

PORTFOLIO AND MARKET UPDATE

In February, Indian equity markets had mixed performance. The Sensex declined 1.2%, while the mid-cap index was up 1.1% and the small-cap index was up 0.5% in local currency terms. Sector performance too was mixed, with Consumer Durables (+7%) Healthcare (+6%) and Capital Goods (+6%) the notable performers. In contrast, IT and Realty underperformed, declining 19% and 1% respectively. Domestic institutional investors had net inflows of US\$4.2bn during the month and foreign institutional investors had net inflows of US\$1.7bn. The Indian Rupee appreciated 1% against the US Dollar. On the macroeconomic front, CPI inflation for January increased to 2.8%, from 1.3% in December. Heightened geopolitical tensions between Iran and the US, particularly following US-Israeli strikes on Iran in late February, together with ongoing concerns regarding disruption driven by AI, overshadowed an otherwise improving corporate earnings environment. India also benefited from a new trade deal with the EU and a US interim pact. The reduction in US reciprocal tariffs to 18% (from 50%) gives Indian exporters a meaningful competitive advantage over regional peers. At a portfolio level, stocks posted positive returns, led by Gokaldas Exports (+16%), Atlanta Electricals (+14%), and Essel Propack (+13%). Negative returns came from Cartrade Technologies (-32%), Coforge (-28%) and Persistent Systems (-22%).

HOLDING IN FOCUS: Multi Commodity Exchange of India

Multi Commodity Exchange of India (MCX) is India's largest exchange in the commodities derivatives segment and world's sixth largest exchange by the number of commodity derivatives contracts traded. It enjoys a near monopoly in key commodity segments of bullion, energy and base metals. The business model is a play on increased global commodity volatility which drives increased participation and growth in commodity volumes across futures and options. Besides this there are several structural drivers in play; a) multiple new product launches in pipeline; b) increased institutional participation as markets deepen and c) proactive investments in technology and infrastructure. All the above factors have led to options volume surge approximately 5x in less than two years. With high operating leverage, EBIDTA margins have risen to 70% from 47% over the last 5 years, leading to a 35% CAGR in earnings. Despite the high base, we believe there remain sufficient levers for the business to sustain a growth of 20%+ over the next 2 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	0.3	(11.8)	(4.9)	1.5	29.9	61.2
BSE MidCap TR Index	4.3	(6.6)	(0.8)	7.0	57.9	100.1
MSCI India SMID Index	4.6	(7.6)	(3.6)	5.0	41.6	69.5

Source: River Global, Bloomberg

Effective 01/01/26, the benchmark for ICGF was changed from BSE Mid Cap TR Index to MSCI India SMID Cap. Performance prior to this date was measured against BSE Mid Cap TR Index. Both benchmarks are presented for comparison purposes over the full period shown, with the new benchmark shown for illustrative purposes only prior to the change date.

TOPICAL COMMENT

EGM: YOUR VOTE MATTERS

Feb 2025

VOTE NOW - India Capital Growth Fund

IN THE MEDIA: CITYWIRE TRUST

Feb 2026

Trust Round Up by Michelle McGagh

IN THE MEDIA: THE TELEGRAPH

Feb 2026

Donald Trump is driving money away from America by David Stephenson

BOOK REVIEW: MASTER YOUR MINDSET

Feb 2026

How to Get What You Truly Deserve by Ravi Saroj

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 27 February 2026 was 171.87 pence. In February the NAV was up 0.30% in Sterling terms, whilst the MSCI SMID CAP Index was up 4.60%. In local currency terms, the NAV was down 2.75% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP114.4m
Launch date	22 December 2005
Adviser start	31 December 2011
Fund Manager	River Global Investors
Principal Adviser	Gaurav Narain
Benchmark	MSCI India SMID Index
AMC	1.25% of market cap
Share price	153.0p /
NAV per share	171.9p
Discount to NAV	11.0%

PORTFOLIO CHARACTERISTICS

Number of holdings	34
Median market cap (US\$bn)	\$1.4bn
PE FY26E	23.5
ROE FY26E	36.8%
Tracking Error	5.82%
Active Share	92.85%
CAGR Since 2011 (GBP)	12.10%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/(weaker)]	1.1%	(1.2)%
FII Net flows (US\$m)	1,688.2	(1,572.1)
DII Net flows (US\$m)	4,230.4	11,847.4
CPI inflation (Dec-25 / 3m avg)	2.8%	1.5%
GDP Q3 FY26		7.8%
Current account/ GDP Q3 FY26		(0.4)%

Source: River Global Investors

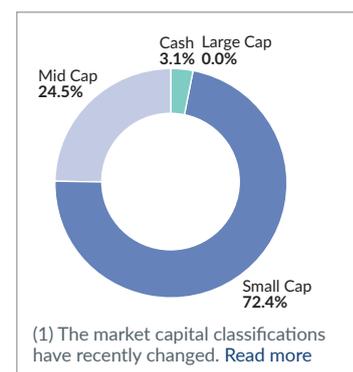
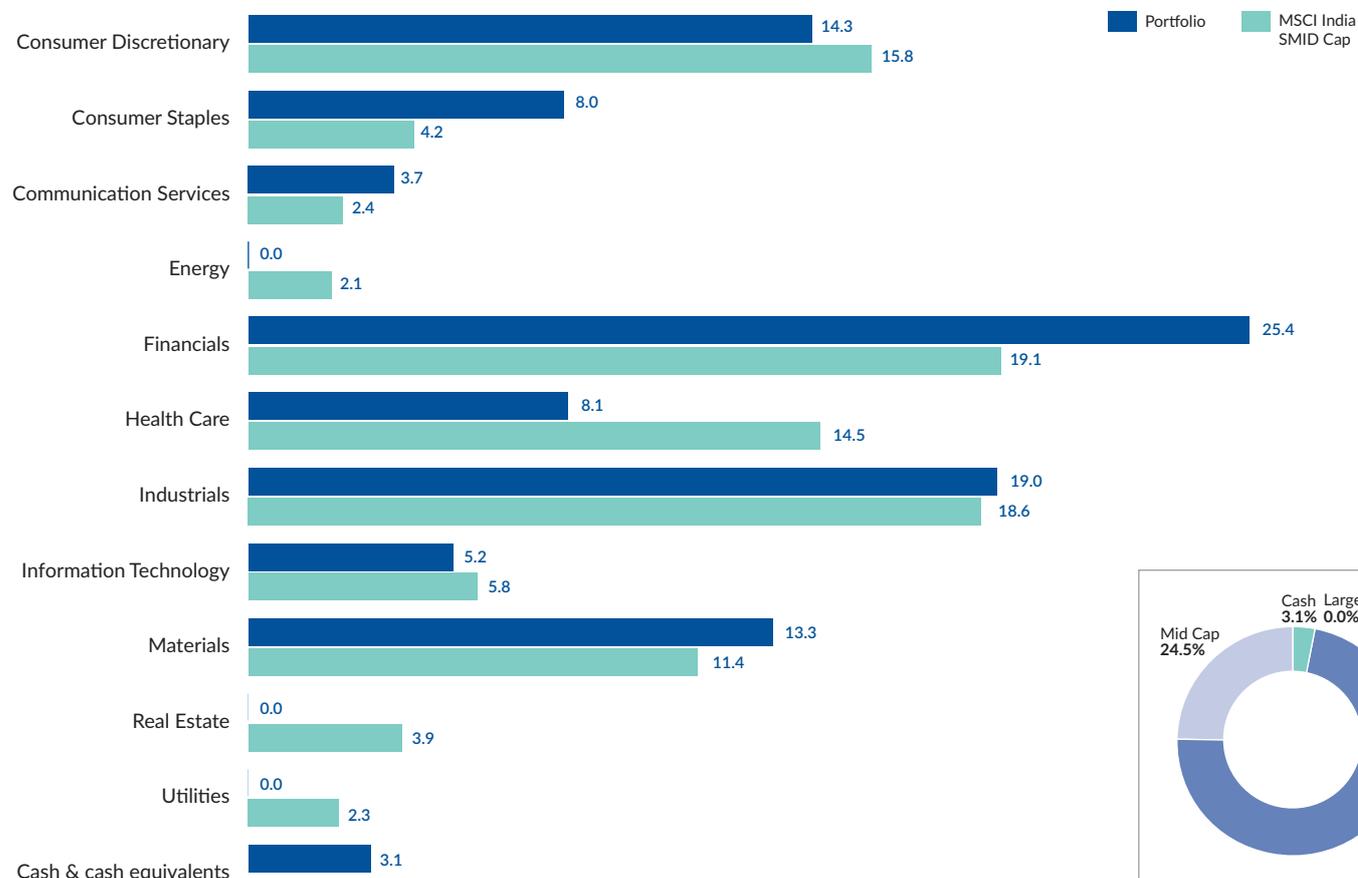
QUARTERLY ATTRIBUTION - 3 MONTHS TO FEBRUARY 2026 (%)

TOP 5	Ave. weight	Ave. index weight	Return	Contribution	BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
Multi Commodity Exchange of India	4.9	0.5	12.5	0.7	Cartrade Tech	3.0	0.2	(43.7)	(1.5)
Federal Bank	4.8	0.9	12.2	0.5	Neuland Laboratories	4.2	0.2	(28.4)	(1.4)
Aether Industries	2.5	0.1	5.5	0.1	Skipper	5.0	0.0	(24.9)	(1.4)
Sona Blw Precision Forgings	3.1	0.4	1.1	0.1	Dixon Technologies India	3.4	0.7	(30.4)	(1.2)
EPL	2.9	0.1	2.7	0.1	Coforge	2.6	0.9	(39.9)	(1.2)

TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
RBL Bank	5.6%	Private sector bank offering online and branch business banking and financial market operations	2.2
Federal Bank	5.1%	Well run mid-sized private sector bank, attractive valuations	8.1
Skipper	4.9%	Power transmission and distribution company including polymer pipes and fittings segment	0.5
Multi Commodity Exchange	4.4%	Commodity exchange, with 95%+ market share	6.8
IDFC Bank	4.2%	Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory	6.9
City Union Bank	4.1%	South India based regional bank lending to small and medium enterprises	2.3
Ccl Products India	4.0%	World's largest private-label coffee manufacturer	1.5
Affle India	3.7%	Mobile adtech company	2.1
Sona BLW Precision Forgings	3.5%	Auto Ancillary Company with strong focus on R&D	3.7
Neuland Laboratories	3.5%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	1.8

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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WEBSITE

www.indiacapitalgrowth.com

SOURCES

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

CAPITAL STRUCTURE

66,583,624 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 MSCI India SMID 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.

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