

NOVEMBER 2018

Monthly commentary

Net Asset Value

The Net Asset Value (NAV) per share as at 30 November 2018 was 97.73 pence. In November the NAV was up 5.6% whilst the BSE Mid Cap TR Index was up 8.8%, delivering an under performance against the notional benchmark of 3.2%. In local currency terms, the NAV was flat for the month.

Portfolio update

Positive contribution to the portfolio's performance came from Indusind Bank (up 14.5%), Berger Paints (up 14.3%) and Kajaria Ceramics (up 11.5%). Negative contribution came from NIIT Tech (down 11.2%), Balkrishna Industries (down 12.1%) and Jammu & Kashmir Bank (down 12.8%).

Market and economic update

Indian equity markets improved in November with the BSE Sensex up 5.1% and the BSE Mid Cap Index up 3.0% on the back of falling crude oil prices which corrected 21% in the month. As a consequence, the Indian Rupee (INR) appreciated 5.9% against the US Dollar and 5.3% against the GB Pound and Foreign Institutions turned net buyers (US\$868m). Additionally Domestic Institutions continued to be net buyers for the month (US\$127m).

GDP growth in Q2FY19 moderated to 7.1% from 8.2% in Q1, missing expectations due to a

slowdown in Agriculture (3.8% from 5.3% in Q1) and in Industry (6.8% from 10.3% in Q1) led by a decline in Manufacturing and Mining, although Services contributed positively (7.5% from 7.3% in Q1). On the demand side, private consumption slowed although there was a pickup in Government expenditure and in gross fixed capital formation. The lower-than-expected growth in Q2 has slightly tempered the full year view of GDP but with crude oil prices falling, INR rising and liquidity constraints improving, the outlook has improved for the last four months of the fiscal year. Consequently the Reserve Bank of India (RBI) has retained its GDP estimate for the current year at 7.4%.

The RBI also kept interest rates unchanged at 6.5% retaining its 'calibrated tightening' policy stance. However inflation continues to undershoot expectations. Consumer price inflation (CPI) fell further to 3.3% in October forcing the RBI to further lower its inflation projection for the second month in a row to 2.7%-3.2% for H2FY2019. To help improve liquidity the RBI announced it is cutting its SLR rate (statutory liquidity reserve) by 25 bps every calendar quarter commencing January 2019, from 19.5% currently until the ratio reaches 18.0%.

Investment objectives

To provide long term capital appreciation by investing predominantly in listed mid and small cap Indian companies. Investments may also be made in large cap Indian companies where the Fund Manager believes long-term capital appreciation will be achieved. The Company may hold liquid assets (including cash) pending deployment in suitable investments. It is the Company's declared policy not to hedge the exposure to the Indian Rupee.

Portfolio statistics

Fund size	£109.9m
No of holdings	38
Top 20 holdings	68.0%
Dividend Yield (TTM)	0.7%
Median market cap.	US\$0.96bn
NAV per share (p)	97.73
Share price (p)	88.20

Key facts

Fund Manager	David Cornell
Fund Adviser	Gaurav Narain
Adviser start	31 December 2011
Launch date	22 December 2005
Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly
NAV estimate	Daily

Rebased NAV Performance since 31 December 2011 (all £)



Source: Ocean Dial Asset Management Limited, Bloomberg

NAV Performance (%)

	1m	3m	YTD	1yr	3yr	5yr
ICGF Rebased NAV (£)*	5.60	-12.55	-23.08	-20.61	45.00	156.27
ICGF NAV (£)	5.60	-12.55	-23.08	-20.61	34.71	120.53
BSE Mid Cap Index Total Return (£ adjusted)	8.79	-7.45	-17.68	-12.53	59.47	189.19
MSCI India Total Return (£ adjusted)	10.33	-5.26	-1.86	3.11	53.33	95.46

*The Rebased NAV is the fairest representation of the Manager's performance across all periods excluding the dilutive effect of the new ordinary shares issued on 8 August 2016 following the exercise of subscription share rights.

Capital structure and fees

Ordinary Shares in issue 112,502,173
Annual management fee 1.5% of AUM
Performance fee There is no performance fee payable

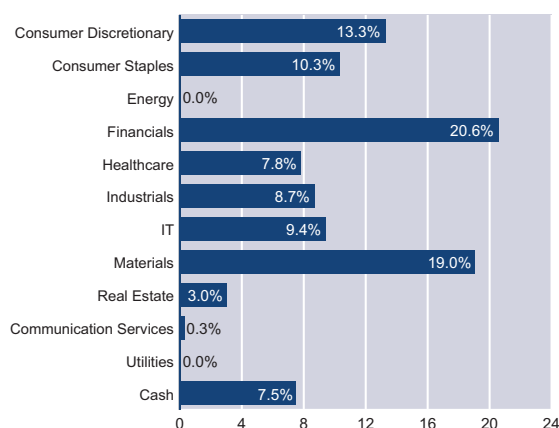
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Top 20 equity holdings

Holding	Sector	% of portfolio
Tech Mahindra	Information Technology	4.7%
Federal Bank	Financials	4.4%
City Union Bank	Financials	4.1%
Jyothy Laboratories	Consumer Staples	4.0%
Ramkrishna Forgings	Materials	3.7%
Divi's Laboratories	Health Care	3.6%
NIIT Technologies	Information Technology	3.6%
Motherson Sumi Systems	Consumer Discretionary	3.5%
Aurobindo Pharma	Health Care	3.5%
Kajaria Ceramics	Industrials	3.4%

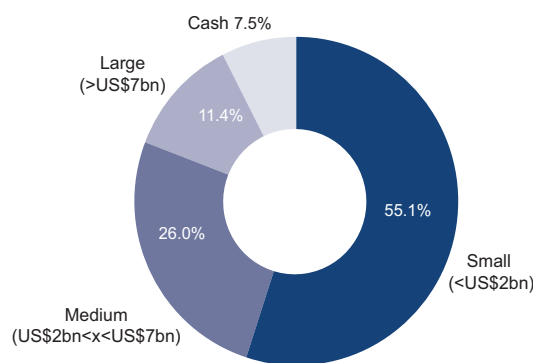
Holding	Sector	% of portfolio
Radico Khaitan	Consumer Staples	3.3%
Exide Industries	Consumer Discretionary	3.3%
Berger Paints India	Materials	3.2%
PI Industries	Materials	3.2%
Indusind Bank	Financials	3.2%
Welspun India	Consumer Discretionary	3.1%
Sobha Developers	Real Estate	2.8%
Capital First	Financials	2.7%
Balkrishna Industries	Consumer Discretionary	2.6%
Finolex Cables	Industrials	2.3%

Portfolio analysis by sector



Source: Ocean Dial Asset Management Limited, Bloomberg

Portfolio analysis by market capitalisation



Regulatory information

The information in this document does not constitute or contain an offer or invitation for the sale or purchase of any shares in the Fund in any jurisdiction, is not intended to form the basis of any investment decision, does not constitute any recommendation by the Fund, its directors, agents or advisers, is unaudited and provided for information purposes only and may include information from third party sources which has not been independently verified. Interests in the Fund have not been and will not be registered under any securities laws of the United States of America or its territories or possessions or areas subject to its jurisdiction, and may not be offered for sale or sold to nationals or residents thereof except pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "Securities Act"), and any applicable state laws. While all reasonable care has been taken in the preparation of this document, no warranty is given on the accuracy of the information contained herein, nor is any responsibility or liability accepted for any errors of fact or any opinions expressed herein. Past performance is not a guide to future performance and investment markets and conditions can change rapidly. Emerging market equities can be more volatile than those of developed markets and equities in general are more volatile than bonds and cash. The value of your investment may go down as well as up and there is no guarantee that you will get back the amount that you invested. Currency movements may also have an adverse effect on the capital value of your investment. Investing in a country specific fund may be less liquid and more volatile than investing in a diversified fund in the developed markets. This Fund should be seen as a long term investment and you should read the Prospectus whilst paying particular attention to the risk factors section before making an investment. Please refer to the Prospectus for specific risk factors. Where reference to a specific Class of security is made, it is for illustrative purposes only and should not be regarded as a recommendation to buy or sell that security. Market index information shown herein such as that of the S&P BSE Mid Cap Total Return Index is included to show relative market performance for the periods indicated and not as standards of comparison, since indices are unmanaged, broadly based and differ in numerous respects from the Fund. This document is issued by Ocean Dial Asset Management Limited and views expressed in this document reflect the views of Ocean Dial Asset Management Limited and its Mumbai based affiliated company and advisor, Ocean Dial Advisers Private Limited as at the date of publication. This information is for the use of intended professional and institutional investor recipients only and may not be reproduced, redistributed or copied in whole or in part without the express consent of Ocean Dial Asset Management Limited. Ocean Dial Asset Management Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Registered office 13/14 Buckingham Street, London WC2N 6DF.

Fund adviser



Gaurav Narain joined the Group in November 2011, having been immersed in the Indian equity markets for the previous 21 years. He has held senior positions as both a fund manager and an equities analyst in New Horizon Investments, ING Investment Management India and SG (Asia) Securities India. He holds a Masters degree in Finance and Control and a Bachelor of Economics degree from Delhi University.

Investment Philosophy

The investment manager believes that in India, optimal returns will be generated over time by investing in companies that are well placed to benefit from the structural growth potential of the Indian economy, combined with the highest quality of management best able to exploit this opportunity. The fund uses a consistent and disciplined bottom up stock picking process to select investments from our best ideas, unconstrained by a benchmark.

Other advisers

Administrator

Apex Fund Services
(Guernsey) Limited

Broker

Stockdale Securities Limited

Registrar and CREST Agent

Neville Registrars Limited

Board

Elisabeth Scott (Chairman)
 John Whittle
 Peter Niven

Manager

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