

India Capital Growth Fund

India Capital
GROWTH FUND

PORTFOLIO AND MARKET UPDATE

In July the Indian equity market corrected after four consecutive months of gains. The large-cap Sensex declined by 2.9%, while the mid-cap and small-cap indices declined by 2.1% and 2.3% respectively, in local currency terms. Sentiment remained cautious due to ongoing uncertainty around India-US trade negotiations and a subdued Q1 earnings season marked by muted management commentary. Among sectors, Healthcare (+3%), and FMCG (+2%) were the only notable performers. IT led the laggards at 9% followed by Realty, down 7% and Capital Goods down 6%. Equity flows were mixed, FII flows were down US\$2.9bn while domestic flows were up US\$7bn. CPI inflation moderated further in June, easing to 2.1% from 2.8% in April. This month India and the UK signed a Comprehensive Economic and Trade Agreement (CETA) to boost trade. Meanwhile, the US imposed a 25% minimum tariff on Indian exports from July 1 and warned of further penalties over India's energy and defence trade with Russia, seen as leverage in ongoing trade talks. At a portfolio level, stocks posted positive returns, led by Cartrade Technologies (+29%), GPT Healthcare (+22%), and Dixon Technologies (+12%). Negative returns came from Persistent Systems (-15%), Multi Commodity Exchange (-14%) and RamKrishna Forgings (-14%).

HOLDING IN FOCUS: CCL Products Ltd

Founded in 1993, CCL Products (CCL) is the world's largest private-label manufacturer and India's leading B2B exporter of instant coffee. The company manufactures products in three countries with a total production capacity of 79,000 metric tonnes. CCL offers a comprehensive product portfolio—including spray-dried, freeze-dried, specialty, and liquid coffee—distributing across 90 countries with more than 900 customized blends. CCL holds a 7% share of its global addressable market and aims to expand this to 10% over the medium term. In India, CCL's branded business has been scaling rapidly, making it the third-largest instant coffee brand in the country, despite high competitive intensity. The company's strong relationships with key clients, who account for approximately 65–70% of the order book, ensure revenue visibility, with orders typically placed 6 to 12 months in advance. Backed by a robust operating model and expanding global presence, CCL is poised to be a formidable player in the instant coffee segment, with revenue projected to grow at a 16% CAGR and EBITDA at 19% CAGR over FY25–27.

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	0.1	7.4	(1.9)	(6.9)	50.8	161.3
BSE MidCap TR Index	(1.1)	5.0	(1.2)	(12.2)	63.6	196.4

TOPICAL COMMENT

BI-ANNUAL MARKET CAPITAL RECLASSIFICATION
Jul 2025

July 2025 AMFI

BIENNIAL REDEMPTION FACILITY NOTICE
Jul 2025

2025 Redemption Facility Details

BOOK REVIEW

Jul 2025

The Seven Habits of Highly Effective People by Stephen Covey

IN THE MEDIA

Jul 2025

MoneyWeek: AGMs - a unique selling point for investment trusts

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 31 July 2025 was 189.79 pence. In July the NAV was up 0.11% in Sterling terms, whilst the BSE MidCap TR Index was down 1.10%. In local currency terms, the NAV was down 0.94% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP162.1m
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	180.0p /
NAV per share	189.8p
Discount to NAV	5.2%

PORTFOLIO CHARACTERISTICS

Number of holdings	38
Median market cap (US\$bn)	\$1.8bn
PE FY26E	28.7
ROE FY26E	15.5%
Tracking Error	6.8%
Active Share	87.4%
Annual return	15.3%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/(weaker)]	(2.2)%	(2.3)%
FII Net flows (US\$m)	(2852.2)	(11,007.4)
DII Net flows (US\$m)	7,047.7	48,531.1
CPI inflation (May-25 / 3m avg)	2.1%	2.7%
GDP Q4 FY25		7.4%
Current account/ GDP Q4 FY25		(0.6)%

Source: River Global Investors

QUARTERLY ATTRIBUTION – 3 MONTHS TO JULY 2025 (%)

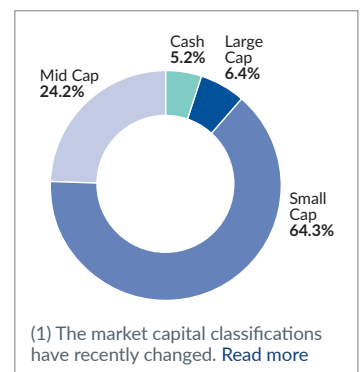
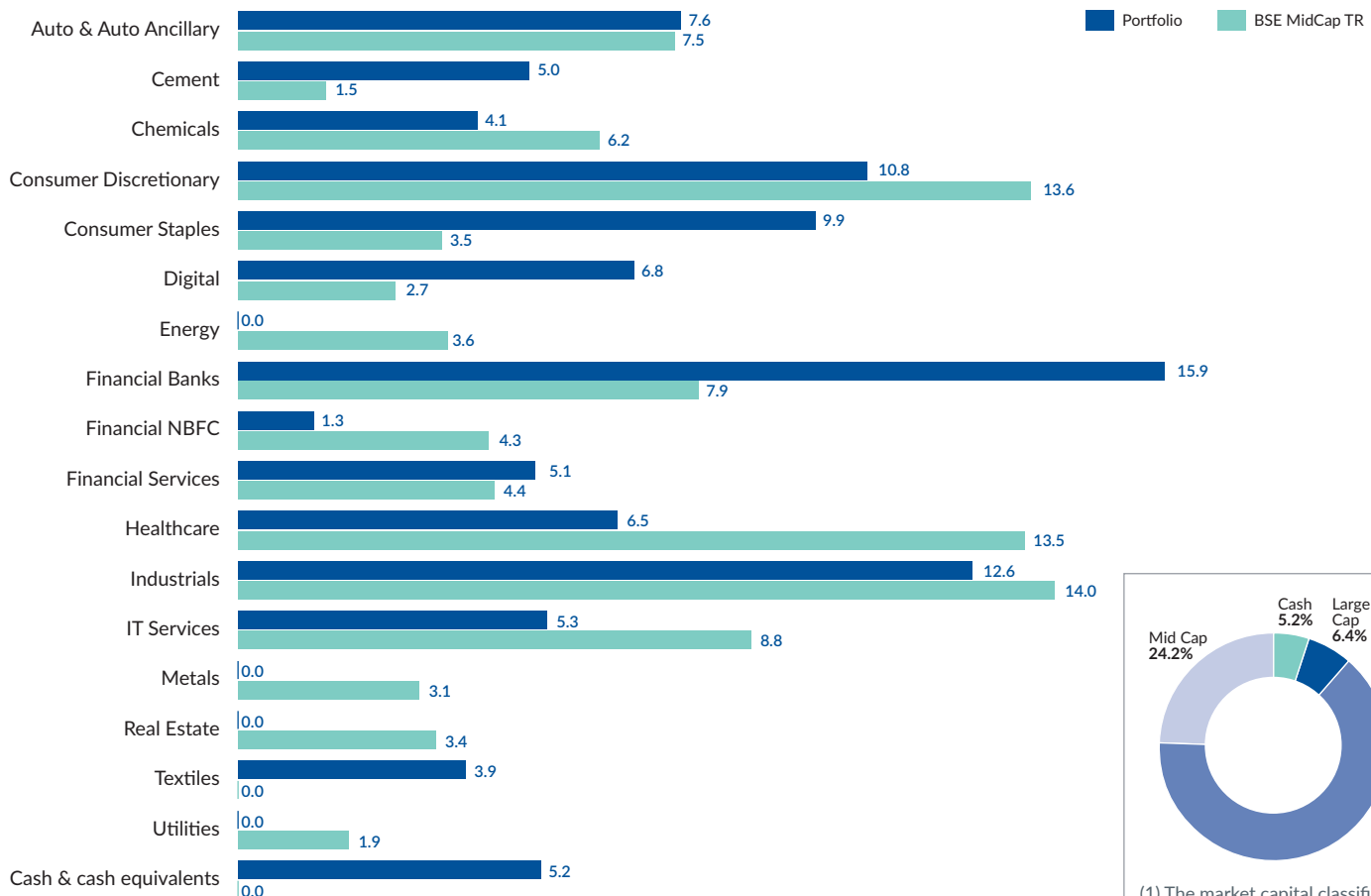
TOP 5	Ave. weight	Ave. index weight	Return	Contribution
RBL Bank	3.87	0.00	30.47	1.10
Multi Commodity Exchange of India	4.67	0.00	23.02	1.05
CCL Products India	3.05	0.00	41.26	1.00
VIP Industries	2.31	0.00	43.54	0.82
Affle India	3.64	0.00	21.10	0.72

BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
Emami	3.82	0.39	(5.49)	(0.24)
Sona Blw Precision Forgings	2.49	0.75	(8.16)	(0.20)
Jyothy Labs	1.32	0.00	(12.93)	(0.20)
Persistent Systems	3.64	2.04	(4.74)	(0.14)
Aether Industries	1.67	0.00	(6.70)	(0.13)

TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
Dixon Technologies	5.0%	Dominant player in an emerging Indian Electronic Manufacturing Services industry with structural tailwinds	11.6
Skipper	4.6%	Power transmission and distribution company including polymer pipes and fittings segment	0.6
Neuland Laboratories	4.6%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	1.9
Multi Commodity Exchange	4.5%	Commodity exchange, with 95%+ market share	4.5
RBL Bank	4.4%	Private sector bank offering online and branch business banking and financial market operations	1.9
Federal Bank	4.4%	Well run mid-sized private sector bank, attractive valuations	5.7
Affle India	3.8%	Mobile adtech company	3.1
Emami	3.8%	Dominant player across multiple niche consumer product categories, attractive valuations	3.0
Persistent Systems	3.2%	IT services company benefitting from 'digital transformation' of businesses globally	9.2
IDFC Bank	3.2%	Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory	5.8

PORTFOLIO ANALYSIS (%)



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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

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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