

## PORTFOLIO AND MARKET UPDATE

June marked a fourth consecutive month of gains for the Indian equity market. The large-cap Sensex rose by 2.6%, while the mid-cap and small-cap indices delivered stronger gains of 3.9% and 4.3% respectively in local currency terms. Among sectors, IT (+5%), Healthcare (+4%), and Realty (+45) led the rally. FMCG was the sole laggard declining 0.3%. Equity flows were positive, FII flows were up US\$2.4bn while domestic flows were up US\$8.5bn. CPI inflation moderated further in May, easing to 2.8% from 3.2% in April. GST collections in May rose by 16.4% year-on-year, indicating robust economic activity. Early and widespread monsoon rains have accelerated the sowing of rice, oilseeds, and pulses, significantly improving the prospects of a record grain harvest this year – a positive sign for rural consumption growth. At a portfolio level, top performers included Multi Commodity Exchange (+35%), PSP Projects (+19%), and RBL Bank (+17%). On the downside Sona BLW Precision Forgings (-12%), Gokaldas Exports (-9%) and GPT Healthcare (-5%) posted negative returns.

## HOLDING IN FOCUS: EPL Ltd

EPL Ltd, a company majority-owned by Blackstone, is the world's largest specialty packaging manufacturer, holding a 20% share of the global tubes market, estimated at \$42 billion. One in every three toothpaste tubes produced globally is manufactured by EPL. The company also holds a 10% global share in the beauty and cosmetics (B&C) segment. With a comprehensive manufacturing footprint spanning 21 plants across 11 countries in Europe, the Americas, and Asia, EPL's competitive edge lies in its end-to-end integrated manufacturing capabilities, strong focus on sustainable innovation, and long-standing customer relationships. The company aims to achieve double-digit revenue growth and expand its Return on Capital Employed (ROCE) to 25% over the next three years. This growth strategy will be driven primarily by the B&C segment through geographic expansion and innovation to attract new customers. Concurrently, improvements in margins and working capital efficiency will support enhancement of ROCE. Over the past three years, EPL has strengthened its fundamentals, achieving 20% margins, 18% ROCE, and a deleveraged balance sheet. With a clear strategic focus on accelerating topline growth and operational efficiency, EPL appears well-positioned for a re-rating of its valuation, currently trading at a price to earnings multiple of 16x for FY27.

## 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. Full provision is made for Indian Capital Gains Tax in the Net Asset Value.

## PERFORMANCE (%)

	1 mnth	3mnth	6mnth	1 year	3 years	5 years
ICGF NAV	3.0	8.1	(9.3)	(4.8)	64.9	169.2
BSE MidCap TR Index	1.8	6.6	(7.4)	(8.1)	81.8	198.6

## TOPICAL COMMENT

## MY SHARE, MY VOTE

Jun 2025

Being able to vote is your right as a shareholder - Learn about the AIC campaign

## 2025

Jun 2025

Biennial Redemption Facility

## BOOK REVIEW

Jun 2025

The Seven Habits of Highly Effective People

## IN THE MEDIA

Jun 2025

This is Money - I love looking fund managers in the eye by Jeff Prestridge

## NET ASSET VALUE

The Net Asset Value (NAV) per share as at 30 June 2025 was 189.58 pence. In June the NAV was up 2.96% in Sterling terms, whilst the BSE MidCap TR Index was up 1.85%. In local currency terms, the NAV was up 5.04% for the month.

## FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP161.9m
Launch date	22 December 2005
Adviser start	31 December 2011
Fund Manager	River Global Investors
Principal Adviser	Gaurav Narain
Benchmark	S&P BSE MidCap TR
AMC	1.25% of market cap
Share price	174.0p /
NAV per share	189.6p
Discount to NAV	8.2%

## PORTFOLIO CHARACTERISTICS

Number of holdings	37
Median market cap (US\$bn)	\$1.8bn
PE FY26E	27.4
ROE FY26E	16.1%
Tracking Error	6.59%
Active Share	87.63%
Annual return	15.3%

## INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/(weaker)]	(0.2)%	(0.2)%
FII Net flows (US\$m)	2,372.7	(8,155.2)
DII Net flows (US\$m)	8,462.7	41,483.4
CPI inflation (May-25 / 3m avg)	2.8%	3.1%
GDP Q4 FY25		7.4%
Current account/ GDP Q4 FY25		(0.6)%

Source: River Global Investors

## QUARTERLY ATTRIBUTION – 3 MONTHS TO JUNE 2025 (%)

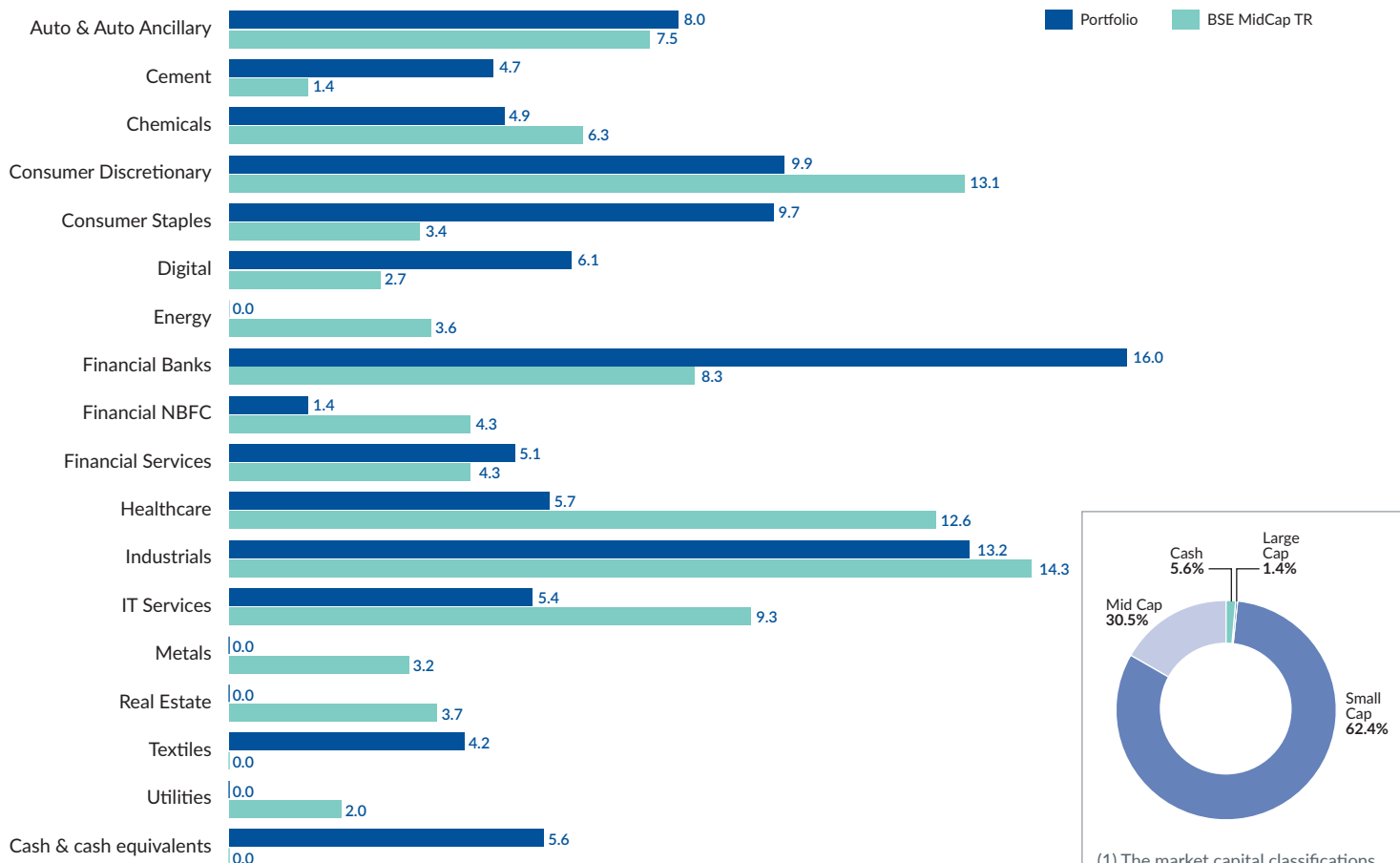
TOP 5	Ave. weight	Ave. index weight	Return	Contribution
Multi Commodity Exchange of India	4.4	0.0	58.2	2.3
RBL Bank	3.6	0.0	34.5	1.2
CCL Products India	2.8	0.0	43.8	1.0
City Union Bank	2.8	0.0	30.7	0.8
VIP Industries	2.1	0.0	41.4	0.8

BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
Ramkrishna Forgings	3.0	0.0	(18.0)	(0.8)
Neuland Laboratories	4.5	0.0	(6.6)	(0.3)
Aether Industries	1.8	0.0	(13.9)	(0.3)
Emami	4.1	0.4	(7.1)	(0.3)
Balkrishna Industries	2.1	0.7	(10.1)	(0.2)

## TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
Multi Commodity Exchange	5.1%	Commodity exchange, with 95%+ market share	5.3
Skipper	4.8%	Power transmission and distribution company including polymer pipes and fittings segment	0.7
Federal Bank	4.6%	Well run mid-sized private sector bank, attractive valuations	6.1
Dixon Technologies	4.4%	Dominant player in an emerging Indian Electronic Manufacturing Services industry with structural tailwinds	10.6
Neuland Laboratories	4.1%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	1.8
RBL Bank	4.1%	Private sector bank offering online and branch business banking and financial market operations	1.8
Affle India	3.9%	Mobile adtech company	3.3
Persistent Systems	3.7%	IT services company benefitting from 'digital transformation' of businesses globally	11.0
Emami	3.6%	Dominant player across multiple niche consumer product categories, attractive valuations	2.9
PI Industries	3.4%	Quality agro-chemical company, high visibility, strong industry tailwinds in global supply chains	7.3

## PORTFOLIO ANALYSIS (%)



# India Capital Growth Fund

India Capital  
GROWTH FUND

## PRINCIPAL ADVISER

Gaurav Narain has advised India Capital Growth Fund since 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

River Global Investors is authorised and regulated by the Financial Conduct Authority.

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investment.companies@river.global

## WEBSITE

[www.indiacapitalgrowth.com](http://www.indiacapitalgrowth.com)

## SOURCES

Source of all performance and portfolio analysis: River Global Investors, Bloomberg.

## CAPITAL STRUCTURE

85,415,644 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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