

India Capital Growth Fund

India Capital
GROWTH FUND

PORTFOLIO AND MARKET UPDATE

Indian equities retreated across all market-cap segments in September as investor sentiment was weighed down by rising oil prices, foreign outflows and inflation concerns. The BSE Sensex fell 5.8%, while the Mid-Cap and Small-Cap indices declined 6.8% and 1.8% respectively. All sectors were down, Information Technology fell 10%, Consumer Durables also declined 10% along with Auto down 9%, as some of the weakest sectors.

Foreign institutional investors were net sellers, withdrawing US\$4.1bn, although this was more than offset by domestic institutional inflows of US\$8.0bn. Oil prices remained above US\$100

per barrel amid the US-Iran conflict, contributing to inflationary pressures, alongside a 0.6% depreciation in the rupee and an increase in CPI inflation to 4.8% in August from 4.45% in July.

Despite weaker markets, economic momentum improved, with Composite PMI rising to 56.5 from 54.3, the Manufacturing PMI at a high of 55.7 and Services PMI at 55.8%. Within the portfolio, Glass Wall Systems (+55%), Kanohar Electricals (+36%) and Welspun India (+16%) led gains, while Globus Spirits (-14%), PSP Projects (-13%) and Atlanta Electricals (-12%) detracted.

HOLDING IN FOCUS: Globus Spirits

Welspun Living is a leading global home textiles company, generating over 90% of revenues from bed linen, towels, rugs and carpets supplied to major retailers including Walmart, Target, Costco, Tesco and Ikea. The company has broadened its revenue base through own brands, licensed brands and expansion into adjacent categories such as flooring and technical textiles. Its vertically integrated manufacturing model, scale and strong sustainability credentials provide a competitive advantage, with Welspun ranked number one globally in its category by S&P ESG ratings.

While FY26 was impacted by disruption from US tariffs, the business has shown signs of recovery, delivering 23% revenue growth and an 11% EBITDA margin in the latest quarter. Management expects further growth and margin expansion, supported by recently agreed UK and EU trade agreements. These provide improved market access for Indian textile exporters and create a significant opportunity in the underpenetrated European market. We remain positive on the outlook and forecast revenue and EBITDA CAGRs of 14% and 33% respectively over the next three 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	Since 2011
ICGF NAV	(1.7)	1.9	26.4	9.5	14.2	44.1	405.9
BSE MidCap TR Index	(5.2)	(4.9)	12.1	(3.6)	16.2	49.7	622.8
MSCI India SMID Index	(4.0)	(4.1)	15.9	(2.5)	12.8	31.3	410.1

5 YEARS DISCRETE RETURNS (%)

	Sept 25-26	Sept 24-25	Sept 23-24	1 Sept 22-23	Sept 21-22
ICGF NAV - GBP (Post CGT)	9.5	(12.0)	18.5	20.9	4.3
MSCI India SMID Cap - GBP	(2.5)	(14.2)	34.7	10.6	5.3

Source: Liontrust Investment Partners LLP, 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

Q3 PORTFOLIO UPDATE September 2026

Q3 Portfolio Update:
On Demand Webinar

INDIA INSIGHTS October 2026

2 minute video clips: Are India's
Earnings Expectations Grounded
in Reality

BOOK REVIEW October 2026

Humans First, Machines Second by
Vineet Nayar

INDIA INSIGHTS October 2026

2 minute video clips: Growth vs
Valuation: The Indian Mid-Cap
Opportunity

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 30 September 2026 was 196.85 pence. In September the NAV was down 1.73% in Sterling terms, whilst the MSCI SMID CAP Index was down 4.03%. In local currency terms, the NAV was down 3.32% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP126.2m
Launch date	22 December 2005
Adviser start	31 December 2011
Investment Manager	Liontrust Investment Partners LLP
Principal Adviser	Gaurav Narain
Benchmark	MSCI India SMID Index
AMC	1.25% of market cap
Share price	176.0p /
NAV per share	196.8p
Discount to NAV	10.6%

PORTFOLIO CHARACTERISTICS

Number of holdings	36
Median market cap (US\$bn)	\$1.6bn
PE FY28E	21.6
ROE FY28E	17.0%
Tracking Error	6.0%
Active Share	92.9%
CAGR Since 2011 (GBP)	12.6%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/(weaker)]	(0.7)%	(6.6)%
FII Net flows (US\$m)	(4,142.9)	(28,261.5)
DII Net flows (US\$m)	7,961.2	68,129.3
CPI inflation (August-26 / 3m avg)	4.8%	4.6%
GDP Q1 FY27		7.8%
Current account/ GDP Q1 FY27		(0.7)%

Source: Liontrust Investment Partners LLP

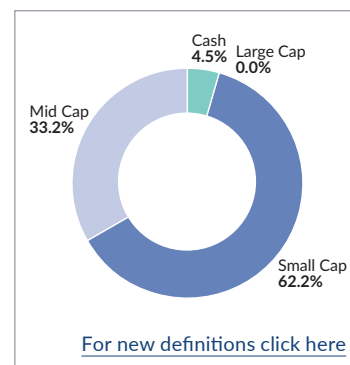
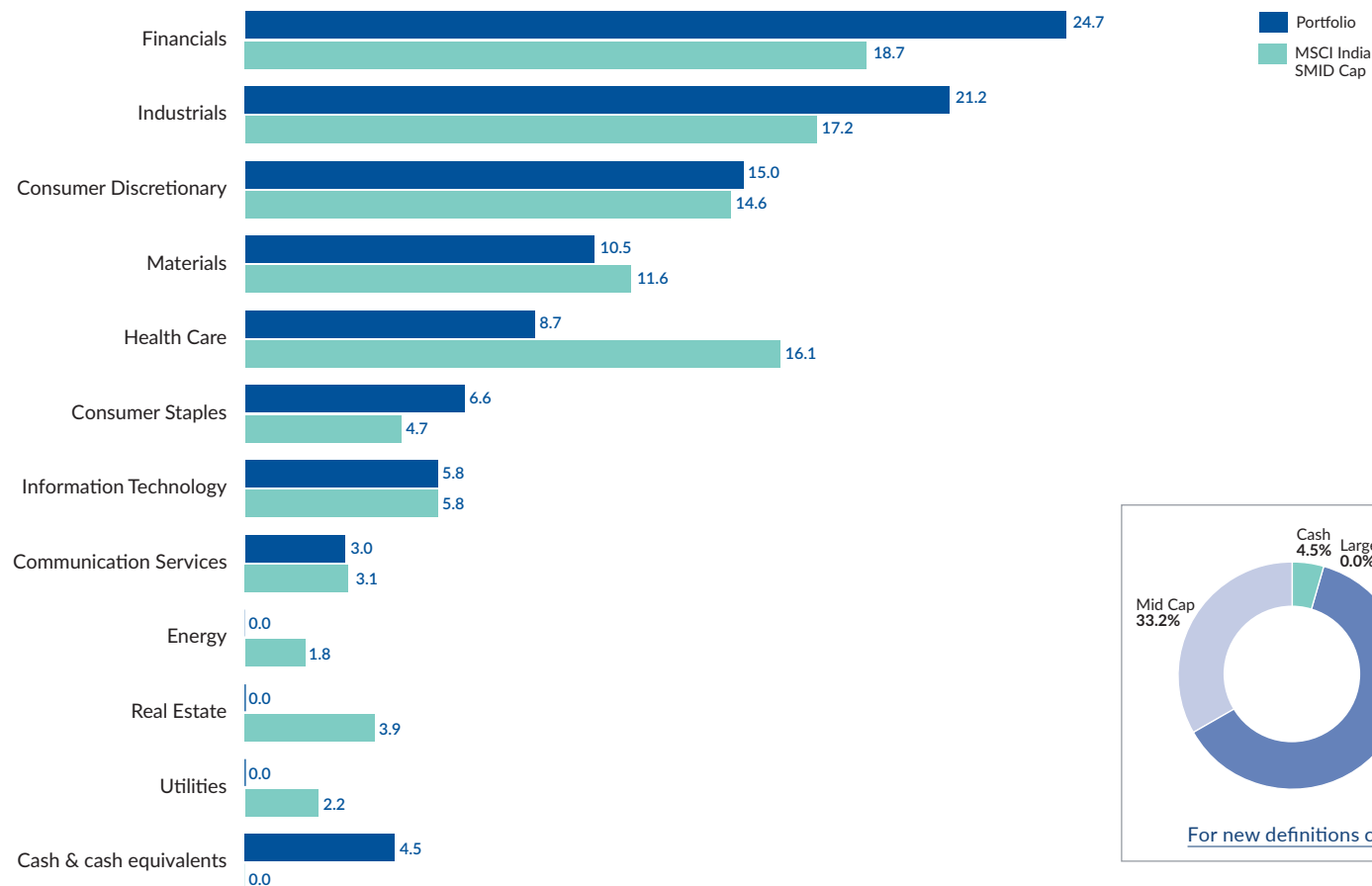
QUARTERLY ATTRIBUTION – 3 MONTHS TO SEPTEMBER 2026 (%)

TOP 5	Ave. weight	Ave. index weight	Return	Contribution	BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
Sona Blw Precision Forgings	3.07	0.49	31.73	0.83	PSP Projects	2.18	0.00	(24.60)	(0.59)
Multi Commodity Exchange of India	4.59	0.56	14.72	0.65	CCL Products India	2.99	0.11	(14.85)	(0.48)
Aether Industries	3.07	0.07	23.01	0.64	Triveni Turbine	1.64	0.13	(22.79)	(0.45)
Welspun Living	1.62	0.06	40.89	0.58	JK Lakshmi Cement	1.96	0.05	(19.15)	(0.42)
Ramkrishna Forgings	2.5	0.07	22.31	0.54	Gokaldas Exports	1.61	0.00	(22.51)	(0.42)

TOP TEN HOLDINGSTOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
RBL Bank	5.6%	Mid-sized private sector bank with a strong presence in retail lending, credit cards and MSME banking. 60% owned by Emirates NBD Bank.	6.5
Skipper	5.5%	India's largest integrated transmission and distribution tower structures manufacturer.	0.7
Multi Commodity Exchange	5.1%	India's largest commodity derivatives exchange and the world's fourth largest exchange by number of commodity derivative contracts traded.	8.8
IDFC Bank	4.0%	Fast growing retail focused private sector bank with a digital-first strategy.	7.3
Federal Bank	3.9%	Well run mid-sized private sector bank with a balanced portfolio of Corporate, MSME and Retail lending.	8.2
Dixon Technologies	3.9%	India's largest Electronic Manufacturing Service provider. Offers end to end design and manufacturing solutions for global and domestic brands.	8.3
City Union Bank	3.7%	South India based regional banking providing 100% secured lending to medium and small enterprises.	2.3
Sona BLW Precision Forgings	3.4%	Auto Ancillary Company with strong focus on R&D.	5.4
Aether Industries	3.4%	Sole Indian producer for several niche molecules producing advanced intermediates involving complex chemistries for diversified industries including pharmaceutical, oil & gas, agrochemical.	2.3
Neuland Laboratories	3.4%	Active Pharmaceutical Ingredient (API) manufacturer, offering CDMO services, peptides & custom synthesis to global pharmaceutical and biotech companies.	2.9

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

Liontrust Management Ltd is authorised and regulated by the Financial Conduct Authority.

The acquisition of River Global Holdings, the asset management business of River Global PLC, by Liontrust completed on 1 July 2026.

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WEBSITE

www.indiacapitalgrowth.com

SOURCES

Source of all performance and portfolio analysis: Liontrust Investment Partners LLP, Bloomberg.

CAPITAL STRUCTURE

64,128,124 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.

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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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