

# India Capital Growth Fund

India Capital  
GROWTH FUND

## PORTFOLIO AND MARKET UPDATE

In September, Indian equities posted gains across market segments. The Sensex rose 0.6%, while mid-cap and small-cap indices advanced 0.7% and 1.4%, respectively in local currency terms, driven by growth optimism following the government's Goods and Services Tax (GST) rationalisation aimed at boosting consumption. Sector performance was mixed, with Metals (+9%), Auto (+6%), and Oil & Gas (+5%) the notable performers, while Consumer Durables (-5%), IT (-3%), and FMCG (-2%) declined. Equity flows were mixed, FII flows were down US\$2bn while domestic flows were up US\$7bn. The Indian Rupee depreciated by 1.1% against the US Dollar during the month, bringing the year-to-date decline to 3.7%. Inflationary pressures intensified slightly, as CPI rose to 2.1% in August from 1.6% in July. Despite the increase it remains well withing the Reserve Bank of India's target range. The RBI left policy rates unchanged at 5.5%, maintaining a neutral stance while ensuring adequate system liquidity. In its latest outlook, RBI raised its FY2026 real GDP growth forecast by 30 bps to 6.8%, reflecting optimism around resilient domestic demand and supportive policy measures. At a portfolio level, stocks posted positive returns, led by Cholamandalam Investment and Finance (+13%), PSP Projects (+10%), and City Union Bank (+9%). Negative returns came from Persistent Systems (-9%), Coforge (-8%) and Jyothy Laboratories (-7%).

## HOLDING IN FOCUS: Atlanta Electricals

India's power transmission infrastructure is witnessing strong growth driven by the accelerating deployment of renewable energy projects. With over 3 decades of manufacturing experience in transformers and pan India presence, Atlanta has a dominant position in the low and medium voltage class (up to 220kv) transformers. It is further entering into the complex high voltage transformers class of 400kv and 765kv and has almost quadrupled its capacities to meet the soaring demand. Atlanta has a healthy orderbook and to support its growth, it recently completed a public listing. While the domestic market constitutes the bulk of the company's order book, Atlanta is simultaneously expanding its footprint abroad to participate in the global transmission super cycle and thus increase exports. Atlanta has recorded 26% CAGR in revenue and 29% CAGR profit after tax over the past 3 years. We forecast 50% revenue CAGR and 57% profit after tax CAGR over the next two years, supported by robust demand both domestically and internationally.

## 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            | (0.6)  | (5.2) | 2.5   | (12.0) | 26.1    | 108.7   |
| BSE MidCap TR Index | 0.0    | (5.3) | 0.9   | (13.8) | 41.6    | 155.7   |

## TOPICAL COMMENT

### Q&A

Oct 2025

Redemption Facility Q&amp;A

### INVESTOR UPDATE

Oct 2025

Register for our investor update - November 5th at 10am

### INVESTMENT TEAM ARTICLE

Oct 2025

India's savings uncovered

### IN THE MEDIA: MONEY WEEK

Oct 25

Emerging Markets Stocks deliver strong growth by Alex Rankine

## NET ASSET VALUE

The Net Asset Value (NAV) per share as at 30 September 2025 was 179.70 pence. In September the NAV was down 0.56% in Sterling terms, whilst the BSE MidCap TR Index was down 0.00%. In local currency terms, the NAV was up 0.09% for the month.

## FUND INFORMATION

|                             |                          |
|-----------------------------|--------------------------|
| Listing                     | LSE Main Market          |
| Domicile                    | Guernsey                 |
| NAV publication             | Monthly (daily estimate) |
| Size (NAV)                  | GBP153.3m                |
| 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 / NAV per share | 161.5p / 179.7p          |
| Discount to NAV             | 10.1%                    |

## PORTFOLIO CHARACTERISTICS

|                            |         |
|----------------------------|---------|
| Number of holdings         | 39      |
| Median market cap (US\$bn) | \$1.8bn |
| PE FY26E                   | 29.3    |
| ROE FY26E                  | 15.8%   |
| Tracking Error             | 6.65%   |
| Active Share               | 87.73%  |
| Annual return              | 14.96%  |

## INDIA HIGHLIGHT

|                                 | MTD       | YTD        |
|---------------------------------|-----------|------------|
| INR vs US\$ [stronger/(weaker)] | (0.7)%    | (3.7)%     |
| FII Net flows (US\$m)           | (2,132.5) | (17,453.4) |
| DII Net flows (US\$m)           | 7,395.6   | 66,748.4   |
| CPI inflation (Aug-25 / 3m avg) | 2.1%      | 1.9%       |
| GDP Q1 FY26                     |           | 7.8%       |
| Current account/ GDP Q1 FY26    |           | (0.4)%     |

Source: River Global Investors

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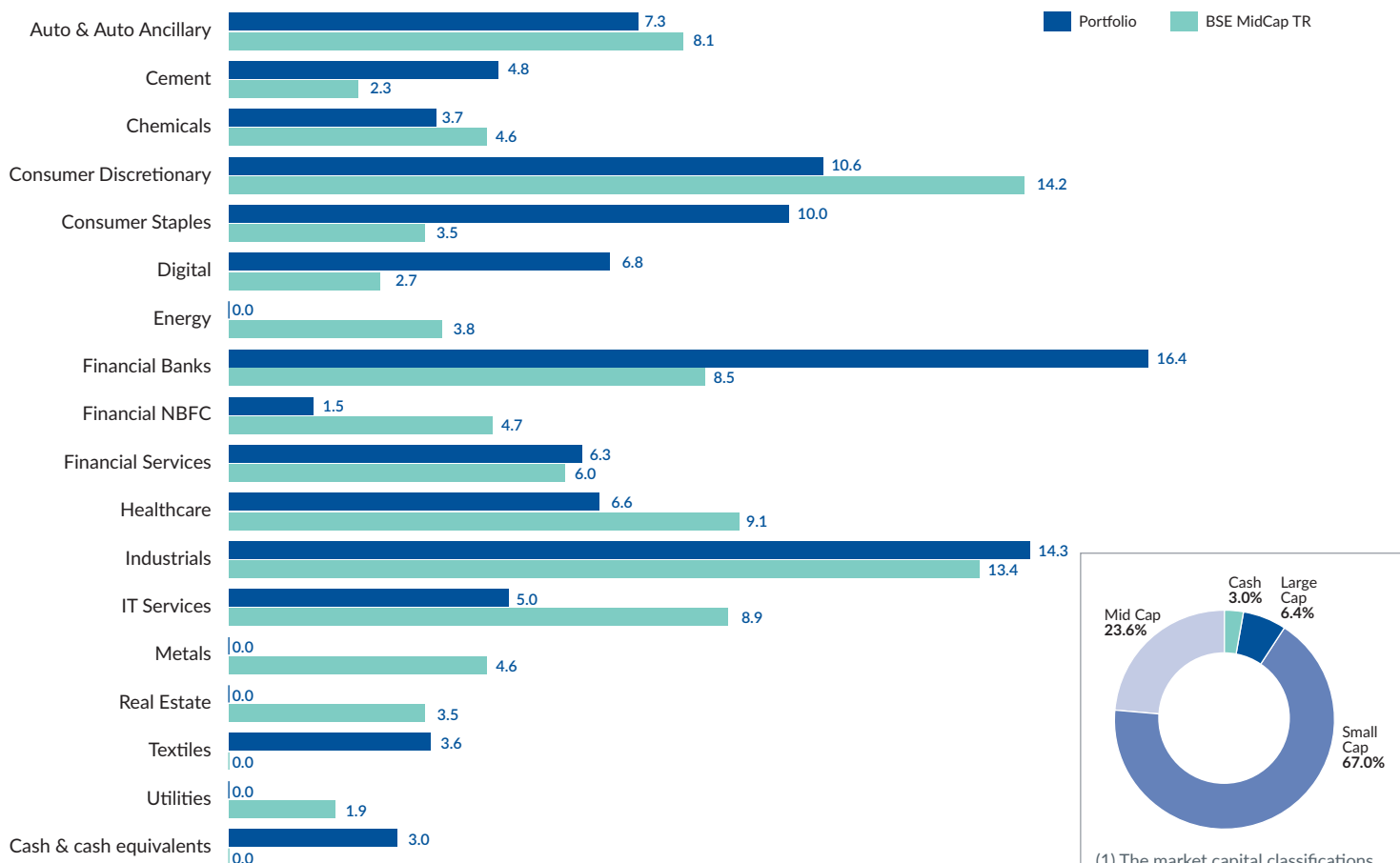
## QUARTERLY ATTRIBUTION – 3 MONTHS TO SEPTEMBER 2025 (%)

| TOP 5                        | Ave. weight | Ave. index weight | Return | Contribution | BOTTOM 5                              | Ave. weight | Ave. index weight | Return  | Contribution |
|------------------------------|-------------|-------------------|--------|--------------|---------------------------------------|-------------|-------------------|---------|--------------|
| Cartrade Tech Ltd            | 2.73        | 0                 | 41.79  | 0.92         | Persistent Systems Ltd                | 3.36        | 1.90              | (21.23) | (0.78)       |
| Neuland Laboratories Ltd     | 4.68        | 0                 | 19.89  | 0.82         | Multi Commodity Exchange of India Ltd | 4.66        | 0                 | (13.88) | (0.70)       |
| RBL Bank Ltd                 | 4.33        | 0                 | 10.22  | 0.41         | Ramkrishna Forgings Ltd               | 2.39        | 0                 | (21.24) | (0.55)       |
| Dixon Technologies India Ltd | 4.92        | 2.16              | 7.26   | 0.28         | Federal Bank Ltd                      | 4.34        | 1.63              | (10.36) | (0.46)       |
| Kajaria Ceramics Ltd         | 2.22        | 0                 | 6.58   | 0.12         | Welspun Living Ltd                    | 1.92        | 0                 | (21.24) | (0.46)       |

## TOP TEN HOLDINGS

| Portfolio company        | Weight | Characteristics                                                                                                                                          | Market cap US\$bn |
|--------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Skipper                  | 5.1%   | Power transmission and distribution company including polymer pipes and fittings segment                                                                 | 0.7               |
| Dixon Technologies       | 5.0%   | Dominant player in an emerging Indian Electronic Manufacturing Services industry with structural tailwinds                                               | 11.1              |
| Neuland Laboratories     | 4.9%   | API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions | 2.1               |
| RBL Bank                 | 4.7%   | Private sector bank offering online and branch business banking and financial market operations                                                          | 1.9               |
| Multi Commodity Exchange | 4.7%   | Commodity exchange, with 95%+ market share                                                                                                               | 4.5               |
| Federal Bank             | 4.3%   | Well run mid-sized private sector bank, attractive valuations                                                                                            | 5.3               |
| Affle India              | 3.9%   | Mobile adtech company                                                                                                                                    | 3.1               |
| Emami                    | 3.5%   | Dominant player across multiple niche consumer product categories, attractive valuations                                                                 | 2.7               |
| IDFC Bank                | 3.3%   | Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory                                                           | 5.8               |
| Ccl Products India       | 3.2%   | World's largest private-label coffee manufacturer                                                                                                        | 1.3               |

## 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

River Global Investors is authorised and regulated by the Financial Conduct Authority.

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investment.companies@river.global

## WEBSITE

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

## SOURCES

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

## CAPITAL STRUCTURE

85,304,644 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.

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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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