THINQWISE WEALTH MANAGERS LLP

SEBI Registration No. INP000008109

REFLECTIONS – THREE YEARS LATER

"Our philosophy hasn't changed. Our understanding of it has."

Dear Partners,

Last year, I wrote my first letter to our partners and titled it "***Day One***". Looking back, I realise that *Day One* was never about the beginning of the journey. It was about the mindset we hope never to lose.

Markets have a way of humbling anyone who draws conclusions too quickly. Short-term returns often reveal as much about the environment as they do about the investment manager. Time, however, reveals something more enduring: whether our judgement is evolving and whether we are asking better questions than we did when we began. More than anything else, that has been the greatest privilege of building Thinqwise.

After nearly fifteen years in the investing world, I have come to appreciate that *learning isn't a means to an end, it is the work itself.* Every report read, every factory visited, every conversation with an entrepreneur and every investment, successful or otherwise, refines judgment. Perhaps that is what experience really is. It is not the accumulation of answers, but the refinement of judgement.

Much of that refinement came from spending time with manufacturing businesses. We believed we were studying companies. What we were really studying was how enduring businesses are built. Across factories and industrial clusters, we observed an ecosystem quietly evolving. Indian manufacturers are increasingly competing through engineering capability, product innovation, process reliability and integrated solutions rather than cost alone. Equally inspiring was a new generation of entrepreneurs returning to India after studying and working overseas, not to preserve family businesses, but to build globally competitive enterprises.

Those experiences changed the questions we ask. We now look beyond reported numbers to understand the capabilities quietly compounding beneath the surface, what history reveals about the character of a business and its management, whether founders are building institutions that can outlast them and, occasionally, whether our valuation framework is keeping pace with a business that continues to improve.

Our philosophy remains unchanged. We continue to seek capable and ethical management teams, businesses capable of compounding over long periods and the discipline to invest only when valuations are favorable. What has evolved is our understanding of how those qualities reveal themselves—often long before they become obvious in financial statements.

This letter isn't an attempt to explain what happened over the past year. Rather, it is a reflection on a handful of observations that quietly reshaped our thinking. Some came from companies we own. Others came from businesses we admired but never invested in. A few came from mistakes that, in hindsight, taught us more than our successes ever could.

CAPABILITIES COMPOUND QUIETLY

Some of the valuable lessons in investing begin with discovering you were looking at a business the wrong way.

Our visit to All Time Plastics was one such experience.

To be candid, I wasn't expecting to be particularly surprised walking into a manufacturer of storage boxes, chopping boards and hangers. Yet instead of discussing customers or products, Mr. Kailesh Shah spent much of our time detailing the capital allocation decisions the company has made over the last three decades. He explained why the company chose expensive Japanese electric moulding machines when cheaper alternatives were available, steadily built tooling capabilities in-house, and invested in high-precision CNC machines before developing its own robotic automation. At first glance, these investments seemed disproportionate to what appeared to be a simple plastics business.

Perhaps the biggest surprise was that none of the founders were engineers. Yet every decision reflected the mindset of an engineer: relentlessly pursuing better precision, lower rejection rates, faster throughput and greater efficiency. Even seemingly mundane activities such as packing cartons and optimizing container utilization had been thoughtfully engineered. The company continued investing in advanced tooling and automated warehousing—capabilities that surprised even some of its largest global customers. Equally striking was its emphasis on people, introducing weekly holidays and improving employee practices at its Silvassa facility long before such initiatives became common in the region.

Only after spending time understanding IKEA did I fully appreciate All Time. Many of the decisions we had observed during our factory visit suddenly began fitting together. The investments in precision, tooling, automation, packaging and people were not isolated initiatives. They were the natural consequence of building an organisation capable of serving one of the world's most demanding customers year after year. Today, the relationship with IKEA spans more than twenty-five years, with All Time contributing not only to manufacturing but also to product development itself.

We encountered a similar pattern while studying DOMS.

At first glance, backward integration appeared to be purely driven by economics. Looking closer, it was about control. Mr. Santosh Raveshia remained personally involved in product design, while the company steadily brought critical manufacturing processes in-house. These were not necessarily the largest cost items, but they were the capabilities that shaped product quality, innovation and speed of development. In a category where products had changed little for decades, DOMS chose to differentiate through design and innovation rather than price alone.

Looking back, we realised we had been asking the wrong question. Rather than asking what a business manufactures today, we increasingly ask what capabilities it is building for tomorrow.

Financial statements tell us what a business has earned. Capabilities often reveal what it can become.

HISTORY REVEALS CHARACTER.

Some patterns become visible only in hindsight.

This year, tariffs disrupted global trade, geopolitical tensions affected supply chains and uncertainty once again became a recurring theme across businesses. Like most investors, our first instinct was to estimate the impact on earnings.

Looking back, however, we realised we had been asking the wrong question. ***How does management behave when circumstances turn against them?***

Jash Engineering offered one answer. This year, tariffs affected Rodney Hunt, its US subsidiary, impacting profitability despite stable demand. Yet what stood out wasn't the result, but the response. Management acknowledged the near-term pain, deferred discretionary capital expenditure where necessary and continued investing in Rodney Hunt.

Looking back, that conviction wasn't new.

In 2017, Jash was still a modest Rs 148 crs revenue company, earning barely Rs 10 crs in profit. Yet this small engineering company from Indore acquired Rodney Hunt, a 180-year-old American business that had once generated \$70–90mn of revenue—many times Jash's own size. The acquisition required an investment of roughly Rs 30 crs, nearly one-third of net worth, despite inheriting years of accumulated losses. Most saw a distressed asset. Jash saw decades of customer approvals, engineering expertise and relationships that would have taken years to build organically.

The years that followed tested that conviction. Rodney Hunt remained loss-making for several years, with Jash absorbing \$4mn of losses over and above the acquisition cost. Yet management stayed the course, rebuilding the business. By FY23, Rodney Hunt had returned to profitability. Even today, management continues to discuss where the business could be a decade from now rather than where profits might be next quarter.

Jash's response this year reminded us of another management team we had studied years earlier. During COVID, as freight costs surged and several Chinese manufacturers walked away from customer commitments, Waaree Energies chose a different path. Mr. Hitesh Doshi honoured every commitment despite absorbing \$20–25mn of additional freight costs—roughly equivalent to its entire EBITDA that year. Judged over a quarter, the decision appeared irrational. Judged over a decade, it strengthened something far more valuable: customer trust.

Years later, watching Jash respond to a completely different challenge, we recognised the same pattern. The companies were different. The industries were different. The circumstances were different. Yet the underlying judgement remained remarkably consistent.

Circumstances changed. Their behavior and judgement did not.

Today, we spend a little less time predicting the next disruption and considerably more time understanding how management behaved during the last one. History rarely helps us predict the future. It reveals character.

INSTITUTIONS OUTLAST FOUNDERS

Over time, one observation became difficult to ignore. The founders we admired weren't trying to build businesses that depended on them. They were trying to build an organisation that would endure beyond them.

Mr. Mahendra Patel of Mamata Machinery brought this into sharp focus. In 1994, at a time when few Indian promoters were thinking about sharing ownership, he began sharing it with key professionals. By the time Mamata went public, nearly 40% of the company was owned by long-serving professionals.

When we first met Mr. Apurva Kane and Mr. Chandrakant Parel, I naturally assumed they were members of the promoter family. They weren't. Yet they spoke about the business with the conviction, accountability and pride of owners. Mr. Apurva, who joined Mamata in 1986, was entrusted with establishing the company's US operations before eventually leading the business. Today, as he transitions to the Board and Mamata appoints a professional CEO, the change feels less like a succession event and more like the natural evolution of an institution built over decades.

Mr. Mahendra Patel wasn't merely sharing ownership. He was deliberately distributing stewardship.

We observed a different expression of the same philosophy at Usha Martin. Most manufacturers choose locations where skilled talent already exists. Usha Martin chose to build where it didn't. Over decades, the company built the ecosystem it needed—investing beyond the factory gates in technical education, skill development and community infrastructure. As one of Ranchi's largest employers, generations of families built their careers with the company. Manufacturing excellence wasn't confined to the shop floor. It gradually became embedded in the ecosystem itself. The result wasn't merely low attrition. It was something far harder to replicate: an institution whose manufacturing culture outlived individuals because it had become part of the community around it.

Jash Engineering revealed yet another expression of the same philosophy.

At first glance, the company appears closely identified with its founder, Mr. Pratik Patel. Our visit suggested otherwise. What stood out was how deliberately responsibility had already been distributed. Well over two-thirds of the company's 340 managerial employees participated in the ESOP programme, with several becoming crorepatis through their ownership in the company. These weren't token grants. They reflected a deliberate effort to build an organisation where those shaping the company's future increasingly shared in its ownership, responsibility and success.

Looking back, the companies took different paths. One shared ownership. Another built a manufacturing ecosystem. A third aligned ownership with responsibility. The destination, however, was remarkably similar.

Businesses are built by founders. Institutions emerge when the founder's ambition, values and ownership mindset become the organization’s own.

THE PURSUIT OF BETTER JUDGEMENT

Looking back, there are decisions we would make differently today.

Businesses we understood later than we should have. Situations where we recognised quality, yet lacked the conviction to act decisively. Others where we could have responded faster as facts evolved. These reflections are not uncomfortable. They are essential.

Prudent Corporate Advisory was a business we had studied extensively over several years. We met the management multiple times, challenged our investment thesis repeatedly and became increasingly convinced that it represented one of the best ways to participate in India's long-term financialisation. Our work kept leading us to the same conclusion:

The management was exceptional.

The business model was capital-light.

The runway was long.

Capital allocation was disciplined.

Every passing quarter they continued to strengthen the business. While much of the financial intermediation ecosystem experienced pricing pressure and declining yields, Prudent quietly continued deepening its competitive position through disciplined execution.

Yet we remained on the sidelines. Our hesitation did not stem from the business. It stemmed from the way we weighed quality against valuation. While we waited for a more comfortable valuation, the business continued allocating capital intelligently, widening its competitive advantages and increasing its intrinsic value.

Looking back, our mistake wasn't analytical. We understood the business. It was one of judgement. The business kept compounding, while our valuation framework failed to keep pace with its improving quality.

Traditional valuation discipline remains central to our investment philosophy. Prudent did not weaken that discipline. It refined it.

The lesson was not that valuation matters less. Nor that exceptional businesses deserve any price. Rather, we came to appreciate that valuation cannot be separated from the pace at which exceptional business continues to improve. **Exceptional businesses don't merely compound earnings. They compound intrinsic value.** As intrinsic value evolves, our valuation framework must evolve alongside it.

Increasingly, we ask ourselves a different question: *Is the intrinsic value of this business compounding faster than our valuation framework captures?*

STILL ON DAY ONE

Today, I find myself more optimistic than when we began. Looking back, that confidence comes not from believing we have found better answers, but from knowing we are asking better questions.

The past year reinforced another conviction: India's manufacturing journey is still in its early innings. The more time we spend with exceptional businesses, the more convinced we become that the greatest opportunities still lie ahead.

Exceptional businesses rarely become exceptional overnight. They quietly compound capabilities, character and culture long before the numbers fully reflect them. Perhaps investing is no different. **If we can continue refining our judgement with the same patience that great businesses refine themselves, we believe the investment outcomes will eventually follow.**

Thank you for your trust, your patience and your partnership. We remain deeply committed to protecting your capital, allocating it thoughtfully and continuously refining the judgement entrusted to us.

Think Intelligently. Question Wisely.

Warmly,

Sahil Doshi
On behalf of the entire team of
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IMPORTANT DISCLAIMERS

ANNEXURE: PORTFOLIO REVIEW

FY26 was characterised by significant volatility, particularly across export-oriented manufacturing businesses, which constitute a meaningful part of our portfolio. Although the portfolio experienced a sharp drawdown during the year, underlying business performance remained resilient, and much of the decline recovered over the second half.

Our investment philosophy remains anchored in our *"WISE'* framework throughout the year. Rather than reducing exposure during periods of uncertainty, we selectively increased our ownership in businesses where our conviction strengthened

The portfolio modestly outperformed the Nifty50 TRI during the year. While encouraging, our focus remains on compounding capital meaningfully over long periods rather than any single year's relative performance. Our objective has never been to marginally outperform an index, but to compound capital meaningfully over long periods. **Against that aspiration, we believe there is considerable room for improvement.**

PERFORMANCE OVERVIEW (AS OF JUNE 30, 2026) ^

PERIOD	THINQWISE INDIA LONG TERM FUND	NIFTY50 TRI INDEX
6 Months	3.9%	-8.1%
1 Year	-0.7%	-5.4%
2 Year	3.1%	0.9%
3 Year	10.2%	8.8%
Since Inception #	10.7%	9.5%

^ Calculated using the TWRR, net of all fees and expense. It is reported as calculated by Kotak Bank Fund Accounting, and not verified by SEBI
 # Date of Inception - 23rd June, 2023.
Returns for periods of 1 year are annualized and are net of inflows/outflows.

PORTFOLIO SNAPSHOT (AS OF JUNE 30, 2026) ^

- No. of Holdings :14
- Aggregate Cash and Equivalents ~ 9.9%
- Largest Holding Weightage ~12%
- Top 5 Holding Weightage ~ 50.7%
- Characteristics: Manufacturing ~50%, Financialisation ~19%, Digitalisation ~11%, Consumption ~ 10%
- Global/Export Orientation ~40%

Note: Portfolio characteristics and references made in the letter are presented at an aggregate discretionary AUM level. Individual client portfolios may vary based on mandate, timing of capital deployment and subsequent cash flows.