
Avendus India Funds I & II beat benchmark BSE Small Cap by 17.7% and 26.7% since inception

The funds outperform the India Small and Mid cap mutual funds by 9.0% and 13.1% since inception

Mumbai, January 18, 2013

Avendus PE Investment Advisors Ltd. , which focuses on private investment in public enterprises (PIPE), has released its performance analysis data as on December 31st 2012. As per Morningstar, a leading independent investment analysis firm, Avendus Fund I and II have beaten the benchmark BSE Small Cap Index by a substantial margin and are top performers when compared to the India Small and Mid cap mutual funds.

Since 2009 the Indian stock market has been on a rollercoaster ride; however Avendus Fund I launched in September 2009, has given compounded annualized returns of 17.99% since inception, as compared to the BSE small cap returns of 0.30% and India Small and Mid cap mutual fund returns of 8.96%. The pattern continues with Avendus Fund II, launched in January 2011, giving compounded annualized returns of 14.10% since inception as compared to BSE small cap which gave returns of -12.63% and India Small and Mid cap mutual fund returns of 1%. The funds were launched with a similar investment strategy of investing in fundamentally strong under researched midcap companies (market cap < US\$ 1 billion), using the private equity evaluation approach.

Manoj Thakur, CEO, Avendus PE Investment Advisors, said, "The investing objective of the Funds is to deliver returns for its investors through long term investing in listed small and midcap companies. The Funds intend to bring a private equity evaluation approach to public markets which entail an in-depth primary research, multiple management meetings, thorough commercial diligence including several customer feedback and reference checks on management with emphasis on active engagement with investee companies."

Both Funds typically take equity stakes of less than 5% through both primary and secondary investments. While being sector agnostic the funds have a preference for sectors which benefit from India's rising consumer discretionary spend, rural prosperity and rapid urbanization. It selectively invests in companies undergoing special situations like corporate restructuring, entry into new business, step jump in profit margins etc.

NEWS RELEASE

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Contact: Shveta Singh

+91 22 6648 0020 shveta.singh@avendus.com

Avendus Capital

Mumbai, Delhi, Bangalore, New York, London



As per the latest figures of December 31st 2012, Fund I has exited from 3 investments with 2 investments giving a return of 3 times in less than two years. It has delivered a return of 94.31% YTD(CY 2012) as compared to the BSE Small Cap Index of 32.97%. Fund II has been 90% deployed and has delivered a return of 50.36% YTD(CY 2012)as compared to the BSE small cap Index 32.97%.

Morningstar Statistics:

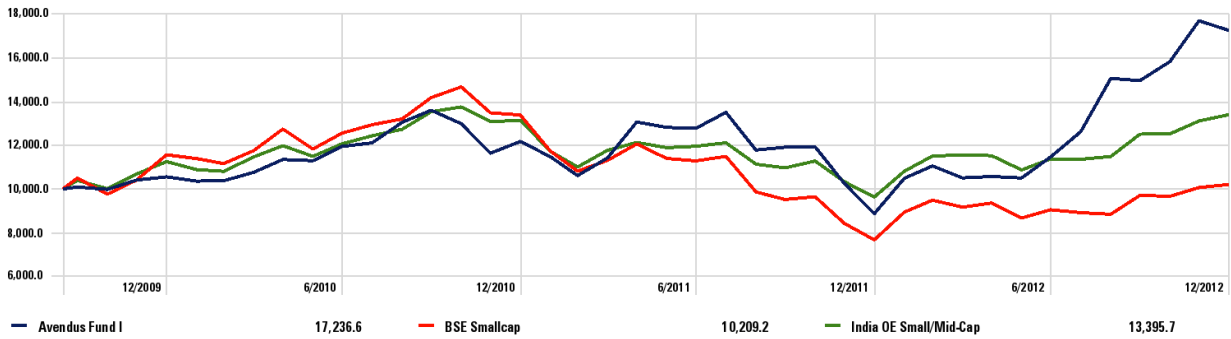
India Fund I

Investment Growth

Investment Growth

Time Period: 9/16/2009 to 12/31/2012

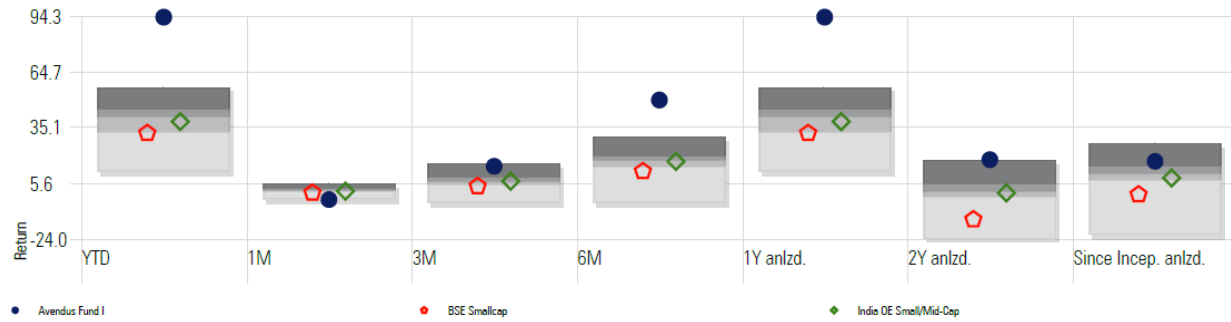
Currency: Indian Rupee



Performance relative to Peer Group

As of Date: 12/31/2012 Peer Group (1-100%): Open End Funds - India - Small/Mid-Cap

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile



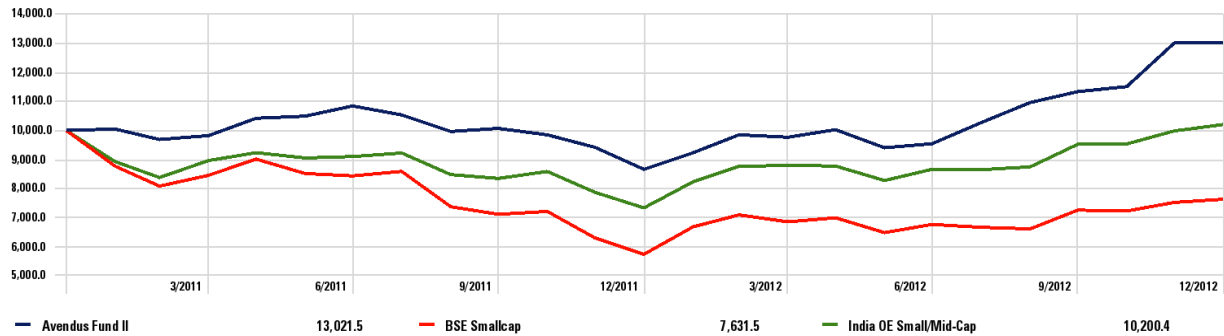
India Fund II

Investment Growth

Investment Growth

Time Period: 1/1/2011 to 12/31/2012

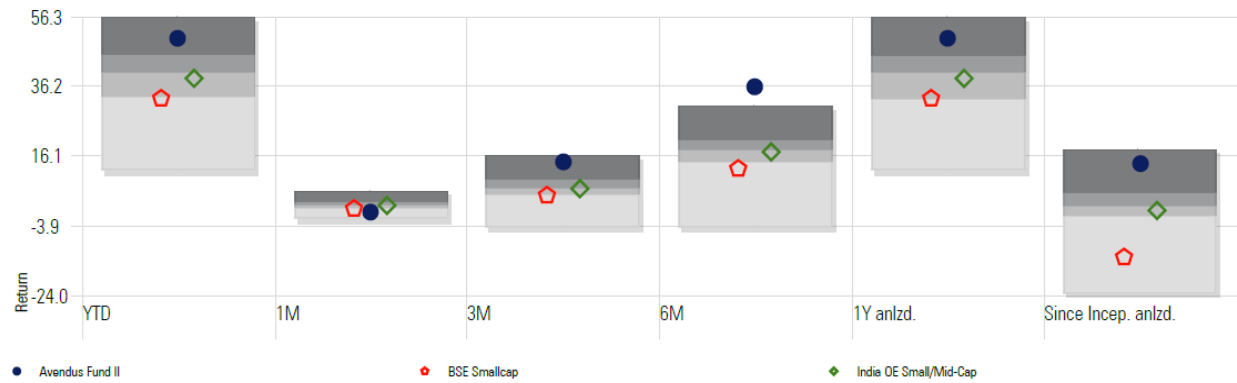
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Performance relative to Peer Group


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Top Quartile 2nd Quartile 3rd Quartile Bottom Quartile



About Avendus Capital

Avendus Capital is a leading financial services firm which provides customized solutions in the areas of financial advisory, equity capital markets and wealth management. The firm relies on its extensive track record, in-depth domain understanding and knowledge of the economic and regulatory environment, to offer research based solutions to its clients that include institutional investors, corporates and high net worth families. In recent years, Avendus Capital has consistently been ranked among the top-five corporate finance advisors in India and has emerged as the advisor of choice for cross-border M&A deals



and has closed 40 cross-border transactions in the past 4 years. Avendus Securities through its Institutional Equities practice is able to offer best-in-class research-driven advice to help its clients take investment decisions, while Avendus PE Investment Advisors manages funds raised from its investors by investing in public markets. Headquartered in Mumbai, the firm has offices in New Delhi and Bangalore. Avendus Capital, Inc (US) and Avendus Capital (UK) Pvt. Ltd. located in New York and London respectively are wholly owned subsidiaries offering M&A and Private Equity syndication services to clients in the respective regions.

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