

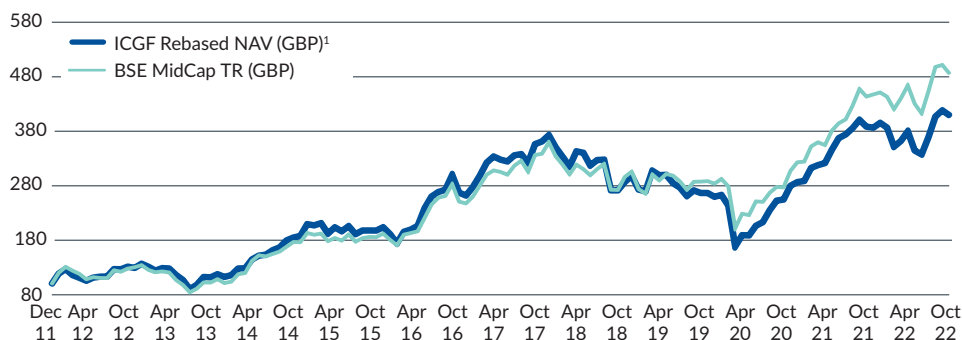
PORTFOLIO AND MARKET UPDATE

October saw most equity markets witnessing strong performance. India was no different with large caps outperforming mid-caps. All sectors (barring consumer staples) showed positive performance led by Banks and Information Technology. Foreign investor participation turned positive with net inflows of US\$ 1.1bn whilst domestic institutions continued to buy, adding US\$ 1.1bn, taking their net YTD inflows to ~US\$ 33.6bn. October was the much-anticipated festival season though sales trends have been mixed (urban India and premium products performed well while mass market and rural India lagged). However, with a good harvest and firm agricultural prices, this trend is expected to reverse. The corporate result season saw two visible trends emerging; 1) strong performance by the financial sector; and 2) margin pressure across most other sectors because of higher commodity and freight costs. Management commentary was, however, uniform highlighting that the pressures on margins have bottomed out. During the month we increased our holding in Ashok Leyland and MCX, and booked profit in Ramkrishna Forgings, Federal Bank and Divis Laboratories.

HOLDING IN FOCUS: Ashok Leyland

Ashok Leyland (AL), is the 2nd largest manufacturer of commercial vehicles (CV) in India and the flagship company of the Hinduja Group. AL is the 4th largest manufacturer of buses and the 10th largest truck manufacturer globally, with a diversified product ranging from 2.5 to 49 tonne trucks, 16 to 80 seater buses, defence vehicles & diesel engines. AL is expected to benefit from an upswing in the domestic CV cycle driven by strong economic growth & infrastructure investment. The last cycle in medium and heavy CV volumes peaked in FY19, with this forecast to be surpassed only by FY25. In this cycle, AL is emerging stronger than before owing to the company's focus on filling its product gaps (launching vehicles in the under 7.5 tonne CV segment) and in fuel mix capability (launching vehicles in the CNG segment). Bus volumes are also expected to jump sharply as the economy re-builds. As a leader in technology, AL has gained market share because of better fuel efficiency of its products. The company's new modular platform (called AVTR) is reducing the complexity in the manufacturing process and improving inventory management. The company's subsidiaries in the electric vehicles segment have already delivered 600 buses ensuring its head start over the competition. With multiple growth drivers in the medium term, Ocean Dial forecasts a 23% CAGR in volumes and 74% CAGR in EBITDA between FY22 and 25.

REBASED NAV PERFORMANCE SINCE 31 DECEMBER 2011 (%)



PERFORMANCE (%)

	1m	3m	6m	1yr	3yr	5yr
ICGF NAV	(2.1)	10.9	7.8	5.4	53.5	14.9
BSE MidCap TR Index	(3.0)	7.2	4.8	9.7	69.1	44.6

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.

TOPICAL COMMENT

MONTHLY BOOK REVIEW
7 October 2022

What I learned losing a million dollars by Jim Paul & Brendan Moynihan

IN THE MEDIA
October 2022

Sunday Times - India gave me my first ten bagger

IN THE MEDIA
24 October 2022

Money Marketing - As India celebrates Diwali it offers rewards for investors

IN THE MEDIA
24 October 2022

Citywire - India Trusts still have questions to answer

RESEARCH NOTE
25 October 2022

Shore Capital - Secular growth supports outperformance

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 31 October 2022 was 139.52 pence. In October the NAV was down 2.12% in Sterling terms, whilst the BSE MidCap TR Index was down 3.04%. In local currency terms, the NAV was up 3.01% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP134.7m
Firmwide AUM	US\$260.7m
Launch date	22 December 2005
Adviser start	31 December 2011
Portfolio Manager	Ocean Dial Asset Management
Principal Adviser	Gaurav Narain
Benchmark	S&P BSE MidCap TR
AMC	1.25% of market cap
Share price	130.00p/
NAV per share	139.52p
Discount to NAV	6.82%

PORTFOLIO CHARACTERISTICS

Number of holdings	35
Median market cap	US\$2.3bn
PE FY24E	15.4
ROE FY24E	18.2%
Tracking Error	6.2%
Active Share	88.2%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/ (weaker)]	(1.8)%	(11.4)%
FII Net flows (US\$m)	1,026	(21,528)
DII Net flows (US\$m)	1,129	33,609
CPI inflation (September/3m avg)	7.41%	7.04%
GDP Q1 FY23		13.5%
Current account/GDP Q1 FY23		(2.1)%

Source: Ocean Dial Asset Management Limited

QUARTERLY ATTRIBUTION - 3 MONTHS TO 31 OCTOBER 2022 (%)

TOP 5	Ave. weight	Ave. index weight	Return	Contribution
IDFC Bank	5.44	0.97	51.53	2.23
Federal Bank	6.81	1.49	25.06	1.51
Ramkrishna Forgings	4.88	0.00	30.74	1.35
City Union Bank	4.52	0.00	17.95	0.79
Indusind Bank	5.29	0.00	11.94	0.60

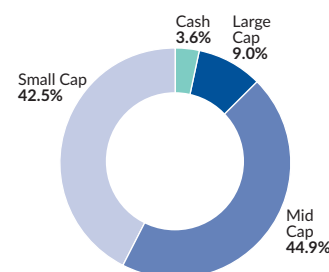
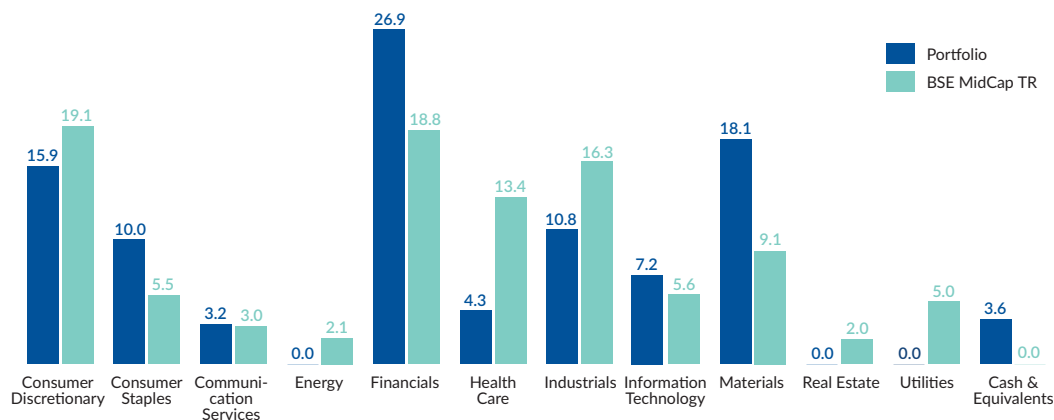
BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
PSP Projects	2.20	0.00	(2.61)	(0.06)
Essel Propack	1.48	0.00	(10.33)	(0.15)
Kajaria Ceramics	3.13	0.00	(6.52)	(0.20)
Sona BLW Precision Forgings	2.52	0.46	(16.95)	(0.40)
Balkrishna Industries	2.99	1.04	(13.71)	(0.45)

Source: Ocean Dial Asset Management Limited, Statpro

TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap
Federal Bank	7.1%	Well run mid-sized private sector bank, attractive valuations	£3bn
IDFC Bank	6.0%	Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory	£4bn
Indusind Bank	5.2%	Fifth largest private sector bank in India and poised to gain market share. Value play with ebbing asset quality concerns	£9bn
Ramkrishna Forgings	5.1%	Auto ancillary company manufacturing forgings for commercial vehicles in both domestic and international markets	£384m
City Union Bank	4.6%	High quality regional bank, consistent compounder, dominant in SME lending	£1bn
Emami	4.3%	Dominant player across multiple niche consumer product categories, attractive valuations	£2bn
Persistent Systems	3.6%	IT services company benefitting from 'digital transformation' of businesses globally	£3bn
PI Industries	3.5%	Quality agro-chemical company, high visibility, strong industry tailwinds in global supply chains	£5bn
Affle India	3.2%	India's leading advertising technology company with high growth and profitability	£2bn
Balkrishna Industries	3.1%	Global tire manufacturer specializing in agricultural, industrial and off the road vehicles.	£4bn

PORTFOLIO ANALYSIS (%)



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.

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

Ocean Dial Asset Management Limited is authorised and regulated by the Financial Conduct Authority.
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enquiries@oceandial.com

WEBSITE

www.indiacapitalgrowth.com

SOURCES

Source of all performance and portfolio analysis: Ocean Dial Asset Management Limited, Bloomberg.

CAPITAL STRUCTURE

96,515,653 ordinary shares in issue with voting rights.

BOARD

Elisabeth Scott (Chairman), 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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