

## PORTFOLIO AND MARKET UPDATE

Indian equity markets showed mixed performance in May 2026. The Sensex fell 2.8%, while mid caps rose 1.6% and small caps 2.5%. Sector performance was mixed: Healthcare and Capital Goods gained 5% each, Metals rose 4%, while Oil & Gas and FMCG declined 3%, and Consumer Durables slipped 2%. Domestic institutional investors remained supportive with US\$9bn in net inflows, offsetting US\$5bn in foreign outflows. The Rupee weakened marginally by 0.1% against the US Dollar. To attract foreign capital and support the currency, the government removed withholding and capital gains taxes on foreign investments in government securities. Inflation remained benign, with April CPI at 3.5%, allowing the RBI to maintain its policy pause. Q4 FY26 corporate earnings showed improvement, led by banking, capital goods, and healthcare, though consumption sectors faced margin pressures. Geopolitical risks, higher input costs, and weak global growth continue to pose challenges, even as manufacturing stays resilient. The RBI revised FY27 GDP growth down by 30bps to 6.6%. At portfolio level, top performers included Triveni Turbine (+29%), Coforge (+19%), and Nuvama Wealth (+17%), while Emami (-10%), Kajaria Ceramics (-10%), and PI Industries (-9%) posted declines.

## HOLDING IN FOCUS: Gokaldas Exports

Gokaldas Exports (GEXP) is a leading apparel manufacturer in India. It has four decades of experience in designing, manufacturing, and exporting a diverse range of garments for all seasons. The company exports to some of the world's most prestigious fashion brands and retailers in more than 50 countries. Its customers include GAP, Carhartt, Columbia, among others. It has a capacity of 87 million pcs, operates 30+ plants in India and Africa and has a workforce of 54000+ with about 75% being women. Despite severe headwinds from US tariffs in FY26, GEXP protected its market share and profitability through strategic cost-sharing among vendors, internal absorption, and customer price pass-throughs. With increased capacity across both India & Africa manufacturing facilities, it expects strong growth over the next 2 years driven by strong order book visibility and addition of new customers. We forecast revenue & profit CAGR of 16% and 63% respectively over the next 2 years, driven by margin expansion of 240bps. Any potential benefit coming from UK & EU Free Trade Agreements will be over & above this growth..

## 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	Since 2011
ICGF NAV	2.2	4.7	(7.7)	(2.3)	24.8	52.6	354.3
BSE MidCap TR Index	1.6	(1.8)	(8.2)	(6.0)	41.9	81.7	592.4
MSCI India SMID Index	2.6	0.4	(7.2)	(7.1)	31.6	56.0	385.1

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

## ON DEMAND

May 2026

2026 AGM: recording of events

## THE LISTENING ROOM

Apr 2026

Master Investor Presentation:  
Gaurav Narain

## IN THE MEDIA

May 2026

India - a growth story that doesn't  
rely on AI, by James Carthew

## BOOK REVIEW

May 2026

Investing for Growth by Terry  
Smith

## NET ASSET VALUE

The Net Asset Value (NAV) per share as at 29 May 2026 was 179.90 pence. In May the NAV was up 2.15% in Sterling terms, whilst the MSCI SMID CAP Index was up 2.63%. In local currency terms, the NAV was up 2.14% for the month.

## FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP118.6m
Launch date	22 December 2005
Adviser start	31 December 2011
Investment Manager	River Global Investors
Principal Adviser	Gaurav Narain
Benchmark	MSCI India SMID Index
AMC	1.25% of market cap
Share price NAV per share	156.0p / 179.9p
Discount to NAV	13.3%

## PORTFOLIO CHARACTERISTICS

Number of holdings	33
Median market cap (US\$bn)	\$1.6bn
PE FY27E	26.9
ROE FY27E	14.8%
Tracking Error	5.5%
Active Share	93.2%
CAGR Since 2011 (GBP)	12.23%

## INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/(weaker)]	(0.1)%	(5.7)%
FII Net flows (US\$m)	(4,909.0)	(25,920.7)
DII Net flows (US\$m)	8,672.4	41,384.4
CPI inflation (Apr-26 / 3m avg)	3.5%	3.4%
GDP Q4 FY26		7.8%
Current account/ GDP Q3 FY26		(0.4)%

Source: River Global Investors

## QUARTERLY ATTRIBUTION - 3 MONTHS TO MAY 2026 (%)

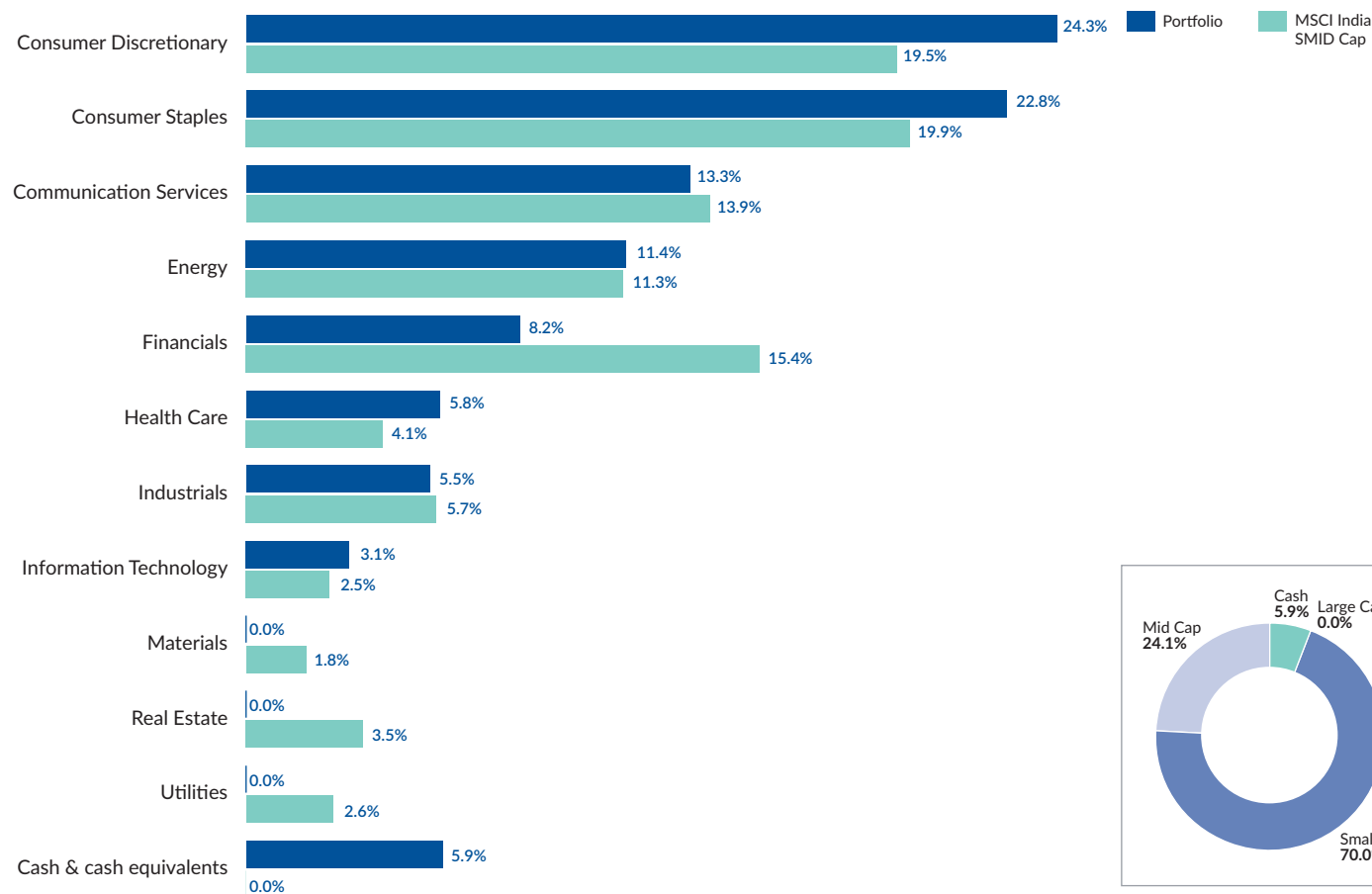
TOP 5	Ave. weight	Ave. index weight	Return	Contribution
Atlanta Electricals	2.99	0.00	101.32	2.24
Skipper	5.30	0.00	43.35	2.13
Neuland Laboratories	3.76	0.18	27.37	0.99
Triveni Turbine	1.86	0.12	44.90	0.79
Multi Commodity Exchange of India	4.95	0.58	15.60	0.72

BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
JK Lakshmi Cement	2.63	0.06	(20.96)	(0.66)
Emami	3.18	0.14	(17.52)	(0.64)
City Union Bank	3.60	0.15	(13.72)	(0.59)
VIP Industries	2.08	0.03	(19.95)	(0.50)
Federal Bank	4.70	0.85	(7.88)	(0.43)

## TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
Skipper	6.7%	Power transmission and distribution company including polymer pipes and fittings segment	0.7
RBL Bank	5.5%	Private sector bank offering online and branch business banking and financial market operations	2.2
Multi Commodity Exchange	4.9%	Commodity exchange, with 95%+ market share	7.9
Federal Bank	4.5%	Well run mid-sized private sector bank, attractive valuations	7.5
Neuland Laboratories	3.9%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	2.3
IDFC Bank	3.7%	Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory	6.4
Dixon Technologies	3.6%	Dominant player in an emerging Indian Electronic Manufacturing Services industry with structural tailwinds	7.4
City Union Bank	3.3%	South India based regional bank lending to small and medium enterprises	2.0
Kajaria Ceramics	3.1%	India's largest ceramic tile manufacturer	1.8
Atlanta Electricals	3.1%		1.6

## 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**

RGI Fund Management is authorised and regulated by the Financial Conduct Authority.

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**WEBSITE**

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

**SOURCES**

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

**CAPITAL STRUCTURE**

65,902,624 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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