

# India Capital Growth Fund

India Capital  
GROWTH FUND

## PORTFOLIO AND MARKET UPDATE

In December, Indian equity markets declined modestly, the Sensex fell 0.6%, the mid-cap index declined 0.5% and the small-cap index fell 1.0% in local currency terms. Sector performance was mixed, with Metals (+8%), Oil & Gas (+2%), and Auto (+1%) the notable performers. In contrast, Capital Goods, Consumer Durables, and Real Estate underperformed, each declining by 3%. Domestic institutional investors continued to anchor the market, recording robust net inflows of US\$8.9bn during the month. However, foreign institutional investors remained net sellers, with net outflows of US\$2.6bn. The Indian Rupee depreciated 0.5% against the US Dollar, extending its year-to-date decline to 5.0%. At macroeconomic level CPI inflation for November edged up to 0.7%, compared with a record low 0.25% in October, though it remained well below the RBI's medium-term target. With inflation pressures still subdued, the RBI's Monetary Policy Committee reduced the repo rate by 25 basis points to 5.25%, while maintaining a neutral stance, to balance growth and stability. International policy progressed, India and New Zealand signed a Free Trade Agreement, aimed at strengthening bilateral trade and investment ties over the medium term. At portfolio level, stocks posted positive returns, led by Multi Commodity Exchange (+11%), Affle India (+8%), and Titagarh Rail Systems (+8%). Negative returns came from Gokaldas Exports (-20%), Dixon Technologies (-17%), and Coforge (-13%).

## HOLDING IN FOCUS: RBL

RBL Bank has been in existence for 80+ years and was established as a localised bank in the state of Maharashtra, India. Since 2010, RBL has reinvented itself by recruiting professional senior management, attracting large institutional investors, raising capital and investments in technology, people, branches and branding. The bank's US\$ 11bn loan book comprises 60% retail and 40% wholesale customers. It operates through a network of 564 branches. RBL is now entering its next phase of growth with Emirates NBD, a large UAE bank injecting US\$ 3bn capital in exchange for a 60% stake in RBL. This will lead to a host of benefits: (1) credit rating upgrade to narrow the funding cost gap vs larger peers, (2) GCC-India remittance channel to open up the NRI (Non Resident Indian) deposit business, (3) ability to underwrite big ticket quality corporate loans, (4) transaction banking, treasury and syndication franchise uplift, (5) new cross border and wealth management capabilities. We expect loan growth to accelerate more than 20% over FY26-28 and ROA to expand by around 100bps, reaching 1.5%. This should drive a re-rating from the current 1x Price/Book Value.

## REBASED NAV PERFORMANCE SINCE 31 DECEMBER 2011 (%)



1 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. Full provision is made for Indian Capital Gains Tax in the Net Asset Value.

## PERFORMANCE (%)

	1 mnth	3mnth	6mnth	1 year	3 years	5 years
ICGF NAV	(3.9)	4.2	(1.2)	(10.4)	33.7	91.7
BSE MidCap TR Index	(2.8)	3.2	(2.3)	(9.5)	57.4	127.0

## TOPICAL COMMENT

TICKER TV	IN THE MEDIA: TRUSTNET	IN THE MEDIA: INVESTMENT WEEK	BOOK REVIEW
Nov 2025 Regular webinars to allow investors to question us directly	Nov 2025 Looking for the best anti-AI market? Look no further by Matteo Anelli	Dec 2025 IGC Chair Elisabeth Scott on India's 'growth, growth, growth' story	Dec 25 The Psychology of Money by Morgan Housel

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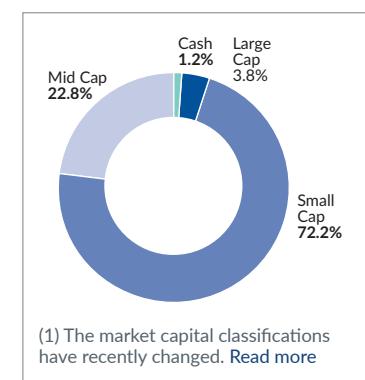
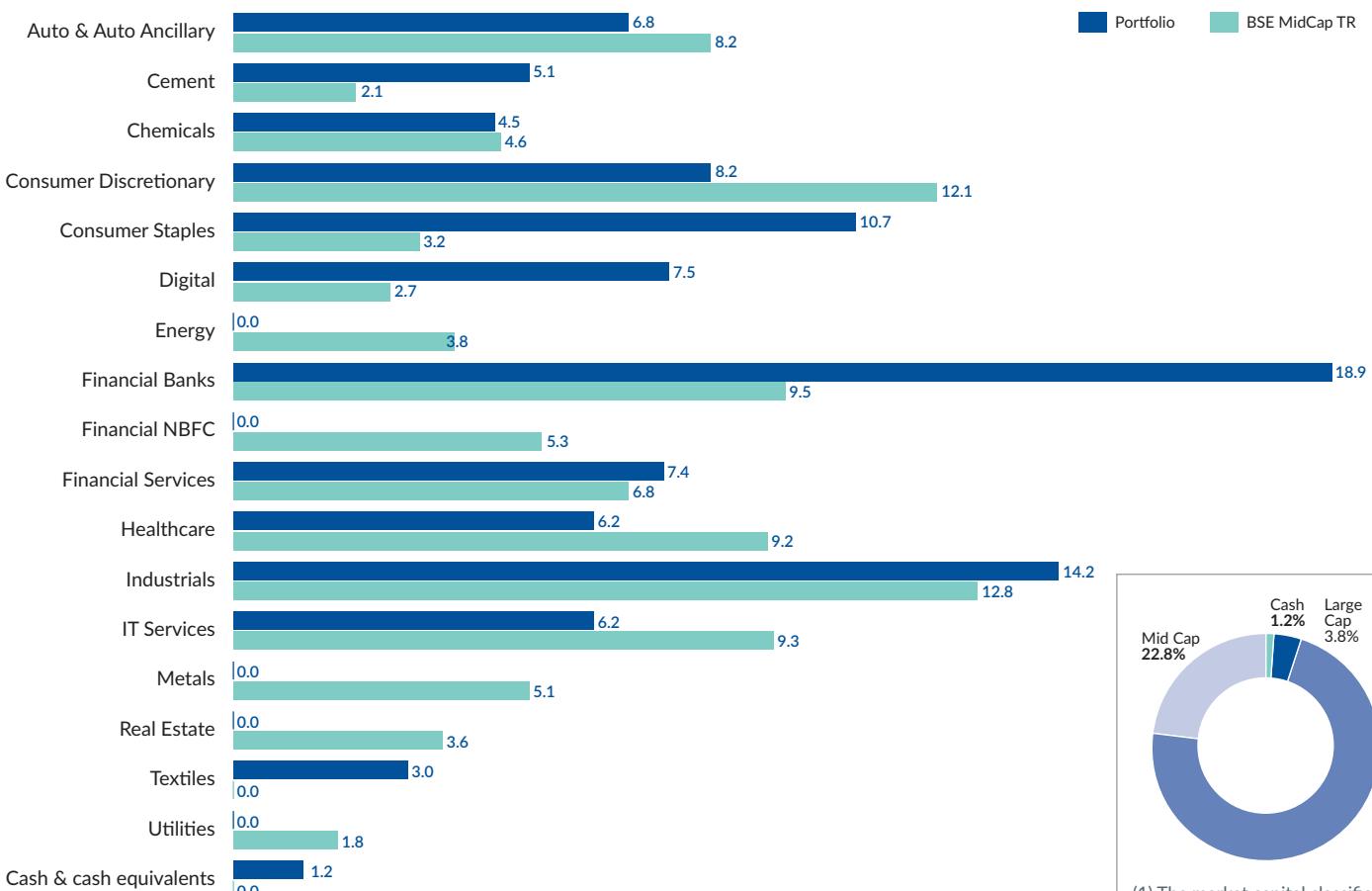
## QUARTERLY ATTRIBUTION – 3 MONTHS TO DECEMBER 2025 (%)

TOP 5	Ave. weight	Ave. index weight	Return	Contribution	BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
Multi Commodity Exchange of India	4.8	0.0	40.9	1.7	ixon Technologies India	4.3	2.0	(26.9)	(1.3)
Federal Bank	4.9	1.9	36.5	1.5	Skipper	4.9	0.0	(16.7)	(0.9)
City Union Bank	3.7	0.0	34.2	1.0	Kajaria Ceramics	2.3	0.0	(17.6)	(0.5)
Persistent Systems	3.7	2.1	28.3	0.9	Sagar Cements	1.9	0.0	(14.6)	(0.3)
IDFC First Bank	3.8	1.7	21.0	0.7	Elecon Engineering Co	1.7	0.0	(16.3)	(0.3)

## TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
Multi Commodity Exchange	5.2%	Commodity exchange, with 95%+ market share	6.3
Federal Bank	5.1%	Well run mid-sized private sector bank, attractive valuations	7.3
Skipper	5.1%	Power transmission and distribution company including polymer pipes and fittings segment	0.6
RBL Bank	5.0%	Private sector bank offering online and branch business banking and financial market operations	2.2
IDFC Bank	4.4%	Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory	8.2
Affle India	4.3%	Mobile adtech company	2.8
Neuland Laboratories	4.3%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	2.2
City Union Bank	4.3%	South India based regional bank lending to small and medium enterprises	2.4
Persistent Systems	3.8%	IT services company benefitting from 'digital transformation' of businesses globally	11.0
Emami	3.6%	Dominant player across multiple niche consumer product categories, attractive valuations	2.6

## PORTFOLIO ANALYSIS (%)



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## PRINCIPAL ADVISER

Gaurav Narain has advised India Capital Growth Fund since 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.

## INVESTMENT OBJECTIVE

To provide long term capital appreciation by investing predominantly in listed mid and small cap Indian companies. Investments may also be made in unquoted 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 exposure to the Indian Rupee.

## FUND MANAGER

River Global Investors is authorised and regulated by the Financial Conduct Authority.

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investment.companies@river.global

## WEBSITE

[www.indiacapitalgrowth.com](http://www.indiacapitalgrowth.com)

## SOURCES

Source of all performance and portfolio analysis: River Global Investors, Bloomberg.

## CAPITAL STRUCTURE

67,322,124 ordinary shares in issue with voting rights.

## BOARD

Elisabeth Scott (Chair), Patrick Firth, Lynne Duquemin, Nick Timberlake

## OTHER ADVISERS

Administrator: Apex Fund and Corporate Services (Guernsey) Limited

Broker: Shore Capital Stockbrokers Limited

Registrar and CREST Agent: Neville Registrars Limited

## IMPORTANT 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 London Stock Exchange Listing Prospectus published in December 2017 (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 Midcap TR 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.

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