

India Capital Growth Fund

India Capital
GROWTH FUND

PORTFOLIO AND MARKET UPDATE

May was a strong month for the Indian equity markets across the market cap spectrum. In local currency terms the large-cap Sensex rose 1.5%, the mid-cap increased 5.3%, and the small-cap index increased 10.6%. Sector-wise, Capital Goods, Realty and Metals gained 13%, 7% and 6% respectively, while FMCG declined by 1%. Investor flows remained positive with FIIs investing US\$1.7bn, and domestic flows amounting to US\$7.9bn. GDP surprised on the upside, growing at 7.4% in Q4. For the full year FY25, GDP grew 6.5% and the Reserve Bank India (RBI) expects a similar growth rate for FY26. In a surprise move, the RBI recently announced a 50 basis points (bps) rate cut and a 100bps reduction to Cash Reserve Ratios for banks, aiming to boost investment and consumption as inflation moderated to 3.2% in April from 3.3% in March. However, the RBI also shifted its monetary policy stance from 'accommodative' to 'neutral'. At a portfolio level, stocks posted positive returns, led by CCL Products (+49%), Essel Propack (+31%), and Kajaria Ceramics (+29%). Dixon Technologies (-11%), Cartrade Technologies (-9%) and Jyothy Labs (-8%) recorded negative returns.

HOLDING IN FOCUS: Coforge Limited

Coforge Limited, formerly known as NIIT Technologies, is a mid-cap IT services firm with annual revenues of approximately US\$1.4 billion. Over the past five years, the company has demonstrated strong performance, achieving a 20% compound annual growth rate (CAGR) in revenue and 18% in EBITDA. This impressive growth trajectory is largely credited to CEO Sudhir Singh, whose sharp focus on sales execution has been a critical driver of success. Coforge takes a targeted approach, focused on a small number of industry verticals and further specializing within niche segments of those verticals. Its primary revenue contributors are: Banking and Financial Services (30%), Travel, Transportation & Hospitality (19%), Insurance (18%). This strategic focus has resulted in a fourfold increase in orders over the past four years, with the current order book standing at US\$1.5 billion. Coforge aims to reach US\$2 billion in revenue within the next two years. We forecast revenue CAGR of 18% and profit CAGR of 40%+, with Return on Equity (RoE) expected to remain above 20% during this period.

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	4.2	8.7	(13.1)	2.7	56.8	186.1
BSE MidCap TR Index	4.2	11.9	(8.3)	(2.3)	71.1	225.7

TOPICAL COMMENT

MY SHARE, MY VOTE

May 2025

Being able to vote is your right as a shareholder - Learn about the AIC campaign

LONDON AGM

Jun 2025

On Demand

BOOK REVIEW

May 2025

Man's Search for Meaning by Viktor E Frankl

IN THE MEDIA

Jun 2025

IPE: India could benefit from global trade disruption by Joseph Mariathan

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 30 May 2025 was 184.13 pence. In May the NAV was up 4.24% in Sterling terms, whilst the BSE MidCap TR Index was up 4.19%. In local currency terms, the NAV was up 5.40% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP157.3m
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	170.0p /
NAV per share	184.1p
Discount to NAV	7.7%

PORTFOLIO CHARACTERISTICS

Number of holdings	37
Median market cap (US\$bn)	\$1.7bn
PE FY26E	25.8
ROE FY26E	16.2%
Tracking Error	6.8%
Active Share	95.1%
Annual return	15.1%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/(weaker)]	(1.3)%	0.0%
FII Net flows (US\$m)	1,738.2	(10,527.8)
DII Net flows (US\$m)	7,923.5	33,020.7
CPI inflation (Apr-25 / 3m avg)	3.2%	3.4%
GDP Q4 FY25		7.4%
Current account/ GDP Q3 FY25		(0.9)%

Source: River Global Investors

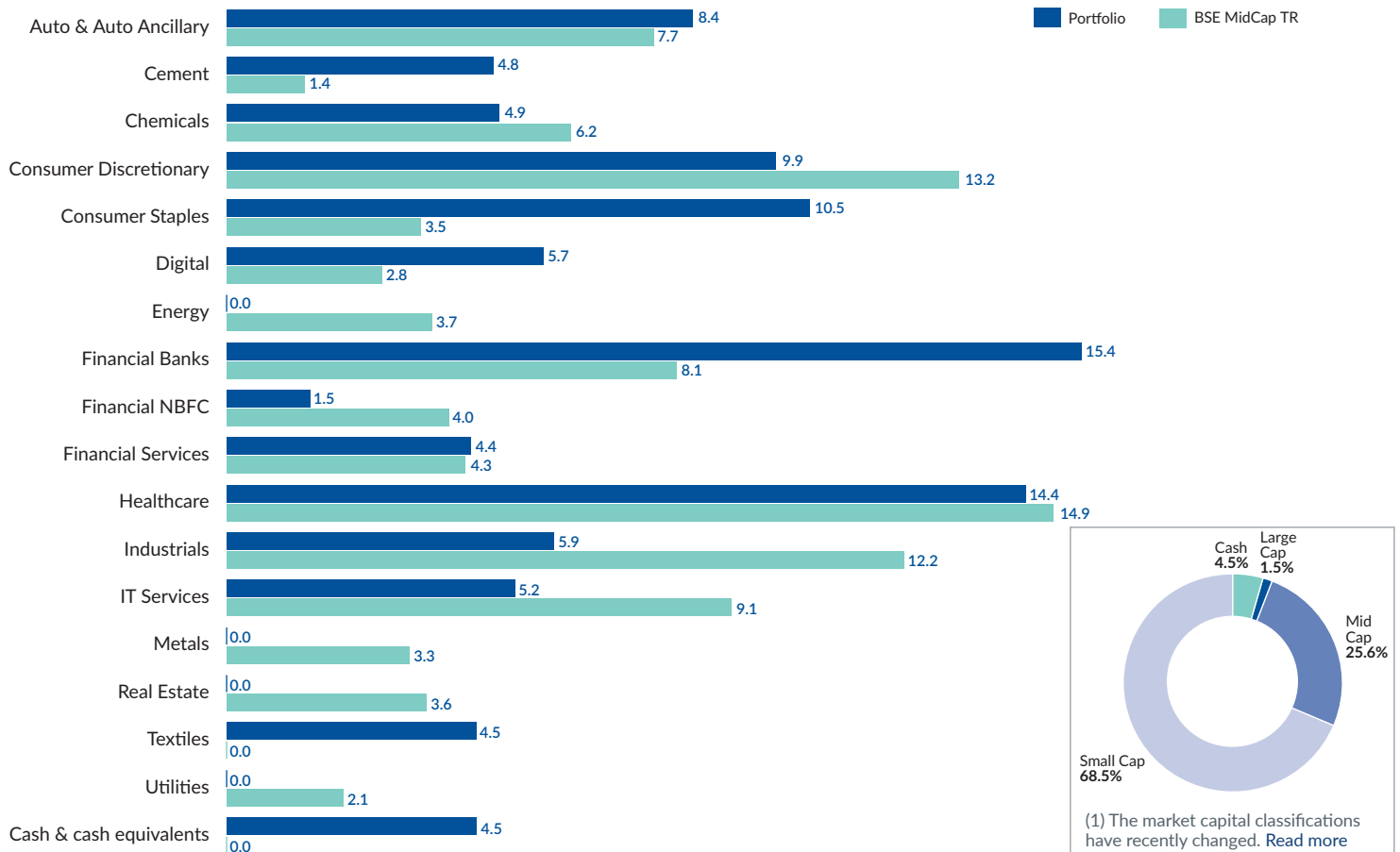
QUARTERLY ATTRIBUTION – 3 MONTHS TO MAY 2025 (%)

TOP 5	Ave. weight	Ave. index weight	Return	Contribution	BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
CCL Products India	2.60	0.00	45.55	1.12	IndusInd Bank	1.52	0.00	(21.19)	(0.54)
Multi Commodity Exchange of India	4.03	0.00	26.33	1.03	Aether Industries	1.94	0.00	(16.79)	(0.36)
Skipper	4.86	0.00	19.77	0.95	Ramkrishna Forgings	3.32	0.00	(10.64)	(0.31)
RBL Bank	3.41	0.00	28.53	0.90	Balkrishna Industries	2.24	0.72	(9.72)	(0.23)
Elecon Engineering	1.63	0.00	53.12	0.75	Vedant Fashions	0.50	0.18	(17.45)	(0.15)

TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
Skipper	4.9%	Power transmission and distribution company including polymer pipes and fittings segment	0.7
Federal Bank	4.6%	Well run mid-sized private sector bank, attractive valuations	5.8
Dixon Technologies	4.5%	Dominant player in an emerging Indian Electronic Manufacturing Services industry with structural tailwinds	10.4
Multi Commodity Exchange	4.4%	Commodity exchange, with 95%+ market share	3.9
Neuland Laboratories	4.1%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	1.7
Emami	3.9%	Dominant player across multiple niche consumer product categories, attractive valuations	3.0
RBL Bank	3.7%	Private sector bank offering online and branch business banking and financial market operations	1.5
Persistent Systems	3.7%	IT services company benefitting from 'digital transformation' of businesses globally	10.3
Affle India	3.5%	Mobile adtech company	2.9
Ccl Products India	3.4%	World's largest private-label coffee manufacturer.	1.4

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

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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