

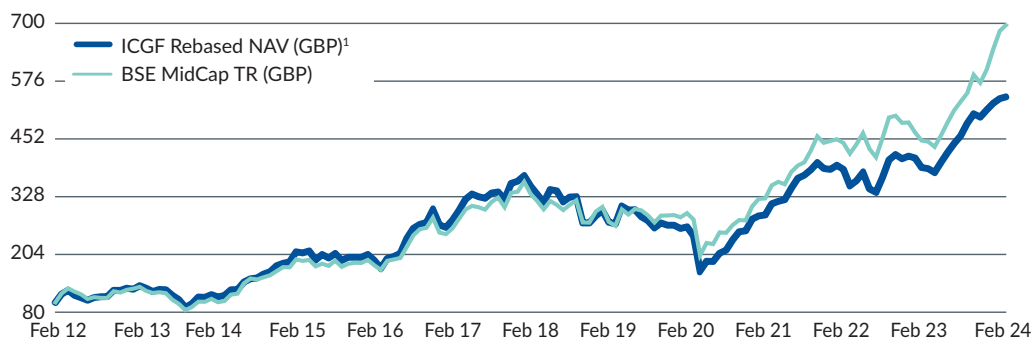
PORTFOLIO AND MARKET UPDATE

The Indian equity market continued its upward momentum, with the large-cap Sensex up by 1%, the Mid-Cap index up by 1.7% while the Small-Cap Index corrected by 1.1%, respectively, in local currency. All sectoral indices ended positively except FMCG (-2%), top gainers were Oil & Gas (7%) and Auto by (6%). Equity flows were mixed, FII flows were down US\$483m while domestic flows were up US\$3.1bn. December inflation moderated to 5.1% from 5.7% in November. The real GDP growth of 3QFY24 was 8.4%, above expectations due to net indirect taxes. Investment growth was the main driver of this growth, up 10.6% helped by the government's continued capex thrust whilst private consumption growth remained subdued. At sector level, Industry and Services were the primary drivers of growth, while Agriculture experienced a decline due to a weaker monsoon season impacting sowing. At a portfolio level, positive stock performance was led by Skipper (+22%), Neuland Labs (+12%), and Dixon Technologies (+12%). Negative returns came from Sagar Cement (-11%), Jyothy Labs (-10%) and Affle India (-10%).

HOLDING IN FOCUS: GPT Healthcare

GPT Healthcare owns and operates 4 multi-speciality hospitals with a total of 561 beds in East India under the ILS brand. It was founded in July 2000 by a renowned laparoscopic surgeon. After COVID-19 more people have realised the importance of prioritising their health. This has resulted in higher Average Revenue Per Occupied Bed (ARPOB) and greater profitability for hospital chains across the country. Despite this, the density of hospital beds in India remains low, creating a demand-supply mismatch and offering expansion opportunities. GPT Healthcare focuses on the Eastern part of India, which has the lowest bed density in India. Its ILS brand is well known. It serves middle-income patients by charging reasonable rates ~30% discount to large hospitals. GPT focuses on mid-size hospitals, which allows them to quickly increase utilisation, and with tight control on cost, the company has been able to maintain margins in the range of 20-22%. A favourable patient mix with a majority of cash and insurance-backed patients helps to keep the working capital low. We expect a double digit revenue and profit CAGR over the next 3 years driven by increasing bed utilisation and adding ~50% bed capacity by adding 2 more hospitals. Trading at an FY25 EV/EBITDA of 15x, a 30% discount to its peers makes the valuation attractive.

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 | 0.7 | 5.5 | 11.8 | 39.7 | 73.4 | 101.1 |
| BSE MidCap TR Index | 1.9 | 16.0 | 26.7 | 56.2 | 97.9 | 162.5 |

TOPICAL COMMENT

**THE WRITING ROOM:
INVESTORS' CHRONICLE**
February 2024

What India's rise means for EM investors - Dave Baxter

**THE WRITING ROOM:
PORTFOLIO ADVISER**
February 2024

India's Growth Story

**IN THE MEDIA:
MONEY WEEK**
February 2024

The top funds to invest in

**BOOK REVIEW:
THE INNOVATOR'S DILEMMA**
February 2024

When new technologies cause great firms to fail

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 29 February 2024 was 184.83 pence. In February the NAV was up 0.73% in Sterling terms, whilst the BSE MidCap TR Index was up 1.93%. In local currency terms, the NAV was up 0.46% for the month.

FUND INFORMATION

| | |
|-------------------|-----------------------------|
| Listing | LSE Main Market |
| Domicile | Guernsey |
| NAV publication | Monthly (daily estimate) |
| Size (NAV) | GBP159.7m |
| 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 | 186.5p / |
| NAV per share | 184.8p |
| Premium to NAV | 0.9% |

PORTFOLIO CHARACTERISTICS

| | |
|----------------------------|---------|
| Number of holdings | 35 |
| Median market cap (US\$bn) | \$1.9bn |
| PE FY25E | 20.5 |
| ROE FY25E | 18.0% |
| Tracking Error | 7.10% |
| Active Share | 91.26% |

INDIA HIGHLIGHT

| | MTD | YTD |
|-------------------------------|---------|-----------|
| INR vs US\$ [stronger/weaker] | 0.2% | 0.4% |
| FII Net flows (US\$m) | 483.1 | (2,657.5) |
| DII Net flows (US\$m) | 3,059.7 | 6,278.8 |
| CPI inflation (Jan/3m avg) | 5.1% | 5.4% |
| GDP Q3 FY24 | | 8.4% |
| Current account/GDP Q2 FY24 | | (1.1)% |

Source: Ocean Dial Asset Management Limited

QUARTERLY ATTRIBUTION - 3 MONTHS TO 29 FEBRUARY 2024 (%)

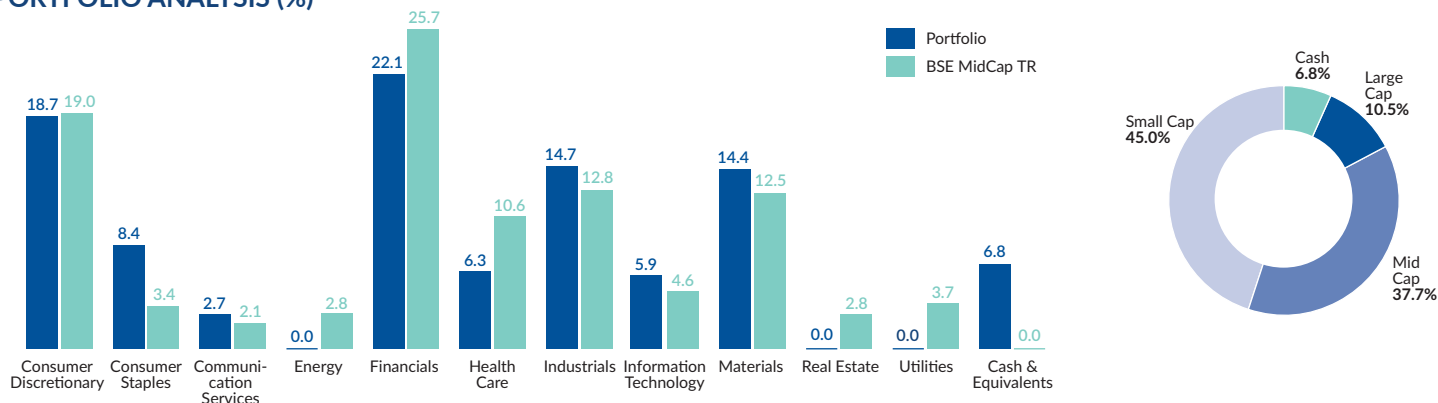
| TOP 5 | Ave. weight | Ave. index weight | Return | Contribution |
|-----------------------------|-------------|-------------------|--------|--------------|
| Skipper | 3.98 | 0.00 | 36.50 | 1.32 |
| Persistent Systems | 3.92 | 1.60 | 36.44 | 1.25 |
| Neuland Laboratories | 4.04 | 0.00 | 32.05 | 1.05 |
| Dixon Technologies India | 4.31 | 0.00 | 22.26 | 0.78 |
| Sona Blw Precision Forgings | 3.37 | 1.01 | 24.82 | 0.74 |

| BOTTOM 5 | Ave. weight | Ave. index weight | Return | Contribution |
|-----------------------|-------------|-------------------|---------|--------------|
| Balkrishna Industries | 2.16 | 0.83 | (12.65) | (0.29) |
| Emami | 4.10 | 0.41 | (6.39) | (0.28) |
| Vedant Fashions | 0.94 | 0.29 | (24.31) | (0.25) |
| Sagar Cements | 2.46 | 0.00 | (10.10) | (0.24) |
| VIP Industries | 2.39 | 0.00 | (7.75) | (0.18) |

TOP TEN HOLDINGS

| Portfolio company | Weight | Characteristics | Market cap US\$bn |
|-----------------------------|--------|--|-------------------|
| Federal Bank | 5.1% | Well run mid-sized private sector bank, attractive valuations | 4.4 |
| Skipper | 4.7% | Power transmission and distribution company including polymer pipes and fittings segment | 0.4 |
| Neuland Laboratories | 4.6% | API and Custom Manufacturing solutions (CMS) provider to multinational pharmaceutical companies. Beneficiary of China-dominated supply chain disruptions | 1.1 |
| Dixon Technologies | 4.5% | Dominant player in an emerging Indian Electronic Manufacturing Services industry with structural tailwinds | 4.8 |
| Ramkrishna Forgings | 4.0% | Auto ancillary company manufacturing forgings for commercial vehicles in both domestic and international markets | 1.7 |
| IDFC Bank | 4.0% | Well capitalised private sector retail bank. Digitally-focused and on a high growth trajectory | 6.9 |
| Persistent Systems | 3.9% | IT services company benefitting from 'digital transformation' of businesses globally | 8.0 |
| Sona BLW Precision Forgings | 3.8% | Auto ancillary company manufacturing critical components for leading global electric vehicle companies. | 4.9 |
| RBL Bank | 3.7% | Private sector bank offering online and branch business banking and financial market operations | 1.9 |
| Emami | 3.6% | Dominant player across multiple niche consumer product categories, attractive valuations | 2.5 |

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

86,404,656 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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