BAY

We are Bay

The India Investment Experts

Bay Capital India First – UCITS

March 2026

Bay Capital India First UCITS – Performance Table

	Share Class F Accumulating USD	Jan	Feb	Mar	Q1
2026	Bay Capital India First – UCITS	-6.25%	-3.22%	-10.58%	-18.86%
	MSCI Total Returns	-5.10%	+1.41%	-14.93%	-18.13%
	iShares India ETF	-4.27%	+1.02%	-10.39%	-13.34%

**All performance numbers are in USD • # iShares India ETF performance represents Market Price Returns (source: https://www.ishares.com/us)*

Contributors & Detractors

Top 3 – Contributors	Total return (%)
ASTRAL LTD	+11.5
POWER FINANCE CORPORATION LTD	+5.2
AVENUE SUPERMARTS LTD	+1.3

Top 3 – Detractors	Total return (%)
SWIGGY LTD	-34.8
BRAINBEES SOLUTIONS LTD	-29.7
PB FINTECH LTD	-24.3

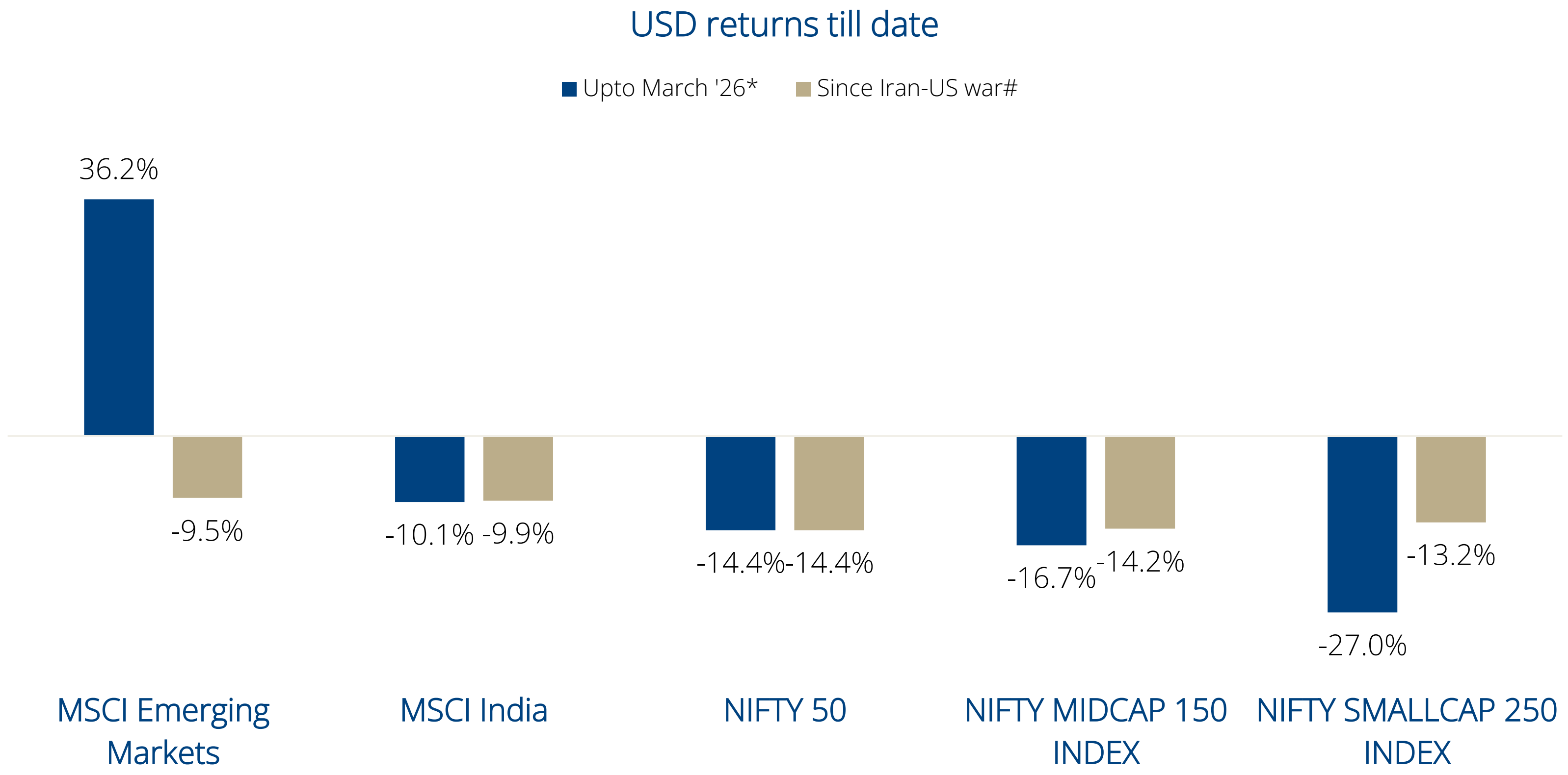
Source – Bloomberg, Bay Capital Research,
Portfolio as of 31st March 2026

Portfolio Attributes – High Growth, High ROCE, Net Cash, Active Portfolio

Portfolio Attributes	BCIF (UCITS)	Benchmark
Number of Holdings	38	164
Portfolio ROCE	26.8%	7.4%
Portfolio EPS Growth (Forward 12m)	21.2%	20.2%
Portfolio PE Ratio (Forward 12m)	20.2x	18.8x
Portfolio Gearing	Net Cash	101.4%
Average Market Cap (USD Mn) (*adjusted for free float*)	6,053	7,829
Active Share	89.4%	NA

Source – Bloomberg, MSCI India Factsheet, Bay Capital Research, Portfolio as of 31st March 2026

Indian markets had one of the worst years of underperformance in recent times!



Source – Bloomberg, Bay Capital Research
**Returns calculated from 31-12-2024 to 31-03-2026*
 # Returns calculated from 28-Feb-2026 to 31-03-2026

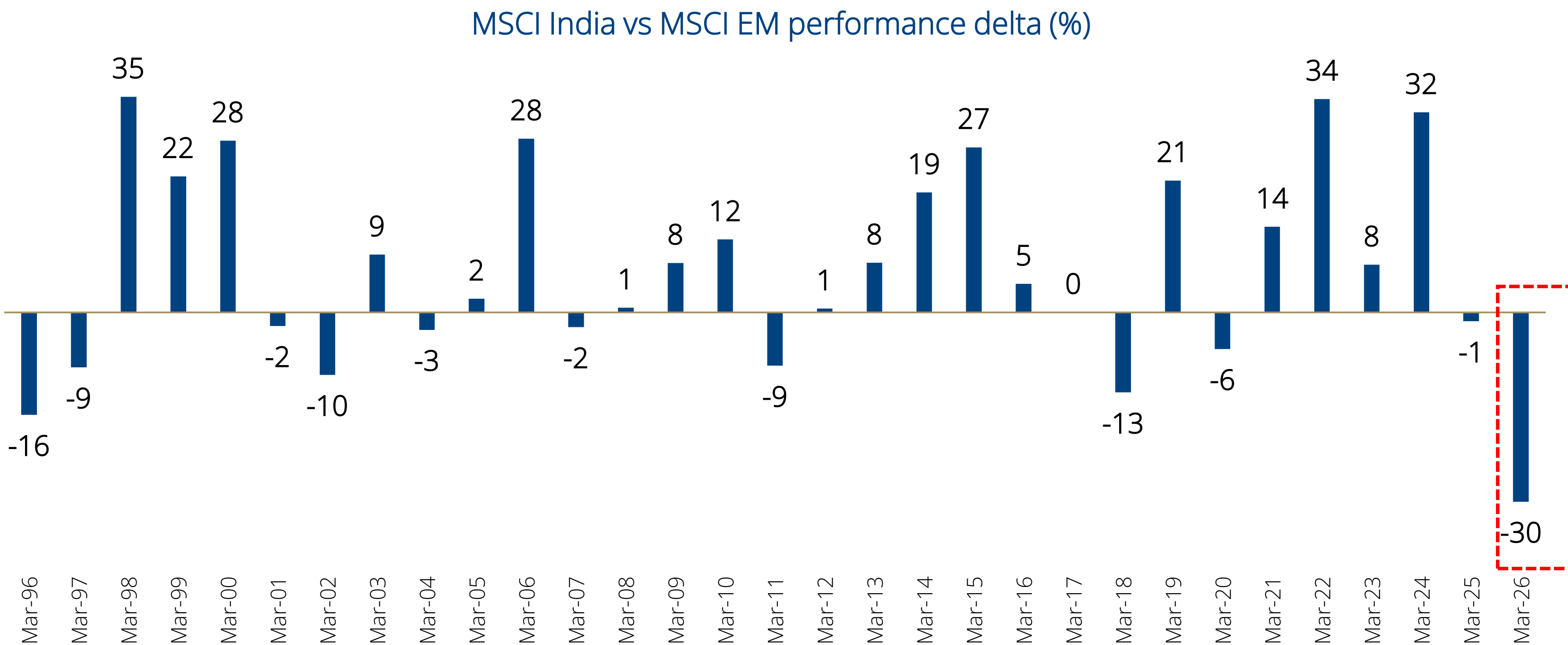
Broader indices are masking the carnage…

Stock prices as of 13th April 2026	# of Stocks	% of Stocks Down
Fall from 52 week highs		
More than 20%	986	67.1%
More than 25%	816	55.5%
More than 30%	635	43.2%
More than 33%	532	36.2%
More than 40%	295	20.1%
More than 45%	186	12.7%
More than 50%	92	6.3%
Total Companies	1,469	

Analysis of all stocks with market cap more than INR 1,000 Crs (USD 107 Mn)

Source – Ace Equity, Bay Capital Research

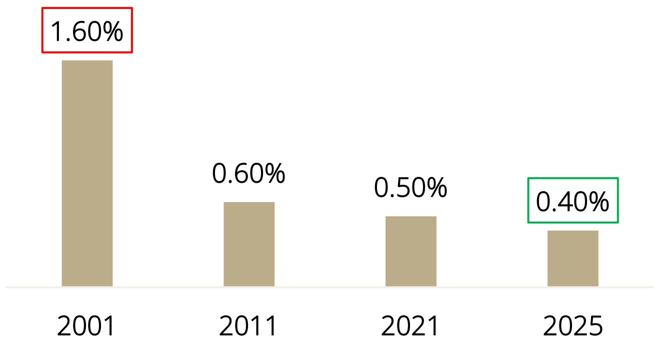
MSCI's India's underperformance vs MSCI EM widens to a three-decade low



Source – Bloomberg, Bay Capital Research

India is vulnerable to oil prices; but is more resilient

India's Oil intensity has reduced significantly
(thousand barrels consumed per unit of USD bn of GDP)



Limited Fiscal Impact @USD 110 / barrel of crude oil

Fiscal Impact (USD bn)	FY27
Impact on Government	24.0
- Excise Duty Cut	16.0
- Increase in Fertilizer Subsidy	8.0
Revenue Available with the Govt.	15.5
- Economic Stabilization Fund	10.5
- SAED on Diesel and ATF Exports	5.0
Total increase in net Fiscal Deficit	8.5
as a % of GDP	0.20%

Current Macro vs. Pre-Covid Macro (FY19 → FY26)

Growth & Liquidity

- Weak Nominal GDP growth and Consumer demand now
- Money supply (M3): 10.5% → 12% (higher liquidity expansion)
- Credit disbursement growth: 14% → 15% (credit cycle strong)
- System liquidity: –Rs.1.5 tn deficit → Rs.2.7 tn surplus
- Inflation: 3.4% → 1.9% (lower currently)

External Sector

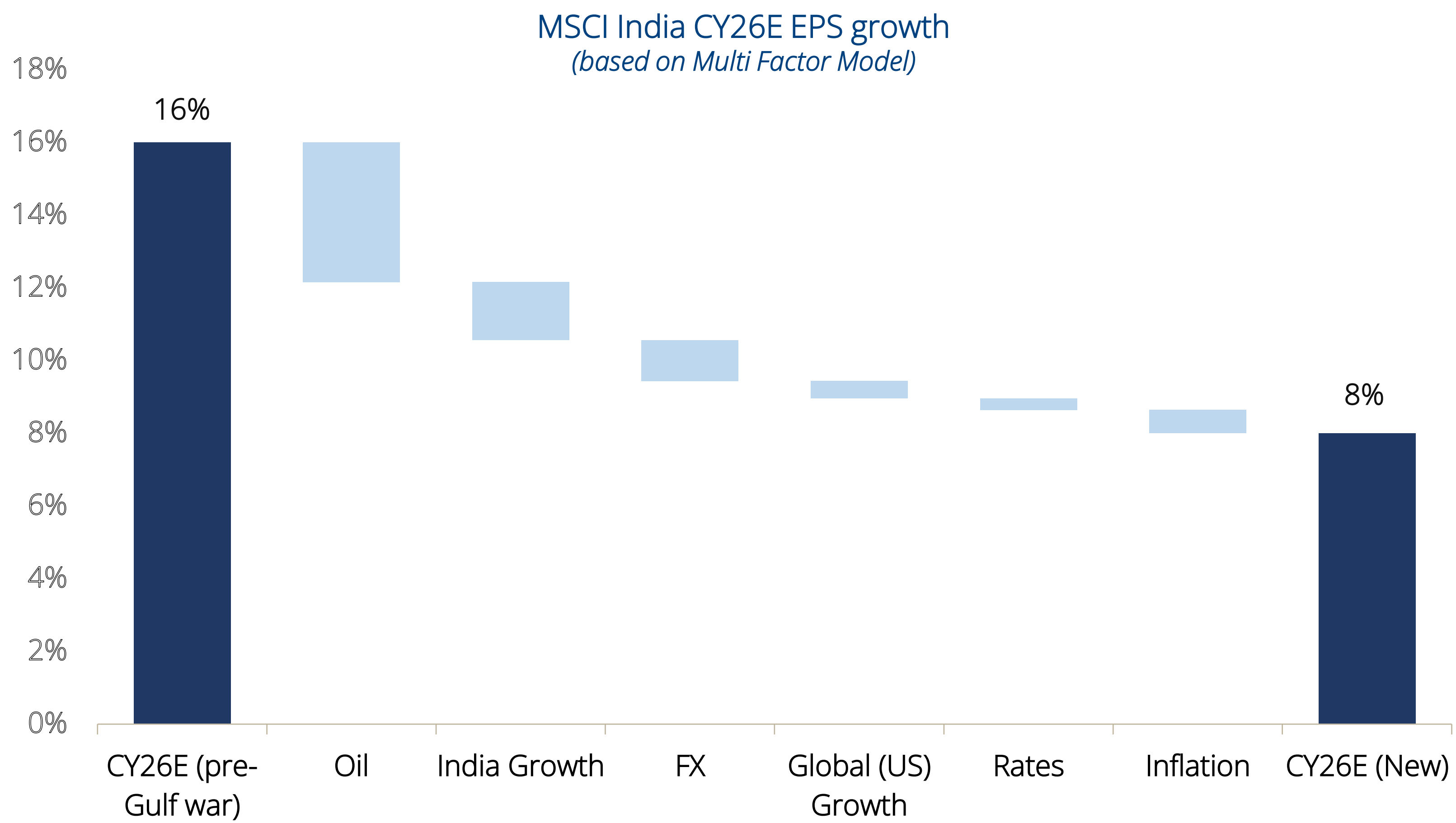
- CAD: –2.1% of GDP → –1.0% (improved external balance)
- Exports / GDP: Stable at ~12%
- Import cover: 9 → 11 months (stronger buffer)
- Services export growth: 5.6% → 15.3% (major acceleration)
- Business services exports: $53.1 bn currently
- Net FDI: $30.7 bn → $3 bn (sharp decline)

Government Finances

- Centre capex: Rs.3.1 tn → Rs.11 tn (massive capex push)
- Centre capex / GDP: 1.6% → 3.1%
- Centre fiscal deficit: 5.4% → 4.4% (higher)
- State capex / GDP: 2.3% → 2.4% (broadly stable)
- State fiscal deficit: 2.4% → 3.3% (higher)
- RBI profit transfer to govt: Rs.1,760 bn → Rs.3,002 bn

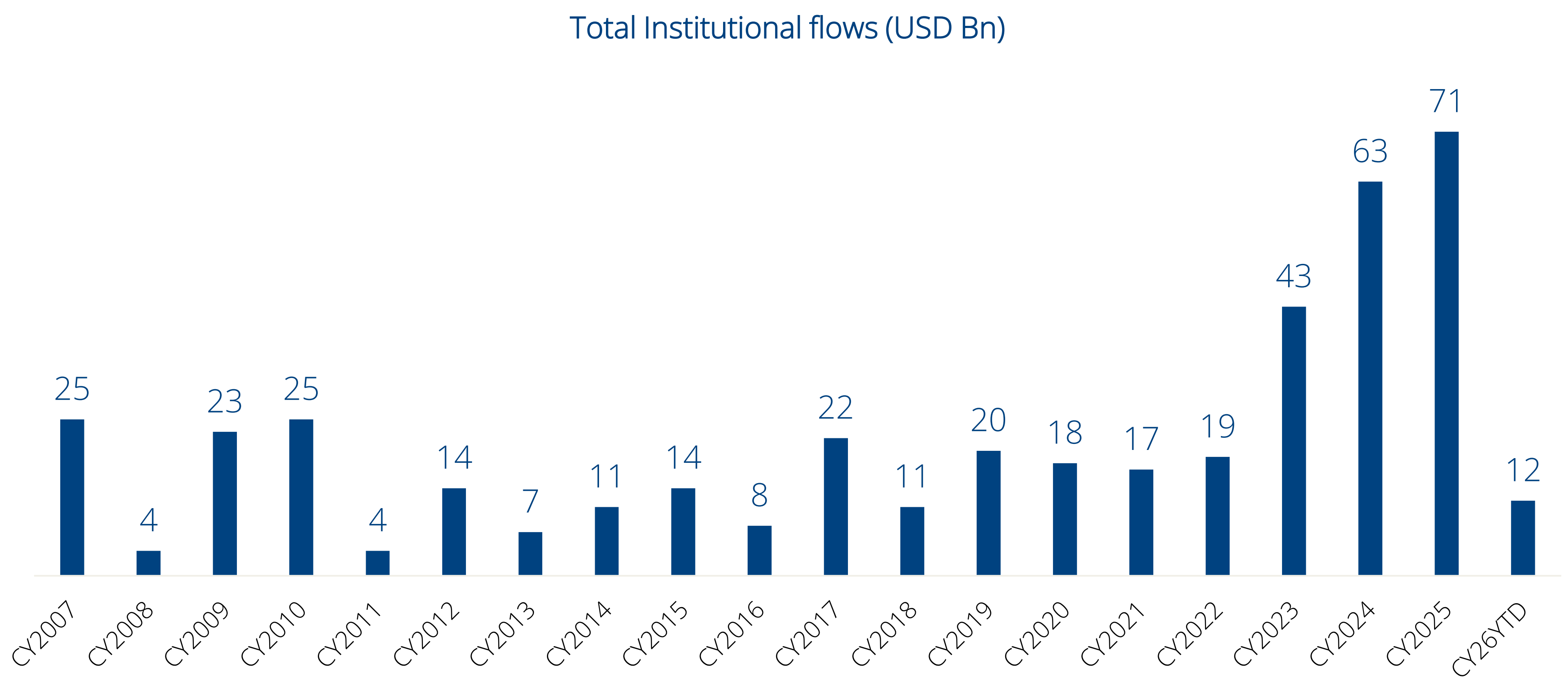
Source – RBI, CMIE, IMF, NSO, KIE, Bloomberg, ACE Equity, 3P Capital, Avendus Spark Capital, Bay Capital Research

Risk to growth is event led and short-term; not structural



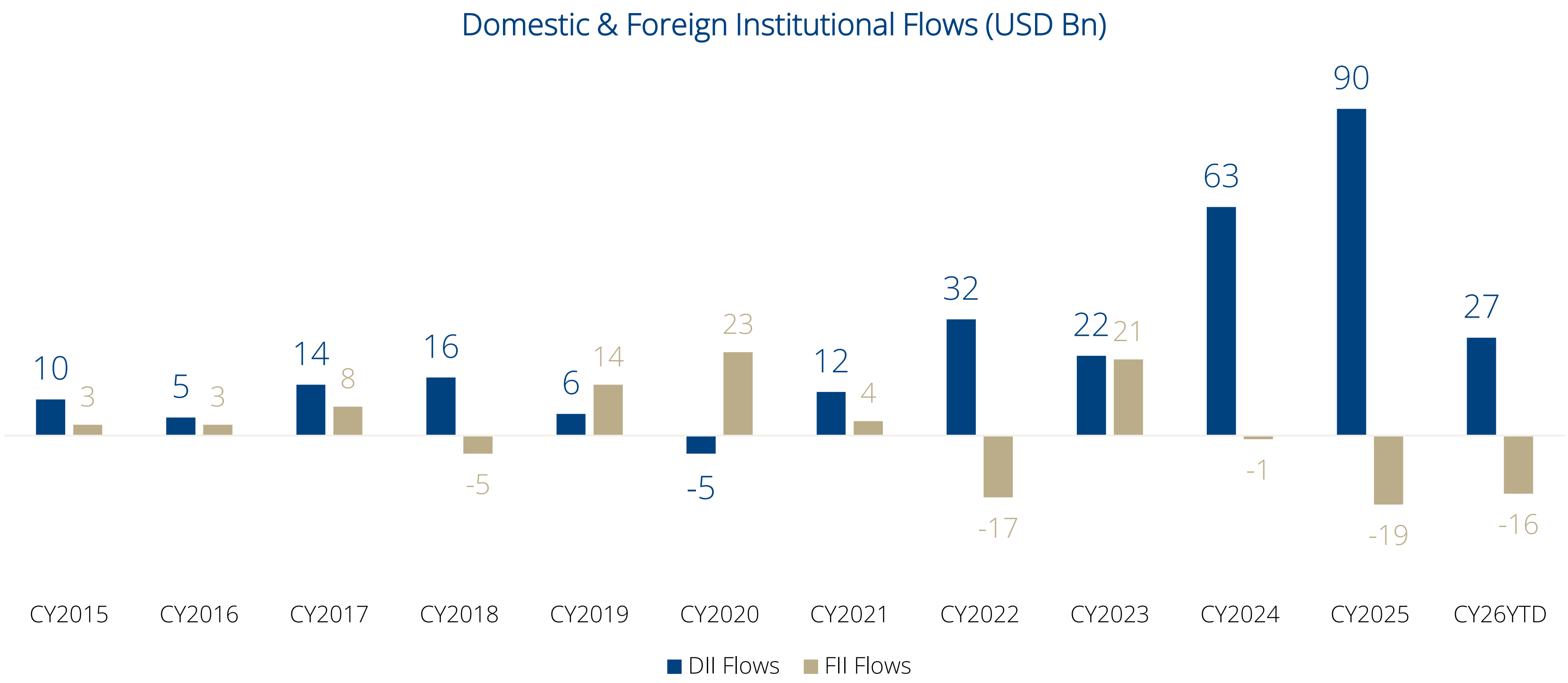
Source – Goldman Sachs Global Investment Research, Bay Capital Research

Indian equity markets continues to achieve record inflows!

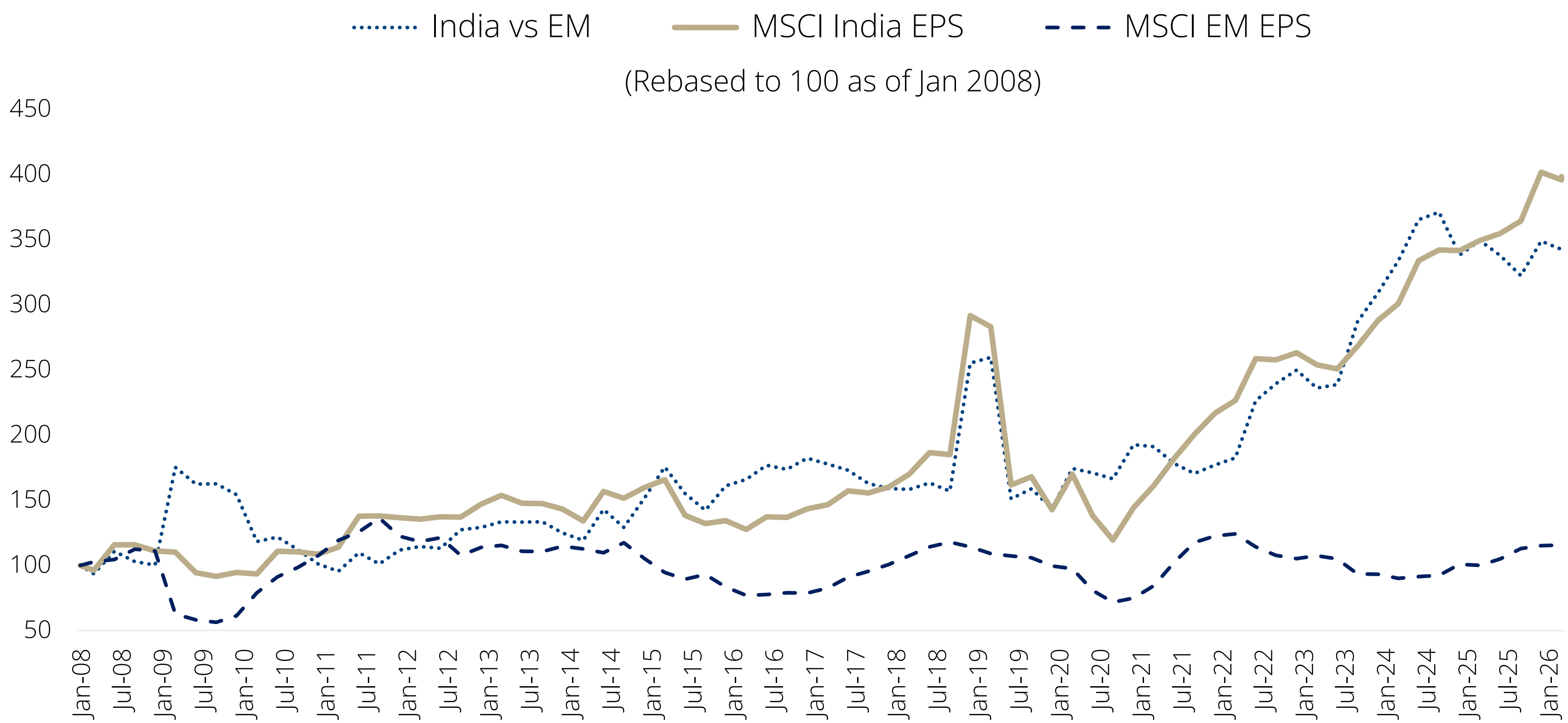


Source – Bay Capital Research, Bloomberg, SEBI

Financialisation of Savings is starting to reflect in the market structure…

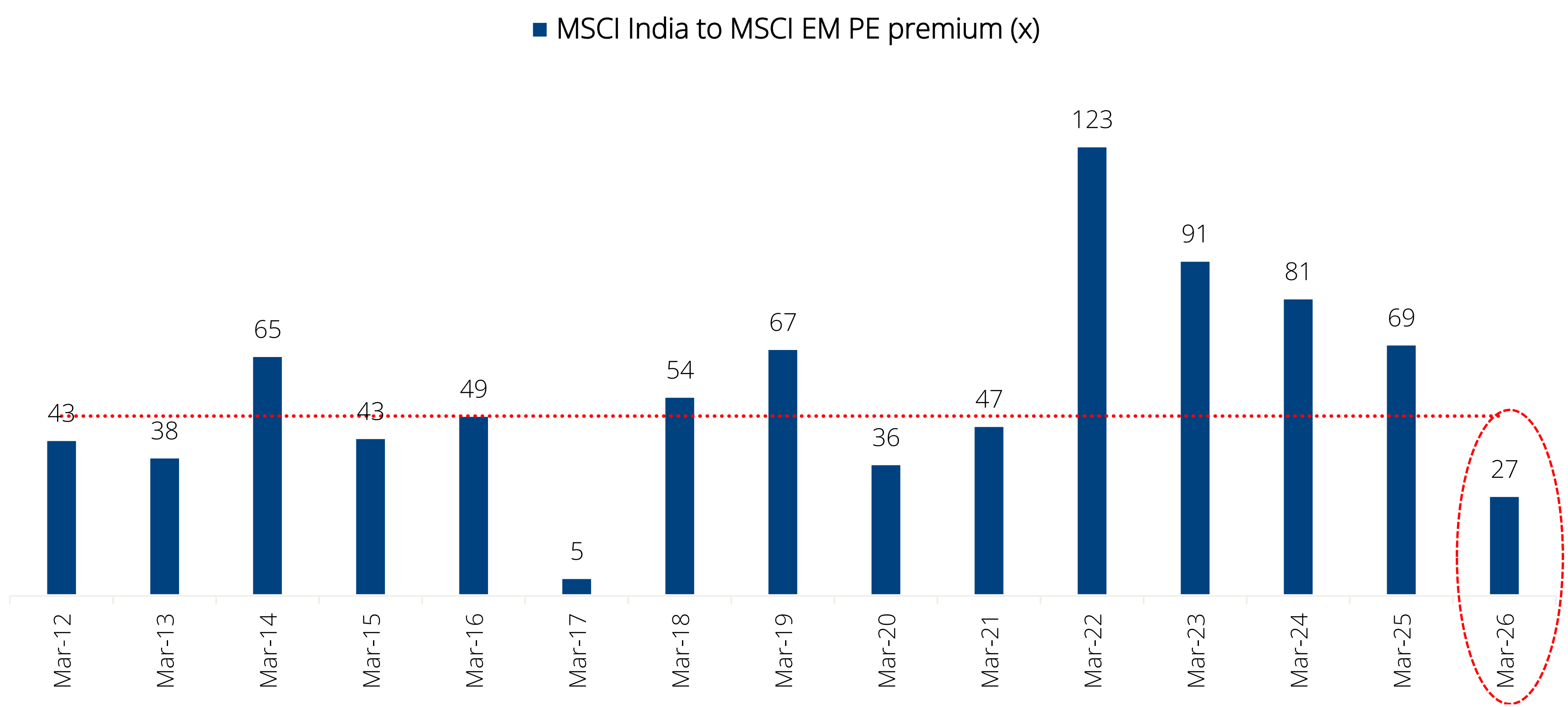


India's earnings have seen significant outperformance to MSCI EM…



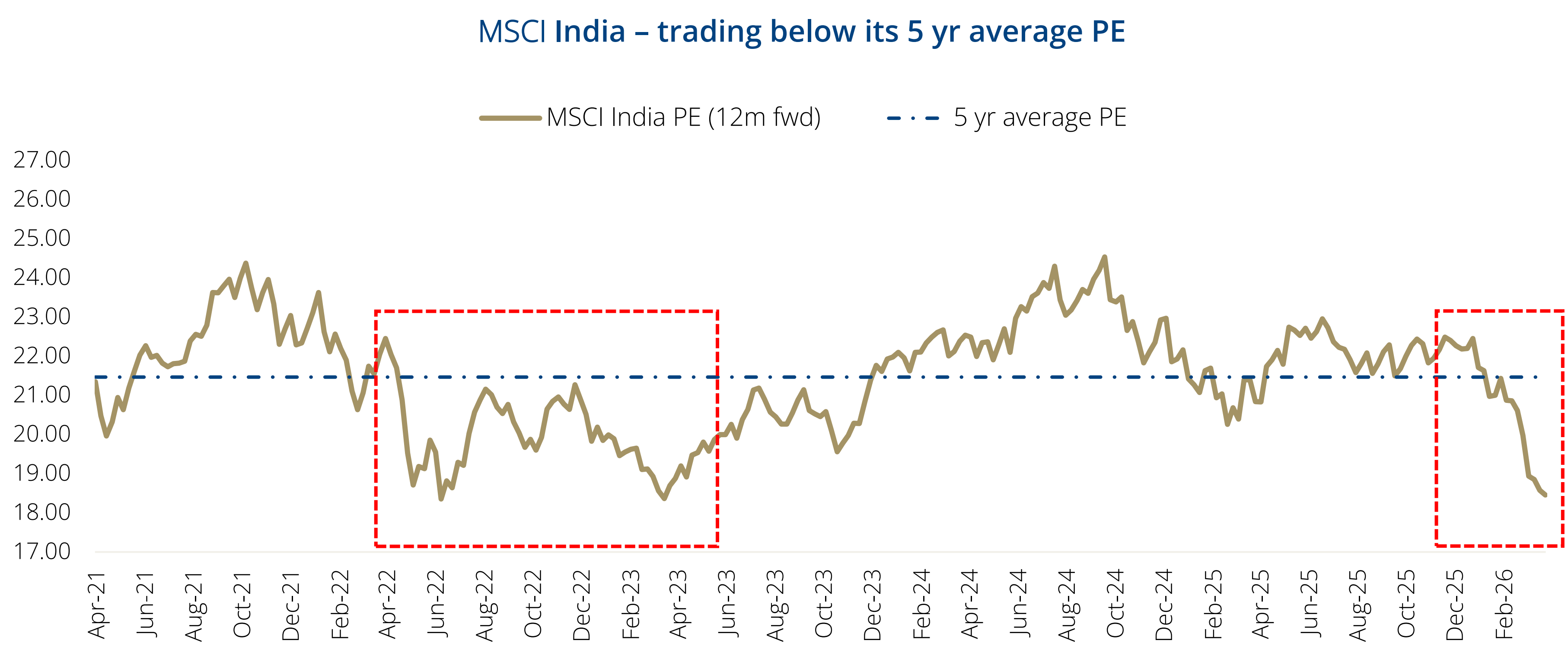
Source – Bloomberg, Avendus Spark Capital, Bay Capital Research

. . . but PE premium is at a 16-year low!



Source – Bloomberg, Bay Capital Research

Valuations are getting attractive



Source – Bloomberg, Avendus Spark Capital, Bay Capital Research

Valuation reset underway: Excesses have unwound

A combined increase of 1400 bps in low to moderate valuations represent most significant opportunity to bottom pick!

% share by PE Bucket for NSE 500 stocks

PE Bucket	Jan-22	Jan-23	Jan-24	Jan-25	Jan-26	Current (Mar -26)
1-25 (low)	39.2%	41.8%	30.0%	28.2%	25.4%	33.4%
26-50 (Moderate)	25.3%	26.4%	30.2%	28.6%	38.2%	37.5%
51-75 (Elevated)	14.4%	15.7%	21.3%	21.3%	19.5%	14.3%
75+ (Stretched)	21.2%	16.1%	18.6%	21.9%	16.9%	14.8%

56.8%

70.9%

Source – Bloomberg, Bay Capital Research

MSCI India v/s MSCI Emerging Markets

Period of Underperformance (MSCI India v/s MSCI Emerging Markets)	Degree of Underperformance	Phase of Outperformance* (MSCI India v/s MSCI Emerging markets)	Extent of outperformance (Cumulative returns)	Extent of outperformance (CAGR returns)
Dec 2000 – May 2002	-30.2%	May 2002 – Dec 2007	+445.3%	+34.9%
Dec 2007 – June 2008	-23.6%	June 2008 – Dec 2010	+35.8%	+12.8%
Dec 2010 – Aug 2013	-23.4%	Aug 2013 – Jan 2018	+49.0%	+9.3%
Jan 2018 – March 2020	-5.0%	March 2020 – Sept 2024	+140.6%	+21.2%
2025 - ongoing	-46.3%	??	??	??

Source – Bay Capital Research, Bloomberg
(Data upto 31-03-2026)

UCITS Investment Themes	Current Portfolio
Consumption	firstcry.com, AWL Agri business, Thangamayil, Kansai Paint, Nerolac, Astral, Marico, Bikaji, Westlife Foodworld, D Mart, Honasa, Nestlé, Mankind Serving Life
Financialization	Bajaj Finserv, Federal Bank, Axis Bank, ICICI Bank, आरईसी REC असीमित ऊर्जा, अनन्त संभावनाएं Endless energy. Infinite possibilities., पी एफ सी PFC, Five Star Housing Finance Pvt. Limited, kotak Kotak Mahindra Bank
i-Outsourcing	Delhivery, Blue Dart DHL, CMS, HCLTech, Hindustan Foods Limited, CAMS, indegene, happiest minds AI FIRST. AGILE ALWAYS.
Digitization	pb Fintech, CarTrade.com, Paytm, ixigo, Swiggy, saregama

And, it should continue to compound for a long period of time!

Average age of businesses in the UCITS portfolio is

35 Years

Every franchise in the UCITS portfolio is

Top 3

in its category or market

Today, UCITS franchises cumulatively generate revenues of

USD 112 Bn

By 2035, we expect this number to be

USD 587 Bn

10 years back, this number was

~USD 29 Bn

Comparative businesses in China have aggregate revenues of over <u>$650Bn!</u>

Source – Bloomberg, Bay Capital Research

We continue to do what we have been doing for the last 10+ years…

Our Investment Tenets

We remain anchored to our process centered around few key tenets:

- *Invest in High quality franchises*
- *Run by competent management teams*
- *Purchased at reasonable valuations*
- *Remain invested for a long-time frame*
- *Portfolio Management to stay resilient*

In Q1FY26

100+ Meetings	~80 New Businesses	0 buys 1 sells	90% Inactive days

- Ignoring 90% of the market and focussing only on a very narrow pool of high ROCE, high-growth businesses
- Owning high-quality franchises for a long term (8-10 years)
- Managing UCITS as a collection of franchises
- Taking portfolio calls based on earning/return opportunities from individual businesses

---

- Not taking top-down macro calls
- Not taking any tactical sector – overweight/underweight calls
- Not taking any currency/cash calls
- Not taking any decisions based on benchmark/indices

Source – Bay Capital Research

We are hanging around the right place!

BAY

INVEST | www.bay-cap.com

Sales Contacts

Ibrahim Dessouki
+44 7788 452626

Bhavesh Shah
+44 7884 176348
bhavesh@baycapitalucits.com

European Distribution

Kit Sanford
MD, Distribution
+44 (0) 203 813 3114
kit.sanford@araviscapital.com

Aravis Capital Limited
123 Pall Mall, London, SW1Y 5EA,
United Kingdom

London

Bay Capital Partners UK Ltd
2/Floor Regis House
45 King William Street London
EC4R 9AN
United Kingdom.

+44 20 3907 0291
info@baycapitalucits.com

Mumbai

Bay Capital Investment Advisors Pvt Ltd
14/Floor, Bakhtawar
Nariman Point Mumbai
400021
India.

+91 22 4346 8000
invest@bay-cap.com