

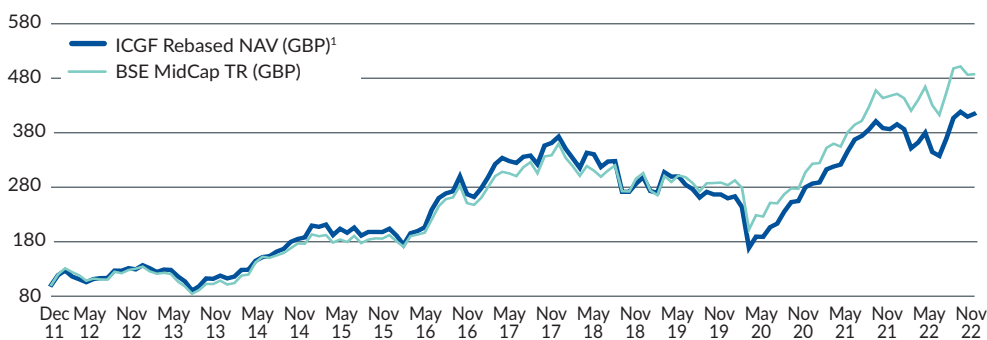
PORTFOLIO AND MARKET UPDATE

November saw another strong performance by the Indian equity market. A resurgence of Foreign Institutional Investor participation with US\$4.7bn of net inflows, combined with expectations of slower monetary policy tightening in the US, alongside inflation peaking in India (and other positive domestic macro indicators), led to the BSE Midcap Index closing at a near all-time high. Large caps outperformed mid-caps with almost all sectors (barring auto, consumer durables and power) showing positive performance. The Indian Rupee appreciated against the United States dollar, though it weakened against the British Pound and the Euro. Foreign exchange reserves have, however, increased to US\$550bn from a low of US\$525bn in October 2022. On the economy, credit growth reached a 9-year high and remains robust at 17% year-on-year (YOY). Tax collections are also trending approximately 15% higher than the Government forecasts for the full year. Export growth, however, turned negative, declining 16.6% YOY in October 2022 (first decline in 19 months). A prolonged global recession (impacting India's growth negatively) remains the main concern for investors. During the month the portfolio exited Divis Laboratories, booked gains in Ramkrishna Forgings and Skipper Ltd., and increased exposure in Ashok Leyland, a position initiated recently.

HOLDING IN FOCUS: PI Industries

PI Industries (PI) has been in the portfolio since 2013, delivering more than a tenfold return since the position was initiated. Despite this performance, it remains a core holding with their business model only strengthening with time. PI is one of India's leading agrochemical companies, operating in two business segments – domestic facing agri-inputs business (25% of revenues) and the custom synthesis & manufacturing (CSM) business (remaining 75%). The former follows an “in-licensing” model with global innovators, registering (a 3-4 year process), manufacturing and marketing “innovator” company products through its distribution network of circa.10,000+ distributors and 70,000 retail points, all under exclusivity. In the latter, PI partners with innovators in their core research and development of new molecules, and when these commercialise, PI becomes a core supplier. PI has a formidable reputation for management quality, technical skills, quality of its facilities and a focus on sustainability. The outlook for PI remains encouraging with a healthy pipeline of new products in both businesses whilst also expanding into adjacent opportunities such as pharmaceuticals and engineering chemicals. It is also winning additional market share as global agrochemical companies shift capacity to India from China and Europe. We expect the company to grow its earnings by ~25% CAGR over FY22-25E, generating a return on capital (ROCE) in excess of 20%.

REBASED NAV PERFORMANCE SINCE 31 DECEMBER 2011 (%)



PERFORMANCE (%)

	1m	3m	6m	1yr	3yr	5yr
ICGF NAV	1.4	2.0	20.4	7.4	55.6	14.9
BSE MidCap TR Index	0.2	(2.2)	13.2	8.9	68.9	43.9

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 November 2022	HOODINAR 1 December 2022	QUOTED DATA 4 November 2022	PORTFOLIO ADVISER 1 November 2022	RESEARCH NOTE 25 October 2022	IN THE MEDIA October 2022
Chums: How a Tiny Caste of Oxford Tories Took Over the UK	The next decade belongs to India, but is it a buy at any price?	QD view – India, the new darling of emerging markets?	India offers investors upside surprise but it comes at a premium	Shore Capital - Secular growth supports outperformance	Sunday Times - India gave me my first ten bagger

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 30 November 2022 was 141.43 pence. In November the NAV was up 1.37% in Sterling terms, whilst the BSE MidCap TR Index was up 0.18%. In local currency terms, the NAV was up 3.72% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP136.5m
Firmwide AUM	US\$273.1m
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	121.25p/
NAV per share	141.43p
Discount to NAV	14.27%

PORTFOLIO CHARACTERISTICS

Number of holdings	34
Median market cap	US\$2.2bn
PE FY24E	16.8
ROE FY24E	17.8%
Tracking Error	6.3%
Active Share	88.5%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/weaker]	1.6%	(9.5)%
FII Net flows (US\$m)	4,678 (16,849)	
DII Net flows (US\$m)	(768.7)	32,840
CPI inflation (October/3m avg)	6.77%	7.06%
GDP Q4 FY23		6.34%
Current account/GDP Q3 FY23		(2.1)%

Source: Ocean Dial Asset Management Limited

QUARTERLY ATTRIBUTION - 3 MONTHS TO 30 NOVEMBER 2022 (%)

TOP 5	Ave. weight	Ave. index weight	Return	Contribution
Skipper	2.28	0.00	47.33	0.91
JK Lakshmi Cement	2.48	0.00	44.06	0.88
Neuland Laboratories	2.93	0.00	31.27	0.74
IDFC Bank	5.75	1.00	13.86	0.73
Federal Bank	7.03	1.52	7.29	0.46

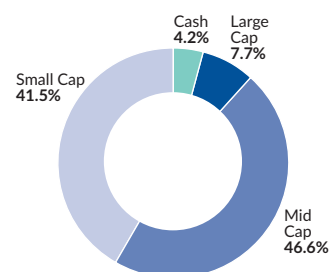
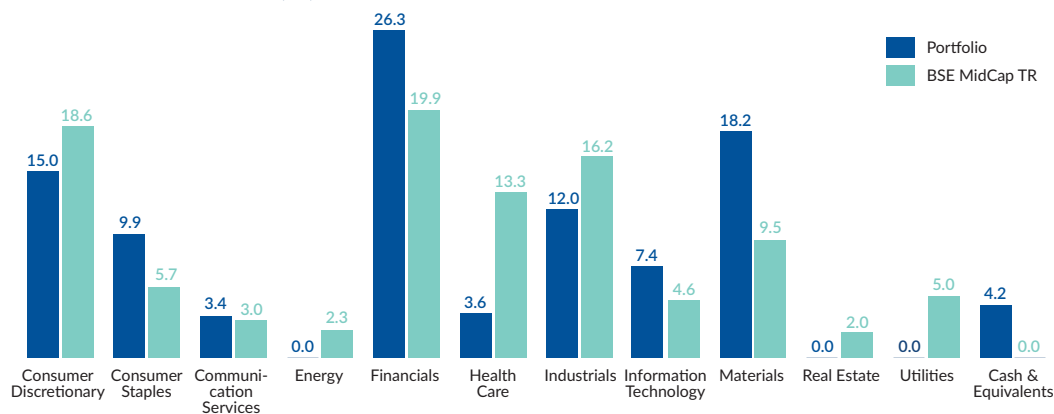
BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
The Ramco Cements	1.31	0.55	(14.87)	(0.19)
Jubilant Foodworks	1.31	1.38	(15.26)	(0.20)
Affle India	3.48	0.00	(8.54)	(0.32)
Bajaj Electricals	2.75	0.00	(13.83)	(0.40)
Sona BLW Precision Forgings	2.51	0.50	(16.86)	(0.44)

Source: Ocean Dial Asset Management Limited, Statpro

TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap
Federal Bank	6.9%	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	5.1%	Fifth largest private sector bank in India and poised to gain market share. Value play with ebbing asset quality concerns	£9bn
Ramkrishna Forgings	4.7%	Auto ancillary company manufacturing forgings for commercial vehicles in both domestic and international markets	£360m
City Union Bank	4.5%	High quality regional bank, consistent compounder, dominant in SME lending	£1bn
Emami	4.2%	Dominant player across multiple niche consumer product categories, attractive valuations	£2bn
Persistent Systems	3.9%	IT services company benefitting from 'digital transformation' of businesses globally	£3bn
PI Industries	3.6%	Quality agro-chemical company, high visibility, strong industry tailwinds in global supply chains	£5bn
Affle India	3.4%	India's leading advertising technology company with high growth and profitability	£2bn
Neuland Laboratories	3.3%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	£229m

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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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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