

India Capital Growth Fund

India Capital
GROWTH FUND

PORTFOLIO AND MARKET UPDATE

April witnessed robust performance in Indian equity markets with the large-cap Sensex rising by 3.7%, mid-cap index increasing by 3.3% and small-cap index up by 1.6%, in local currency. Sector-wise, Consumer Durables, Oil & Gas and FMCG gained 6%, 5% and 5% respectively, while Metals and IT declined by 6% and 3%. Foreign Institutional Investors (FII) flows remained positive at US\$1.3bn and domestic flows reached US\$3.3bn. The Indian Rupee appreciated by 0.6% against the US Dollar. The Reserve Bank of India (RBI) reduced the repo rate by 25bps to 6% and adopted an accommodative stance as the Consumer Price Index (CPI) inflation rate eased to 3.3% in March, from 3.6% in February. Economic momentum remained strong, driven by record April GST collections of ₹2.37 trillion (up 12.6% YoY) and a 10-month high manufacturing PMI of 58.2. An above-normal monsoon forecast may further boost agriculture, ease inflation, and support consumption through potential rate cuts. At a portfolio level, stocks posted positive returns, led by Indusind Bank (+26%), Dixon Technologies (+25%), and Elecon Engineering (+21%). Negative returns came from Ramkrishna Forgings (-23%), Coforge (-10%) and Triveni Turbines (-8%).

HOLDING IN FOCUS: Titagarh Rail Systems Limited

Established in 1997, Titagarh is India's largest manufacturer of railway wagons, holding over 20% of market share in railway freight wagons. Through investments in technology, design and engineering capabilities, Titagarh has transformed into a comprehensive railway transportation company, successfully venturing into the production of metro and semi-high-speed passenger rail coaches. This has enhanced its market opportunities and provided long term growth visibility. Titagarh is also undertaking backward integration into the production of wheels and propulsion systems, which will improve margins going forward. With its integrated business model and engineering capabilities, Titagarh has established entry barriers, the benefits of which are anticipated to be reflected in the Company's numbers going forward. Revenues and earnings projected to grow at compound annual rate of over 25% over the next 3 years.

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	0.8	(8.7)	(14.0)	(5.2)	36.5	173.8
BSE MidCap TR Index	0.4	(5.8)	(10.5)	(5.7)	52.3	209.3

TOPICAL COMMENT

BOOK REVIEW

April 2025

Taxtopia by
The Rebel Accountant

LONDON AGM

April 2025

5th June 2025 at 11am
Register Here

OCEAN DIAL ASSET MANAGEMENT

March 2025

Ocean Dial Asset Management-
New name, Same team

IN THE MEDIA

April 2025

CNBC's Inside India newsletter by
Ganesh Rao

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 30 April 2025 was 176.63 pence. In April the NAV was up 0.76% in Sterling terms, whilst the BSE MidCap TR Index was up 0.43%. In local currency terms, the NAV was up 3.61% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP150.9m
Launch date	22 December 2005
Adviser start	31 December 2011
Fund Manager	River Global Investors
Principal Adviser	Gaurav Narain
Benchmark	S&P BSE MidCap TR
AMC	1.25% of market cap
Share price	169.0p /
NAV per share	176.6p
Discount to NAV	4.3%

PORTFOLIO CHARACTERISTICS

Number of holdings	38
Median market cap (US\$bn)	\$1.5bn
PE FY26E	22.3
ROE FY26E	17.3%
Tracking Error	7.5%
Active Share	87.7%
Annual return	14.9%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/(weaker)]	1.1%	1.3%
FII Net flows (US\$m)	1,270.8 (12,266.0)	
DII Net flows (US\$m)	3,285.8	25,097.2
CPI inflation (Mar-25 / 3m avg)	3.3%	3.7%
GDP Q3 FY25		6.2%
Current account/ GDP Q3 FY25		(0.9)%

Source: River Global Investors

QUARTERLY ATTRIBUTION – 3 MONTHS TO APRIL 2025 (%)

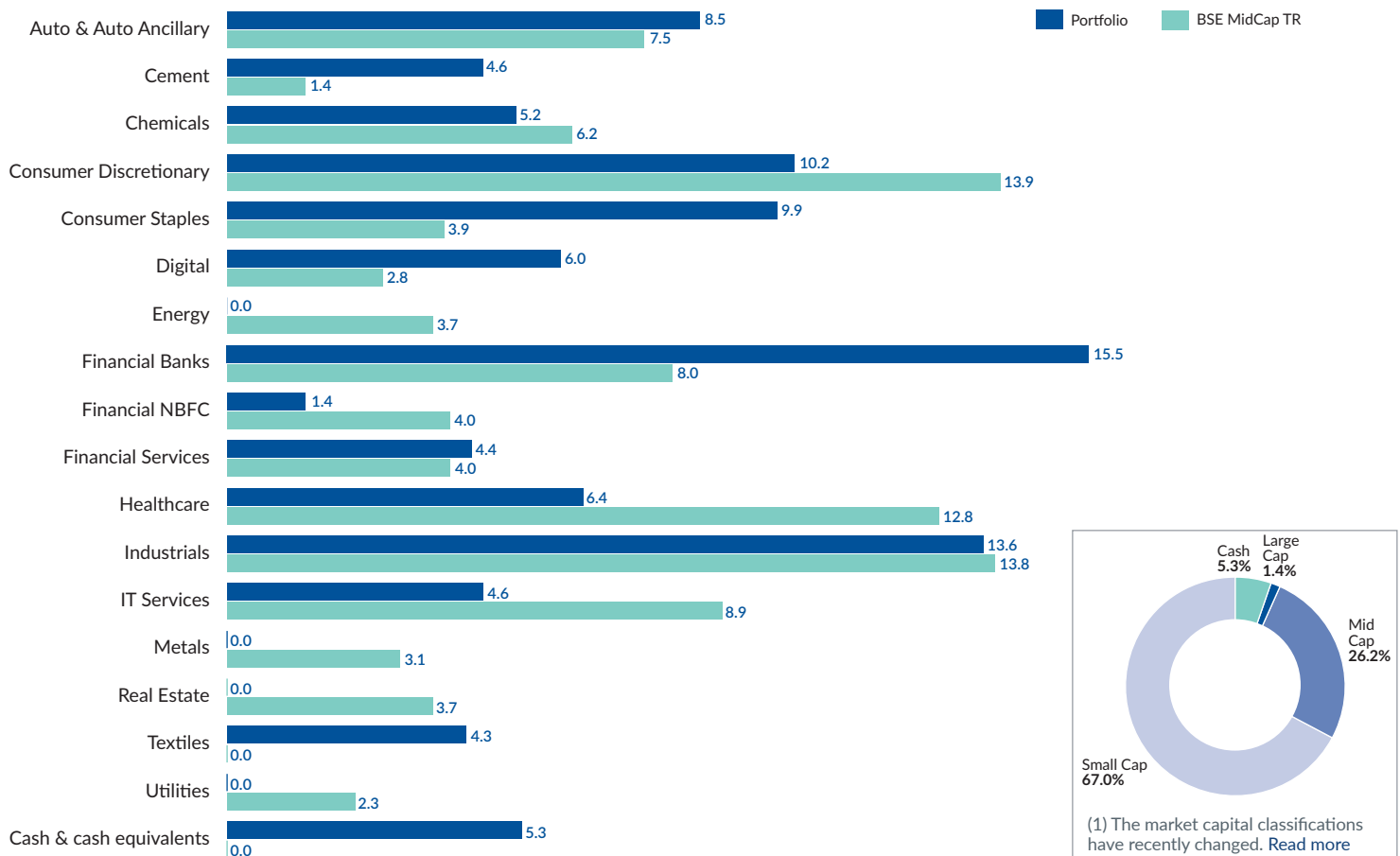
TOP 5	Ave. weight	Ave. index weight	Return	Contribution
RBL Bank	3.19	0.00	14.92	0.46
Dixon Technologies India	4.77	2.04	3.75	0.22
Cholamandalam Inv and Finance Co	1.45	0.00	9.77	0.13
Emami	4.11	0.43	0.81	0.08
Multi Commodity Exchange of India	3.94	0.00	1.02	0.07

BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
Neuland Laboratories	4.88	0.00	(19.76)	(1.04)
Ramkrishna Forgings	3.64	0.00	(28.25)	(1.00)
Persistent Systems	3.79	2.15	(16.63)	(0.70)
Triveni Turbine	1.87	0.00	(26.41)	(0.57)
VIP Industries	2.00	0.00	(22.30)	(0.53)

TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
Dixon Technologies	5.3%	Dominant player in an emerging Indian Electronic Manufacturing Services industry with structural tailwinds	11.7
Skipper	4.8%	Power transmission and distribution company including polymer pipes and fittings segment	0.6
Federal Bank	4.7%	Well run mid-sized private sector bank, attractive valuations	5.7
Neuland Laboratories	4.6%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	1.8
Emami	4.4%	Dominant player across multiple niche consumer product categories, attractive valuations	3.2
Multi Commodity Exchange	4.4%	Commodity exchange, with 95%+ market share	3.7
Persistent Systems	3.7%	IT services company benefitting from 'digital transformation' of businesses globally	9.8
RBL Bank	3.7%	Private sector bank offering online and branch business banking and financial market operations	1.4
Affle India	3.4%	Mobile adtech company	2.6
PI Industries	3.3%	Quality agro-chemical company, high visibility, strong industry tailwinds in global supply chains	6.5

PORTFOLIO ANALYSIS (%)



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

SOURCES

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

CAPITAL STRUCTURE

85,415,644 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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