

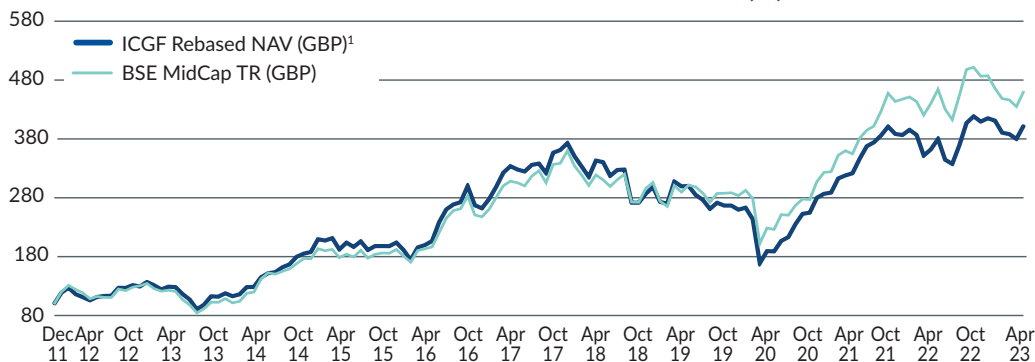
PORTFOLIO AND MARKET UPDATE

April was a strong month for Indian equities and India was one of the best performing markets globally. The BSE Sensex rose 3.6%, with the mid and small cap indices rising 5.9% and 7.3% respectively, in local currency terms. Sector-wise, all indices except IT ended positive. The IT Index declined by 3.4% due to weak results from large cap IT companies. Real Estate (+15%) and Auto (+7%) were the top gainers. The month saw the Reserve Bank of India (RBI) surprise the markets by keeping policy rates unchanged after six consecutive rate hikes. The RBI, however, maintained its policy stance of 'withdrawing accommodation' to maintain inflation within its set target yet supporting growth. Consumer Price Inflation (CPI) also corrected to 5.7% in March from 6.4% in February, mainly due to a high base. Foreign institutional investors (FIIs) continued to be net buyers for the second consecutive month with net inflows of US\$ 1.9bn. Domestic institutions remained buyers with net inflows of US\$ 0.3bn (US\$ 10.4bn net inflows in CY23 year to date). At a portfolio level, a majority of the stocks posted positive returns, led by Welspun India (+38%), Skipper (+23%), Neuland Laboratories (+19%) and Sona BLW (+16%). Among the laggards were MCX (-8%), Tech Mahindra (-7%), and Affle (-6%).

HOLDING IN FOCUS: VIP Industries

VIP Industries (VIP) is a luggage manufacturer and a market leader with 47% share in the branded segment in India. VIP has a diverse product portfolio that includes suitcases, backpacks and handbags capturing the entire value chain. Its multi-brand offering includes VIP, Carlton, Skybag, Caprese, Alfa and Aristocrat catering to both the premium and mass market segments. The US\$ 1.2bn Indian luggage industry that was previously dominated by non-branded luggage is rapidly transitioning to branded luggage (45% in FY20, 56% presently) due to a change in consumer preferences and disruption in the supply chain of unorganized players (who import soft luggage from China). VIP's in-house manufacturing both in India and Bangladesh, its pan India distribution network, combined with a strong brand helps in grabbing market share from the unorganized market. Domestic air-passenger traffic, a proxy for travel and luggage demand has surpassed pre-Covid levels. Shorter replacement cycles are also fueling the sector's expansion. In addition, VIP is focused on growing sales from the e-commerce channel and for ladies' handbags, currently 12.5% and 3.6% of sales respectively. With favorable raw material prices, increased emphasis on in-house manufacturing and rising operating efficiency, the management is confident of growing revenue at 20% CAGR over the next 2 years.

REBASED NAV PERFORMANCE SINCE 31 DECEMBER 2011 (%)



PERFORMANCE (%)

	1m	3m	6m	1yr	3yr	5yr
ICGF NAV	5.8	3.0	(1.8)	5.9	112.4	17.2
BSE MidCap TR Index	5.8	2.6	(5.4)	(0.9)	101.3	44.3

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 April 2023	HOODNOTE April 2023	ANNUAL REPORT April 2023	IN THE MEDIA: PROACTIVE INVESTORS 19 April 2023	IN THE MEDIA: CITYWIRE 30 March 2023
When Genius Failed: The Rise and Fall of Long Term Capital Management by Roger Lowenstein	Indian Banks - 3Rs- Resilient, Resolute and Regulated	India Capital Growth Fund	As India overtakes China as most populous country, how can you invest and is it attractive?	India Stack - The secret of India's tech-led growth

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 28 April 2023 was 137.02 pence. In April the NAV was up 5.85% in Sterling terms, whilst the BSE MidCap TR Index was up 5.79%. In local currency terms, the NAV was up 6.01% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP132.2m
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	126.0p/
NAV per share	137.0p
Discount to NAV	8.0%

PORTFOLIO CHARACTERISTICS

Number of holdings	34
Median market cap	\$1.8bn
PE FY24E	16.8
ROE FY24E	17.6%
Tracking Error	5.8%
Active Share	87.8%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/ (weaker)]	0.4%	1.1%
FII Net flows (US\$m)	1,923.0	(559.5)
DII Net flows (US\$m)	269.9	10,401.5
CPI inflation (February/3m avg)	5.7%	6.2%
GDP Q3 FY23		4.4%
Current account/GDP Q3 FY23		(2.4)%

Source: Ocean Dial Asset Management Limited

QUARTERLY ATTRIBUTION – 3 MONTHS TO 28 APRIL 2023 (%)

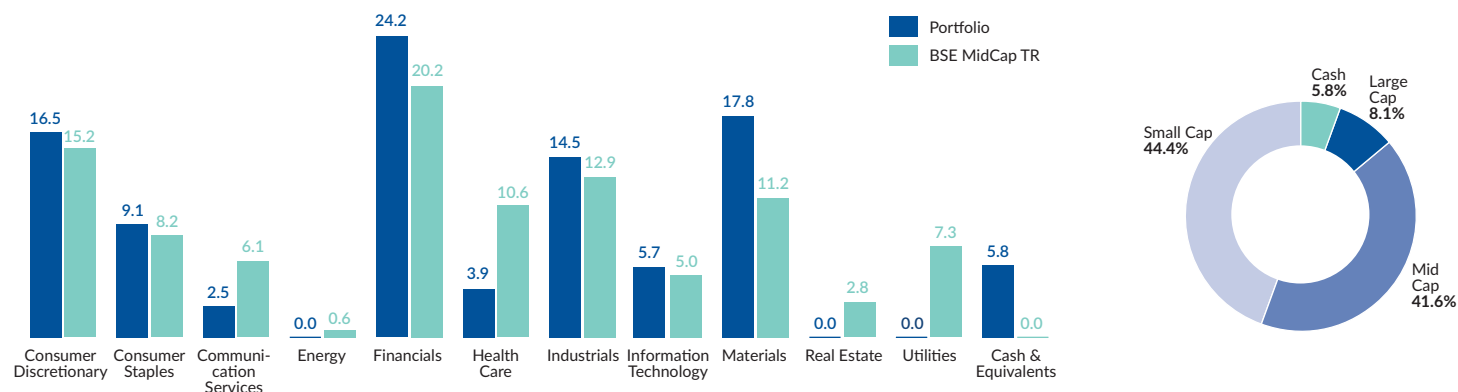
TOP 5	Ave. weight	Ave. index weight	Return	Contribution	BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
Finolex Cables	2.54	0.00	59.76	1.32	Balkrishna Industries	2.95	1.01	(7.03)	(0.23)
Neuland Laboratories	3.41	0.00	42.83	1.31	Sagar Cements	2.46	0.00	(14.01)	(0.41)
Ramkrishna Forgings	4.20	0.00	17.21	0.70	City Union Bank	3.35	0.00	(11.68)	(0.48)
Welspun India	2.19	0.00	28.91	0.62	Affle India	2.76	0.00	(16.64)	(0.53)
PI Industries	3.33	1.50	11.83	0.37	Emami	3.45	0.47	(15.50)	(0.66)

Source: Ocean Dial Asset Management Limited, Statpro

TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
Federal Bank	7.0%	Well run mid-sized private sector bank, attractive valuations	3.5
IDFC Bank	6.2%	Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory	5.0
Indusind Bank	5.0%	Fifth largest private sector bank in India and poised to gain market share. Value play with ebbing asset quality concerns	10.9
Ramkrishna Forgings	4.2%	Auto ancillary company manufacturing forgings for commercial vehicles in both domestic and international markets	0.6
Neuland Laboratories	3.9%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	0.3
Persistent Systems	3.7%	IT services company benefitting from 'digital transformation' of businesses globally	4.5
PI Industries	3.5%	Quality agro-chemical company, high visibility, strong industry tailwinds in global supply chains	6.3
City Union Bank	3.3%	High quality regional bank, consistent compounder, dominant in SME lending	1.3
Emami	3.3%	Dominant player across multiple niche consumer product categories, attractive valuations	2.0
JK Lakshmi Cement	3.1%	Deep value, capacity expansion complete and deleveraging underway	1.1

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 (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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