

SEPTEMBER 2019

Monthly commentary

Net Asset Value

The Net Asset Value (NAV) per share as at 30 September 2019 was 92.51 pence. In September the NAV was up 4.0% in Sterling terms, whilst the BSE MidCap TR Index was up 5.4%, delivering an under performance against the notional benchmark of 1.4%. In local currency terms, the NAV was up 3.4% for the month.

Portfolio update

Positive contribution to the portfolio's performance was driven by Berger Paints (up 17.8%), Jyothy Laboratories (up 18.7%) and PI Industries (up 14.5%). The negative contribution mainly stemmed from Indian Bank (down 37.3%), Jammu & Kashmir Bank (down 19.5%) and Yes Bank (down 30.9%).

Market and economic update

Indian Equity markets rose in September with the BSE Sensex and BSE Midcap TR indices up 3.6% and 4.8% respectively (in Indian Rupees) on the back of the Government announcing a cut in headline corporation tax from 30% to 22% (and 15% for manufacturing companies). Both foreign institutional investors and domestic institutions were net buyers for the month at US\$955m and US\$1.7bn respectively. The Indian Rupee also reacted positively, appreciating by 1.5% against the US Dollar and 0.6% against Pound Sterling.

Rebased NAV Performance since 31 December 2011 (all £)



Source: Ocean Dial Asset Management Limited, Bloomberg

NAV Performance (%)

	1m	3m	YTD	1yr	3yr	5yr
ICGF Rebased NAV (£)*	3.97	-4.65	-9.00	-0.04	-0.36	62.68
ICGF NAV (£)	3.97	-4.65	-9.00	-0.04	-0.36	43.67
BSE MidCap TR Index (£ adjusted)	5.39	-3.76	-6.09	5.35	9.97	80.41

*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.

Investment objectives

To provide long term capital appreciation by investing predominantly in listed mid and small cap Indian companies. Investments may also be made in large cap 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 the exposure to the Indian Rupee.

Portfolio statistics

Fund size	£104.1m
No of holdings	34
Top 20 holdings	74.3%
Dividend Yield (TTM)	0.8%
Median market cap.	US\$0.87bn
NAV per share (p)	92.51
Share price (p)	76.40

Key facts

Fund Manager	David Cornell
Fund Adviser	Gaurav Narain
Adviser start	31 December 2011
Launch date	22 December 2005
Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly
NAV estimate	Daily

Capital structure and fees

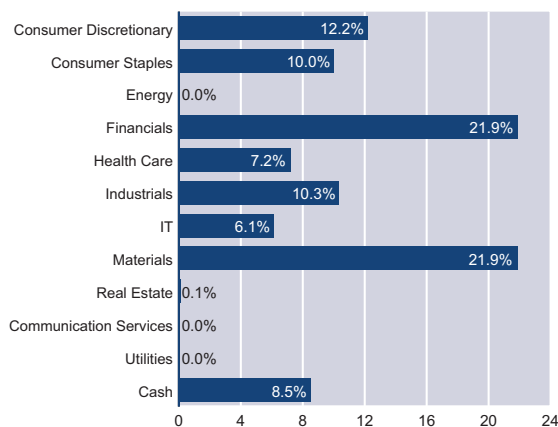
Ordinary Shares in issue	112,502,173
Annual management fee	1.25% of AUM
Performance fee	There is no performance fee payable

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Top 20 equity holdings

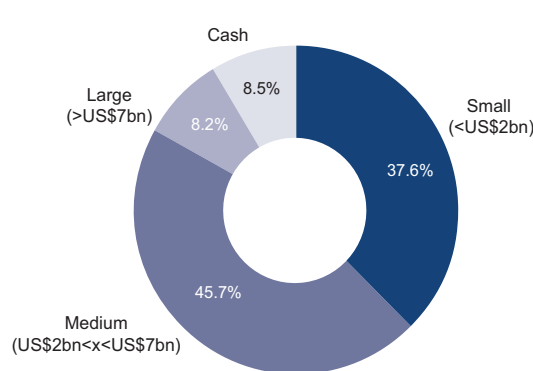
Holding	Sector	% of portfolio	Holding	Sector	% of portfolio
Federal Bank	Financials	7.3%	IDFC Bank	Financials	3.1%
City Union Bank	Financials	5.5%	Finolex Cables	Industrials	3.1%
Tech Mahindra	Information Technology	5.3%	Motherson Sumi Systems	Consumer Discretionary	3.0%
Berger Paints India	Materials	4.7%	Indusind Bank	Financials	2.9%
PI Industries	Materials	4.6%	Radico Khaitan	Consumer Staples	2.9%
Kajaria Ceramics	Industrials	4.5%	Aurobindo Pharma	Health Care	2.7%
Jyothy Laboratories	Consumer Staples	4.3%	JK Lakshmi Cement	Materials	2.7%
Emami	Consumer Staples	3.7%	The Ramco Cements	Materials	2.7%
Divi's Laboratories	Health Care	3.3%	Exide Industries	Consumer Discretionary	2.6%
Welspun India	Consumer Discretionary	3.1%	Balkrishna Industries	Consumer Discretionary	2.6%

Portfolio analysis by sector



Source: Ocean Dial Asset Management Limited, Bloomberg

Portfolio analysis by market capitalisation



Fund adviser



Gaurav Narain joined the Group in 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.

Regulatory 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 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 Mid Cap Total Return 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. This document is issued by Ocean Dial Asset Management Limited and views expressed in this document reflect the views of Ocean Dial Asset Management Limited and its Mumbai based affiliated company and advisor, Ocean Dial Advisers Private Limited as at the date of publication. This information is for the use of intended professional and institutional investor recipients only and may not be reproduced, redistributed or copied in whole or in part without the express consent of Ocean Dial Asset Management Limited. Ocean Dial Asset Management Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Registered office 13/14 Buckingham Street, London WC2N 6DF.

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