

DURO CAPITAL

The purpose of this letter is to provide you, our partners, with deeper insights into our investment philosophy and portfolio positioning. By investing a significant portion of our own net worth into our funds, we ensure that our interests are fully aligned with our investor partners.

One of the more notable developments in Indian equities over the past few years has been the complete round trip in USD returns. After a strong run through 2020-2024, by the end of March 2026, the Nifty Total Return Index in USD terms had effectively reverted to levels last seen around the end of 2021. At a headline level, this suggests that Indian equities have delivered negligible returns in USD terms over a ~4-year period. This was driven by INR depreciation as well as a meaningful compression in valuation multiples, with market P/E ratios declining more than 20% from peak levels.

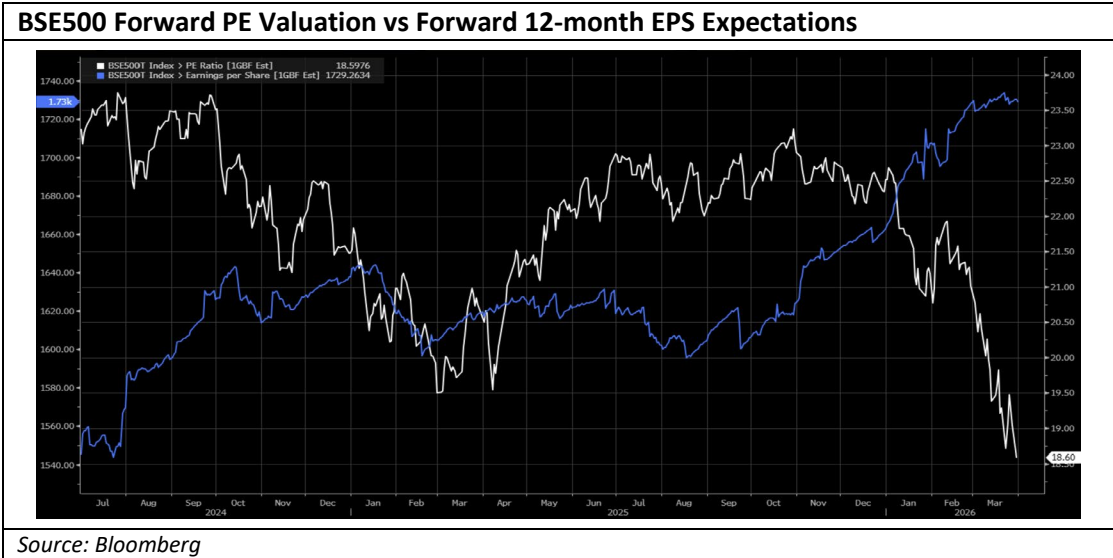
Even in INR terms, market returns have been broadly flat for nearly two years. However, index-level returns obscure what has increasingly become a highly dispersed underlying market. Over this same period:

- Market performance became heavily concentrated in a narrow group of large-cap stocks
- A broad swathe of mid- and small-cap companies experienced significant drawdowns, with close to 50% of BSE500 constituents trading more than 30% below their highs
- Earnings expectations across several sectors were revised materially lower over the last two years

As a result, we believe the setup entering FY2027 is materially more attractive than headline index returns imply. Historically, some of the best environments for active investors have emerged when:

- index-level returns have stagnated
- sentiment has weakened
- earnings expectations have reset lower, and
- dispersion beneath the surface has widened materially

That increasingly describes the opportunity set in India at the end of FY2026.



Geopolitics: Navigating the US/Israel-Iran Conflict

The ongoing conflict in Iran has introduced an additional layer of uncertainty for Indian equities.

India remains structurally more exposed to such shocks than many large economies given its dependence on imported energy, meaningful remittance linkages with the Gulf region, and reliance on global shipping lanes for several industrial inputs. The first-order market reaction is therefore understandable: a temporary pause in risk appetite. The market in March fell 11.4% and the rupee depreciated by an additional 4%.

However, while geopolitical shocks weaken aggregate sentiment, they also accelerate competitive divergence within industries. Periods such as these often reveal which businesses possess genuine pricing power, balance sheet resilience, supply-chain flexibility, and the ability to gain share while competitors retreat.

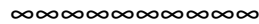
Accordingly, we are focused less on making macro predictions and more on identifying where the market is likely mispricing the duration or magnitude of the impact. Areas we are monitoring particularly closely include:

1. **Market leaders temporarily sacrificing margins to strengthen competitive positioning (e.g. Craftsman Automation)**
In several industries, stronger companies may absorb short-term pressure in order to consolidate market share. Historically, such periods have often strengthened long-term industry structure.
2. **Well-capitalized lenders where market fears exceed underlying credit deterioration (e.g. Five Star Business Finance)**
Periods of stress frequently create opportunities for disciplined lenders with conservative underwriting and strong provisioning frameworks to emerge with stronger competitive positions.
3. **Businesses benefiting from increasing focus on energy security and domestic supply chains (e.g. Skipper Ltd)**
A prolonged geopolitical disruption increases the strategic importance of domestic energy infrastructure, transmission, localized manufacturing, and supply-chain resilience.
4. **High-quality exporters and manufacturers positioned to benefit from supply-chain diversification (e.g. Granules)**
While some companies may experience near-term disruption, prolonged instability can also accelerate customer efforts to diversify sourcing relationships toward reliable Indian suppliers.
5. **Companies continuing to invest through the cycle (e.g. Bharti Airtel, Indigo Airlines)**
Management behaviour during periods of uncertainty is often highly revealing. Businesses that continue investing prudently through difficult environments frequently emerge with stronger long-term competitive advantages.

Importantly, we do not intend to make a macro call on the conflict itself. That is neither our edge nor our process. Our edge lies in identifying where short-term fear creates attractive long-term entry points. Historically, periods of elevated uncertainty have often provided the foundation for some of the most attractive long-term investment outcomes.

While the recently announced ceasefire and 60-day negotiation framework may reduce near-term uncertainty, we believe that the situation remains dynamic and difficult to predict with confidence. Accordingly, we do not think that it is prudent to anchor investment decisions on any particular outcome for this conflict. Instead, our focus remains on identifying businesses with a clear path to continued market

share gains, particularly where periods of disruption weaken competitors, discourage new entry, or otherwise strengthen long-term economics for our portfolio companies.

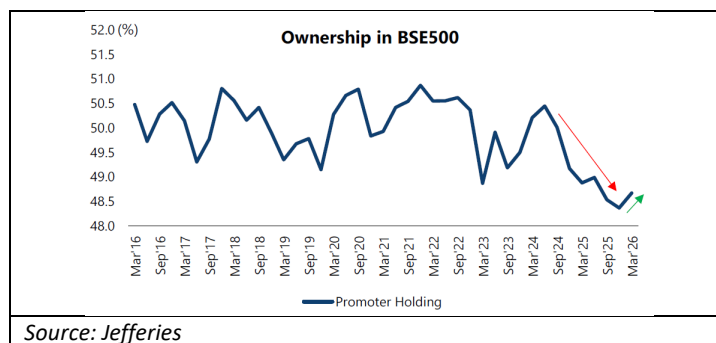


Promoter Buying - A Subtle but Important Signal

Another development worth highlighting is the meaningful shift in promoter behaviour within Indian equities. According to Jefferies, Indian promoters/founders were substantial net sellers of equity during CY2024 and CY2025, monetizing approximately US\$56 billion through block sales and IPOs. This occurred during a period when MSCI India traded materially above its long-term average valuation levels.

This behaviour appears entirely rational. When public markets are willing to pay elevated multiples, promoters often use the opportunity to monetize holdings, deleverage, fund growth initiatives, or diversify personal balance sheets. What is more interesting is the shift now emerging in CY2026.

Jefferies estimates that promoters purchased more than US\$4 billion of equity during the first quarter of 2026 through open-market purchases, rights participation, preferential allotments, and strategic stake increases.



We believe this matters because promoters operate with a fundamentally different information set and time horizon than public market participants. Promoters do not typically purchase stock to express short-term views. Meaningful increases in ownership, particularly following an extended period of monetization, can often signal:

- improved confidence in medium-term earnings growth,
 - more reasonable valuations, or
 - a belief that their own businesses represent a superior use of capital relative to external opportunities.
- Notably, much of this buying activity has been concentrated in more asset-heavy sectors such as power, infrastructure, and property. These are sectors where replacement cost, execution capability, regulatory approvals, and access to capital can create substantial barriers to entry.

This does not mean promoter buying is, by itself, an investment thesis. We would not buy a stock simply because a promoter is buying. Governance, capital allocation, leverage, cyclicity and valuation still matter. However, when promoter behaviour aligns with our own bottom-up work, it can serve as a useful confirming signal.

More broadly, the timing of this shift is consistent with what we are increasingly observing across our portfolio and research universe:

- valuations have normalized materially,

- earnings expectations have already been reset lower across many sectors,
- foreign investor positioning remains light,
- and several high-quality businesses are now available at prices that imply materially lower long-term earnings power than we believe is likely.



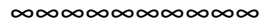
Duro Positioning - Meaningfully Invested into Opportunity

I am often asked whether the current environment warrants a more defensive stance. Our approach remains unchanged. We do not attempt to make market calls. Instead, we remain focused on identifying situations where:

- industry structure is improving (“Why”)
- earnings growth is turning structurally stronger (“Why Now”), and
- valuations remain reasonable relative to long-term earnings potential (“Price-Value”)

Today, we believe that setup exists across a growing portion of our opportunity set. As a result, we remain meaningfully invested through a concentrated portfolio of our high-conviction ideas.

Periods of dislocation often create increasingly differentiated long-term earnings outcomes for businesses benefiting from strengthening competitive positions and structural industry shifts. With valuations across many businesses now below long-term averages, we believe the next 12-24 months are likely to provide a particularly attractive backdrop for active investors such as ourselves relative to passive index exposure.



This document is not an offer to sell, or a solicitation of offers to buy, any securities. Offers to invest in an investment vehicle managed or advised by Duro Capital (Singapore) Advisors Pte Ltd (along with its affiliates, "Duro Capital") will be made only by a private placement memorandum or other definitive offering memorandum (the "PPM"). If there is any discrepancy between this document and such PPM, the PPM will control. An investment in any fund is speculative and entails substantial risks.

The information contained in this document is provided for information only and does not contain all material terms, including important conflicts disclosures and risk factors associated with your investment; and this communication in and of itself should not form the basis for any investment decision. Duro Capital shall not assume any legal liability or responsibility for any incorrect, misleading or altered information contained in this document.

This document is confidential and proprietary and is intended only for the person to whom it has been delivered or to whom it was intended to be delivered. This document should be used only by sophisticated investors who are knowledgeable of the risks involved. Your acceptance of this document from Duro Capital constitutes your agreement to (i) keep confidential all the information contained in this document ("Confidential Information") and not disclose any such Confidential Information to any other person, (ii) not use the Confidential Information for purposes of trading any security, (iii) not copy this document without the prior express written consent of Duro Capital, and (iv) promptly return this document and any copies hereof to Duro Capital upon Duro Capital's request. The distribution of this document in certain jurisdictions may be prohibited or restricted by law; therefore, people in whose possession this document comes should inform themselves about and observe such restrictions. Any recipient of this document is deemed to accept the following conditions by accepting delivery of this document and the information contained herein. If the recipient does not accept these conditions, the recipient must immediately inform the deliverer of the document and return this document. This material is also subject to any confidentiality provisions set forth in any written agreement between the recipient and Duro Capital or any investment vehicle managed or advised by Duro Capital. No portion of this material may be reproduced, copied, distributed, modified, shared or made available to others without the express written consent of Duro Capital.

This document may contain projections, forecasts, targeted returns, illustrative returns, estimates, beliefs and similar information ("Forward Looking Information"). Forward Looking Information is subject to inherent uncertainties and qualifications and is based on numerous assumptions, in each case whether or not identified herein. Forward Looking Information is provided for illustrative purposes only and is not intended to serve as, and must not be relied upon by any prospective investor as, a guaranty, an assurance, a prediction or a definitive statement of fact or probability, nor should the inclusion of Forward Looking Information be regarded as Duro Capital's representation that the Fund will achieve any strategy, objectives or other plans.

The examples of current and potential investments included in this document are provided for discussion purposes only and are no guarantee of future results. They are not intended as a representation or warranty by Duro Capital or any other person or entity as to the actual composition or performance of the Fund's portfolio. Over time, the nature of, and risks associated with, the Fund's portfolio may differ substantially from (and may be subject to constraints or limitations that were not applicable to) those investments and strategies discussed in this document.

All information and opinions herein have been compiled in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness and correctness. The right to change any such information, at any time, without notice, is fully reserved.

Past performance is not indicative of future results and there can be no assurance that any investment will achieve comparable results or its investment objectives. Investors may not get back the full amount invested, and the net asset value of the investment will fluctuate.