

JANUARY 2019

## Monthly commentary

### Net Asset Value

The Net Asset Value per share as at 31 January 2019 was 93.04 pence. In January the Net Asset Value (NAV) was down 8.5% in Pound Sterling terms, whilst the BSE Mid Cap Index was down 10.4%, delivering an outperformance against the notional benchmark of 1.9%. In local currency terms, the NAV was down 3.6% for the month.

### Portfolio update

Positive contribution to the portfolio's performance came from NIIT Technologies (up 14.0%), Kajaria Ceramics (up 9.1%) and Aurobindo Pharma (up 7.5%). Negative contribution came from Jyothy Laboratories (down 13.9%), Motherson Sumi Systems (down 15.7%) and Dewan Housing Finance (down 45.5%).

### Market and economic update

Looming elections and perceived corporate governance lapses were in focus as investors continued to favour large caps in January; the BSE-Sensex moved up 0.5% compared to a 5.7% fall for the BSE-Midcap Index. The Indian Rupee depreciated 1.9% against the US Dollar and 5.3% against the Pound Sterling, driven by a 13.8% rally in oil and net outflows from foreign institutional investors (US\$75m). Domestic institutions were net buyers to the tune of US\$304m for the month.

### 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 (£)*	-8.47	0.54	-8.47	-22.07	42.81	142.00
ICGF NAV (£)	-8.47	0.54	-8.47	-22.07	31.40	108.24
BSE Mid Cap Index Total Return (£ adjusted)	-10.43	0.64	-10.43	-17.95	51.56	169.99
MSCI India Total Return (£ adjusted)	-4.82	4.95	-4.82	-5.14	44.65	87.93

\*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.

## 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	£104.7m
No of holdings	37
Top 20 holdings	69.2%
Dividend Yield (TTM)	0.7%
Median market cap.	US\$0.95bn
NAV per share (p)	93.04
Share price (p)	83.95

## 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

## Capital structure and fees

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

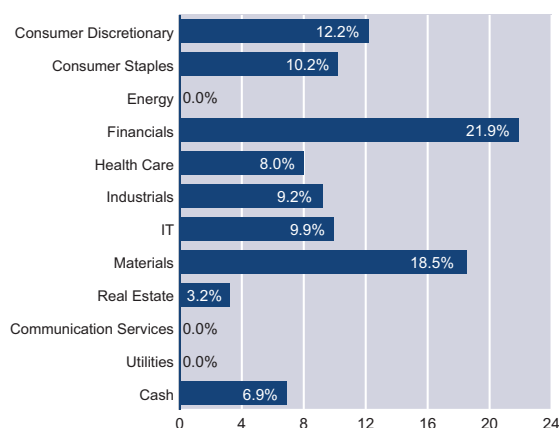
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### Top 20 equity holdings

Holding	Sector	% of portfolio
Tech Mahindra	Information Technology	4.9%
City Union Bank	Financials	4.5%
Federal Bank	Financials	4.4%
NIIT Technologies	Information Technology	4.3%
Kajaria Ceramics	Industrials	4.2%
Jyothy Laboratories	Consumer Staples	3.9%
Divi's Laboratories	Health Care	3.8%
Aurobindo Pharma	Health Care	3.4%
PI Industries	Materials	3.3%
Ramkrishna Forgings	Materials	3.3%

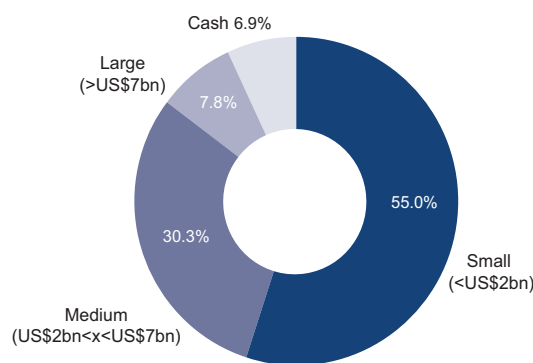
Holding	Sector	% of portfolio
Radico Khaitan	Consumer Staples	3.2%
IDFC Bank	Financials	3.2%
Berger Paints India	Materials	3.2%
Motherson Sumi Systems	Consumer Discretionary	3.2%
Welspun India	Consumer Discretionary	3.1%
Sobha Developers	Real Estate	3.0%
Indusind Bank	Financials	2.9%
Exide Industries	Consumer Discretionary	2.8%
Balkrishna Industries	Consumer Discretionary	2.4%
Yes Bank	Financials	2.2%

### 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

Ocean Dial Asset Management  
 Limited, 13/14 Buckingham Street  
 London WC2N 6DF  
 Tel +44 20 7068 9870  
 Fax +44 20 7068 9889