Cohesion MK Best Ideas

Investment Report

July 2026

Cohesion
Accessing India's Growth

Quarter 2 2026 Review

Cohesion MK Best Ideas enjoyed an excellent quarter, delivering USD performance returns of 29%. It is pleasing to report that we have significantly outperformed the MSCI India ETF, which rose by just 5%. We are now firmly back in positive territory year-to-date, having returned 10% whilst the MSCI India ETF is down 9%.

Table 1 – Performance Comparison

30th June 2026 (USD)	Performance (%)		
	Q2 Returns	Since Inception Annualised Returns (1st August 2020)	Since Inception Cumulative Returns (1st August 2020)
Cohesion MK Best Ideas (USD)^	**29.07**	**23.97**	**256.35**
Cohesion MK Best Ideas (GBP)^	**28.74**	**23.69**	**251.63**
Nasdaq 100*	28.84	19.23	182.97
S&P 500*	14.95	16.67	148.93
MSCI All Country World Index (ACWI)*	14.17	14.59	123.85
MSCI Emerging Markets*	21.07	10.50	80.47
MSCI India*	5.44	9.00	66.49
Nifty 50*	3.10	8.11	58.58
MSCI China*	-8.58	-3.55	-19.24

Climbing a wall of worry

The key to recent investment performance, both in India and globally, has been to be highly selective. Never has there been a greater disparity between **the haves and have-nots**. We have been able to find the former and enjoy some very strong returns. The latter will provide us with a rich pool of very attractively priced shares with strong risk reward asymmetry from which to deliver strong returns in the future.

There has been no shortage of things to concern investors around the globe. If someone, on the 1st of January, had told you for certain that there would be a pan-Gulf war triggering a closure of the Straits of Hormuz and USD 120 oil, you would be forgiven for running for the safety of cash. If you had known that the downward trajectory for global interest rates might not only pause but even be reversed, you would doubtless have been concerned.

*iShares ETF, ^Gross Asset Value (GAV) returns; data as on 30th June 2026; Source; Bloomberg Past performance is not indicative of future results.

The best investors, wherever they are around the world, have been able to assimilate the economic and political news and decide whether it impacts the investment case for a particular company. Despite the headlines made by the Nasdaq darlings, there are plenty of things to worry about in the US, which is why around 40% of the S&P 500 constituents are down so far this year.

As we have discussed in previous investment reports, there have been plenty of things to task the minds of investors in India. As we predicted, these things have ultimately been resolved. Regular readers of this report may remember that we were quick to dismiss concerns about Prime Minister Narendra Modi's popularity. He has since cemented his popularity and indeed become even more so, recently celebrating a landslide victory for his Bharatiya Janata Party (BJP) in West Bengal, a region where the BJP had never succeeded in, winning **207 of the 294 seats.** We were also happy to predict that the US-India trade squabble would pass and the two leaders met at the G7 summit in Évian in June where it was clear there is no shortage of warmth and respect between them. India has not only moved close to a deal with the US but has also taken the time to sign far-reaching trade agreements with others, including the “Mother of all Deals” free trade agreement with the EU and a free trade agreement with the UK which comes into force this July. We were also hopeful that the recent conflict in the Gulf would be resolved, as there were simply far too many powerful countries with too much to lose in a prolonged war. Although the path to a permanent peace could be bumpy, there is a real hope that we are nearer the end than the beginning.

It would be fair to describe the last twelve months as among the most demanding of a long investment career. It appears from the performance tables that most of our peers found it much more challenging. Whilst it was exhausting at times, it is pleasing to see our hard work really starting to pay off. There have been times when market sentiment has swung from wild optimism to manic pessimism, sometimes in a twenty-four-hour period. Our approach has been to check and recheck every aspect of our models through relentless calls to suppliers, customers, peers, and competitors across all companies in our portfolios and on our watch lists. Only this attention to detail, bordering on obsession, has given us absolute conviction in the names we hold, combined with our more than 200 years of combined experience in India, something very few could claim.

Humility is an important but often overlooked aspect of investment management. If the facts change, we are willing to admit that the investment case no longer holds, and we should sell. However, by undertaking arguably deeper research than most in the market, on the buy side or sell side, in the companies that interest us, there are times when we can say with conviction that “The market is wrong on this one”. We have held the greatest possible conviction that our favoured pharmaceutical companies were mispriced for some time, and it was satisfying to see all of them - **Supriya Life Science, Shilpa Medicare** and **Wockhardt** all perform very strongly this quarter, delivering USD returns of ~80%, ~70% and ~65% respectively. Equally exciting is that we believe they each have a long runway ahead, with considerably more upside. Readers of our **Indian Diaries** newsletter will have seen our excitement about the prospects for **Wockhardt’s Zaynich** drug.

Source : Bloomberg

Past performance is not indicative of future results.

It is no exaggeration to call this a game-changer, not only for Wockhardt but also for its industry. Zaynich isn't just another antibiotic; it targets one of the biggest unsolved problems in modern medicine: antibiotic resistance. Antibiotic-resistant immunity-related deaths account for around 5 million per annum. To put this in context, that's about the same number of people who die from lung cancer or strokes. Zaynich is designed to kill some of the nastiest bacteria that survive the current "last line antibiotics" and which are all too common causes of pneumonia, bloodstream infections and ICU hospital infection outbreaks. Within a few days of India Diaries being published, the US FDA announced that it had approved Zaynich, a process that had been fast-tracked due to the acute need for this drug. As you might imagine, the share price reaction has been very positive indeed. This is **the first time an Indian-developed drug has achieved US FDA approval** - a real milestone.

Economics and politics are important. We pay close attention to both. In India, we are blessed with the **strongest and most certain long-term growth outlook of any major country on earth, as well as a popular, stable government.** Whilst we count our blessings for having these, there are countless opportunities in India that we can identify, regardless of economic or political conditions. The investment case for Supriya, Shilpa, Wockhardt and many other companies in our portfolio doesn't rely on Prime Minister Modi's popularity or the US-India trade deal or the resolution of the Gulf conflict. Almost regardless of how these macro events had turned out, we believed we were going to make a great deal of money with little downside risk. India is blessed with many wonderful businesses that are admired around the world. They have the tailwind of India at their backs, but they are truly global businesses with an enormous domestic market and with deep competitive moats. In some ways, it is analogous to the way global investors currently view the AI and semiconductor theme. Those investing in TSMC aren't investing in Taiwan's economic outlook (or political risk). They are treating it as a global stock. The same can be said of SpaceX or Anthropic. There are plenty of economic and political reasons to fear the US, but investors are choosing to look beyond domestic issues.

Our willingness to back our intensive research led us to invest in **Adani Green Energy** and **Cemindia.** We have made a great deal of money in Cemindia, especially in recent months when its share price has gone nearly vertical. Cemindia's recent strong performance has been driven by robust execution, a growing order book, and rising profitability across key infrastructure projects. A major positive catalyst has been its integration into the Adani Group, which has strengthened investor confidence and expanded long-term growth opportunities. With Adani's significant infrastructure ambitions across ports, airports, data centres, energy and transport, Cemindia is increasingly viewed as a key execution partner in highly predictable growth sectors. The Adani name came under significant public scrutiny a couple of years ago, prompting some investors to eschew Adani-related companies. We preferred to rely on our own research, which satisfied us that the investment case remained intact. Since then, India's Supreme Court has declined to escalate the matter beyond SEBI's own regulatory process, and the shares have re-rated strongly - a reminder that **headline risk and fundamental risk are not always the same thing.** There are times when the sell-side or other buy-side investors are right, but when we believe we have greater access, insight or have simply worked harder, we are very willing to back ourselves.

Adani Green Energy has also bounced very nicely recently, but we believe it could have much further to go, thanks to rapid renewable capacity expansion, strong revenue growth, execution of over 5 GW in annual additions, and a clear path toward its 50 GW by 2030 target. It is well-positioned to benefit from India's accelerating clean-energy transition and rising power demand. We may return to Cemindia and Adani Green Energy in a future edition of India Diaries.

Conclusion

For the moment, India is out of favour with international investors. We find that puzzling, given that India has delivered one of the strongest GDP growth rates of the last 20 years and is forecast to continue delivering one of the strongest growth rates over the coming years. To draw a topical comparison with the World Cup, that would be like betting against a team with the best history and strongest squad. In 2025, foreigners sold out of India at the fastest rate in history. That record was already exceeded in the first 6 months of 2026. We believe that this has been largely due to the strength of the AI trade. Massive amounts of money have flowed into this around the world, not just in the US but also in Asia. The extent of this has been so large that India has moved **from circa 20% of the MSCI Emerging Market Index to around 10%** in the last year as money has poured into Samsung, SK Hynix and TSMC. For the many international investors accessing India through global emerging market ETFs or portfolios heavily benchmarked to MSCI Emerging Markets, this has led to mechanical rebalancing and their 'forced' downsizing of India, which we believe has been a significant contributor to foreign sales of India. However, for 3 companies in Taiwan and Korea to represent, broadly, **the same valuation as the combined stock markets of China and India** raises many eyebrows and will be described by many as unsustainable.

Such seismic shifts create opportunities. They have always done so throughout history and are doing so now.

Strategy Performance: Data as at 30th June 2026

	Discrete Performance** (%)						
		Q1	Q2	Q3	Q4	YTD	Since Launch: Aug 2020*
USD	2026	-14.61	29.07	-	-	10.21	256.35
	2025	-9.29	9.43	-7.14	1.38	-6.55	223.35
	2024	14.49	18.08	8.14	2.56	49.95	246.02
	2023	-7.06	19.14	12.60	14.78	43.12	130.75
	2022	-2.22	-13.25	13.45	2.18	-1.68	61.23
	2021	11.31	11.01	13.13	1.58	42.00	63.98
	2020	-	-	-0.19	15.70	15.48*	15.48
		Q1	Q2	Q3	Q4	YTD	Since Launch: Aug 2020*
GBP	2026	-13.01	28.74	-	-	11.99	251.63
	2025	-12.26	3.12	-5.17	1.16	-13.20	213.99
	2024	15.47	17.89	2.24	9.60	52.53	261.75
	2023	-8.98	15.71	17.25	9.99	35.83	137.17
	2022	0.71	-6.41	23.69	-5.54	10.12	74.60
	2021	10.40	10.63	16.12	1.15	43.45	58.56
	2020	-	-	1.08	9.35	10.54*	10.54

*August 1st 2020
**net of taxes and fees, gross of performance fees

*Cash deployed cautiously during COVID-19 outbreak and 90% deployment reached by end of February 2021

	Equity	Cash
1st 6 months	45%	55%
1st 12 months	68%	32%
Since Inception	85%	15%
Since February 2021	89%	11%

Portfolio – 30th June 2026

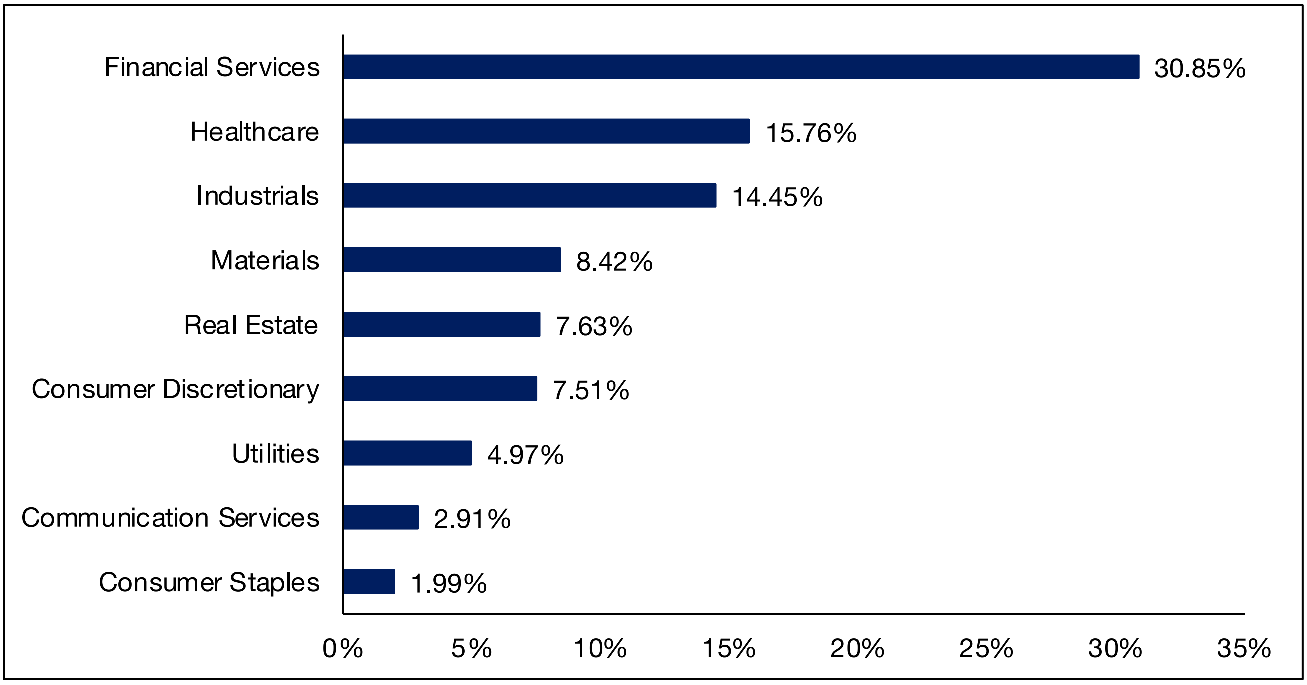
Top 5 Holdings

Security Name	% Holding of Portfolio
RBL Bank Limited	8.40%
Manappuram Finance Limited	6.92%
Shilpa Medicare Limited	6.58%
Cemindia Projects Limited	6.44%
Supriya Lifescience Limited	6.32%

Past performance is not indicative of future results.

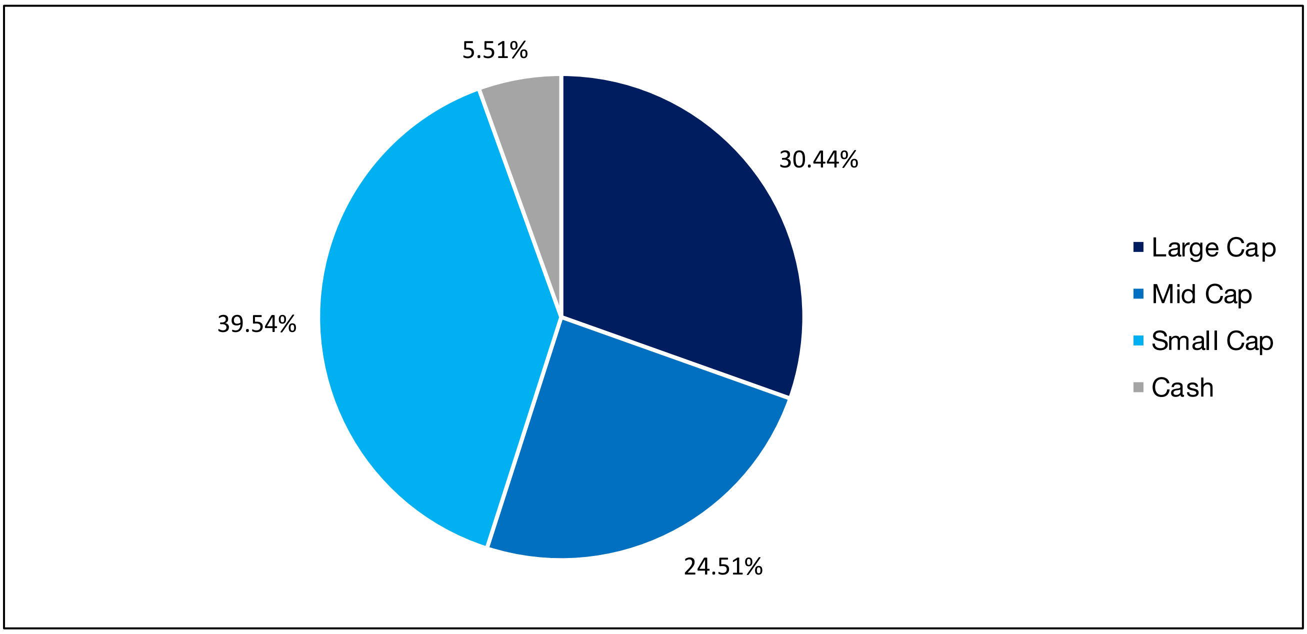
Portfolio – 30th June 2026

Sector Exposure



Portfolio allocations may not add to 100% due to rounding and cash holding

Market Cap Exposure



Market cap breakdown – **Large Cap**: Companies with a Market Cap above US$6 billion,
Mid Cap: Companies with a Market Cap between US$1.25 to US$6 billion, **Small Cap**: Companies below US$1.25 billion

Past performance is not indicative of future results.

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Cohesion has appointed Invexa Capital LLP ("Invexa"), led by Mr. Madhusudan Kela, as the Investment Adviser. In its role as an Investment Adviser, Invexa Capital provides non-binding investment advice and recommendations to Cohesion, while Cohesion retains full discretion, responsibility, and authority for all investment decisions, portfolio construction, and risk management in relation to the Sub-Trust.

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