

PORTFOLIO AND MARKET UPDATE

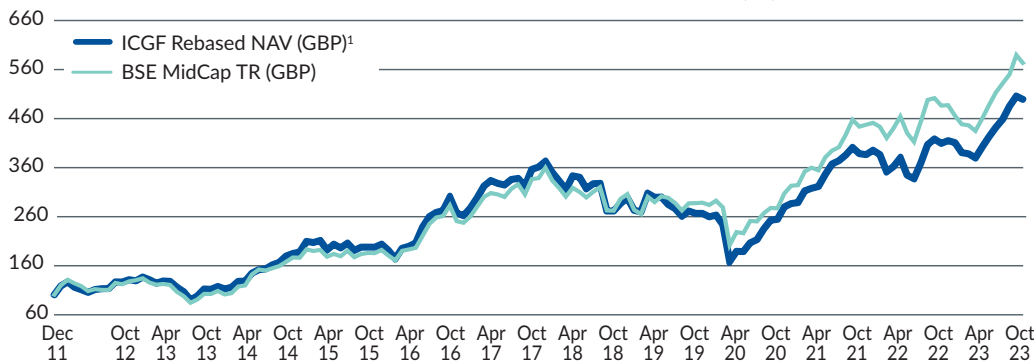
Indian equity markets corrected with large-cap Sensex down 3.0% and Mid and Small-Cap Indices down 3.4% and 1.7% respectively in local currency on the back of negative global cues. Except for Real Estate (+3.7%), all sectors experienced a decline. FII outflows continued at US\$2.7bn this month, taking the net YTD flows to US\$12.1bn, however, domestic flows remained positive at US\$3.4bn with YTD flows at US\$19.1bn. Inflation in September dropped to 5.0% from 6.8% in August, largely due to a fall in vegetable prices and consequently the RBI kept rates flat at 6.5% in the October meeting. Economic data remained robust with Goods & Service Tax collections (GST) +13% and credit growth of 19.4%. Domestic consumption continues to be weak, though the festival season has started on a positive note with auto retail sales up 18%. At portfolio level, a majority of stocks posted negative returns, led by Finolex Cables (-20%), IDFC Bank (-13%), and RBL Bank (-13%). Positive returns came from Welspun (+24%), MCX (+14%) and City Union Bank (+9%).

HOLDING IN FOCUS: PSP Projects

PSP Projects (PSP) is a mid-sized construction company based out of Gujarat. Its core business is commercial construction for industrial and institutional clients, both in private and government sectors. They have built industrial plants and office complexes on behalf of pharmaceutical companies amongst which include Zydus Cadila, Torrent Pharma and consumer companies like Nestle. PSP's focus on quality and governance, their execution of projects and focus on client needs has ensured steady and profitable growth in a sector where many developers have failed. PSP's scale now enables it to qualify to bid for large government projects with limited competition and as government commitment to infrastructure projects in housing, urban development, healthcare and railways continues to grow, there is an increasing pipeline of projects.

PSP is how we access the infrastructure opportunity in India. Its average ROCE over the last 5 years is 33% and average ROE over the same period is 24%. We forecast 23% CAGR in revenues and 25% CAGR in profits over the next 3 years.

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.

PERFORMANCE (%)

	1 mnth	3mnth	6mnth	1 year	3 years	5 years
ICGF NAV	(1.3)	8.8	24.1	21.8	95.9	83.7
BSE MidCap TR Index	(2.9)	7.6	24.4	17.7	106.7	110.3

TOPICAL COMMENT

MONTHLY BOOK REVIEW
November 2023

A Northern Wind: Britain 1962-65
by David Kynaston (Author)

IN THE MEDIA: PORTFOLIO
ADVISER
October 2023

MIGO's Greenwood: EM scepticism
creates compelling valuation anomaly

MONEY MAKERS PODCAST
October 2023

John Baron Interviews
Gaurav Narain

HOODNOTE
September 2023

Beyond the Headlines -
DigiLocker, Semiconductors and
Free Trade Agreements

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 31 October 2023 was 169.98 pence. In October the NAV was down 1.35% in Sterling terms, whilst the BSE MidCap TR Index was down 2.89%. In local currency terms, the NAV was down 1.84% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP164.0m
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	147.0p/
NAV per share	170.0p
Discount to NAV	13.5%

PORTFOLIO CHARACTERISTICS

Number of holdings	35
Median market cap (US\$bn)	\$1.7bn
PE FY24E	21.9
ROE FY24E	17.1
Tracking Error	6.3%
Active Share	88.6%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/ (weaker)]	(0.3)%	(0.6)%
FII Net flows (US\$m)	(2,656.7)	12,102.0
DII Net flows (US\$m)	3,394.9	19,076.6
CPI inflation (Sep/3m avg)	5.0%	6.4%
GDP Q1 FY24		7.8%
Current account/GDP Q1 FY24		(1.7)%

Source: Ocean Dial Asset Management Limited

QUARTERLY ATTRIBUTION - 3 MONTHS TO 31 OCTOBER 2023 (%)

TOP 5	Ave. weight	Ave. index weight	Return	Contribution
Bajaj Electricals	2.03	0.00	69.11	1.53
Skipper	3.86	0.00	30.61	1.13
Welspun India	2.86	0.00	43.40	1.11
Ramkrishna Forgings	4.73	0.00	19.09	1.09
Persistent Systems	3.44	1.33	35.76	1.08

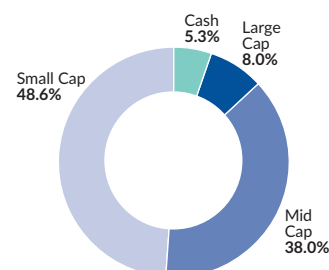
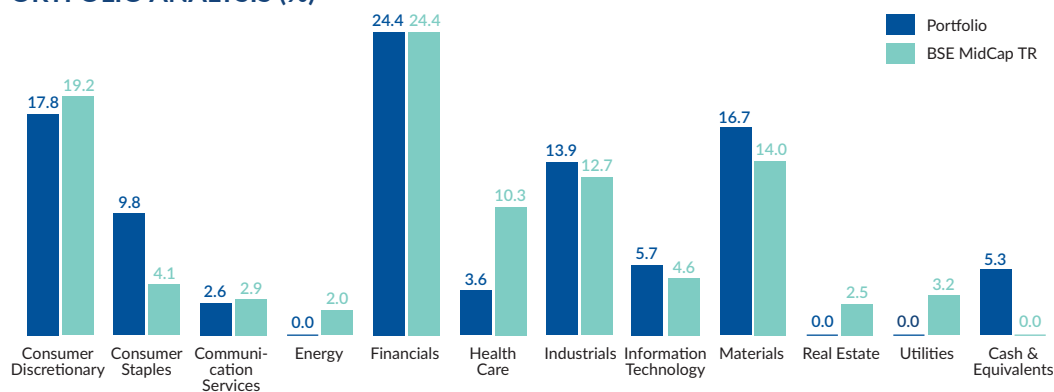
BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
RBL Bank	1.67	0.00	(4.08)	(0.14)
Finolex Cables	1.51	0.00	(10.89)	(0.15)
Kajaria Ceramics	2.75	0.00	(8.08)	(0.20)
Essel Propack	1.35	0.00	(16.26)	(0.27)
Uniparts India	2.25	0.00	(14.58)	(0.39)

Source: Ocean Dial Asset Management Limited, Statpro

TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
Federal Bank	5.9%	Well run mid-sized private sector bank, attractive valuations	4.1
IDFC Bank	5.0%	Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory	7.0
Indusind Bank	5.0%	Fifth largest private sector bank in India and poised to gain market share. Value play with ebbing asset quality concerns	13.4
Ramkrishna Forgings	4.4%	Auto ancillary company manufacturing forgings for commercial vehicles in both domestic and international markets	1.2
Emami	4.3%	Dominant player across multiple niche consumer product categories, attractive valuations	2.7
Skipper	4.1%	Power transmission and distribution company including polymer pipes and fittings segment	0.3
Persistent Systems	3.9%	IT services company benefitting from 'digital transformation' of businesses globally	5.7
Neuland Laboratories	3.6%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	0.6
Dixon Technologies	3.5%	Dominant player in an emerging Indian Electronic Manufacturing Services industry with structural tailwinds	3.6
Welspun India	3.5%	India's largest home textile company, strong industry tailwinds in global supply chains and increased consumer focus on health	1.8

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

96,465,653 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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