Dear Investors,

As India marks its **80th Independence Day**, it is an appropriate moment to reflect not only on how far the country has travelled, but also on what will determine the next phase of its journey. Over eight decades, India has evolved from a largely closed, agrarian economy into an increasingly integrated global economic participant. The journey has not been linear. It has involved wars, oil shocks, balance-of-payments crises, global recessions, geopolitical disruptions and, more recently, tariff uncertainty and rapidly changing technology.

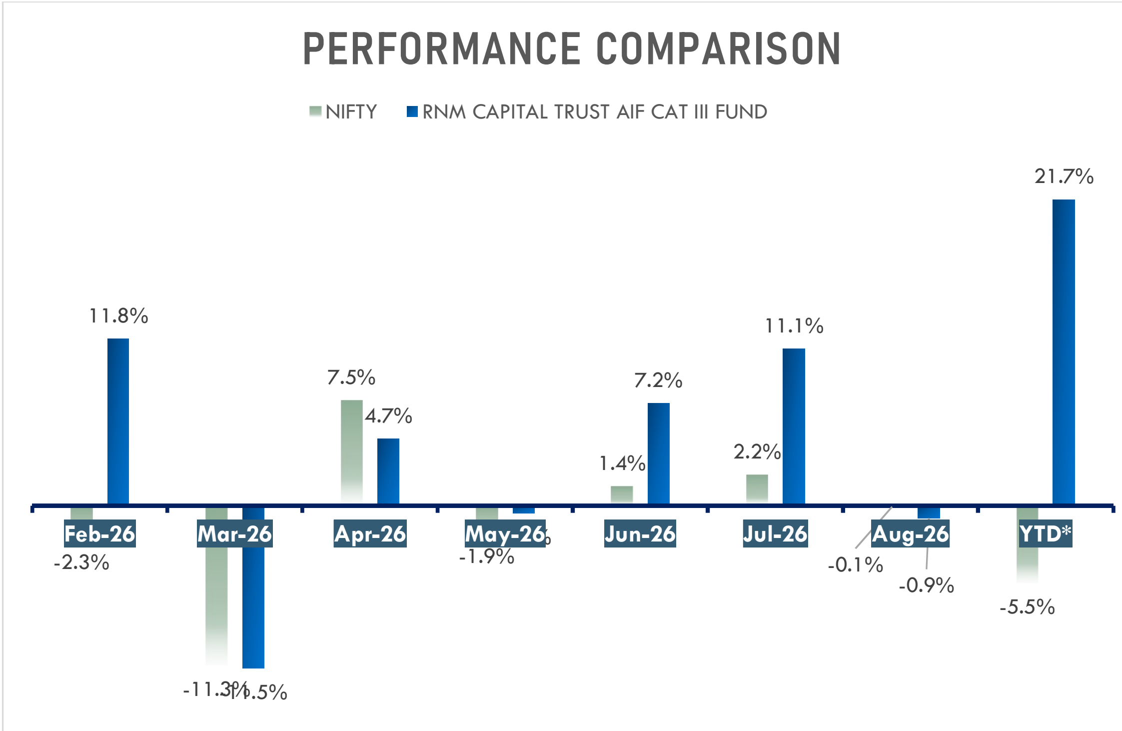
Yet the defining characteristic has been **adaptability**.

That same characteristic is increasingly important when we think about businesses and long-term investments.

Performance Update

The fund has continued to demonstrate resilience despite a volatile market environment. From inception on **4 February 2026 through 14 August 2026**, the **RNM Capital Trust AIF CAT III Fund has generated 21.7% return in INR**, compared with **-5.5% for the Nifty** over the same period. The objective is not simply to outperform during favourable markets. The more important objective is to build a portfolio of businesses whose underlying economics can withstand changing environments and compound over extended periods.

Performance	RNM Capital Trust	Nifty 50
Since Inception (4 Feb – 14 Aug 2026)	**21.7%+**	**-5.5%**
Aug 2026	**-0.9%**	**-0.1%**



YTD Performance In INR - 04 Feb 2026 to 14 AUG 2026

INDIA'S GROWING RESILIENCE

India has navigated tariffs, geopolitical tensions and supply-chain disruptions while maintaining resilient growth. **Trade diversification and stronger foreign-currency inflows have further strengthened the external position.** The bigger question now is not **whether India can absorb shocks**, but whether it can convert this resilience into **sustained global competitiveness**. With manufacturing exports still underpenetrated and AI reshaping services, **the next phase of India's growth will depend on structural competitiveness - not just resilience.**

The Darwinian Approach to Investing

One of the most useful investment lessons does not originate in finance.

It comes from **Charles Darwin's theory of evolution**.

Darwin's central insight was not simply that the strongest survive. Rather, organisms possessing characteristics better suited to their environment are more likely to survive, reproduce and adapt over time.

There is a powerful parallel in investing.

Look for the underlying trait - not every individual outcome

When analysing a company, investors often build long checklists:

- Revenue growth
- Margins
- Market share
- Cash flow
- Leverage
- Working capital
- Capital allocation
- Return ratios
- Valuation

Each metric matters.

But analysing them independently can sometimes result in **analytical fragmentation**.

A better question is:

What underlying characteristic explains why this company consistently performs better than its competitors?

Consider a business with genuine competitive strength.

Its pricing power may lead to better margins.

Better margins may lead to superior economics.

Superior economics may generate stronger cash flows.

Those cash flows may allow the company to reinvest.

Reinvestment may increase its scale and capabilities.

And greater scale and capabilities may further strengthen its competitive position.

The result is a reinforcing cycle:

Competitive Advantage → Superior Economics → Reinvestment → Greater Scale & Capability → Stronger Competitive Advantage

This is the investment equivalent of **fitness**.

The real question is durability

This framework changes the way we look at financial numbers.

Instead of asking only:

“What will earnings be next year?”

we should also ask:

“What characteristics allow this business to remain economically superior for the next decade?”

A company may report strong growth because of a favourable cycle, temporary pricing, unusually strong demand or an industry shortage.

Another company may demonstrate strong economics because it possesses a structural advantage that competitors struggle to replicate.

The two may look similar in a spreadsheet today.

They can look dramatically different five or ten years later.

The distinction is **durability**.

As the attached analysis highlights, the objective of financial analysis should not be abandoned; rather, financial analysis should help us discover the **underlying economic engine** of the business.

Closing Thoughts

At 80, India's greatest achievement may not simply be how much it has grown - but how often it has adapted.

The same principle applies to investing.

Markets change.
Industries change.
Technology changes.
Competitive landscapes change.

The businesses that create enduring shareholder value are often those whose competitive strengths allow them to **adapt, reinvest and become stronger with time**.

In investing, as in evolution, durability matters more than a momentary advantage.

Thank you for your continued trust and partnership.