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Dear investor,

We are delighted to share our eighth quarterly newsletter, covering the quarter ended March 31, 2026. At the outset, we express our immense gratitude for the trust you have reposed in us, particularly through what has been a challenging quarter for Indian equities.

Units for CSIM India Opportunities Fund – 1 were allotted on May 28, 2024. Being an open-ended fund, we have continued to receive inflows over the course of the year. 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 a short-term return objective or benchmark ourselves to any index. In line with our mandate, we had a portfolio of 22 stocks as of March 31, 2026, with the top 10 stocks accounting for nearly 70.7% of the AUM (on a post-tax basis) and cash (excluding cash set aside for tax on unrealized profit) at less than 1.6%. Our performance from inception (May 28, 2024) to March 31, 2026, is as follows:

	Since inception	1 Year
Class A1 (May 24 Series)	-3.2%	-2.3%
Nifty 50 TRI	-0.4%	-4.0%
Nifty 500 TRI	-2.3%	-2.9%

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.

A quarter defined by three big events

The quarter was shaped by three developments. The Union Budget on February 1, 2026 continued the focus on fiscal consolidation (deficit at 4.3% of GDP) alongside a Rs 12.2 lakh crore capex outlay and a push on manufacturing and infrastructure – a mix that is broadly supportive of the medium-term themes we own.

January saw two notable trade agreements involving India – the conclusion of the India-EU FTA on January 27, and the framework India-US Interim Agreement on February 2, under which the US reciprocal tariff on Indian goods was reduced from 25% to 18%. Together, these improve India's strategic positioning in global trade at a time when several emerging market peers face rising barriers.

The most disruptive event was the outbreak of the US-Iran war on February 28, which has significantly curtailed shipping through the Strait of Hormuz. Brent rose from around $72/barrel in late February to a peak of about $126/barrel in March. For a country that imports over 85% of its crude, this is a clear headwind on the current account and inflation, and is the single biggest swing factor for Indian markets from here.

Indian markets: a sharp and broad-based correction

Against this backdrop, Indian equities corrected meaningfully during the quarter. From its peak of 26,373 on January 5, 2026, the Nifty 50 fell close to 15% to close the quarter near its low, at around 22,400. The correction has been driven by a combination of FII outflows (a continuation of the trend we flagged in our December note), earnings downgrades – particularly for FY27, where consensus estimates have been cut by 10-15% in some sectors on account of the oil price shock – and a derating of valuations from previously elevated levels. Several sell-side houses have trimmed their end-2026 Nifty targets, with some warning of further downside if crude remains above $100 for an extended period.

Selling by FIIs

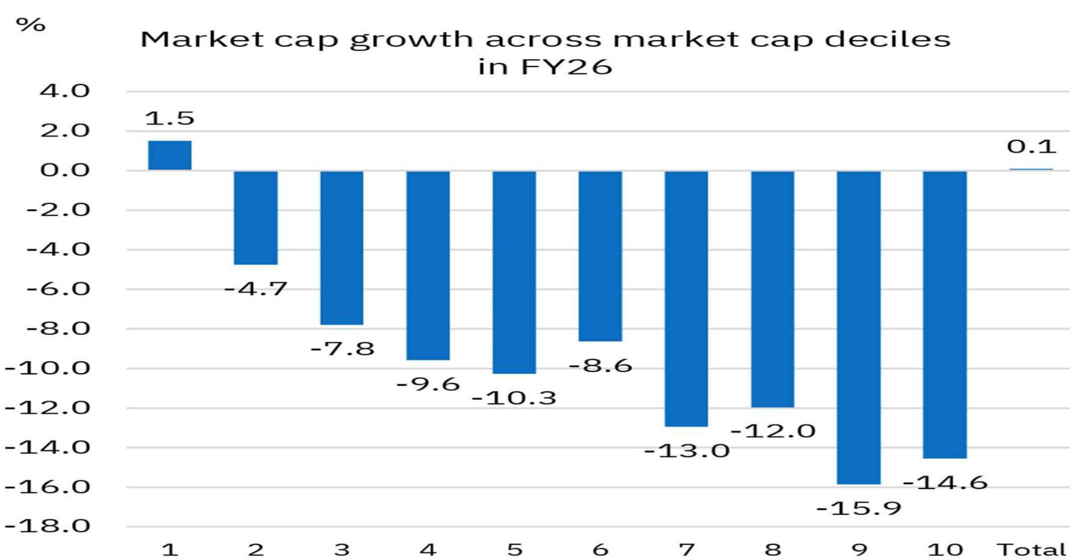
Category-wise net inflows into Indian equities

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
In Rs cr												
FPIs	1,11,346	-14,031	56,050	21,416	1,454	5,141	2,74,032	-1,40,010	-37,632	2,08,211	-1,27,041	-1,80,831
DIIs	-19,264	78,687	29,932	1,14,600	72,407	1,28,208	-1,32,389	2,21,660	2,55,236	2,06,717	6,08,035	8,49,758
Individuals#	-5,544	-6,421	-46,357	-23,914	-16,181	4,156	68,357	1,64,892	49,225	47,241	1,25,127	-5,803
In US$bn												
FPIs	18.4	-2	8.5	3.3	0.3	1.1	37	-18.5	-5.1	25.3	-14.6	-19.7
DIIs	-3.2	12.1	4.4	17.8	10.3	17.8	-18	29.6	32.1	24.9	71.8	95.8
Individuals#	-0.9	-1	-6.9	-3.7	-2.3	0.6	9.2	22.1	6.1	5.7	14.8	-0.7

* As of March 31st, 2026. # Data for individuals include net flows on NSE in the secondary market only. Individuals include individual /proprietorship firms, HUF and NRI.

As is typically the case, the broader market has fared worse than the frontline indices. Mid caps and small caps, which we had flagged as vulnerable in our December newsletter, have seen larger drawdowns, with micro-caps corrected sharply. Breadth indicators suggest deep oversold conditions – a relatively small fraction of Nifty 500 stocks are trading above their short- and medium-term moving averages, readings that have historically preceded meaningful bounces.

Larger companies did better in FY26

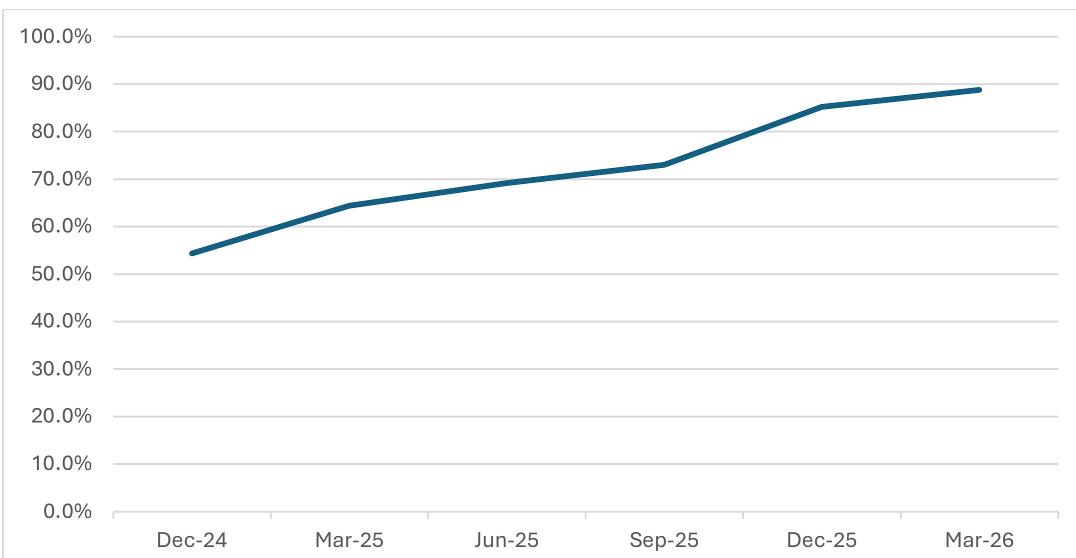


Our portfolio outperformed the broader indices in the quarter and in FY26, aided by stock-specific delivery in several of our key holdings and by our discipline on valuations when entering positions. We note the short-term outperformance with the same equanimity with which we noted the underperformance of FY25 – neither is the basis on which we run the portfolio. What matters is whether the underlying businesses are compounding value, which we believe they are.

Our view: risk-reward is materially more attractive

We began CY26 with a cautious stance on valuations in the mid and small cap space. The sharp correction of the last three months has changed that picture significantly. Across our coverage universe, we are now finding a notably larger number of businesses trading at valuations that, in our assessment, offer an attractive margin of safety against a base case of normalized earnings over the next two to three years. Several companies we have tracked for months, in some cases years, have finally corrected to levels at which the risk-reward clearly favours accumulation. We have been using the volatility of the quarter to add to our existing high-conviction positions and to initiate a few new positions.

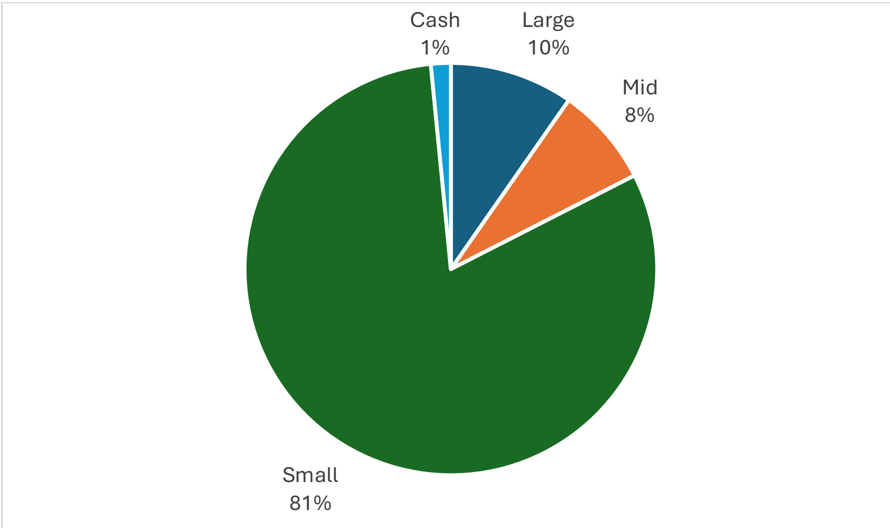
% of Portfolio in Small and Mid Cap Companies



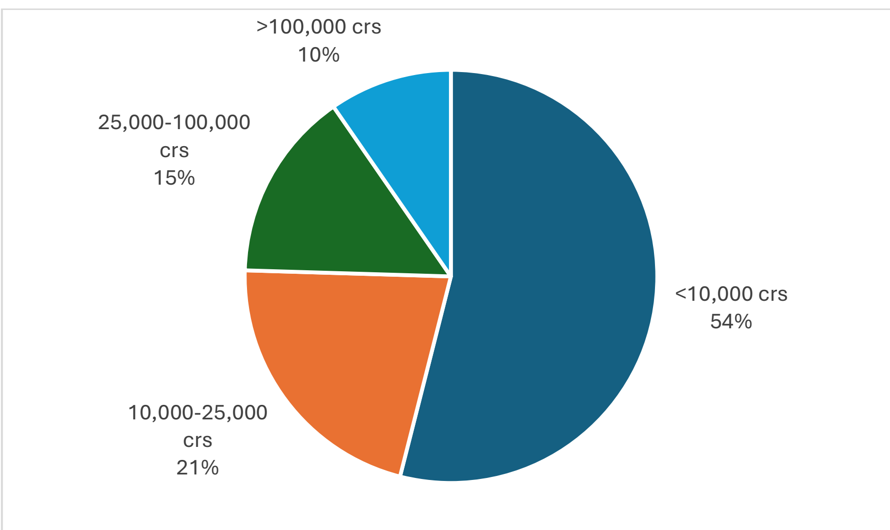
Portfolio composition

Our allocation to smaller companies has increased further during the quarter, in line with where we are finding ideas. The portfolio remains diversified across sectors, though with a meaningful weight to financial services, where balance-sheet repair stories and reasonably valued franchises remain a source of both opportunity and resilience. The annexure at the end of this note contains details on our top 10 holdings and regulatory disclosures.

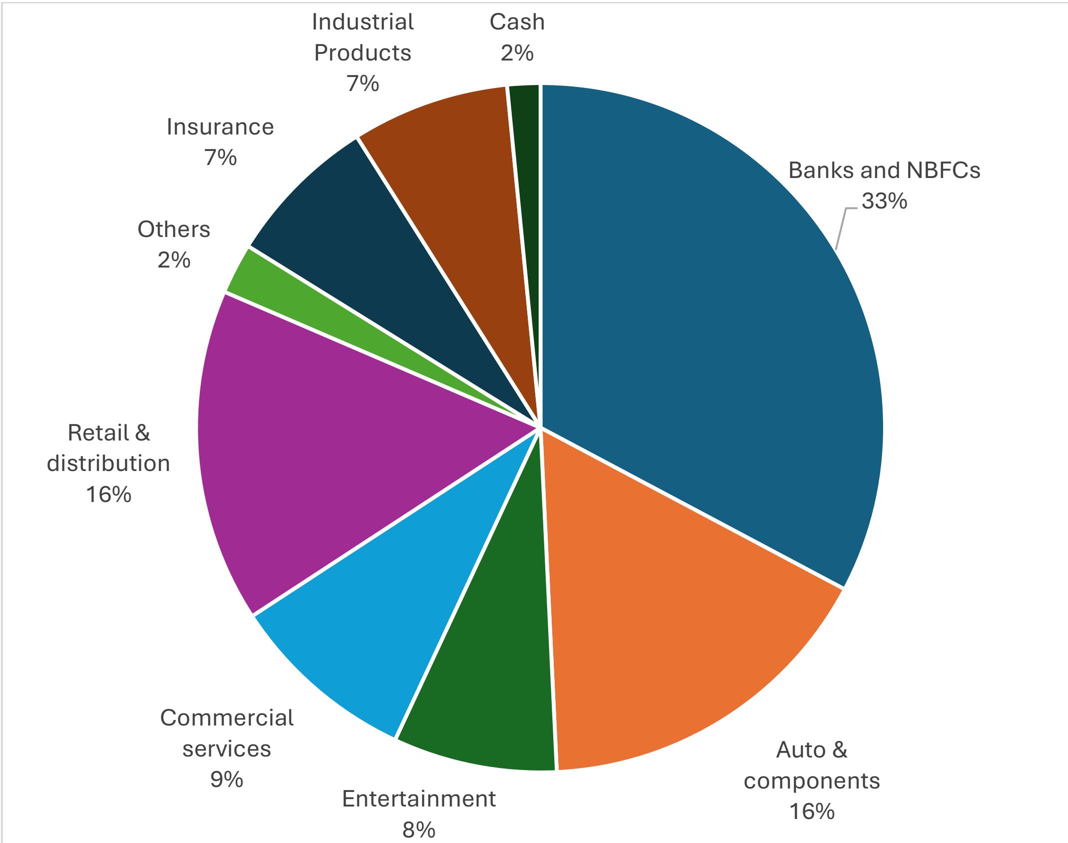
Portfolio mix by Market Cap (Small, Mid & Large Cap)



Distribution of Holdings across Market Capitalisation

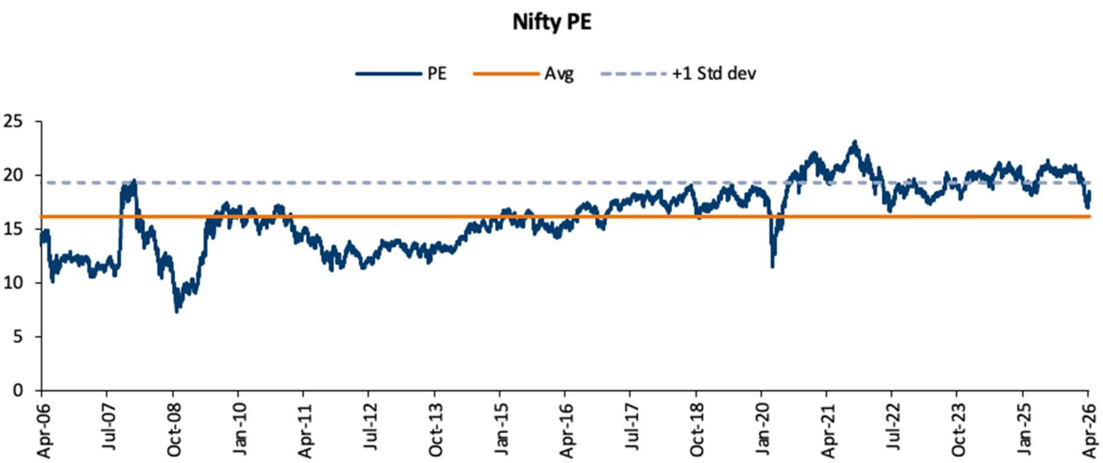


Sectoral allocation of portfolio

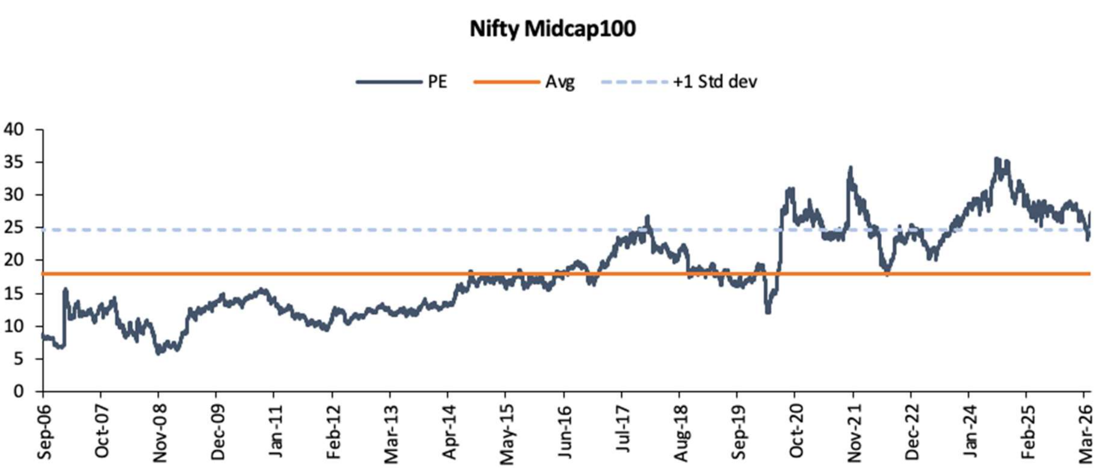


Source: NSE

Large Cap PE

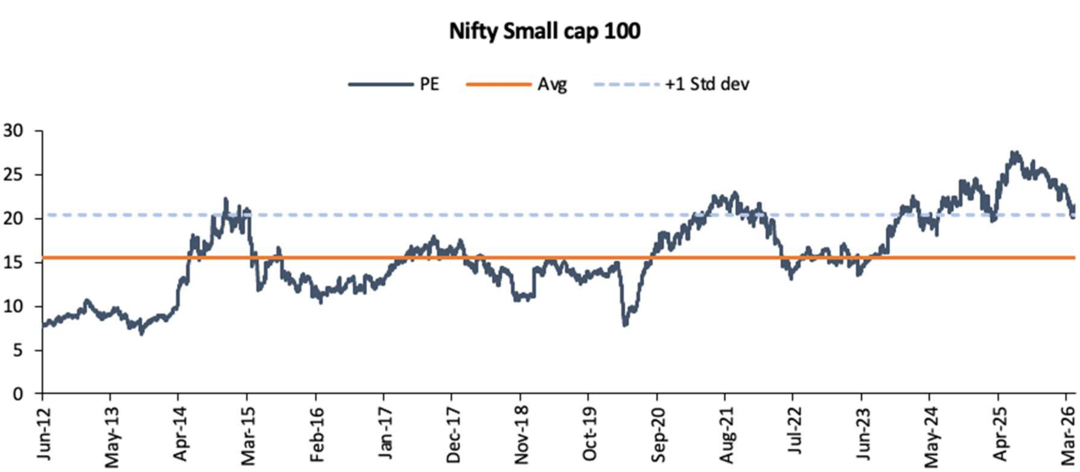


Midcap PE



Source: ICICI Securities

Small caps PE



Source: ICICI Securities

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 Jan to Mar 2026.

Release Date of the Document: Apr 29, 2026.

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