



Dear Investors:

In relatively more retail-heavy markets such as India, reliance on sell-side advice (or rather any publicly communicated advice) is often high. In this calendar alone, sell-side narratives have thrown nearly anything to keep domestic thrill-seekers entertained - Recall growth acceleration suggestions off of a religious event that occurs once every 144 years(!), or similar postulation because of the 8th pay commission. These cheerful street narratives can often toggle between naïve and nonsense. While sell-side estimates globally tend to be predictably cheerful, Indian sell-side estimates usually reflect relatively more optimism. Quite a bit more! >90% of all months over the past 2 decades have had *Nifty50* components receive more earnings downgrades than upgrades. To put that in perspective, since the global financial crisis, none of *MSCI EM*, *S&P 500*, or *Stoxx 600* have shown nearly as sharp or as consistent earnings downgrades as we have witnessed for *Nifty50*. Essentially, Dalal street's underlying expectations are nearly never grounded.

Despite expectedly sharp downgrades over the last year, India's large-cap benchmark has somehow managed to stay flat, further elevating it from 22.5x F2025 (Mar) EBITDA (ex-financials) a year ago to just under 30x F2026E (Mar) EBITDA¹ by end of C3Q. Headline smallcaps meanwhile have seen >20% expansion in the multiple despite losing about 9% in value over the past year. Domestic investors meanwhile remain thoroughly desensitized to value. They need a long-delayed memo that capital flows and jubilation have absolutely no power to create enduring value. These flows merely serve to create/expand disconnects, until they can't.

In C3Q25, *Minerva India Under-served* strategy was down **-2.74%** (net; in INR), vs. **-4.56%**, **-4.14%**, and **-3.59%** declines (gross; in INR) in *BSE Smallcap*, *BSE Midcap*, and *BSE 500* respectively. Over the past year, *Minerva India Under-served* strategy was flattish (net; in INR), vs. **-8.6%**, **-9.0%**, and **-6.6%** declines (gross; in INR) in *BSE Smallcap*, *BSE Midcap*, and *BSE 500* respectively. Over the past 5 years, *Minerva India Under-served* strategy was up **+29.0%** annualized (net; in INR), vs. **+28.6%**, **+25.0%**, and **+19.2%** annualized gains (gross; in INR) in *BSE Smallcap*, *BSE Midcap*, and *BSE 500* respectively. Over nearly 15 years of deployment in India, *Minerva India Under-served* strategy is up **+17.3%** annualized (net; in INR), vs. **+13.1%**, **+13.5%**, and **+11.3%** annualized gains (gross; in INR) in *BSE Smallcap*, *BSE Midcap*, and *BSE 500* respectively.

Minerva India Under-served Fund (Tattva series USD), which tracks our INR strategy², was down **-5.58%** (net; in USD) for the quarter, with **-3.66%** of that attributable to just weaker INR. It should be noted that reported performance of *Minerva India Under-served Fund (Tattva series USD)* is net of not only taxes paid on realized gains, but also tax accruals on unrealized gains. Despite having camped within the smaller end of India's smallcap space, strategy's since-inception annualized volatility has been nearly 250 bps below that of *BSE Smallcap*. To see how our upside and downside volatility have moved over time, in both absolute and relative terms, please click [here](#).

Despite India under pacing EM peers by around 30% over the last year, headline India's valuations still remain undeniably steep and in certain sectors (Consumer staples, Real estate, Consumer discretionary, and

¹ About 18.5x F2026E (Mar) EBITDA, if we were to exclude *Grasim* and *Eternal*

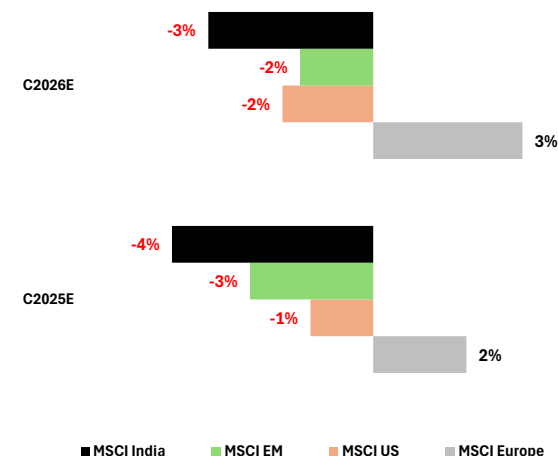
² Our INR strategy performance is reported net of mgmt fees and all charges, but before performance fees. Our performance fees typically gets crystallized @10% over a 10% hurdle. Our USD fund performance is net of all actual and accrued taxes, charges and fees, including monthly performance fee accruals, if any; Our mgmt fees is accrued monthly for INR strategy reporting purposes, even as its charged quarterly. Vast majority of our clients in our separately managed accounts structure are aligned and are run on the same strategy with nearly same allocations (unless expressly requested otherwise). Our offshore commingled fund is also aligned with the INR strategy, with insignificant tracking error.



Industrials³) outright hallucinatory. Meanwhile absolute growth in headline names remains poor, and earnings estimate revisions continue to trail emerging markets and other peers (see **Exhibit 1** for YTD estimate revisions)⁴.

If you thought retail crowd winning at investing for 2 years running was astonishing, they've likely gone one better. Unless the fourth calendar quarter pulls out a bunny, it would be the third straight outperformance year for retail folks. Retail darlings have obliterated just about any benchmark. Unsurprisingly then, this has driven record valuations, and disconnects vs. underlying cash flows have now widened to unsustainable levels. We argue that the eventual drawdown could be one for the ages, given the sheer extent of 'inexperienced participation' globally in general, and India in particular. India isn't quite used to ever going through an extended period of transmission of pain from ticker tape to main street's consumption. We expect a rather painful 'initiation' for India's young investors at this time, and we suspect that after-effects could be amplified this time around.

Exhibit 1 – Earnings est revisions between Feb and Sept



Note: While C2025 estimates for MSCI India were cut by 4% between February and September, this isn't really representative of cuts in headline non-financial names. Median Nifty50 component (ex-financials) saw a more than 6% estimate cut over this same 7-month period.

Source: LSEG Data & Analytics

Impact of tariffs (assuming status quo) on

employment cannot be overstated. As we write this investor letter, United States has imposed sanctions that directly target Russian oil majors, *Rosneft* and *Lukoil*. Since the decision making has now been effectively deflected from the Indian government to domestic crude importers in this case, it certainly makes for a solid case for political posturing to take a backseat, thereby potentially breaking the diplomatic deadlock.

Should the 25% “extra penalty” on India go away, given continued weakness in the INR, we see the Indian shrimp industry somewhat less impacted, at least in relative terms⁵. However, in case the penalty sticks, shrimp farming in India would be decidedly cooked⁶ (figuratively speaking). Regardless of whether the penalty remains or is done away with, we see continued pain for India based textiles and apparel exporters, who in any case weren't the most competitive vs. their subcontinent and ASEAN peers. It would therefore be silly to understate the overall tariff impact, particularly when the hiring environment elsewhere in India remains clearly muted. Our recent checks within staples distribution suggest that adjusted for the seasonal impact of Diwali, staples consumption, within cities/towns where exports to United States were a key driver

³ While Indian Consumer Staples and Real Estate ended C3Q trading at >300% premiums over EM peers, Consumer discretionary and Industrials traded at around 200% or higher premiums. The latter two are particularly interesting since state ownerships within these sectors in India is higher than what we see at their EM peers.

⁴ Despite sharper cuts in India, the median core earnings beat within headline names (i.e. *Nifty50* components excluding Financials, Energy, and Materials) still underpaced that at EM peers in the first half of this calendar.

⁵ Since Ecuador (primary alternative to the Indian shrimp industry) has been dollarized since the turn of the century

⁶ Vast majority of India's shrimp exports are unprocessed, and are therefore quickly replaceable



of underlying consumption (Surat, Tirupur, Guntur etc.), is already witnessing low single-digit declines in volumes.

Since India continues to waddle through what remains a disturbingly sticky challenge – ‘moving people away from farms’⁷, policy action has always been inevitably forced into the ‘easy’ (read ‘ineffective’) decision of pasting hefty tariffs on imports, and consequently burdening domestic end-users of all things ranging from poultry to ethanol. At the expense of sounding harsh, it isn’t United States’ obligation to fund shrimp farming in Andhra Pradesh, while India remains an effectively closed⁸ territory for corn farmers in Iowa. That US did so for years was down to its greater self-interest, even as it decidedly harmed aquaculture in certain Southern states. We would be remiss if we don’t stress upon the key theoretical plank behind which globalization has always been pushed – ‘free and fair competition’. When it’s not ‘free’ or ‘fair’, it opens itself to critique, and certain countries are likely to be called out. [We argue that India’s insanely high barriers only serve to protect select interests](#), while unfairly restricting expansion of several competitive suppliers. Street jingoism however can entirely hijack such critical, albeit uneasy, narratives.

Assuming that nothing changes over the next two weeks, India would keenly await US Supreme Court hearing of tariff arguments (beginning November 5th). However, a favorable outcome may not necessarily be seminal for subsequent trade. For instance, baseline tariffs can still be eliminated for certain countries vs. others, thereby establishing relative losers. Regardless, a ‘favorable’ Supreme court decision doesn’t alter the fact that headline Indian equities, nearly across the capitalization spectrum, remain draped in different shades of codswallop, with or without tariffs.

Elsewhere, given how the Euro has moved YTD, we believe that tariff-induced supply chain shifts would almost certainly drive inflationary pressure in United States over the coming quarters, and arguably softer prices in Europe, which is certainly a far more attractive market for most Asian exporters now.

Cuts in indirect taxes was timely, but benefits do not match street’s boisterous narrative. While up-trading across categories (that saw tax cuts) was expected, we are far off from the camp that expects a double-digit increase in say staples volumes. Our national checks suggest that volumes within staples categories should post about a mid-single digit growth vs. last year’s depressed Diwali base, which would be a somewhat soft acceleration from the 3-4% growth we had observed in the first 3 quarters of this calendar. Our discussions suggest that this soft acceleration is entirely attributable to recent indirect tax cuts. For context, in September (prior to the announced cuts kicking in), downtrading levels remained elevated, and had in fact worsened in metros while improving in non-metros.

September headlines for discretionary consumption were noisy - This year’s ‘Navratri’ shift to September masked continued weakness in India’s discretionary consumption. Tax cuts mostly only served to push consumers from ‘shraddh’ to ‘navratri’, and uptrade in select categories. September’s automotive sales headlines largely reflected shifts in the Hindu calendar. Adjusted for this shift, our discussions within automotive dealerships suggest that pent-up demand because of anticipated tax cuts has masked what is otherwise a clearly struggling consumer. In fact, if one were to look at ‘Shradhh + Navratri’ period⁹, vs. monthly headlines, growth appears to be largely missing across most OEMs, with pronounced weakness in cars. Dealer-level inventories within both two-wheelers and cars meanwhile continue to be elevated.

⁷ From a much lower base a decade ago (~30% of population engaged in farming), emerging South East Asian nations have catalyzed about as fast a migration off of farms as India has managed.

⁸ Barely 1% of India’s corn consumption gets imported, before onerous BCD of 50% (plus ‘social welfare charge’ and IGST) kicks in

⁹ We arrive at this through dealership checks and empirical evidence around how sales typically shift between ‘Shradhh’ and ‘Navratri’.

Our checks suggest that median 2W ‘Navratri’ sales increased by around 11% vs. last year. While India’s mainstream media has mostly attributed this to the recent GST slab rationalization, it is critical to note that sales during the preceding ‘Shradhh’ period had likely dropped by around 13%, as buyers deferred purchases in anticipation of GST-influenced price cuts. Once adjusted for this shift, our checks indicate that 2W sales were likely about flattish vs. last year, suggesting that tax cuts have had little to no impact on two-wheeler demand (see **Exhibit 2b**). The only notable exception we would cite here would be *Royal Enfield*, where sales likely increased by ~30% over this period. That said, this reflects sustained underlying momentum because of its solid launch calendar (model launch share increasing from low-teens last year to high-teens in this fiscal) and a significantly different target-consumer,¹⁰ vs. acceleration due to GST cuts. We note that pre-Navratri dealer inventory swells across 2W OEMs about matched what we saw last year, with the exception of *Hero Motocorp*, where inventory spiked sharply. Incidentally, our discussions suggest that it was likely the only OEM that managed to eke out some growth during the ‘Shradhh + Navratri’ period (refer to **Exhibit 2b**), which we believe was likely driven by more discounting (relatively speaking) vs. peers, since growth here was largely driven by legacy models. This is particularly critical since OEMs such as *Yamaha* and *Honda (HMSI)*, which have two of the heaviest new model calendars in F2026, likely reported no growth during the ‘Shradhh + Navratri’ period.

Car sales meanwhile appeared worse. Median car sales (across OEMs) likely increased by close to 25% during ‘Navratri’, after declining 30% during the ‘Shradhh’ period, which effectively translates into a mid-single digit overall decline for the ‘Shradhh + Navratri’ period. Relatively more subdued performance of *Kia* (see **Exhibit 2a**) can be attributed to its weak launch calendar. In contrast, *Maruti Suzuki* and *Tata Motors* delivered relatively less worse declines, supported by their higher presence in segments that benefitted more from the GST rate cuts, with sub-1,200 cc models accounting for >80% of total sales for both OEMs.

Exhibit 2a – Est. Navratri + Shradhh growth (Cars)

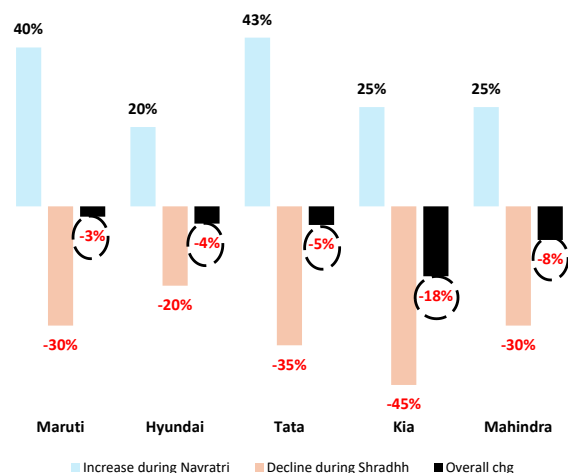
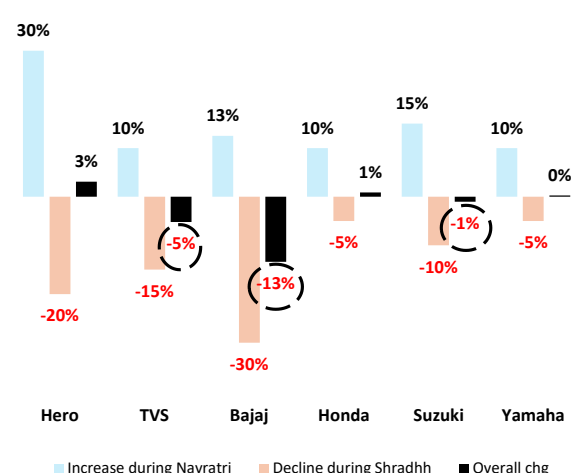


Exhibit 2b – Est. Navratri + Shradhh growth (2Ws)



Notes: All numbers are based on medians of responses received from our national checks across dealerships. These numbers are meant to give the reader an idea of how natural sales depression during ‘Shradhh’ coupled with incremental deferred purchases because of lower taxes ended up optically elevating sales during ‘Navratri’ this year.

Source: Internal checks

¹⁰ Urban adventure-seeking riders



Impact of tech layoffs and export related cuts are increasingly evident. We note that layoff announcements within tech¹¹ names have already begun to influence weakness within discretionary spends in ‘tech-heavy’ cities¹². This is somewhat similar to the adverse wealth effect we had noted earlier this year after material drawdowns in Indian stocks led to a disproportionate impact in relatively high equity-ownership clusters¹³. Other than iPhones, where the new launch makes the comparisons noisy, we note a materially weaker discretionary consumer in the tech-cluster across other discretionary categories such as luxury watches, or premium apparel and footwear, with weakness in luxury watches being particularly broad-based across the tech cluster. This is at a time when amazingly sticky F2026E street estimates for a leading luxury watch retailer in India are being capitalized in the mid-50s.

Even as our exposure increased YTD, we continued to huddle into fewer securities. *Minerva India Under-served* ended C3Q25 with only 10 holdings. For context, we haven’t held as few positions since August 2012. This is despite our net exposure increasing from 61% at the beginning of the calendar to 70% at the end of last quarter. We have actively exited tail exposures this year, even as we continued to add to our highest conviction holdings - Essentially, our ability to identify high-conviction incremental value has somewhat waned as the year has progressed, and therefore exposure increases have almost entirely come off of capitalizing upon intermittent and indiscriminate panic elsewhere.

Interestingly, our portfolio concentration has coincided with what appears to be an increasingly ‘constructive’ street view on (at least) *Nifty50* valuations and associated earnings. For whatever it’s worth, we can’t get around to owning majority of these headline names 25% lower from here, let alone 15% higher. Accordingly, we thoroughly diverge from the camp that expects anything other than investment-grade credit like returns within headline Indian equities over the next few years.

At 70%, our net exposure remained unchanged during C3Q25. That said, there was considerable rejig within the book – We completely exited two positions (An auto parts name, and a television broadcasting name), while also paring exposure in another traditional broadcasting name. This however was offset by significant increase in exposure in a legacy forestry name, which is now also our biggest position, while also adding in a couple of existing consumer discretionary holdings.

Idiosyncrasies are driving significant growth within our top-5 holdings in this fiscal, with all of them likely to deliver double digit EBITDA growth, and all but one likely to report earnings growth in at least the mid-20s. This positioning cost us 9.7x F2026E (Mar) EBITDA at quarter-end, or about 6% below this book’s own pre-pandemic¹⁴ multiple. This at a time when nearly all benchmarks trade well off of their pre-pandemic averages. Following are our thoughts on some of the recent shifts in the book:

¹¹ 50,000 layoffs announced until F2Q26 (Sept), representing ~2% of tech workforce

¹² We considered the following within India’s tech cluster - Bangalore, Hyderabad, Pune, Gurgaon, and Noida. For contrast, the following were classified under the ‘non-tech’ cluster - Lucknow, Bhopal, Ahmedabad, Indore, Bhubaneswar, and Goa

¹³ Mumbai, Delhi, Pune, Bangalore, and Kolkata were included within ‘high equity ownership’ cities. This cluster’s sales trend was then stacked against Hyderabad, Ahmedabad, Jaipur, Baroda, and Surat (included within ‘low equity ownership’ cities).

¹⁴ 2014-2019 average, including both years



We are now working with the thesis that domestic integrated paper producers are set up for what increasingly appears to be a favorable trifecta of global pulp prices likely bottoming, extremely high likelihood of continued declines in domestic fiber costs, and stable/declining import intensity. Given that this is arguably the only listed space in India where currently depressed profitability is being capitalized at depressed multiples, we again raised our exposure in our forestry holding. In the first 3 quarters of the calendar, we have increased this exposure by >30%. This name ended C3Q25 as our top holding, and accounted for about 17% of the book (vs. about 14% at the beginning of the year).

- 1. We see limited incremental downside in global hardwood pulp prices.** We estimate that at the mid-point of the calendar, landed cost of imported BEK in China¹⁵ (\$505/ton) was barely 3% above the average BEK cash cost in China (\$490/ton), leaving limited room for incremental declines (see **Exhibit 3a** on next page). Unsurprisingly then, *Suzano*, *El Dorado*, and *Klabin* all announced \$20-\$80/ton hikes to begin last quarter, and followed that with another \$20-\$50 increase (effective Oct 1st), albeit with reported resistance to the second hike from buyers in China. Despite recent increases, BEK prices in China ended C3Q25 barely 11-12% over their 2020 lows.

Further, we note that the first half of C2026E would see *Suzano*¹⁶ take maintenance downtime at 9 of its 13 pulp mills, including at its two biggest mills - Imperatriz and both Tres Lagoas mills¹⁷. All this with no new BEK supply coming online until APP's addition in early C2027E.

We would also stress upon the fact that the ability of market pulp prices to influence uncoated free sheet pricing globally would continue to decrease as Chinese producers continue to integrate pulping at a rapid pace. For context, verticalization in China is expected to cut hardwood market pulp demand by close to 3.5 mil tons between C2024¹⁸ and C2028E, suggesting a high single digit adverse impact to global hardwood market pulp demand.

- 2. Continued decline in input costs, with particularly sharp pullback in fiber costs.** Conservatively, we would likely see a low-teens decline in fiber costs in the current fiscal, and likely a steeper decline in F2027E (Mar)¹⁹. Likewise, caustic soda prices are likely to decline by another 10-15% between now and end of C2026E, following a firm 8% decline C2025 YTD. Meanwhile, coal prices are expected to remain flattish at best. Coupled with continued efficiency gains in power, water, and coal usage, we are now penciling >400 bps expansion in margins in this fiscal, and we anticipate at least as much expansion in F2027E (Mar) too.
- 3. European exports have become immensely attractive for Indonesians. Import intensity of uncoated paper into India might decelerate vs. what we have seen in recent years.** Even as European imports of uncoated wood-free paper have declined in recent years, EU's imports from Asia have increased sharply. By our estimate, around a year ago, at least 30% of European uncoated

¹⁵ Latin America alone accounts for nearly 2/3rd of China's BEK pulp demand, while Indonesia accounts for another 20%.

¹⁶ World's largest and, Brazil's most efficient BEK producer

¹⁷ Imperatriz's capacity is 1.65 MT, while the two Tres Lagoas mills have collective capacity of nearly 2.4 MT

¹⁸ About 35% of domestic hardwood pulp demand in China was met internally at domestic integrated producers (vs. barely 20% in 2020), principally through home-grown plantations and Vietnamese wood chip imports.

¹⁹ Our call for wood glut in F2027E and beyond does not bake in several drivers that would likely exacerbate this glut. For instance, we have ignored government's forest wood cutting, and have assumed that private trees are only coppiced 4 times with progressively lower yields i.e. are only harvested 5 times (which is the lower end of typical coppicing rotations, particularly with newer clones).

wood-free capacity was uncompetitive or barely competitive vs. imports (see **Exhibit 3b**). 2025 YTD, mills of *Metsa*, *UPM*, and *Oji* have all featured within major European mill closures.

Elsewhere, even North American uncoated supply was cut by nearly 10% in the first half of this calendar (while demand held stable). We note that India and Europe were about as big for Indonesian paper exports last year. Since then, Indonesian Rupiah has shed another 12% (!!)²⁰ against the Euro, making Indonesian uncoated exports increasingly attractive²¹ in Europe, and this could likely keep a tab on further acceleration in uncoated paper imports into India. That said, given the current inventory situation in Europe²², this somewhat ease in Indonesian exports to India is likely a first-half C2026 event.

Exhibit 3a – BEK import cost in China vs domestic cash cost

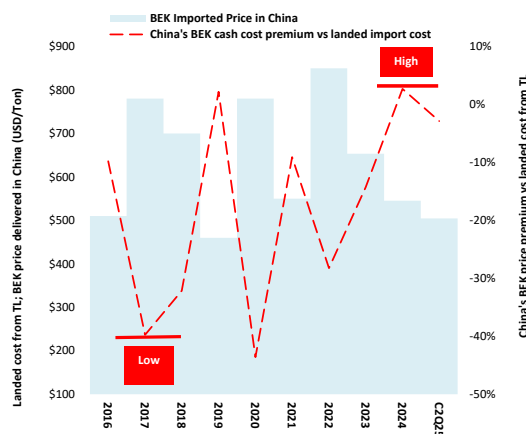
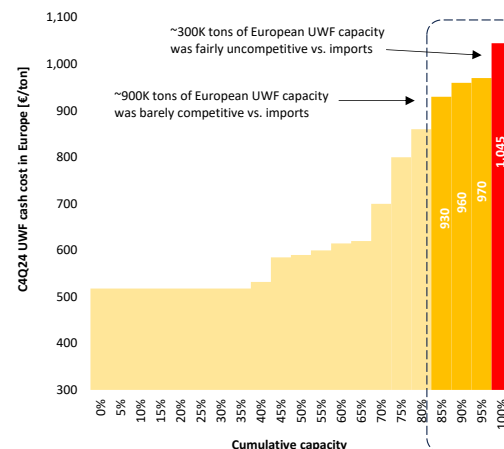


Exhibit 3b – Uncoated cost curve for Europe (C2024)



Notes: In Exhibit 'a', transportation cost is calculated from Tres Lagoas (Sao Paulo), Brazil to the port of Shanghai. Truck was assumed as the preferred mode from Tres Lagoas to the port of Santos, which is about 750 kms away. While Indonesia is now the lowest cost BEK pulp producer globally, it only has about a fifth of Brazil's pulping capacity. Navigator, Sylvamo, and Iberpapel are the only fully-integrated uncoated wood-free (UWF) players in Europe. About 95% of Mondi's UWF capacity is fully integrated. This accounts for about half of all UWF capacity in Europe; There is no tariff in EU on uncoated paper originating from Indonesia and China; We believe we have been generous in labeling 80th percentile European capacity as 'not uncompetitive'. By our estimate, cash cost (in EUR; landed in Paris) for a Chinese player such as Nine Dragons, which itself isn't competitive vs. Indonesian peers, should have been between EUR 600-650/ton at the end of C2024.

Sources: Company Reports, RISI, USDA, Instituto Brasileiro de Geografia e Estatística, CEPI, EMGE, NVG, TARIC

4. **New floor on paperboard imports was at least 10% higher vs. import prices in August.** After APRIL brought in 1.2 mil tons of new paperboard capacity online in Indonesia at the beginning of this calendar, we had noticed significantly higher paperboards import from Indonesia in C1H25. This also comes at a time when paperboard overcapacity in China remains a challenge globally.

After DGTR began investigating imports late last year, there was an expectation that some sort of a remedy was likely. We note that the INR 67,220/ton import price floor²³ announced in late August was 10-20% above prevailing import prices. Effectively, incremental pricing headwinds are off the

²⁰ Indonesia has now dethroned Brazil as the lowest-cost pulp producing nation globally

²¹ We note that over the last 3 years, *Asia Pulp and Paper* (APP)'s exports to other parts of Asia are down by about 30%. Exports to Europe and NA however have tripled and doubled respectively over this period. APP accounts for more than half of Indonesia's paper capacity. Paper exports to India from ASEAN countries had also about doubled over the same period.

²² August end pulp stocks at European ports rose 8% sequentially, and were nearly 10% higher vs. last year

²³ Based on CIF price. Would be in effect until 31st March 2026



table in this fiscal. If anything, we note that our holding would begin 'hardwood BCTMP' pulping at its Western India facility from F4Q26 (Mar) onwards. Consequently, underlying volatility within paperboard profitability could decline significantly from F2027E (Mar) onwards.

We exited two tail positions during the quarter. During the quarter, we entirely exited an auto parts name, which manufactures transmission parts for OEMs outside India. We had anticipated a significant improvement in profitability (from low-20s EBITDA to mid-20s), driven by INR's sharp pullback against the EURO, given that Europe accounts for more than half of its revenues. However, given the recent move on the tape, the multiple had expanded well beyond our expected improvement in profitability.

We also completely exited a television broadcasting name. To a large part this was influenced by our view that there are considerable risks of media spends pulling back in the near term.

Please let us know if you have any questions/thoughts.

Thanks,

Piyush Sharma

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Performance benchmarking

	Minerva India Under-served	Nifty 50	S&P BSE 500	S&P BSE Midcap	S&P BSE Smallcap	With Intelligence Asia HF	India-focused CE Funds*
Trailing 1 year	0%	-5%	-7%	-9%	-9%	13%	-2%
Trailing 5 yr CAGR	29%	18%	19%	25%	29%	8%	14%
Since inception CAGR	17%	11%	11%	13%	13%	7%	9%
2025 YTD	3%	4%	1%	-3%	-5%	15%	3%
2024	8%	9%	15%	26%	29%	9%	16%
2023	28%	22%	25%	46%	48%	0%	26%
2022	18%	6%	3%	1%	-2%	-9%	-2%
2021	92%	23%	30%	39%	63%	8%	20%
2020	18%	15%	17%	20%	32%	22%	12%
2019	-10%	12%	8%	-3%	-7%	13%	3%
2018	-6%	3%	-3%	-13%	-22%	-7%	-5%
2017	17%	29%	36%	48%	60%	29%	31%
2016	9%	3%	4%	8%	2%	3%	1%
2015	22%	-4%	-1%	7%	7%	6%	-1%
2014	34%	31%	37%	55%	69%	39%	49%
2013	21%	7%	3%	-6%	-11%	-6%	6%
2012	39%	28%	31%	38%	33%	14%	28%
2011	-11%	-25%	-27%	-34%	-43%	-25%	-31%
Annualized Volatility	20%	16%	17%	20%	23%	9%	16%
Annualized Volatility (+ve)	14%	10%	11%	12%	13%	5%	9%
Annualized Volatility (-ve)	14%	11%	12%	15%	17%	6%	12%
Sharpe Ratio	0.72	0.44	0.47	0.55	0.49	0.23	0.33

Source: BSE, NSE, EurekaHedge, Bloomberg

Note: Returns are in INR and until the end of 30th September 2025; Our strategy performance is net of execution charges and mgmt. fees, but before incentive fees; Our management fees are accrued monthly for reporting purposes. Since the fee is actually charged and calculated quarterly in the onshore SMA structure, compounding of the fee charge leads to us conservatively reporting slightly lower strategy returns vs. client actuals; Sharpe was calculated by using since-inception monthly returns and is based on an Rf of 5%. Sortino was 1.05.

*US-based close-ended funds, with returns adjusted for INR/USD movements.

Strategy Snapshot

Characteristic	Notes	
Top 5 positions as % of book	59%	
Avg. weighted market cap of book (mil)	\$628	>> Median holding's market cap is \$456 mil
Avg. weighted institutional ownership	18%	>> Median institutional ownership of current holdings is 14%
Avg. weighted free float of book	43%	>> Median free float was 46%
Net Exposure	70%	
Avg. weighted F2026E (Mar) EV/EBITDA	9.7x	>> vs. 26.4x (Nifty Smallcap 50), and 29.8x (Nifty 50)
Avg. weighted current P/B	2.7x	>> Median P/B was also 2.7x
# of holdings	10	

Note: Characteristics are as at the end of September 2025



Meet your investment manager

Piyush Sharma, born and raised in India, has been running the Minerva India Under-served strategy across offshore and onshore structures since early 2011. The strategy focuses on investing in uncrowded and institutionally under-owned/orphaned situations within Indian smaller smallcaps. Essentially, strategy's focus is to capitalize upon flawed overly-generalized narratives within poor price discovery pockets. Having spent time with Citigroup and Bombay Stock Exchange in India, he moved to United States in early 2000s, where he covered stocks within Business Services, Autos, Consumer Products and Financials with Sanford Bernstein, Longbow Research, and Avondale Partners, working in teams that received accolades from leading institutional research arbiters, including Institutional Investor (II) and Greenwich Associates. Piyush received an MBA from University of North Carolina at Chapel Hill, MS from MNNIT, and BS in Accounting from University of Allahabad.



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