is also available at **relatively better valuations, with a PEG ratio of 1.7x versus 2.3x for the benchmark.**

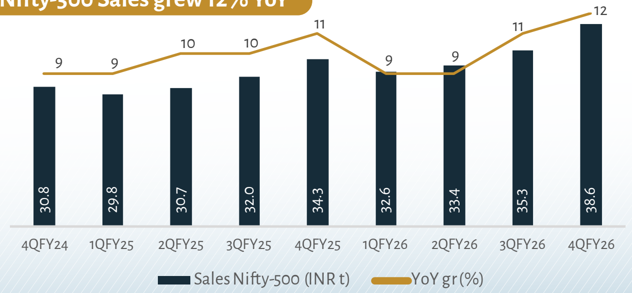
We remain constructive on India's long-term opportunity set. The evolving global landscape, notwithstanding its near-term complexity, is creating conditions that we believe will prove favourable for disciplined, bottom-up investors over the coming decade.

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

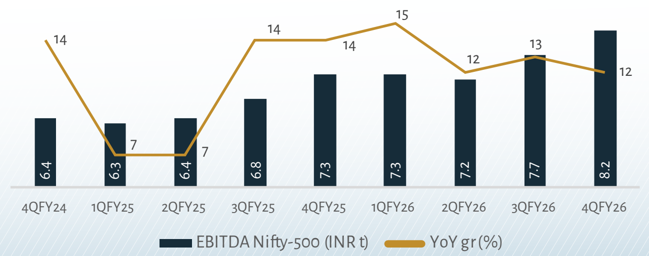
Q4FY26 EARNINGS UPDATE

With the Q4FY26 earnings season now concluded, the broader Nifty-500 universe delivered aggregate revenue/EBITDA/PAT growth of 12%/12%/16% YoY – its strongest revenue growth in 13 quarters, aided by healthy volume growth and price hikes despite heightened geopolitical tensions, energy-supply disruptions and a moderating macro backdrop. Excluding Financials, PAT rose 17% YoY, while excluding Metals and Oil & Gas it grew a still-healthy 12% YoY.

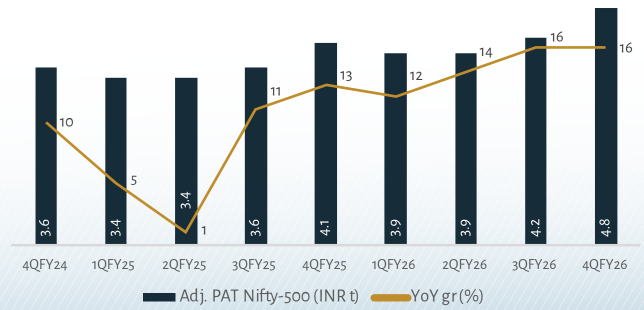
Nifty-500 Sales grew 12% YoY



EBITDA rose 12% YoY to INR 8.2t



PAT grew 16% YoY to INR 4.8t



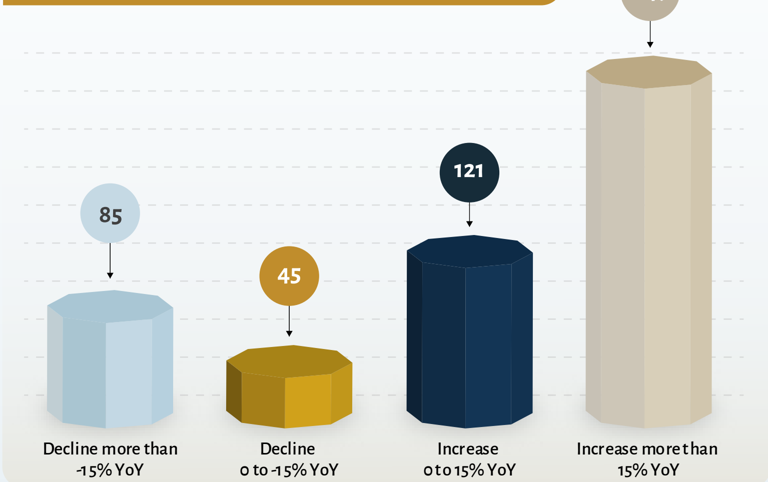
Source: MOIE

Mid-caps led the print at 34% YoY earnings growth, their strongest in nine quarters, comfortably outpacing both large-caps (Nifty-100, +12%) and small-caps (Smallcap-250, +13%). Commodities retained earnings leadership; Metals (+55%) and Oil & Gas (led by OMCs) which, together with Private Banks (+17%), accounted for roughly half of the incremental YoY earnings accretion.

Domestic consumption and cyclical sectors posted broad-based gains, supported by improved consumer spending post GST benefits and volume recovery – Automobiles (double-digit volume growth across segments; ex-TMPV PAT +23% YoY), Consumer (+14%), Real Estate (+20%), Infrastructure (+15%) and NBFC-Lending (+15%). Of the 23 key sectors, 14 delivered double-digit profit growth, and about half of Nifty-500 companies (250) posted PAT growth above 15% YoY, even as roughly a third reported a decline or loss, underscoring that market breadth remained polarised.

About 50% of the companies within the Nifty-500 clocked a PAT growth of more than 15% YoY during the quarter

Count of companies across FY26 PAT growth buckets



Source: MOIE

The upgrade-to-downgrade ratio for FY27E sits near 1x at this stage. The broader takeaway from the print is that **earnings dispersion continues to widen,** with quality businesses delivering visibility and resilience while marginal disappointments are being penalised. This reinforces the importance of disciplined, bottom-up stock selection in the current phase. During the quarter, **the portfolio companies delivered aggregate earnings growth of 17% v/s 16% for Nifty 500 (12% ex-Metal & O&G).**

Over time, we remain guided by a simple principle: earnings drive long-term returns. Price movements may fluctuate in the short term, but sustainable compounding is rooted in earnings growth.

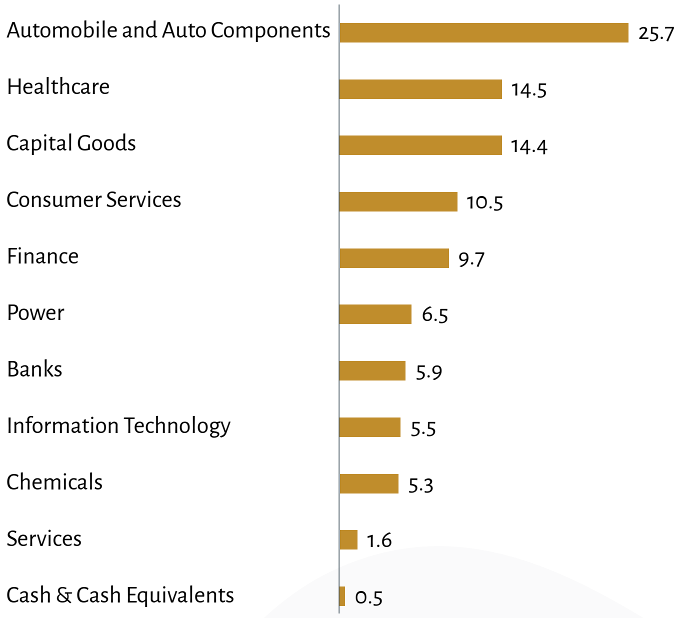
Nifty 500 Q4FY26 Earnings Update

Sl. no	Sector	Revenue growth YoY %		EBITDA growth YoY %		PAT growth YoY %	
		Q4FY26	FY26	Q4FY26	FY26	Q4FY26	FY26
1	Automobiles	17	9	16	-6	15	1
2	BFSI	10	-11	4	7	14	10
3	Banks - Private	9	7	7	7	17	2
4	Banks - PSU	5	3	-3	2	7	7
5	NBFC - Lending	12	13	4	17	15	19
6	NBFC - Non-Lending	39	13	28	19	11	14
7	Insurance	11	-31		-11	20	21
8	Capital Goods	12	16	6	15	8	21
9	Cement	13	14	8	26	13	44
10	Chemicals	15	13	19	11	-9	20
11	Consumer	9	8	13	6	14	10
12	Consumer Durables	11	10	3	-2	2	3
13	EMS	9	26	10	29	-4	59
14	Healthcare	12	12	5	9	-2	12
15	Infrastructure	8	-1	14	1	15	-12
16	Logistics	–	22	–	26	–	27
17	Media	3	4	-53	-1	-46	-7
18	Metals	19	5	37	2	55	12
19	Oil & Gas	7	5	19	27	14	45
20	Real Estate	29	20	21	12	20	18
21	Retail	41	20	32	26	45	118
22	Technology	12	9	14	5	14	11
23	Telecom	10	12	13	22	4,757	142
24	Utilities	5	3	4	4	7	12
25	Others	23	18	-4	-2	-19	1
26	**Nifty-500 total**	**12**	**5**	**12**	**10**	**16**	**15**
27	**Nifty-500 Ex-Financials**	**13**	**9**	**16**	**11**	**17**	**19**
28	**Nifty-500 Ex-Metal & O&G**	**14**	**5**	**8**	**8**	**12**	**12**
29	**Nifty-100**	**12**	**7**	**9**	**8**	**12**	**11**
30	**Nifty Midcap-150**	**15**	**-3**	**25**	**14**	**34**	**27**
31	**Nifty Smallcap-250**	**11**	**10**	**6**	**12**	**13**	**29**

Source: MOIE, Capital Line; Nifty-500 universe (4QFY26 & FY26 results). EBITDA margins are computed ex-BFSI.

FUND DYNAMICS

SECTOR BREAKUP



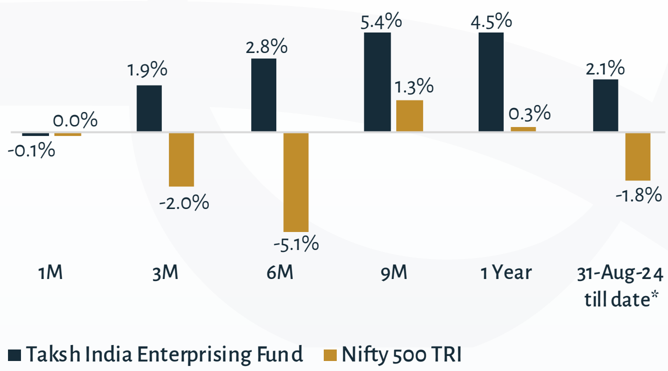
As per AMFI Classification; Data as on May 31, 2026

TOP 10 HOLDINGS

Company	Sector	Weight %
Rubicon Research Limited	Healthcare	6.7
Sansera Engineering Limited	Automobile and Auto Components	6.6
Steelcast Limited	Capital Goods	6.1
ICICI Bank Limited	Banks	5.9
Divis Laboratories Limited	Healthcare	5.8
S.J.S. Enterprises Limited	Automobile and Auto Components	5.8
Torrent Power Ltd	Power	5.5
PI Industries Limited	Chemicals	5.3
Bajaj Finance Limited	Finance	5.2
Sona BLW Precision Forgings Limited	Automobile and Auto Components	5.1

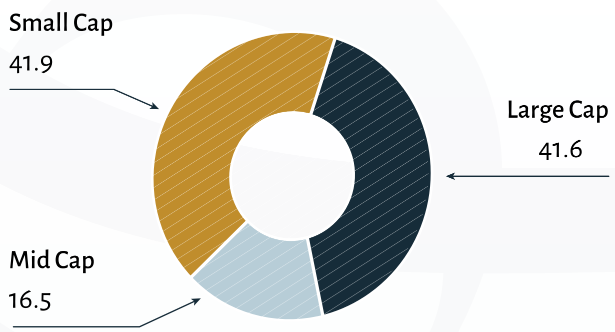
Data as on May 31, 2026

FUND PERFORMANCE



^Data as on 31st May,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.

MARKET CAPITALIZATION*



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

PORTFOLIO QUANTS

Portfolio Quants	TIEF	Nifty 500 TRI
RoE FY28e (%)^	19	15
EPS CAGR: FY26-28e (%)	24	12
PEG Ratio*	1.7	2.3

Source: Bloomberg; Internal Research. Data as on May 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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