

India Avenue Equity Fund

February 2025

Investment Objective

The India Avenue Equity Fund is a registered, unlisted unit trust, which invests in listed companies trading on Indian stock exchanges or on other exchanges, with significant exposure to India’s economy. The Fund aims to outperform its benchmark in AUD terms, after fees and over rolling 5-year periods.

IAEF M Class Units	1 month	3 months	1 year	3 years p.a.	5 years p.a.	Since Inception p.a.
IAEF Pre Tax Net Returns*	-6.97%	-10.47%	4.28%	12.06%	14.22%	11.26%
MSCI India (net) in AUD#	-7.74%	-9.79%	-1.81%	10.58%	12.52%	11.03%
Alpha	0.76%	-0.68%	6.09%	1.48%	1.70%	0.23%
IAEF Net Returns**	-7.01%	-10.59%	2.53%	10.30%	12.96%	10.49%
iShares MSCI India ETF in AUD##	-5.38%	-7.34%	-0.83%	8.99%	10.84%	9.54%
Alpha	-1.63%	-3.25%	3.36%	1.31%	2.12%	0.95%

Source: MSCI

\*Performance is calculated on a post fee, but pre-CGI and withholding taxes paid in India. Australian domiciled investors receive a partial credit for these taxes in their annual tax refund. Over the last 5 years the impact on performance from payment of Indian CGT is approximately 1.0% per annum. We estimate that 50-100% of Indian CGT paid is recoverable in Australian investor tax returns as a tax credit. The MSCI India benchmark returns are calculated pre taxes paid.  
# The MSCI India benchmark does not pay Indian CGT  
\*\* India Avenue Equity Fund M Class returns based on NAV (exit price to exit price)  
## iShares ETF is a benchmark which includes Indian CGT and transaction costs, which provide an "invested" benchmark experience

Past performance is not an indicator of future performance. Above returns are calculated based on the exit price of 28 February 2025, net of fees and assuming reinvestment of dividends. Returns of longer duration than 1 year are annualised

Portfolio and Market returns

The India Avenue Equity Fund M Class Units (“the fund”) recorded a -6.97% return in February 2025, outperforming its benchmark by 0.76%. Over the past year, the fund is ahead of the MSCI India (Net) in AUD (“the benchmark”) by 6.09%.

February saw continued weakness in Indian equity markets as earnings season failed to meet expectations. Revenue growth showed signs of slowing due to a sharper-than-anticipated economic deceleration and subdued government spending. Stocks with high valuations or growth expectations that missed earnings estimates faced steep sell-offs, as investors prioritised companies with stable earnings visibility in the current market environment.

Year to date, the MSCI India (Net) has declined by 11.44% in AUD terms, with its total drawdown from its September 2024 peak reaching 13.40% by the end of February — edging closer to bear market territory. Historically, from 2000 to 2015, India's market drawdowns averaged 16.00% in AUD terms. In recent years, both the duration and severity of these declines have moderated, driven by the growing participation of local investors in the market.

Despite the challenging backdrop, the fund remains well-positioned. Third-quarter FY25 (December quarter) results highlighted a robust 14.50% operating profit growth for our portfolio stocks, outpacing the top 500 stocks in India’s growth of 10.20%. We continue to believe that earnings growth is normalising toward a sustainable long-term rate of 10-12%, in line with nominal GDP growth. As a result, the current pullback offers a opportunity for long-term growth-focused investors to buy into India's structural growth story at more attractive valuations than six months ago.

Portfolio Characteristics	IAEF	MSCI India
Return on Invested Capital	14.7%	13.4%
Gross Profit Margin	48.2%	38.2%
Asset Growth 3 years	14.7%	14.6%
Forecast LT Sales Growth	13.5%	13.3%
Forecast LT Earnings Growth	18.9%	16.4%
Return on Assets	10.9%	9.8%
Price-to-Book	3.7	3.7
P/E Forward (Mar-26)	20.0	21.5
Free Cash Flow Yield	4.2%	3.6%
Beta	1.0	1.0
Market Capitalisation	\$46bn	\$97bn
Dividend Yield	1.2%	1.1%

Source: Foresight Analytics

Risk Characteristics	IAEF	MSCI India
Volatility	18.3%	18.5%
Tracking Error	5.0%	
Information Ratio	0.27	
Sharpe Ratio	0.57	0.49

Source: MSCI

1) Volatility: Standard deviation annualised since inception  
2) Standard deviation of active return (before fees)  
3) Sharpe ratio: Excess return (before fees) over the Ausbond Bank Bill Index, divided by standard deviation  
4) Information ratio: Active return (before fees) divided by tracking error

India Avenue Equity Fund

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Performance by Unit Class^	1 month	3 months	1 year	3 years p.a.	5 years p.a.	7 years p.a.
M Class	-7.01%	-10.59%	2.53%	10.30%	12.96%	10.17%
H Class	-7.04%	-10.71%	1.71%	9.69%	12.36%	9.59%
L Class	-7.12%	-10.49%	1.98%	10.22%	-	-
MSCI India	-7.74%	-9.79%	-1.81%	10.58%	12.52%	11.03%

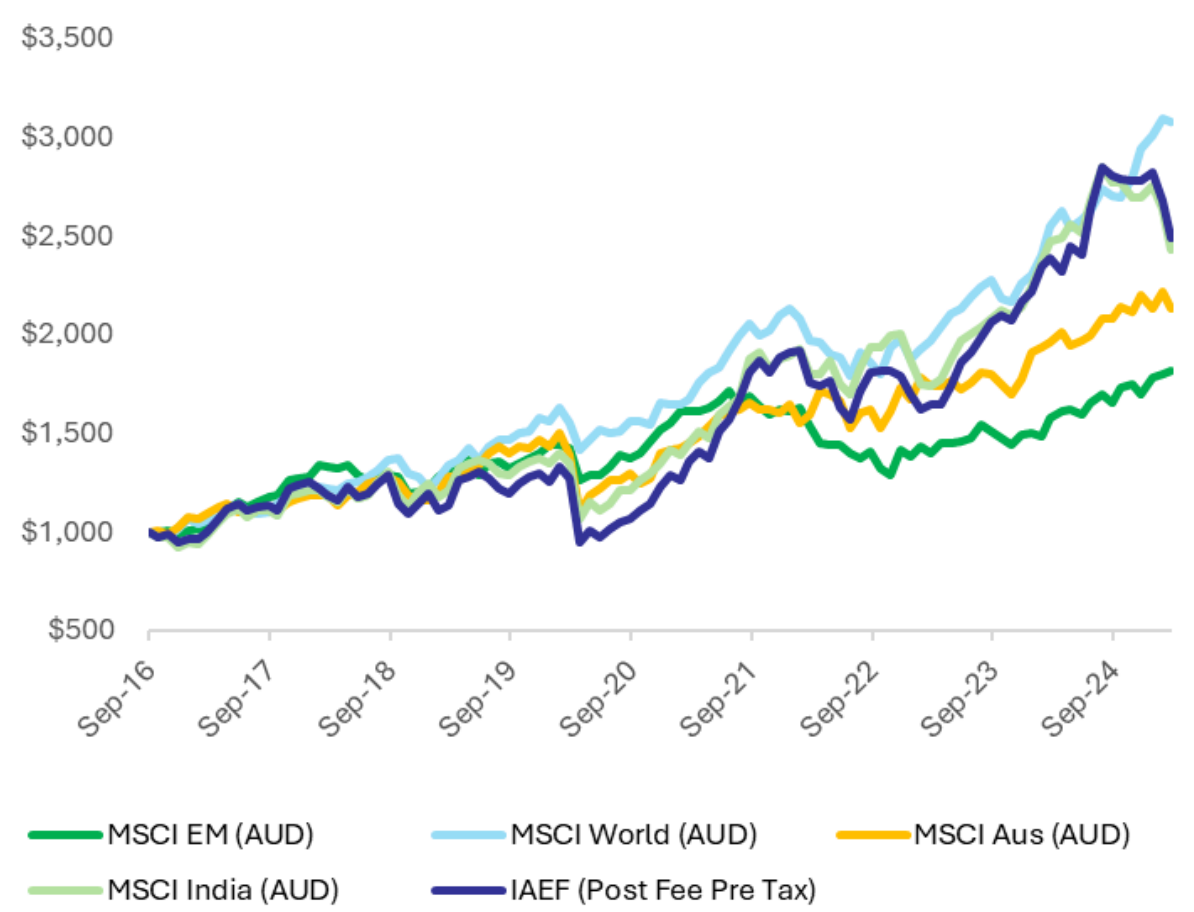
Source: MSCI

^Performance in the table able above is calculated on exit price NAVs after fees and all includes all Indian CGT taxes

Past performance is not an indicator of future performance. Above returns are calculated based on the exit price of 28 February 2025, net of fees and assuming reinvestment of dividends. Returns of longer duration than 1 year are annualised. The only difference between the M, H and L class are the management and performance fees charged. The underlying investments of each class are identical.

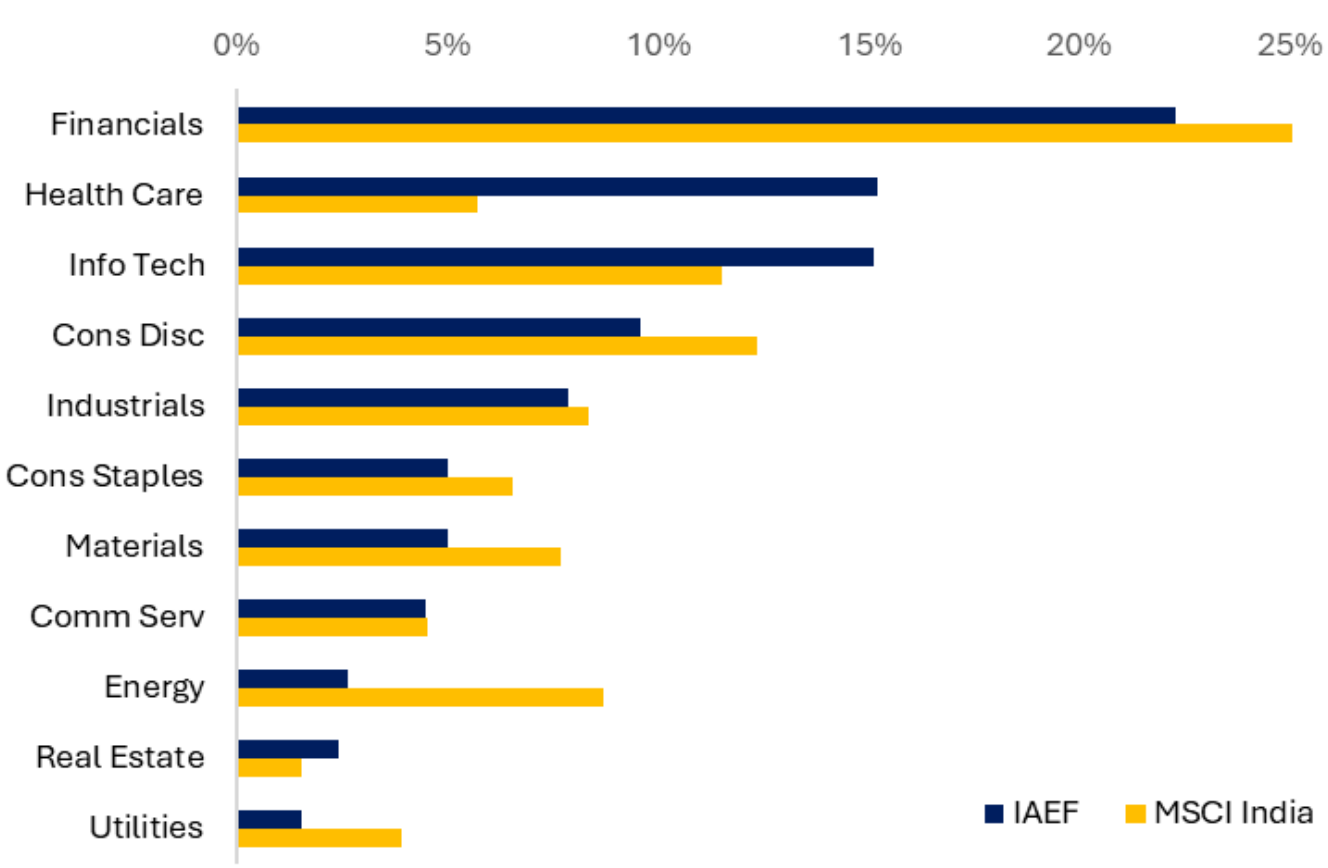
Comparative Returns

IAEF vs India, EM, World, Aus (Rebased to \$1,000)



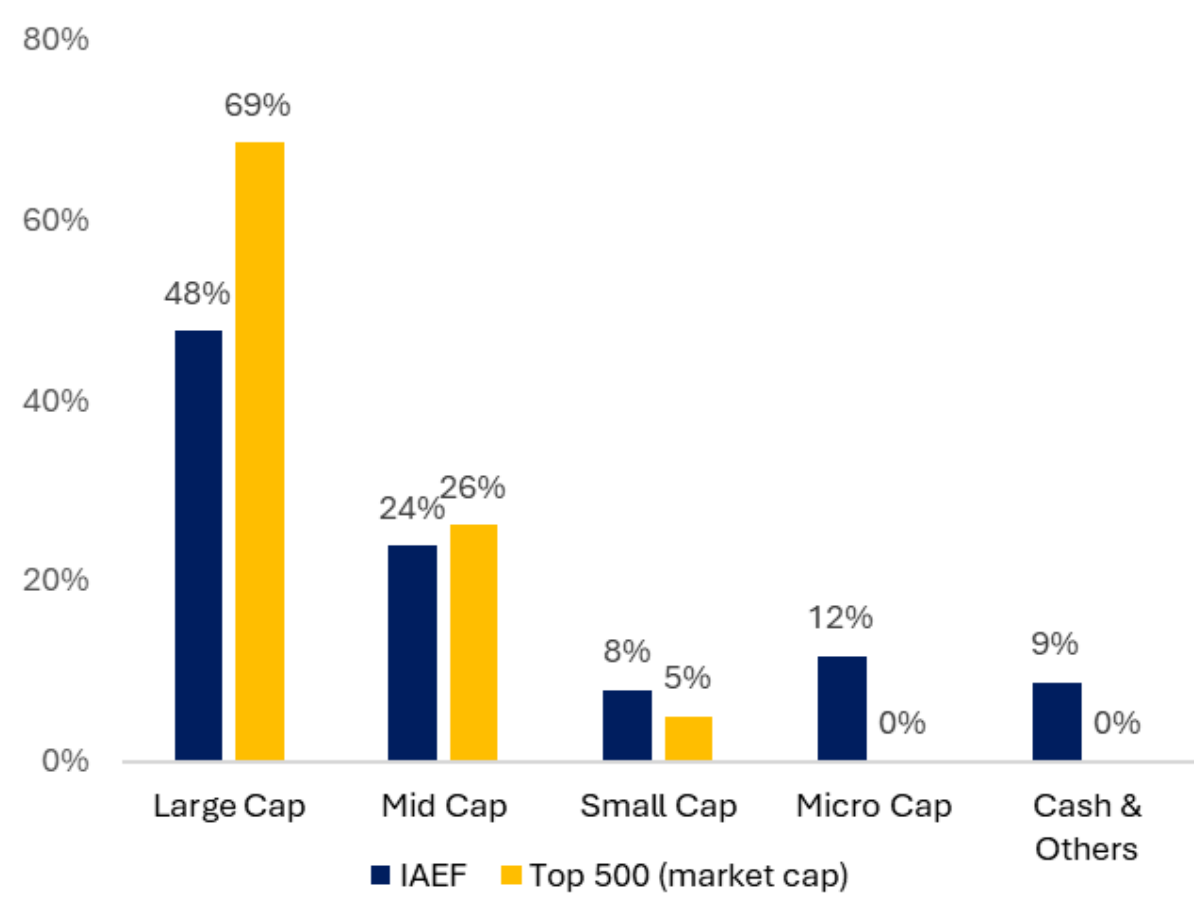
Source: MSCI

Sector Positioning - IAEF vs MSCI India



Source: Foresight Analytics

Size Distribution



\*The definition of Large Caps in India are the top 100 by market cap, Mid Caps are the next 150 and small caps the remaining 250 of the top 500

Top 10 Stocks

Holdings	Weight
Bajaj Finance	4.1%
Bharti Airtel	3.5%
ICICI Bank	3.1%
Infosys	2.9%
Aurobindo Pharma	2.8%
Redington (India)	2.7%
HDFC Bank	2.5%
HCL Technologies	2.3%
Shriram Transport	2.3%
Interglobe Aviation	2.2%
Top 10 Weight	28.3%



India Avenue Equity Fund

February 2025

Fund Overview - 28.02.2025				Platform Availability
	M Class	H Class	L Class	
NAV	1.7541	1.7304	1.4211	Hub24
Inception Date	6/09/2016	9/04/2017	21/04/2021	Netwealth
APIR Code	ETL0482AU	ETL0478AU	ETL2814AU	Mason Stevens
ARSN	611374586	611374586	611374586	Praemium
ISIN	AU60ETL04826	AU60ETL04784	AU60ETL28148	DASH
Morningstar Code	ETL0482AU	ETL0478AU	ETL2814AU	Acclaim Wealth
Management Fee	1.10%	1.50%	0.95%	
Performance Fee	10%	10%	15%	
Min. Investment Amount	A\$50,000	A\$10,000	A\$50,000	
FY24 Distribution	0.1106	0.0955	0.0902	
Distribution Frequency	Annually as of 30 June			
Assets under Management	\$116m			
Benchmark	MSCI India (net) AUD			
Investment Universe	Predominantly securites listed on Indian stock exchanges			
Investment Style	Multi-manager, Neutral			

Contact Details

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Rating



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India Avenue Equity Fund’s Target Market Determination is available on our website: [www.indiaavenue.com.au](http://www.indiaavenue.com.au)

A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.