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Dear investor,

We are delighted to share our seventh quarterly newsletter. At the outset, we express our immense gratitude for the trust you have reposed in us. Units for CSIM India Opportunities fund – 1 were allotted on May 28, 2024. Being an open-ended fund, we had further inflows in the following months.

Our stated intent is to build a concentrated portfolio of our high conviction ideas with an objective to generate healthy absolute returns in the long-term. We don't construct our portfolio with short-term return objective or benchmark ourselves to any index. In line with our mandate, we had a portfolio of 22 stocks as of Dec 31, 2025 with the top 10 stocks accounting for nearly 70.2% of the AUM (on a post-tax basis) and cash (excluding cash set aside for tax on unrealized profit) at less than 1%. Our performance from inception (May 28, 2024) to Dec 31, 2025, is as follows:

Class A1 (May 2024)	8.3%
Nifty TRI	16.4%
NIFTY 500 TRI	13.4%

Note that the performance is pre-tax but post expenses and fees. We have shown the performance for class A1 – returns for other classes of May 2024 series would be marginally higher.

Indian markets, though up in absolute terms in CY25, performed very poorly relative to most other markets across the world. Nifty 50 delivered 5.3% (in $ terms) while S&P was up 16.4%, MSCI world was up 19.5% and MSCI emerging markets was up 30.6%. The year was notable for continuous selling by FIIs while domestic institutions remained buyers. Even individual investors turned net sellers in the year, for the first time since 2020.

Category-wise net inflows into Indian equities

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
In Rs crore													
FPIs	1,13,136	97,056	17,806	20,566	51,253	-33,013	1,01,121	1,70,260	25,750	-1,21,439	1,71,107	427	-1,66,284
DIIs	-73,052	-28,557	67,587	35,363	90,738	1,09,662	42,257	-35,663	94,846	2,75,726	1,81,482	5,27,438	7,81,425
Individuals#	-22,000	-30,100	-8,243	-26,382	-37,988	-8,523	-25,280	52,897	1,42,755	88,376	5,243	1,65,810	-4,270
In US$bn													
FPIs	20.1	16.1	3.2	3.2	7.8	-4.4	14.4	23.0	3.8	-16.5	20.7	0.1	-18.9
DIIs	-12.8	-4.8	10.4	5.2	14	16	6	-4.8	12.6	35.7	22.0	63.0	89.6
Individuals#	-3.8	-4.9	-1.3	-3.9	-5.8	-1.4	-3.6	7.1	19.3	11.7	0.6	19.8	-0.5

As of Dec 31st, 2025. # Data for individuals include net flows on NSE in the secondary market only. Individuals include individual /proprietorship firms, HUF and NRI.

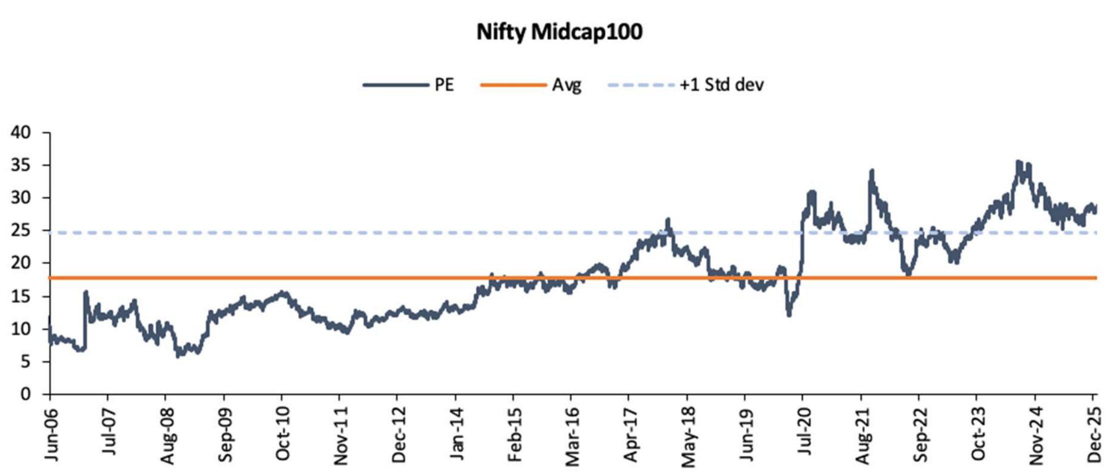
Source: NSE

Mid and small cap indices and stocks fared far worse than large caps, with significant drawdowns in micro-cap stocks. As seen in the following figure, the smaller the company, worse the performance in CY25. It is not unusual for small and mid caps to go through this kind of sharp correction phase.

Source: NSE

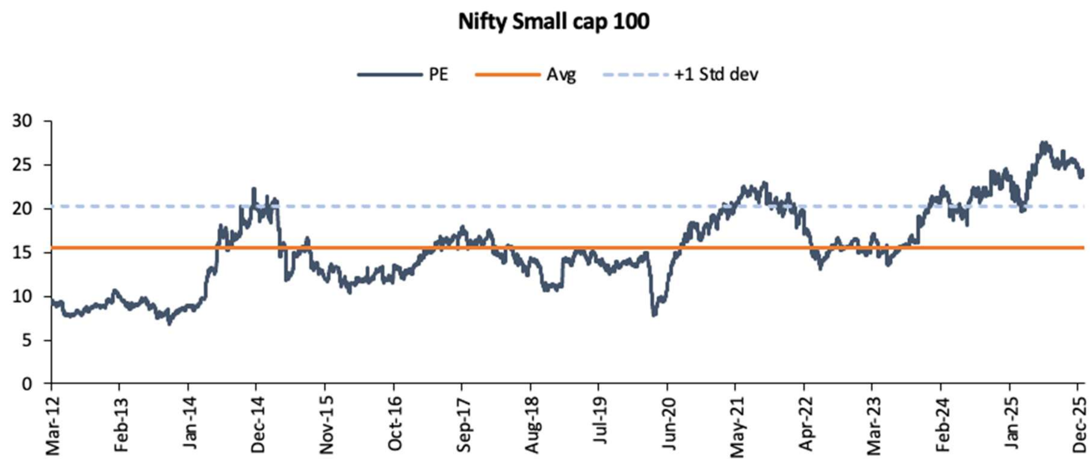
The underperformance of mid caps and small caps has brought down the valuation of these indices marginally, though cut in earnings estimates has limited the extent of valuation correction. The index, however, does not represent the extent of correction across the broader set of companies – flow into mutual funds and ETFs have helped the index do relatively better than the broader set.

Midcap PE



Source: ICICI Securities

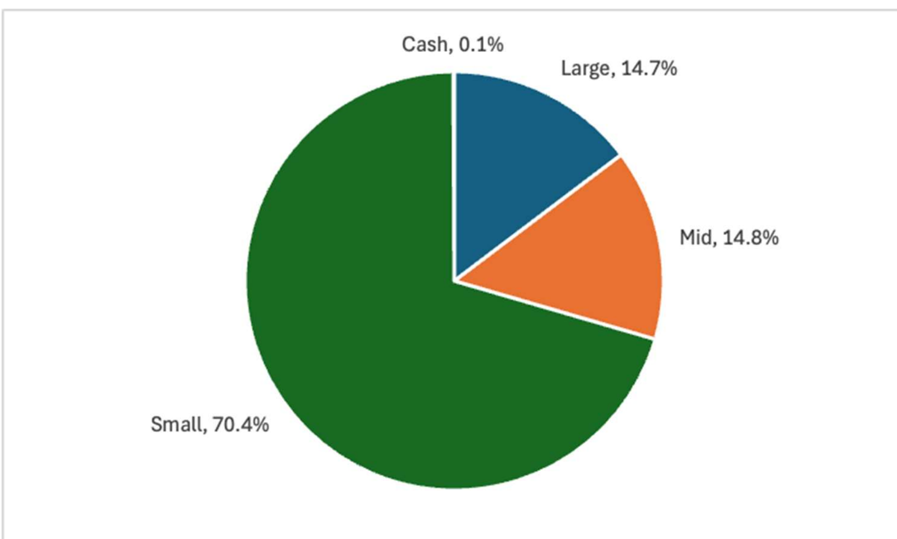
Small caps PE



Source: ICICI Securities

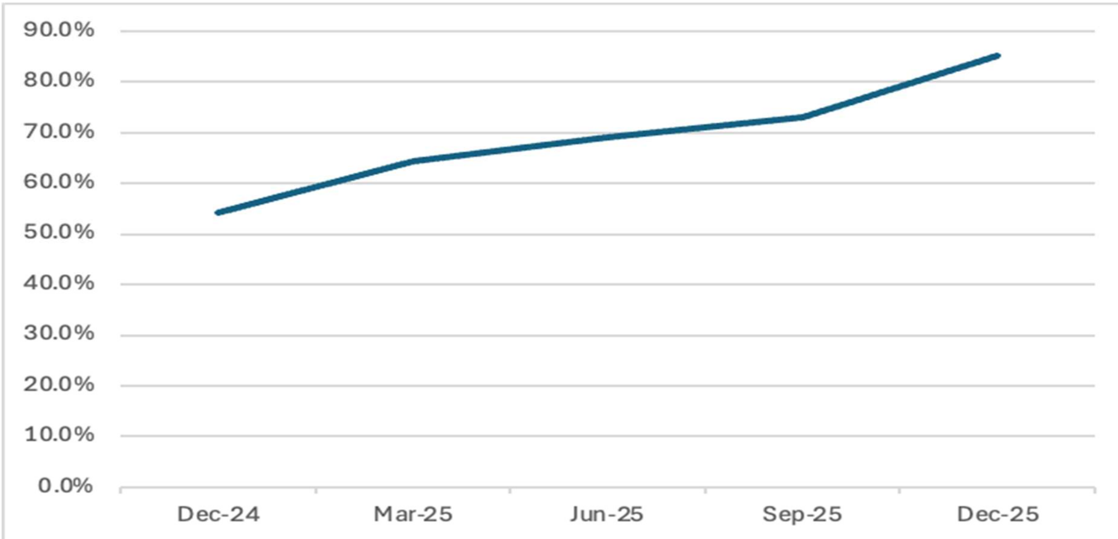
Our portfolio underperformed broader indices meaningfully in CY25, largely impacted by some of our key holdings (CMS Info and Saregama in particular). Our performance in CY25 was significantly impacted by our high exposure to small companies.

Holdings across market cap

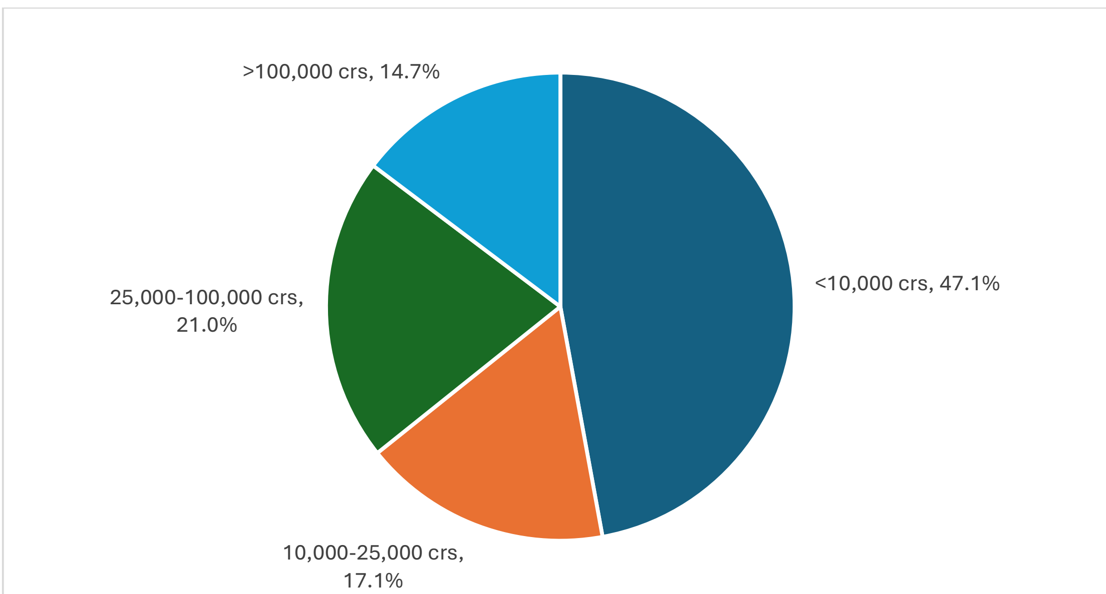


We have increased our allocation to smaller companies through the year as we find a lot more opportunities now in smaller companies as compared to earlier. We remain mindful of technical factors impacting returns in the short term but our bottom-up approach does not optimize for short-term returns and focuses on long-term returns instead.

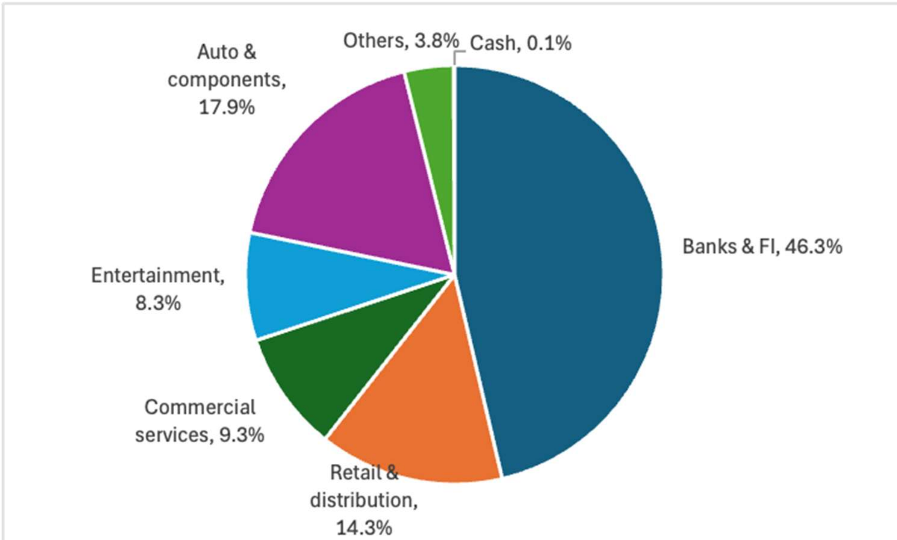
Allocation to mid and small cap companies in our portfolio



Distribution of portfolio across market cap



Sectoral allocation



The annexure at the end of this note contains regulatory disclosures.
Please feel free to reach out to us at csimindiaaif@csim.co.in for any further clarifications.

With warm regards,

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Disclosures

1. Concentration Risk: The portfolio is somewhat diversified across sectors and key economic variables, but has some concentration to the Banking/Financial sector.
2. Foreign Investment Risk: The Fund has no investments in foreign entities.
3. Leverage Risk: The Fund has no leverage. Lending businesses of the portfolio have capital above regulatory norms.
4. Realization Risk: All the investments are in listed entities.
5. Strategy Risk: The Fund portfolio is in line with the stated strategy of CSIM India Opportunities Fund -1. Our strategy has remained unchanged since our inception.
6. Reputation Risk: All the investments are in listed entities, our endeavour is to invest in sustainable and reasonably valued businesses.
7. ESG Risk: We adhere to standard ESG practices at Fund level. We believe, the portfolio companies also follow good ESG practices.
8. Fees: The fees ascribed to the Manager/Sponsor by the fund is as mentioned in the PPM.
9. Perry Road Investment Advisory LLP (Sponsor of the Fund) has contributed corpus of INR 10,00,00,000 (Indian Rupees Ten Crores), to maintain continuing interest in the Fund in accordance with the Regulations.
10. Annual report on implementation of stewardship activities has been placed on the website.
11. We have casted no votes during the quarter Oct to Dec 2025.

Release Date of the Document: Feb 02, 2026.