THE INVESTMENT TRUST OF INDIA
LONG-SHORT EQUITY FUND

# MONTHLY INSIGHT

## October, 2025

For the month of September 2025, the ITILS Fund was up 0.59% versus 0.75% gain for the Nifty. For the rolling 12 month ended September 2025, the ITILS Fund was up 4.04% versus decline of (4.65)% for the Nifty.

The small index gain for September hides the large volatility experienced during the month. The market was up over 4% mid-month, only to lose all the gains by the end of the month. It is remarkable to us how "macro" driven Indian markets are! Trump has imposed a punishing 50% tariffs on Indian imports; how the tariffs move (negotiated to 25% or below or remaining at 50% for a longer time) are impacting markets in the short term. If the 50% tariffs persist for longer, it will have an impact on Indian macros (higher current account deficits, negative capital account, lower investment confidence, higher non-performing assets in SME/MSME accounts etc), whereas a reduction can trigger confidence in the economic momentum and earnings growth trajectory. So when there were conciliatory comments from Trump on India at the beginning of September, the markets went up 4% but as soon as negative news on H1B – visas and pharma tariffs emerged, the markets cooled off, giving up the gains. To sum up, we believe tariffs reduction is a necessary condition for markets to experience a new high in 2025, else we could continue to see a time wise correction as is being experienced since the peak of September 2024.

Our long portfolio is sharply focussed on strong business models. We like to invest in predictable multi-year growth stories with attractive economics. Every market has a leader sector (globally it is AI). In India, we believe the leadership is with the Digital commerce sector – Food delivery, Quick commerce, Payment platforms etc. form a good part of our portfolio. Digital commerce businesses are growing at a fast pace than their respective markets, as they gain market share. Also, as these businesses are transitioning from "narrative" stage to "evolving high growth phase", they are witnessing high operating leverage. As scale emerges, we see an opportunity for high

## FUND PROFILE

**Key Fund Information**
Launch Date : 11th April 2018
Structure : Open-ended, CAT III AIF
Domicile : Currency : India
Min Initial : INR 1 crore
Investment

**About the Fund**
Investment Manager : The Investment Trust of India
Investment Strategy : To outperform the Nifty index over a full equity market cycle, while protecting downside during equity market downturns

### Performance (before fees and taxes)

September 2025: 0.59% (0.75%)
Since Inception* 167.21% (136.59%)

*Till September 30th, 2025
(Figures in brackets correspond to Nifty returns)

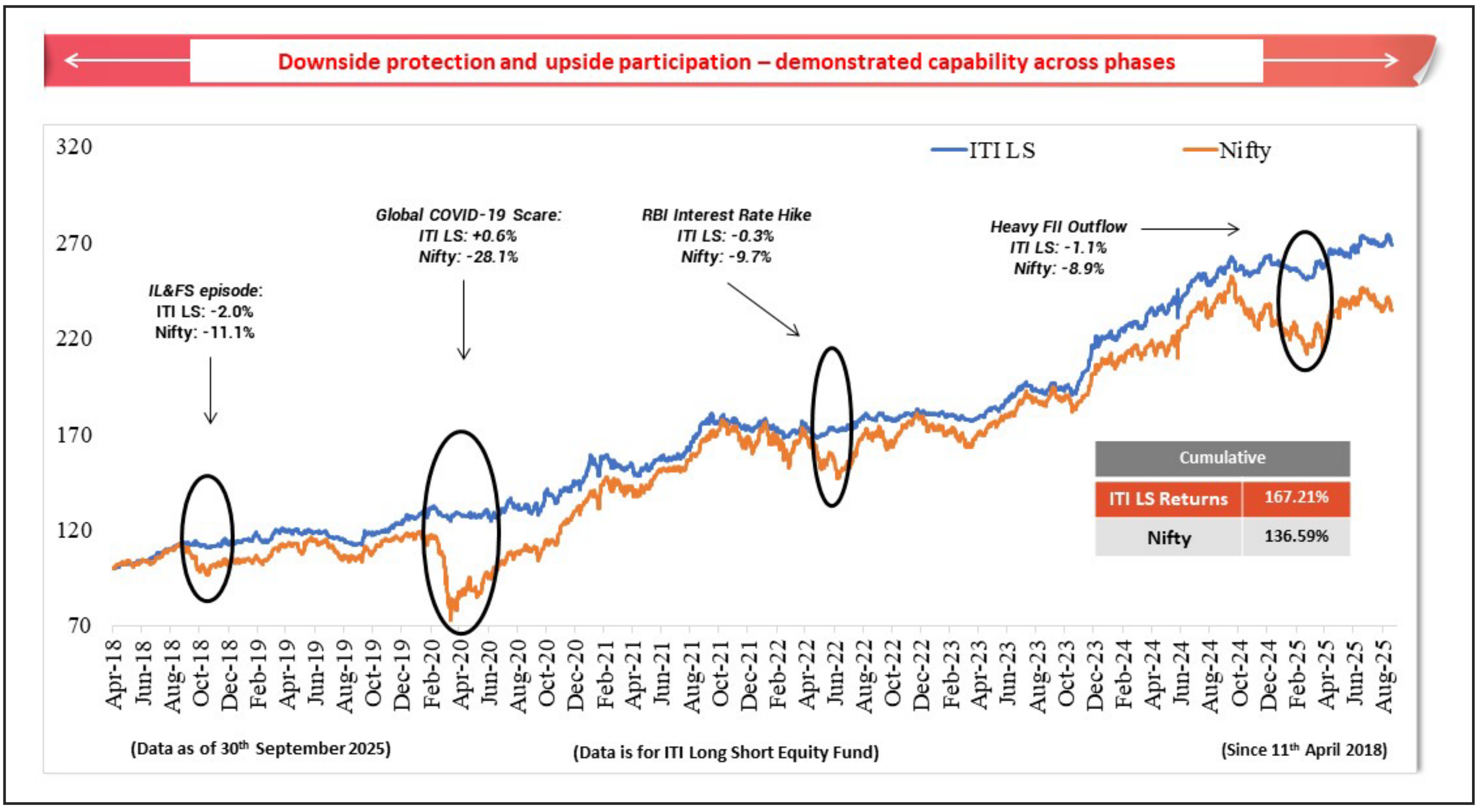
wealth creation in these businesses in the years ahead. The only reason these businesses are not a larger part of our portfolio is the expensive valuations. So as is usually our investment strategy, we track several of these business models and wait for equity market corrections to add. We will do the same for these digital commerce companies.

Tactically, on the other hand, private banks are well positioned as the interest rate cut cycle (100 bps already cut by the central bank) appear to be at the late stages; so Net interest margins (NIMs) are expected to bottom out in the September quarter and move up. Valuations of the sector are also palatable. We have recently added to our private bank holding as a tactical move.

The lack of enthusiasm for us has centred around IT companies. Growth remains elusive (the Accenture guidance of low single digit growth for the next 12 months is an added pointer to that). There are concerns around AI deflating revenues, since less efforts will lead to lower revenues. Corporate confidence in the developed world due to tariffs and geopolitics and therefore their proclivity to spending on IT, is low. The only positive tilt to the story is that valuations are reasonable and market enthusiasm for the sector is very low.

To conclude, we believe in the short term the tariffs will be an important driver of markets. Even if the tariffs remain for longer, we don't yet see a meaningful correction in the large cap indexes, but we could extent the time wise correction. On the bottom up, we continue to remain invested in Telecom, Banking, Digital commerce, Electronic Manufacturing, Insurance etc. We remain less excited about IT and consumer staples.

**Chart: Asymmetric Returns Profile**



# ANNEXURE

## QUARTERLY

| Returns | Q1 FY 25 | Q2 FY 25 | Q3 FY 25 | Q4 FY 25 | Q1 FY 26 | Q2 FY 26 | Since Inception* |
|---|---|---|---|---|---|---|---|
| ITI LS | 6.33% | 5.23% | -0.43% | 0.74% | 4.71% | -0.94% | 167.21% |
| Nifty | 7.54% | 7.50% | -8.39% | -0.53% | 8.49% | -3.55% | 136.59% |
| •Till 30th September 2025 | | | | | | | |

| Returns | Q1 FY 22 | Q2 FY 22 | Q3 FY 22 | Q4 FY 22 | Q1 FY 23 | Q2 FY 23 | Q3 FY 23 | Q4 FY 23 | Q1 FY 24 | Q2 FY 24 | Q3 FY 24 | Q4 FY 24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ITI LS | 2.93% | 12.08% | -0.83% | -1.20% | -0.29% | 3.56% | 0.88% | -1.40% | 8.55% | 0.96% | 13.19% | 5.16% |
| Nifty | 7.02% | 12.06% | -1.50% | 0.64% | -9.65% | 8.33% | 5.91% | -4.43% | 10.54% | 2.34% | 10.66% | 2.74% |

| Returns | Q1 FY 19* | Q2 FY 19 | Q3 FY 19 | Q4 FY 19 | Q1 FY 20 | Q2 FY 20 | Q3 FY 20 | Q4 FY 20 | Q1 FY 21 | Q2 FY 21 | Q3 FY 21 | Q4 FY 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ITI LS | 5.37% | 7.45% | 0.68% | 4.72% | -0.67% | -1.08% | 7.09% | 1.70% | -1.45% | 3.45% | 12.64% | 3.30% |
| Nifty | 3.00% | 2.01% | -0.62% | 7.00% | 1.43% | -2.67% | 6.04% | -29.35% | 19.81% | 9.18% | 24.30% | 5.07% |
| *from 11th April, 2018, Fund returns are after expenses, before management fees and taxes | | | | | | | | | | | | |

## MONTHLY

| Returns | Apr-25 | May-25 | June-25 | July-25 | August-25 | September-25 | Since Inception* |
|---|---|---|---|---|---|---|---|
| ITI LS | 1.92% | -0.69% | 3.46% | -1.14% | -0.38% | 0.59% | 167.21% |
| Nifty (%) | 3.46% | 1.71% | 3.10% | -2.93% | -1.38% | 0.75% | 136.59% |
| •Till 30th September 2025 | | | | | | | |

| Returns | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ITI LS | 1.94% | 0.77% | 3.50% | 2.98% | 1.00% | 1.17% | -2.28% | 1.92% | -0.02% | -0.79% | -2.09% | 3.71% |
| Nifty (%) | 1.24% | -0.33% | 6.57% | 3.92% | 1.14% | 2.28% | -6.22% | -0.31% | -2.02% | -0.58% | -5.89% | 6.30% |

| Returns | Apr-23 | May- 23 | June- 23 | July- 23 | Aug- 23 | Sept 23 | Oct 23 | Nov 23 | Dec 23 | Jan 24 | Feb 24 | Mar 24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ITI LS | 2.60% | 1.43% | 4.31% | 1.29% | -2.02% | 1.73% | -1.40% | 7.98% | 6.32% | 0.29% | 2.32% | 2.48% |
| Nifty (%) | 4.06% | 2.60% | 3.53% | 2.94% | -2.53% | 2.00% | -2.84% | 5.52% | 7.94% | -0.03% | 1.18% | 1.57% |

| Returns | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sept-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ITI LS | -2.16% | 2.35% | -0.43% | 2.46% | 0.82% | 0.24% | 0.64% | 0.90% | -0.65% | -0.18% | -1.22% | 0.04% |
| Nifty | -2.07% | -3.03% | -4.85% | 8.73% | 3.50% | -3.74% | 5.37% | 4.14% | -3.48% | -2.45% | -2.03% | 0.32% |

| Returns | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sept-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ITI LS | -0.94% | 3.27% | 0.62% | 1.90% | 8.72% | 1.17% | -0.97% | -0.83% | 0.97% | -0.82% | -2.69% | 2.36% |
| Nifty | -0.41% | 6.50% | 0.89% | 0.26% | 8.69% | 2.84% | 0.30% | -3.90% | 2.18% | -0.08% | -3.15% | 3.99% |

| Returns | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ITI LS | 0.25% | -1.03% | -0.68% | 5.44% | -1.91% | 0.02% | 2.11% | 4.53% | 5.53% | 0.56% | 2.55% | 0.17% |
| Nifty | 14.68% | -2.84% | 7.53% | 7.49% | 2.84% | -1.23% | 3.51% | 11.39% | 7.81% | -2.48% | 6.56% | 1.11% |

| Returns | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ITI LS | 0.25% | -1.06% | 0.14% | -2.72% | -2.90% | 4.72% | 1.54% | 2.65% | 2.74% | 1.06% | 0.95% | -0.31% |
| Nifty | 1.07% | 1.49% | -1.12% | -5.69% | -0.85% | 4.09% | 3.51% | 1.50% | 0.93% | -1.70% | -6.36% | -23.25% |

| Returns | Apr-18* | May-18 | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ITI LS | 2.35% | 1.36% | 1.57% | 4.69% | 2.05% | 0.57% | -1.66% | 3.04% | -0.64% | 1.88% | -2.52% | 5.44% |
| Nifty | 3.24% | -0.03% | -0.20% | 5.99% | 2.85% | -6.42% | -4.98% | 4.72% | -0.13% | -0.29% | -0.36% | 7.70% |

# Portfolio Snapshot

| Strategic Long Positions – Top 5 | |
|---|---|
| Stock | PF Weight |
| BHARTI AIRTEL LTD. | 8.53% |
| HDFC BANK LIMITED | 7.05% |
| RIL | 4.14% |
| SBI Life | 3.37% |
| INFOSYS LIMITED | 3.08% |

| Top Tactical Longs – Top 5 | |
|---|---|
| Stock | PF Weight |
| ONE 97 COMM LIMITED | 2.09% |
| SBI | 1.91% |
| EICHER MOTORS LTD. | 1.55% |
| MARUTI SUZUKI INDIA LTD. | 1.30% |
| APOLLO HOSPITALS ENTERPRISES LTD | 1.16% |

| Top Tactical Shorts – Top 3 | |
|---|---|
| Stock | PF Weight |
| IT | 1.27% |
| IT | 0.99% |
| Cap Goods | 0.64% |

| Exposure | |
|---|---|
| Gross Exposure (month-avg) | 86.70% |
| Net Exposure (month-avg) | 74.45% |
| Gross Exposure (month-end) | 72.97% |
| Net Exposure (month-end) | 30.28% |

* Note: Gross and Net Exposures above are calculated only exposure to direct equity instruments of the fund

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