

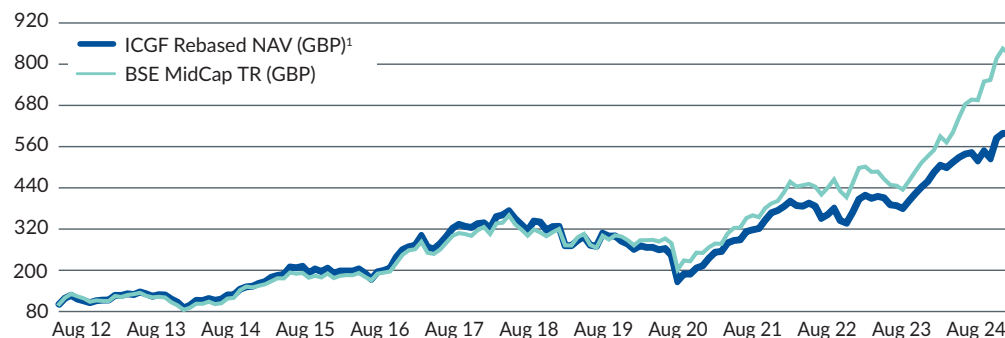
PORTFOLIO AND MARKET UPDATE

August saw continued growth in the Indian equity market, with the Large-Cap Sensex rising 0.8%, the Mid Cap index increasing 1.0% and the Small Cap index up 1.2% in local currency. Positive returns were evident across a number of sectors, Healthcare (7%), Consumer Durables (4%) and IT (4%). In contrast there were losses in Public Sector Units (-4%), Realty (-4%) and Capital Goods (-3%). Equity flows were strong, FII flows were up US\$1.4billion and domestic flows were up US\$5.8billion. In July, the Consumer Price Index (CPI) inflation rate dropped to 3.5% from 5.1% in the previous month. This decline was attributed to a favourable base effect, even though there was a sustained rise in vegetable prices. Despite this, the Reserve Bank of India (RBI) kept interest rates unchanged for the ninth consecutive time. Real GDP growth in 1QFY25 eased to 6.7% compared to 7.8% in 4QFY24 due to a general election led slowdown in government expenditure. Private consumption growth has shown signs of recovery with an impressive growth rate of 7.4%, marking the highest increase in seven quarters. Furthermore, the forecast of above-average rainfall is expected to provide additional support to the resurgence of rural demand. At a portfolio level, stocks posted positive returns, led by Neuland Labs (+43%), Triveni Turbine (+21%), and Multi Commodity Exchange (+21%). Negative returns came from Balkrishna Industries (-15%), JK Lakshmi (-11%) and Kajaria Ceramics (-9%).

HOLDING IN FOCUS: CarTrade

CarTrade is a multi-channel platform focused primarily on automobiles across vehicle types. It has 3 business segments with roughly equal revenue contribution: 1) Consumer: It offers digital marketing campaigns to OEMs and dealers under the portals CarWale & BikeWale. It is a key beneficiary of increased digital spending in auto companies' marketing budgets. 2) Remarketing: This is a vehicle auction business with countercyclical characteristics, which grows higher, in times of slow economic growth. 3) Classifieds; CarTrade acquired OLX's market leading classifieds business last year. Post acquisition, CarTrade integrated the OLX domestic tech platform enabling cost reduction. All three portals of CarTrade are market leading. CarTrade is an asset-light and profitable business. that operates without owning inventory. The company has a prudent management team that is cautious with capital allocation despite having net cash. We anticipate a 21% revenue CAGR and over 140% profit CAGR over the next 3 years, with potential for operating leverage due to majority fixed costs.

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. The long-term Indian CGT rate was increased from 10% to 12.5% and the short-term Indian CGT rate was increased from 15% to 20%, effective 22 July 2024. Consequently, the NAV reflects these increased rates as of that date.

PERFORMANCE (%)

	1 mnth	3mnth	6mnth	1 year	3 years	5 years
ICGF NAV	0.1	13.9	10.5	23.5	55.4	129.5
BSE MidCap TR Index	-1.7	10.2	19.2	51.1	94.7	204.9

TOPICAL COMMENT

INDIAN BUDGET	IN THE MEDIA: INVESTING IN INDIA	BOOK REVIEW	MEET THE MANAGER
August 2024	August 2024	August 2024	August 2024
How the Capital Gains Tax changes impact India Capital Growth Fund	Daily Mail by Jeff Prestridge	Value Investing and Behavioral Finance by Parag Parikh	AIC Conference: October 11th - Registration

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 30 August 2024 was 204.21 pence. In August the NAV was up 0.15% in Sterling terms, whilst the BSE MidCap TR Index was down 1.67%. In local currency terms, the NAV was up 2.89% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP176.8m
Launch date	22 December 2005
Adviser start	31 December 2011
Fund Manager	Ocean Dial Asset Management
Principal Adviser	Gaurav Narain
Benchmark	S&P BSE MidCap TR
AMC	1.25% of market cap
Share price	185.0p /
NAV per share	204.2p
Discount to NAV	9.4%

PORTFOLIO CHARACTERISTICS

Number of holdings	37
Median market cap (US\$bn)	\$2.1bn
PE FY26E	21.0
ROE FY26E	19.1%
Tracking Error	8.3%
Active Share	91.9%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US\$ [stronger/weaker]	(0.2)%	(0.8)%
FII Net flows (US\$m)	1,392.7	5,089.6
DII Net flows (US\$m)	5,754.1	37,039.1
CPI inflation (July-24 / 3m avg)	3.5%	4.5%
GDP Q1 FY25		6.7%
Current account/ GDP Q4 FY24		(0.7)%

Source: Ocean Dial Asset Management Limited

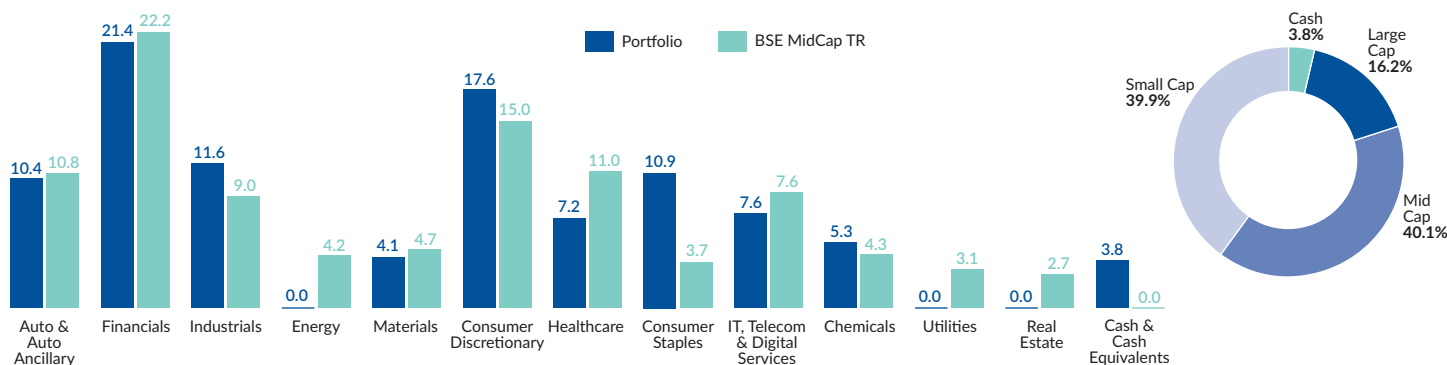
QUARTERLY ATTRIBUTION – 3 MONTHS TO 31 AUGUST 2024 (%)

TOP 5	Ave. weight	Ave. index weight	Return	Contribution	BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
Neuland Laboratories	4.22		98.69	3.16	RBL Bank	3.43		(10.69)	(0.42)
Dixon Technologies India	5.76		34.38	1.96	Container Corp of India	1.18	0.92	(13.75)	(0.30)
Dixon Technologies India	4.87		37.53	1.63	IDFC First Bank	3.60	0.94	(7.35)	(0.27)
Ramkrishna Forgings	3.83		39.30	1.36	Balkrishna Industries	2.37	0.80	(10.82)	(0.24)
Ramkrishna	5.25	0.48	24.63	1.20	IndusInd Bank	3.07		(5.48)	(0.18)

TOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US\$bn
Federal Bank	5.3%	Well run mid-sized private sector bank, attractive valuations	5.7
Neuland Laboratories	5.2%	API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions	1.9
Dixon Technologies	5.1%	Dominant player in an emerging Indian Electronic Manufacturing Services industry with structural tailwinds	9.4
Emami	4.8%	Dominant player across multiple niche consumer product categories, attractive valuations	4.3
Skipper	4.4%	Power transmission and distribution company including polymer pipes and fittings segment	0.5
Ramkrishna Forgings	3.9%	Auto ancillary company manufacturing forgings for commercial vehicles in both domestic and international markets	2.1
PI Industries	3.6%	Quality agro-chemical company, high visibility, strong industry tailwinds in global supply chains	8.1
Persistent Systems	3.5%	IT services company benefitting from 'digital transformation' of businesses globally	9.5
RBL Bank	3.4%	Private sector bank offering online and branch business banking and financial market operations	1.6
IDFC Bank	3.2%	Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory	6.6

PORTFOLIO ANALYSIS (%)



PRINCIPAL 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

86,560,872 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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