

India Outlook

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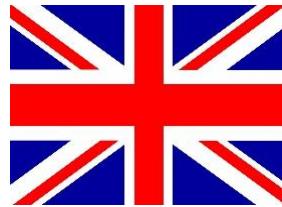
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INDIA IN PERSPECTIVE



VS

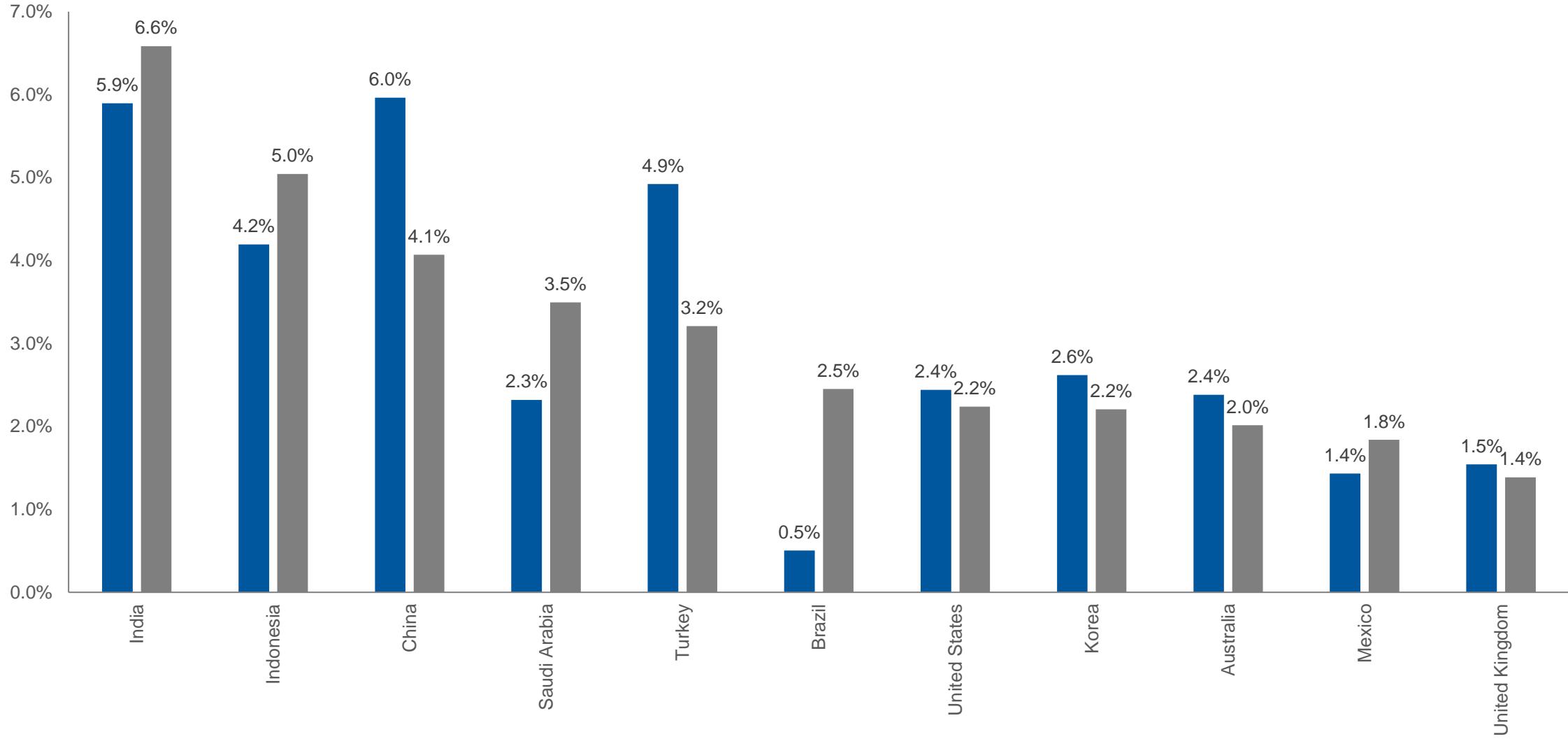


Demographics		
41 years	Average Age	28 years
16 million	25 years or below	600 million
Growth Rates		
3,800	GDP \$bn in 2026 (WB)	4,700
0.9%	GDP growth 2024 (IMF)	6.5%
Debt		
101%	General Govt Debt/GDP	83%
78%	Household Debt/GDP	39%
Macro		
186	FX Reserves (Feb 25)	654
3.0%	Inflation CPI (Jan 25)	4.3%

REAL GDP GROWTH: FASTEST GROWING LARGE ECONOMY



■ CY 13-23 ■ CY 23-28

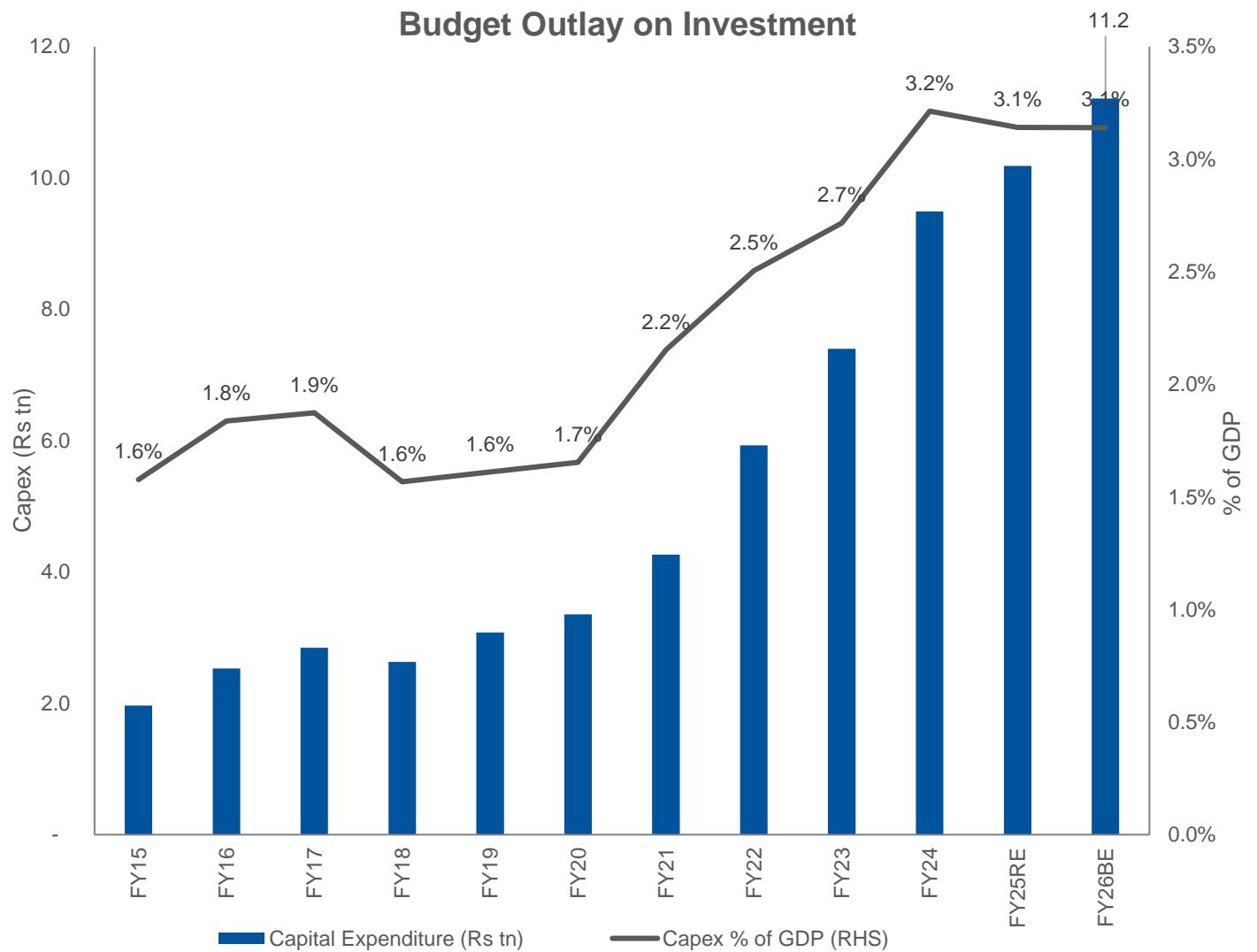


ECONOMY: TRANSFORMATION



 **POLITICAL STABILITY: 3rd term of Modi Government**

 **PHYSICAL INFRASTRUCTURE: Overhauled**



DIGITAL PUBLIC INFRASTRUCTURE: INDIA'S SUCCESS STORY



E-Governance Initiatives



Over 380 million transactions per month worth US\$760 million.

16 billion transactions per month worth US\$250 billion

500 million users
9.28 billion documents*

\$84 billion Direct Benefit Transfers FY24

MACROS: REMAIN COMFORTABLE

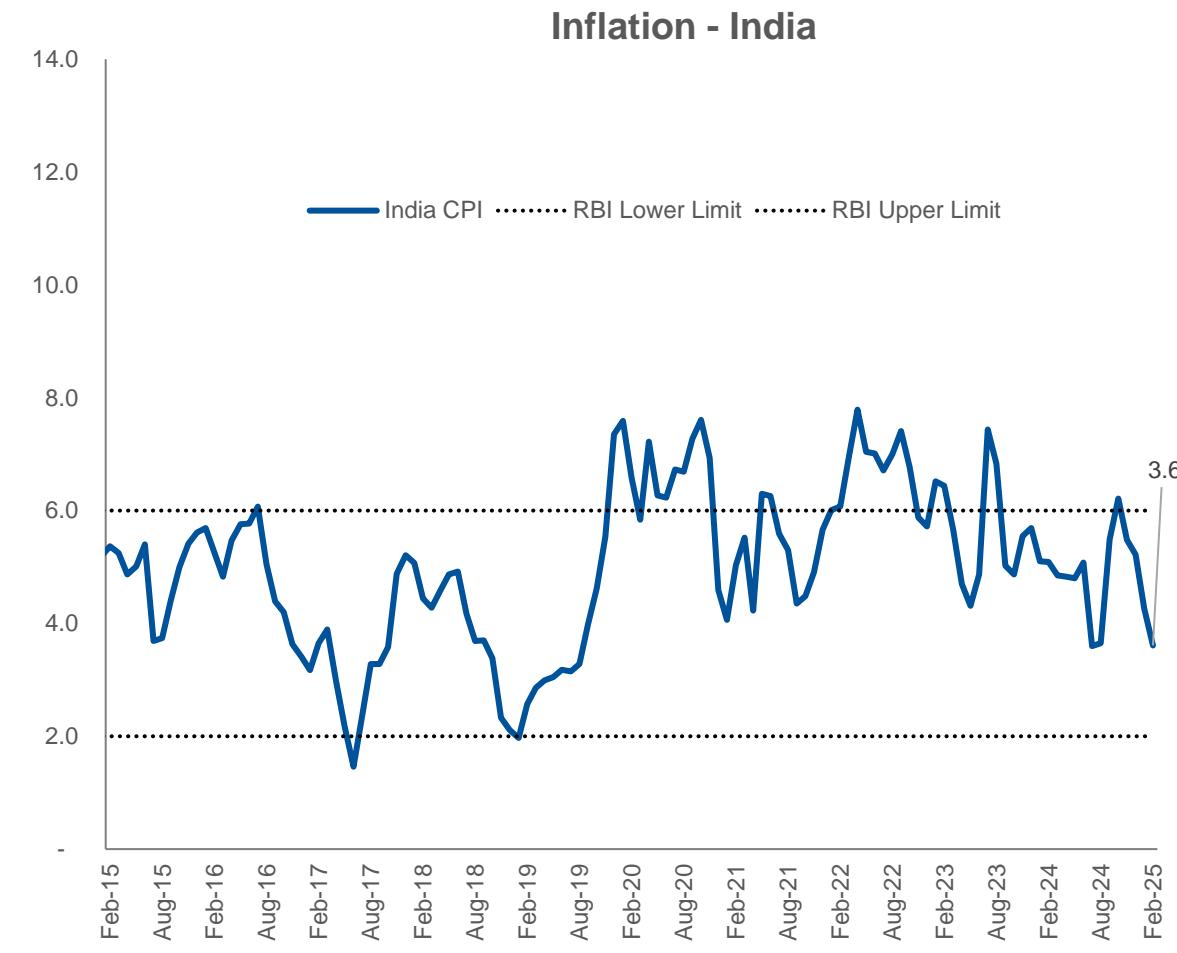
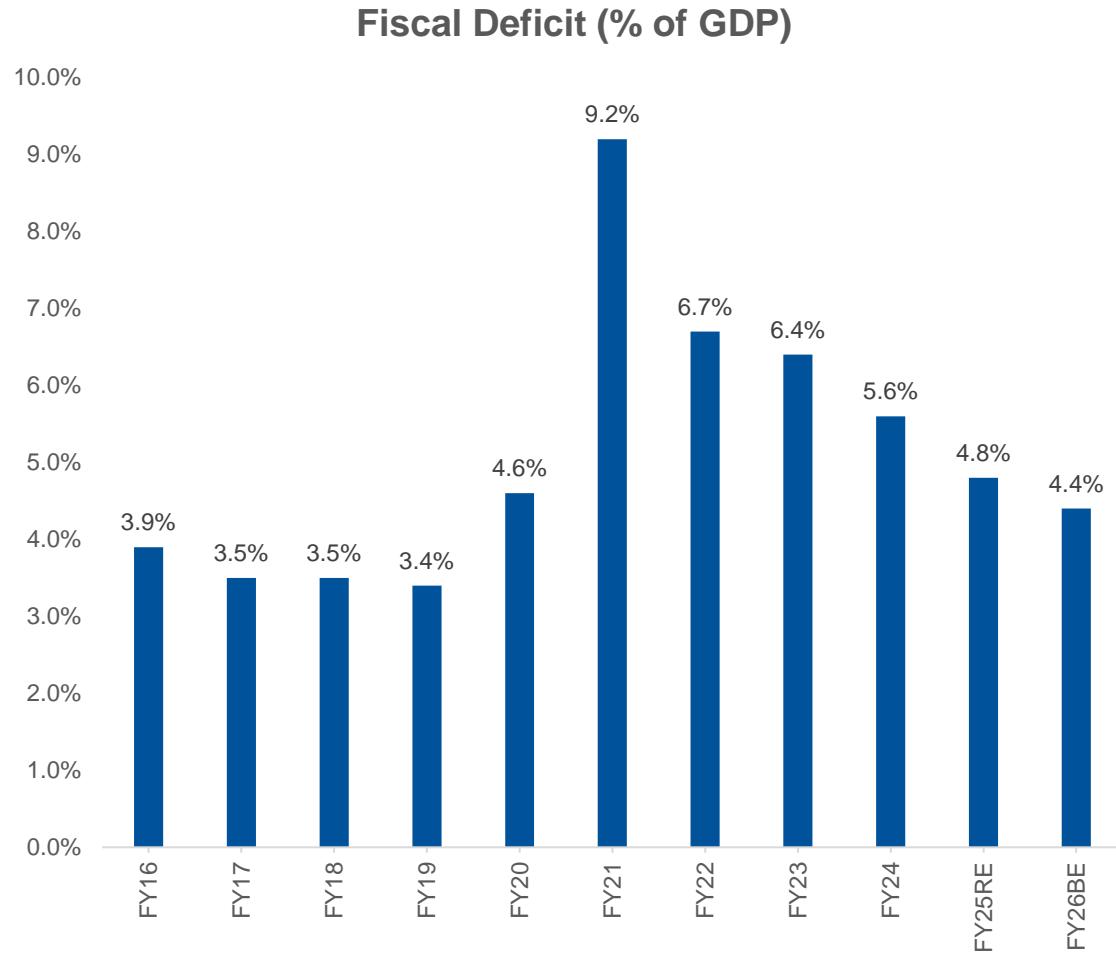
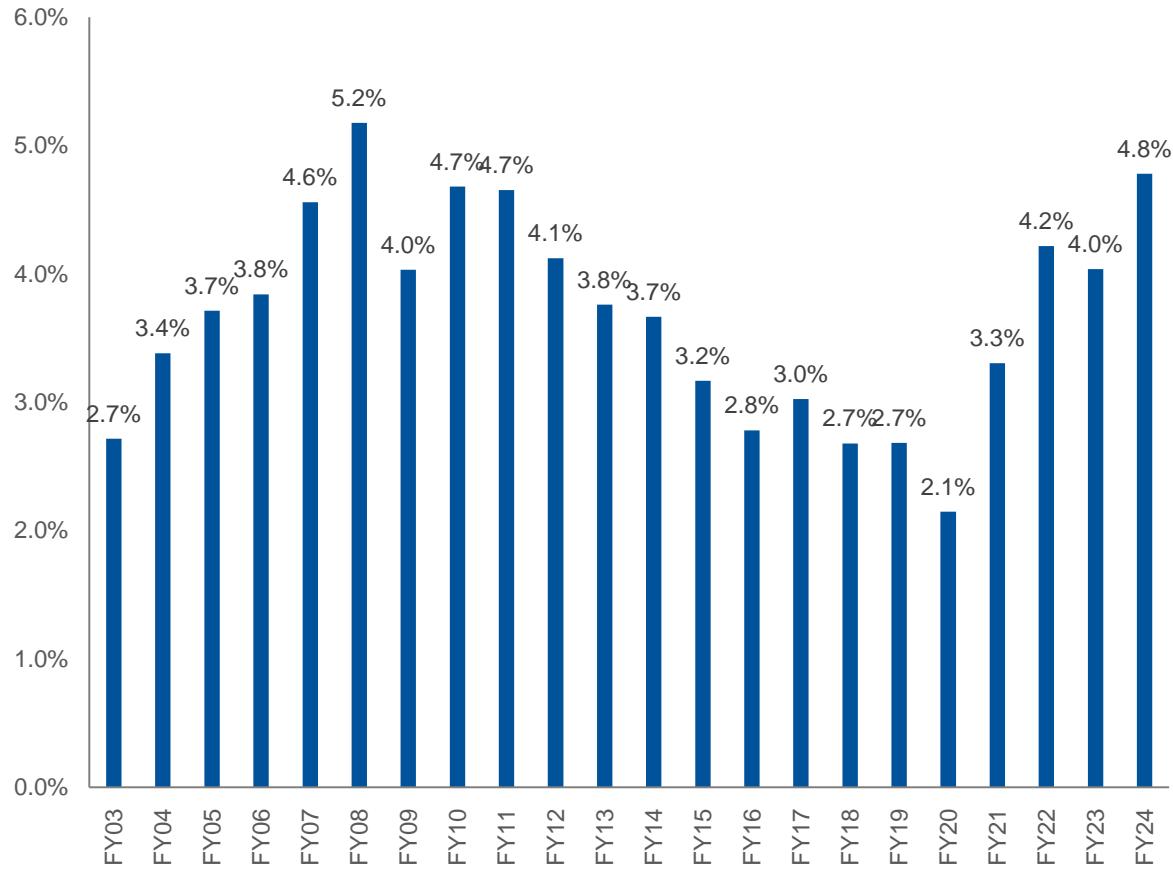


Figure 1 Source Govt. Budget documents Report dated February 2025. Figure 2 Source Bloomberg Data as of 28-Feb-2025
 E stands for estimates, RE stands for revised estimates & BE stands for budgeted estimates.

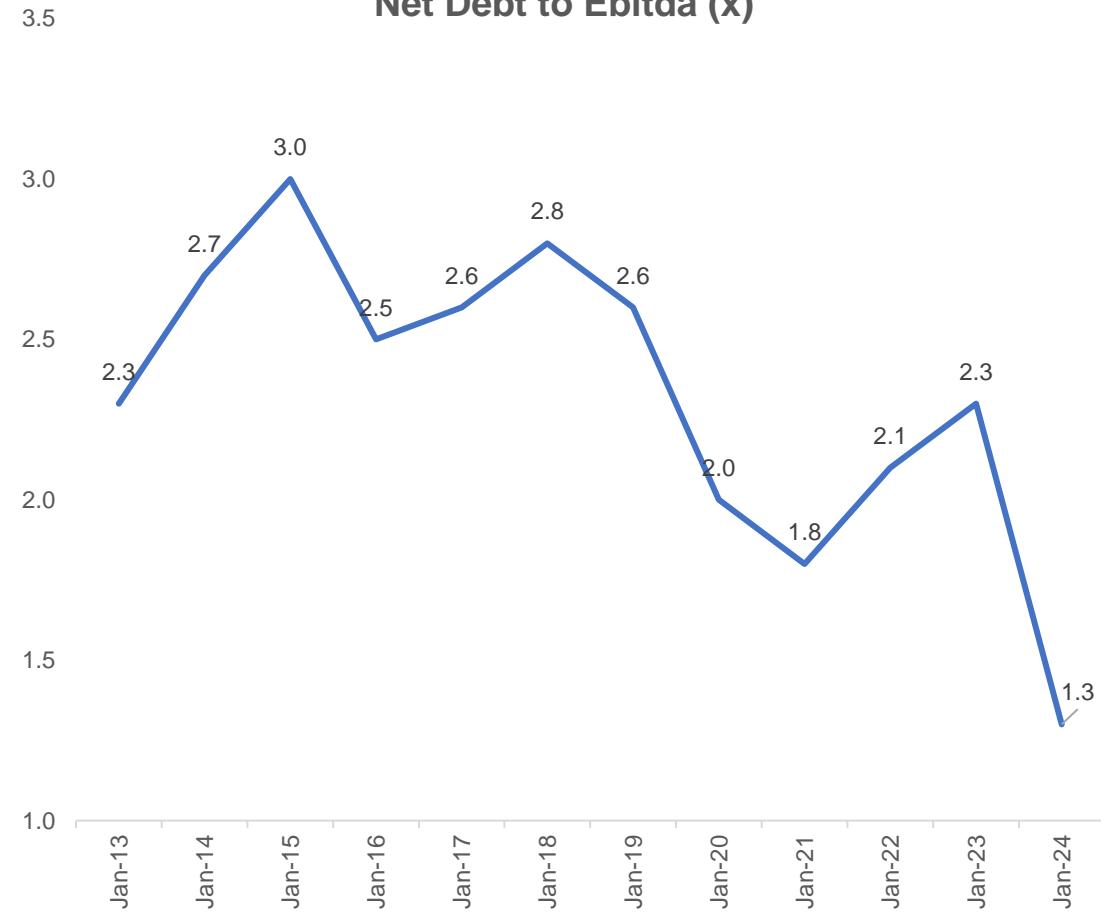
CORPORATE SECTOR: STRONG BALANCE SHEETS, HIGH PROFITABILITY



Corp profit to GDP ratio (Nifty 500 companies)



Net Debt to Ebitda (x)



SLOWDOWN IN GROWTH IN 2024



QUARTER GDP & EARNINGS GROWTH HIT 4 YEAR LOW

- ELECTION DISRUPTION
- MONETARY TIGHTENING
- WEAK CONSUMPTION

GEOPOLITICAL HEADWINDS

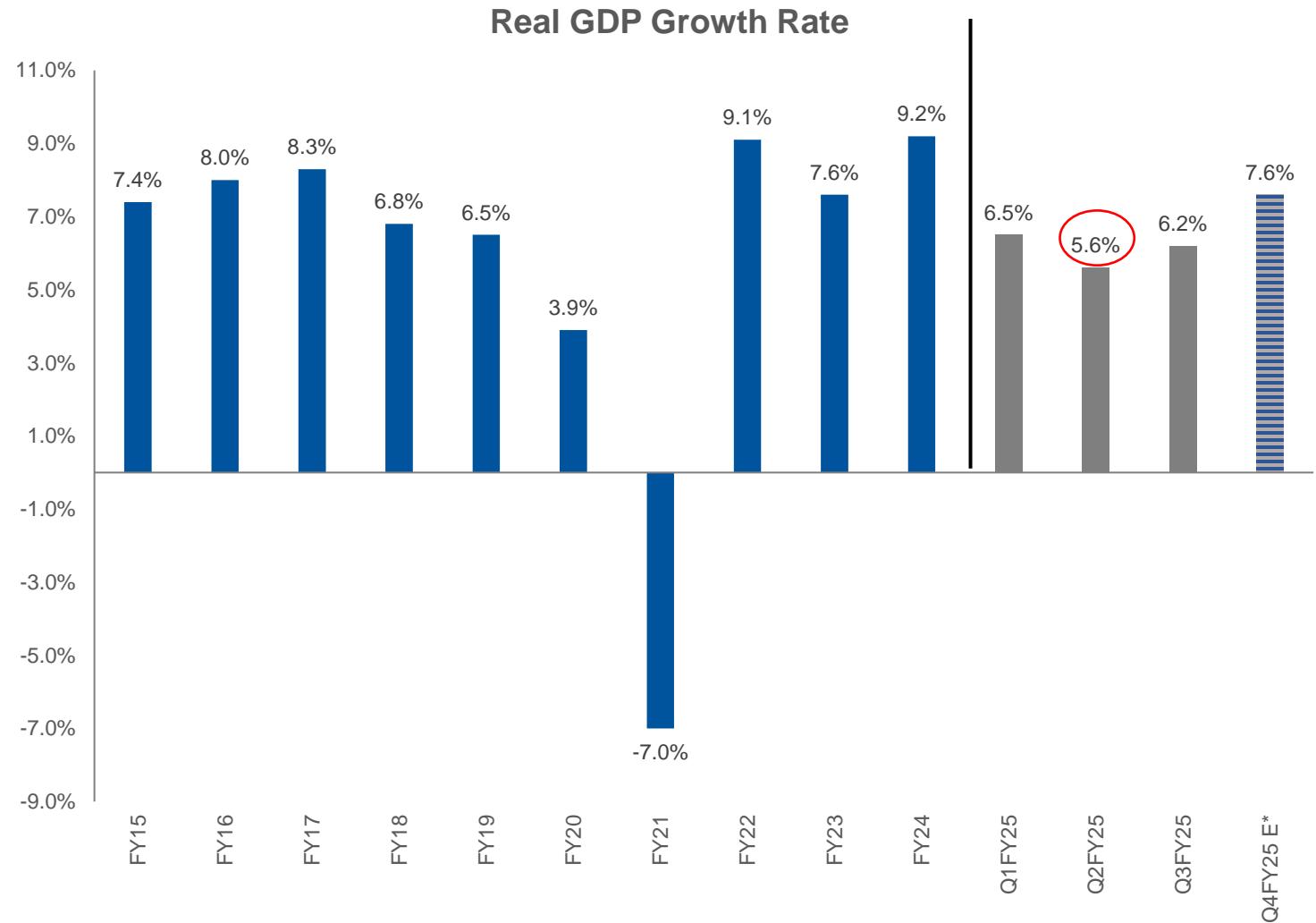


Figure 1 Source Investec, Government of India, as of Feb 2025, E stands for estimates.



ELECTION FREE YEAR

2024 had national and four state elections
2025 only one state election – Bihar (Nov.)
BJP/Allies rule 22/28 states

RBI COMMENCES RATE CUT CYCLE

After 5 years rate cut by 25bps
Injecting liquidity in system
Reverses credit tightening measures

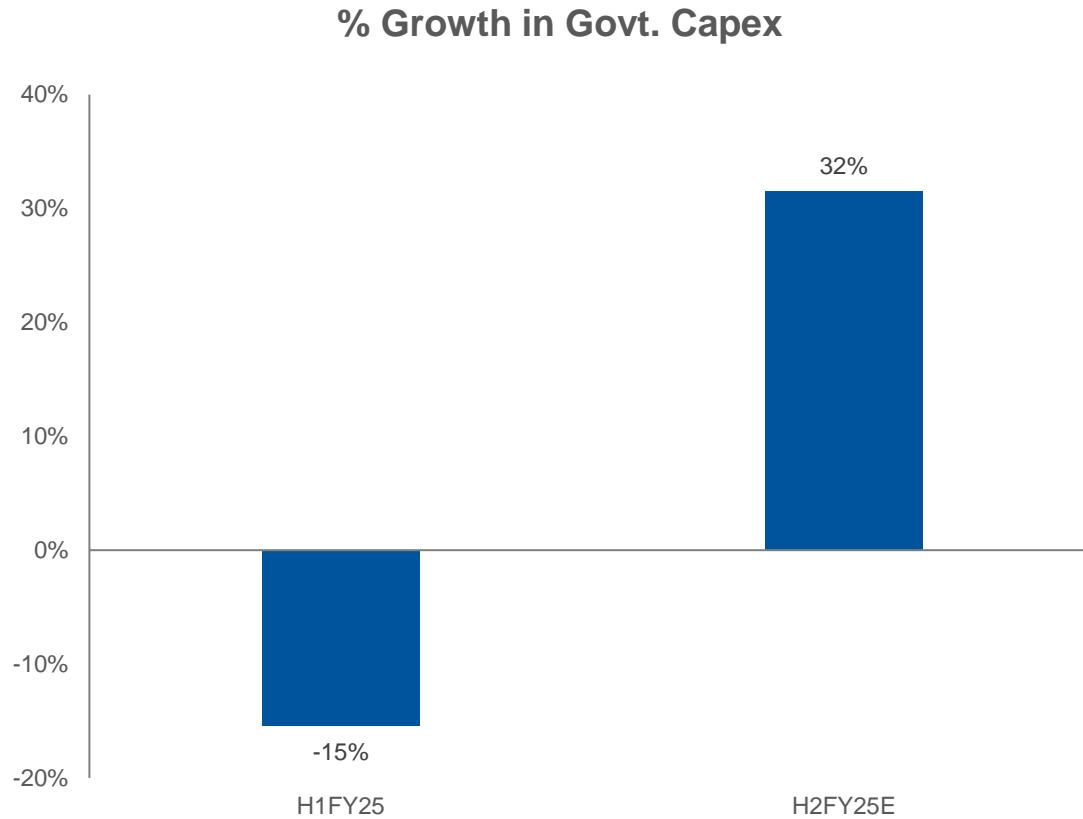
BUDGET PIVOTS TO BOOST CONSUMPTION

Substantial tax breaks for individuals
While maintaining capex momentum

STRUCTURAL DRIVERS STILL IN PLACE

Sentiments have weakened

GOVERNMENT: GREEN SHOOTS VISIBLE

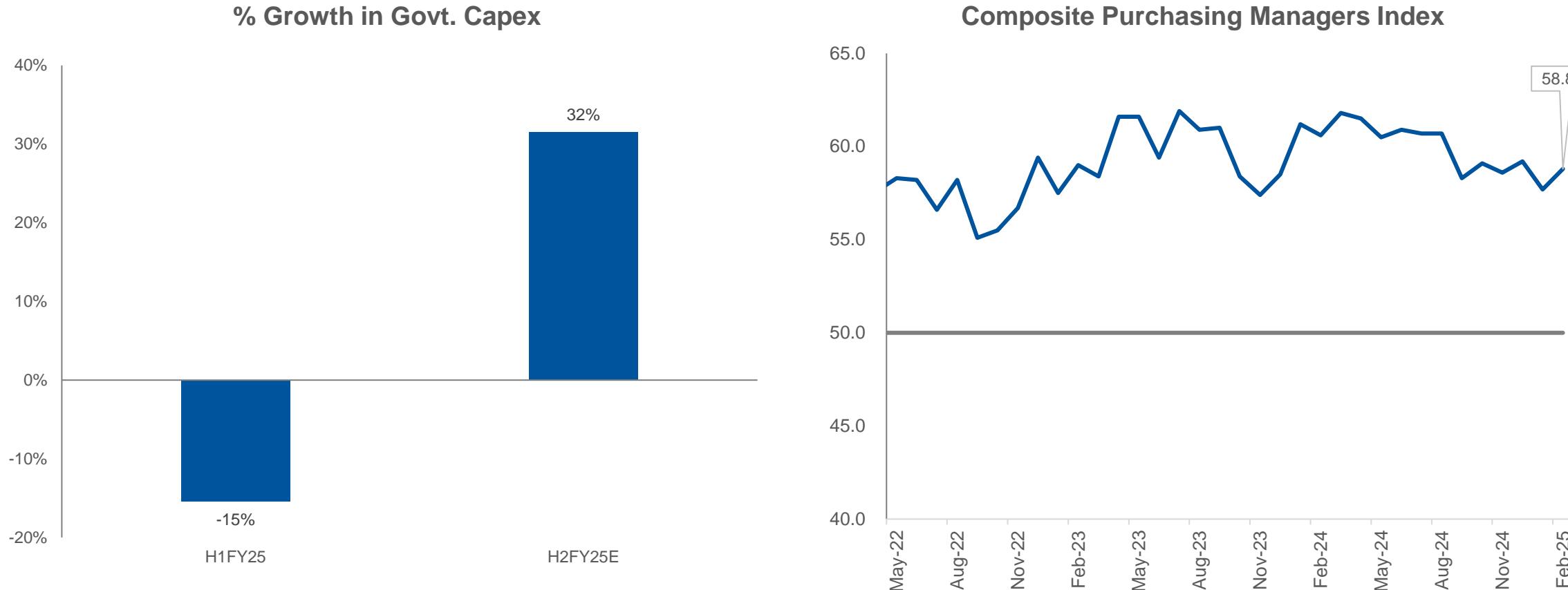


Source: Figure 1 - Govt. Budget documents. Report dated February 2025. Figure 2 - Bloomberg Data as of 28 February 2025, E stands for estimates.

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May-22 Aug-22 Nov-22 Feb-23 May-23 Aug-23 Nov-23 Feb-24 May-24 Aug-24 Nov-24 Feb-25

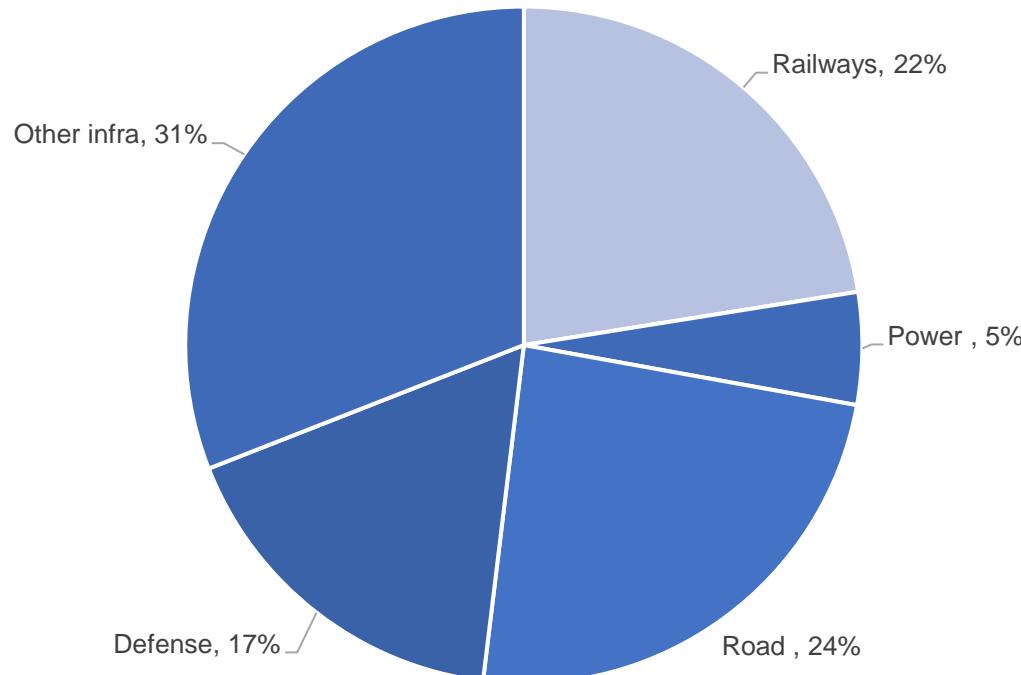
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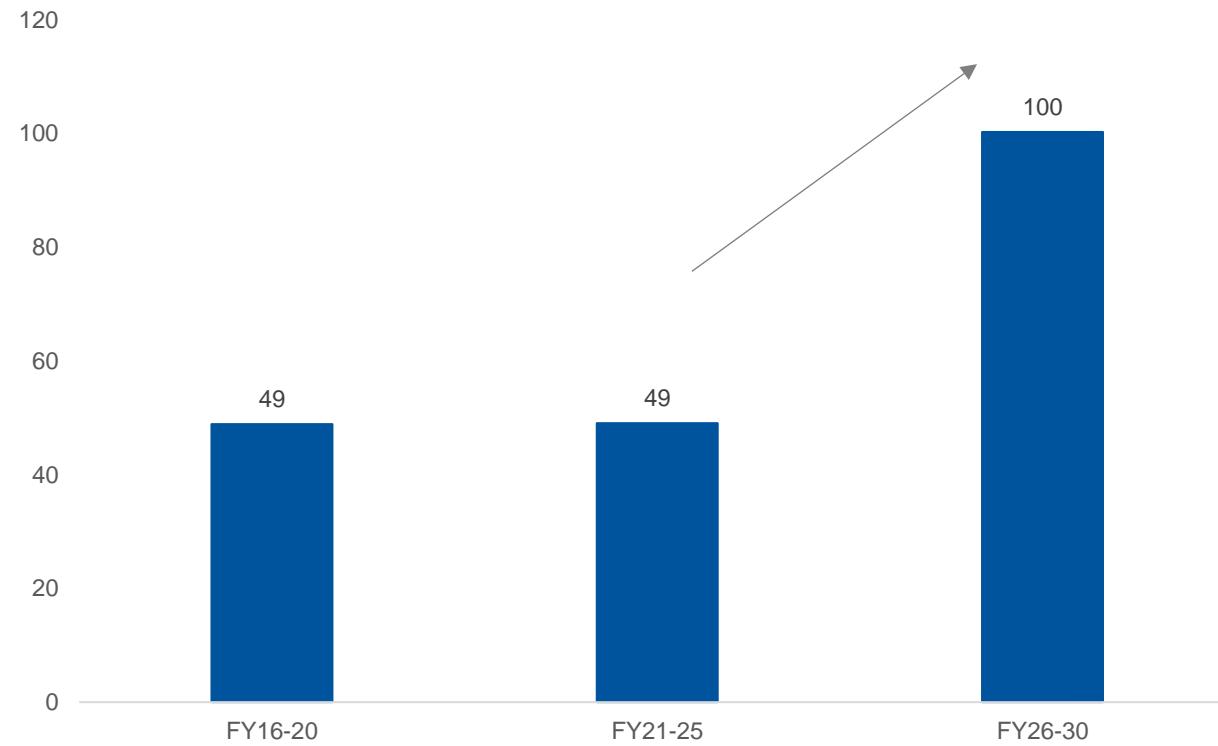
INVESTMENT PIPELINE REMAINS ROBUST



US\$ 130bn Infrastructure Capex by Govt. in FY26



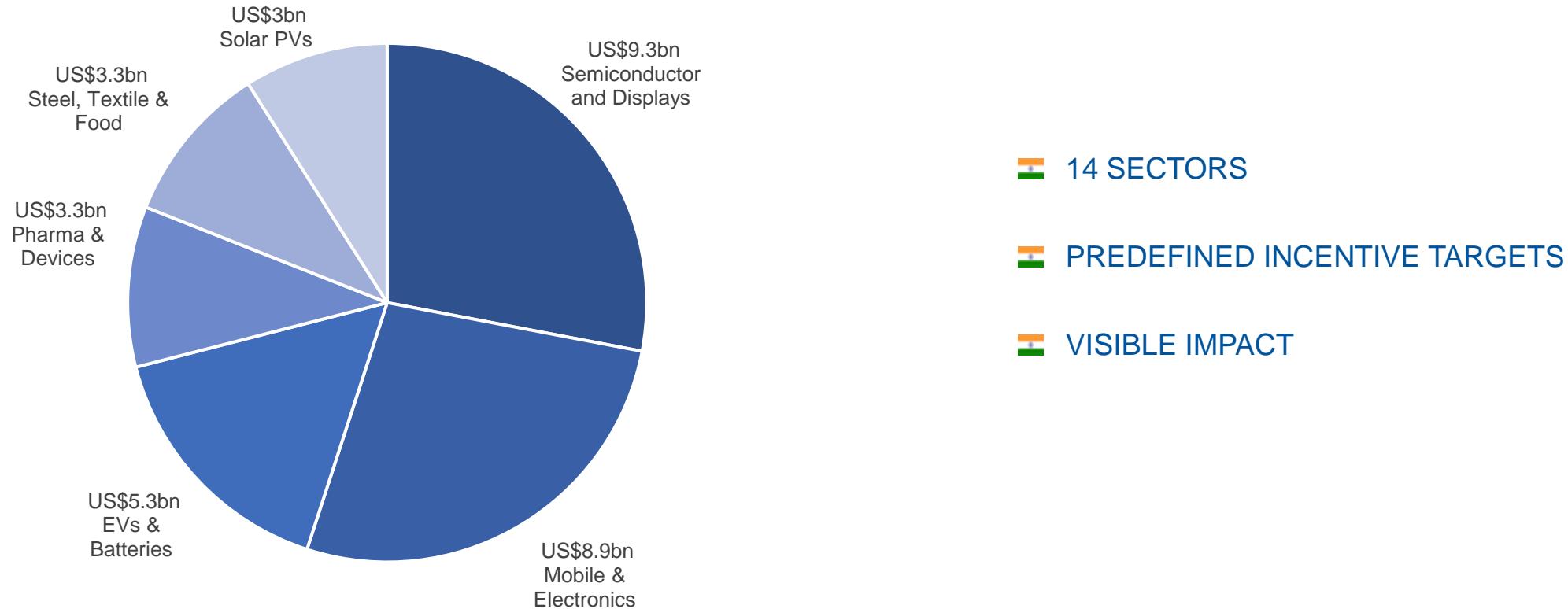
Private Sector: Projected annual capex (US\$bn) to double



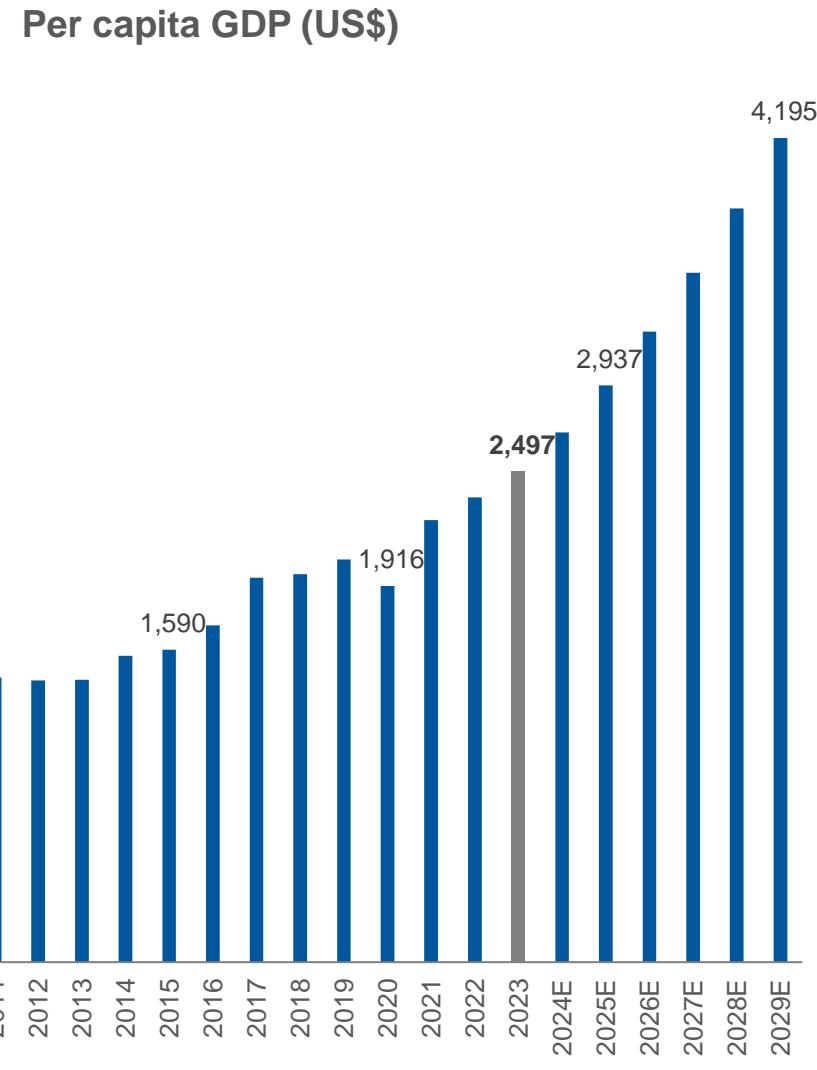
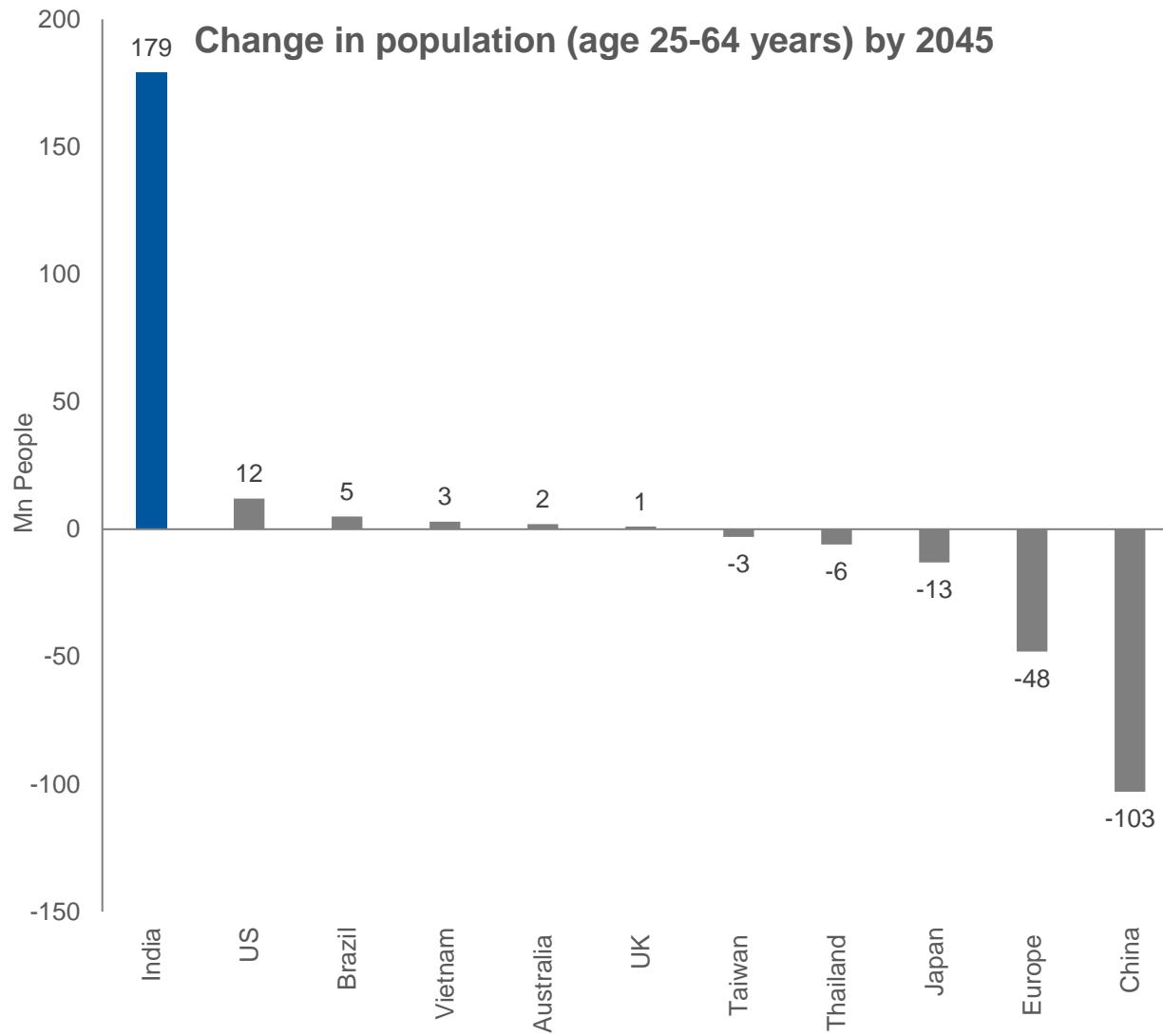
MANUFACTURING SECTOR : US\$ 33 BN INCENTIVE PACKAGE DRIVING INVESTMENTS



Production Linked Incentives (PLI)



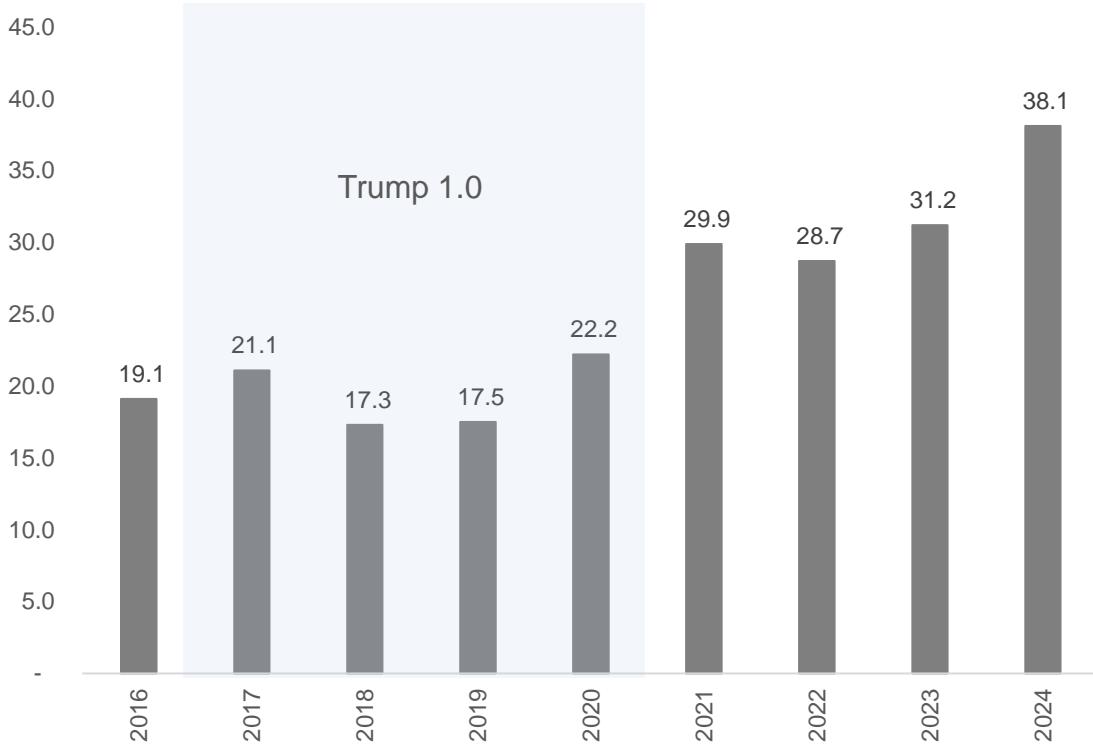
INDIA CONSUMPTION STORY: FAVORABLE DEMOGRAPHICS



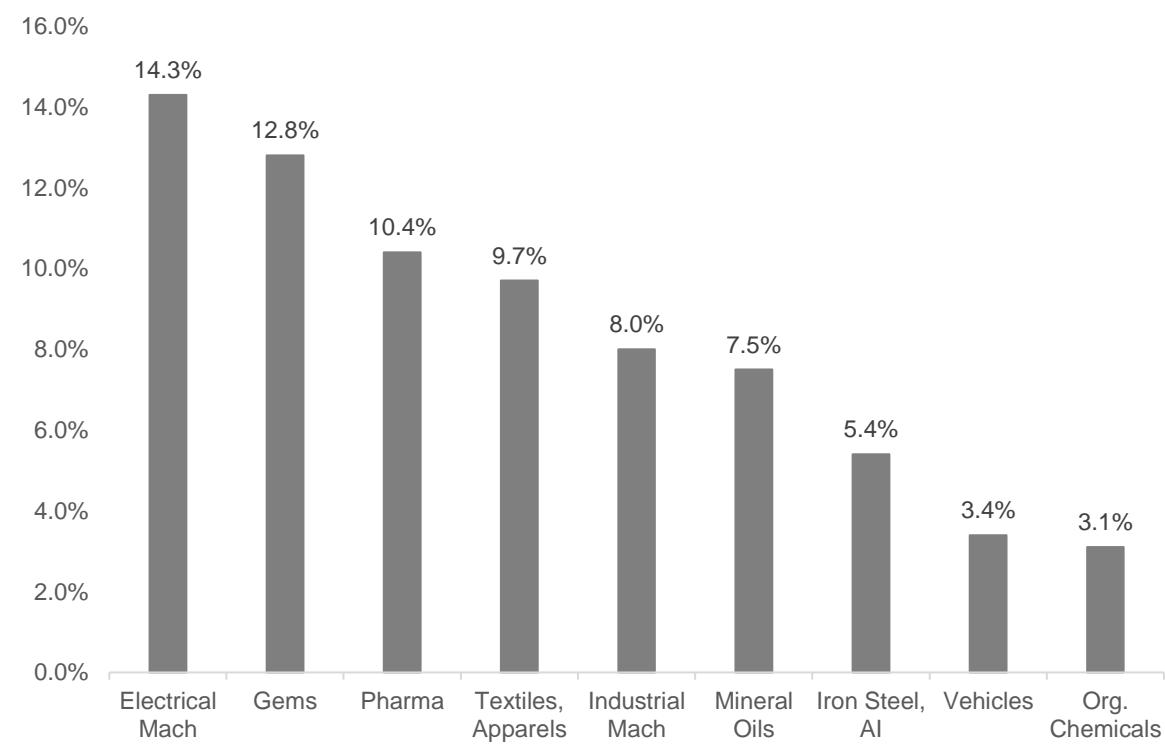
TRUMP TARIFF: 'INDIA IS TARIFF KING'



India's trade surplus with the US (USD bn)



Share of total Indian exports to the US (%)



🇮🇳 INDIA RANKS AS 10TH LARGEST US TRADE PARTNER (USD129B)

🇮🇳 MODI AMONG FIRST LEADER TO MEET TRUMP

🇮🇳 AVERAGE IMPORT DUTY OF 9.5% VS 3% IMPOSED BY US

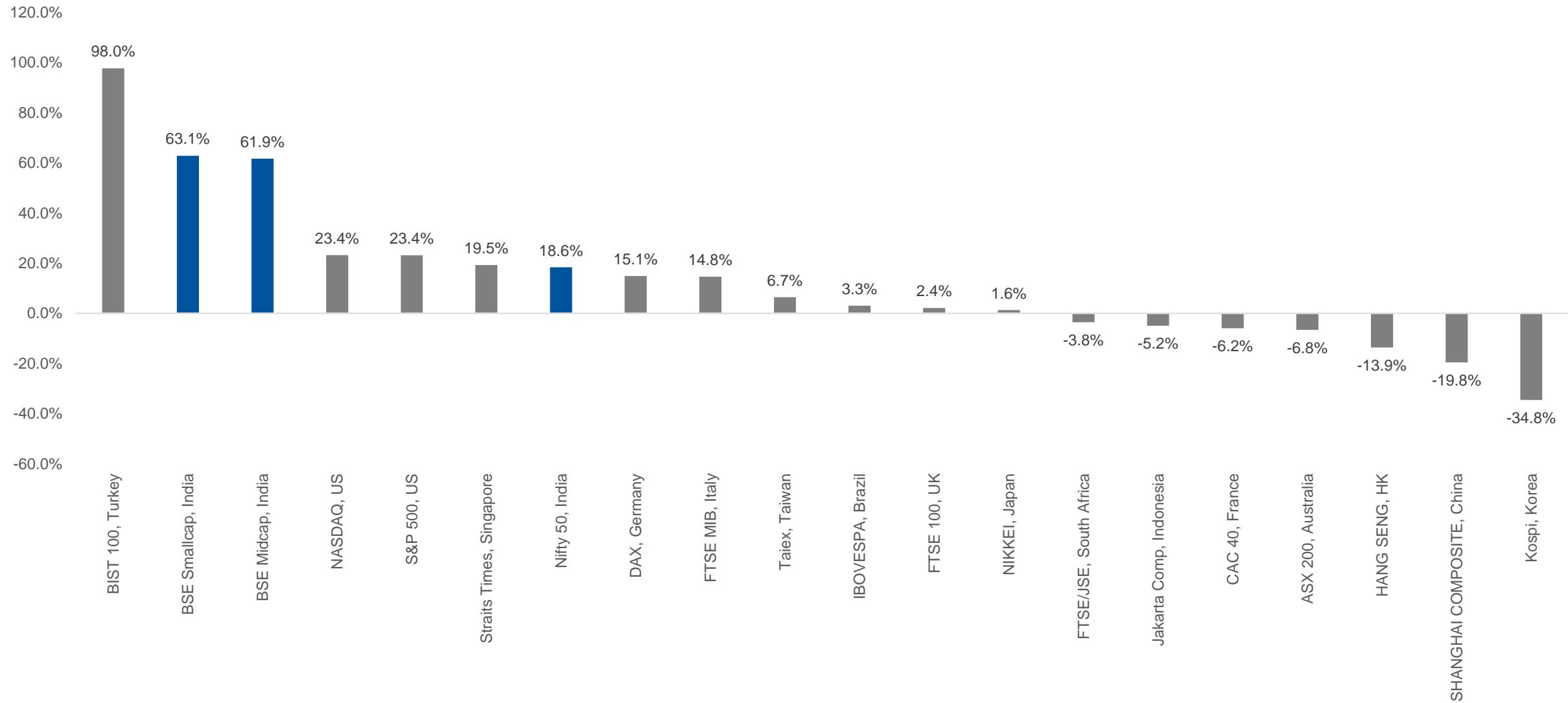
🇮🇳 UNCERTAINTY CAUSES CONCERN

Equity Market

INDIA: TILL DEC'24 – INDIA AMONG BEST PERFORMING MARKETS



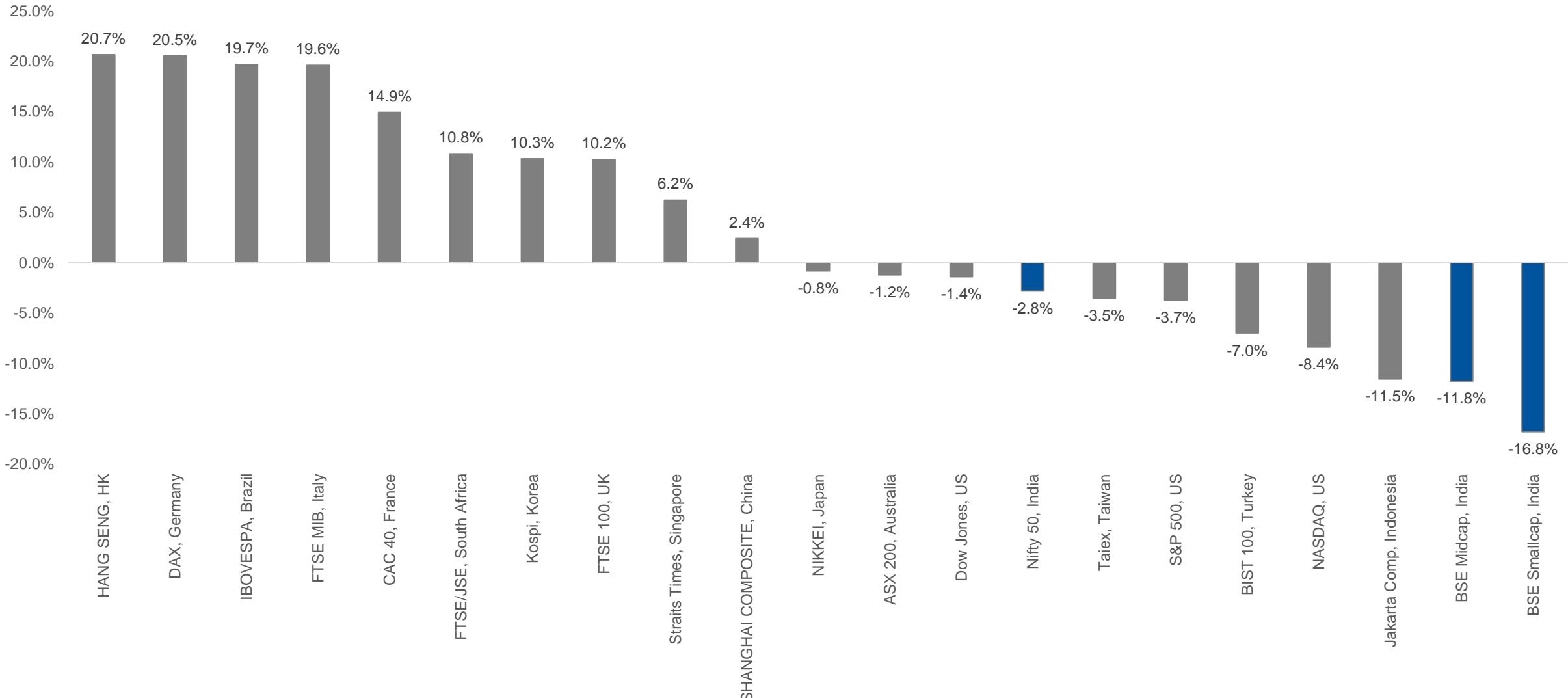
3-yr US\$ returns (%)



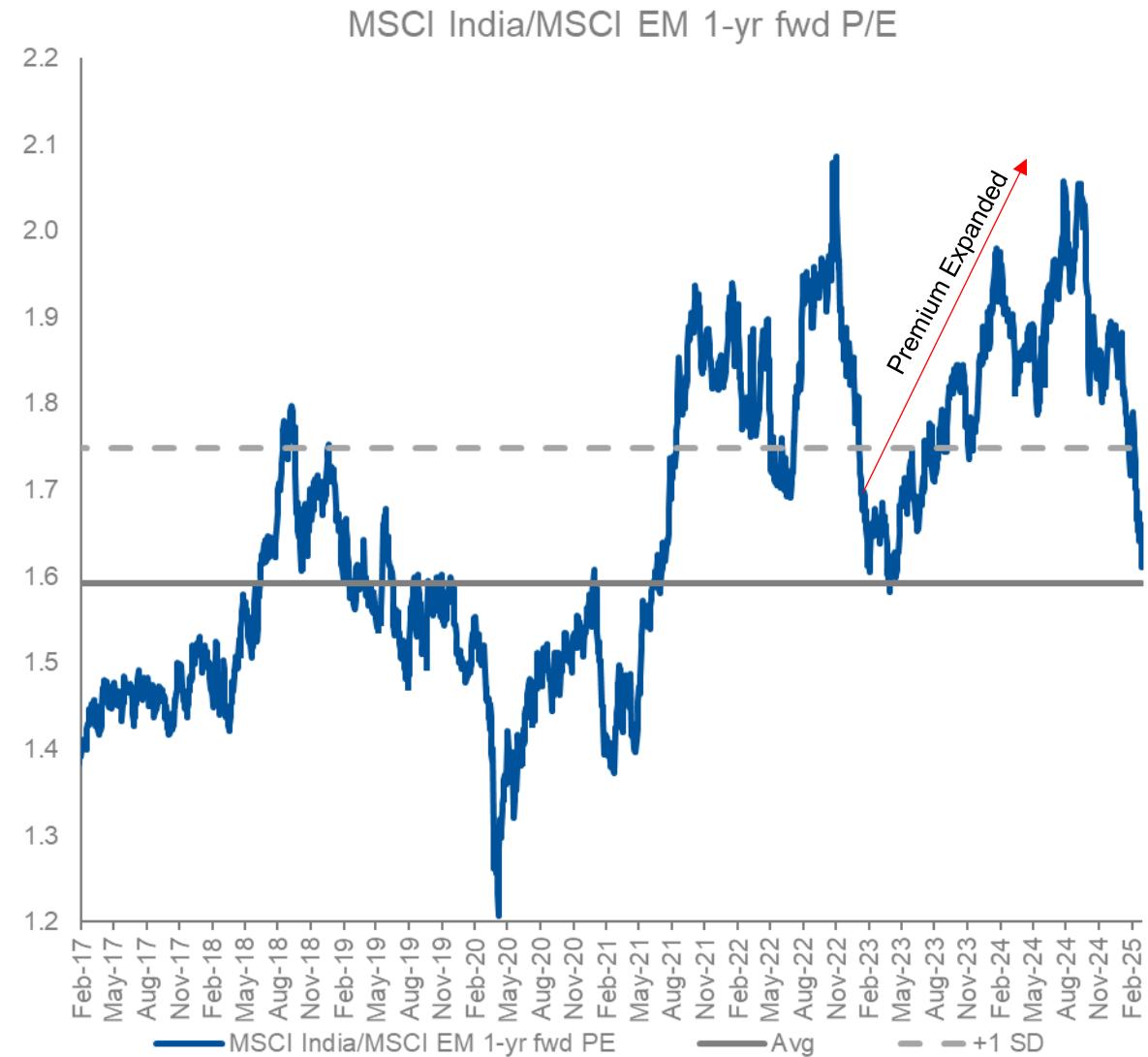
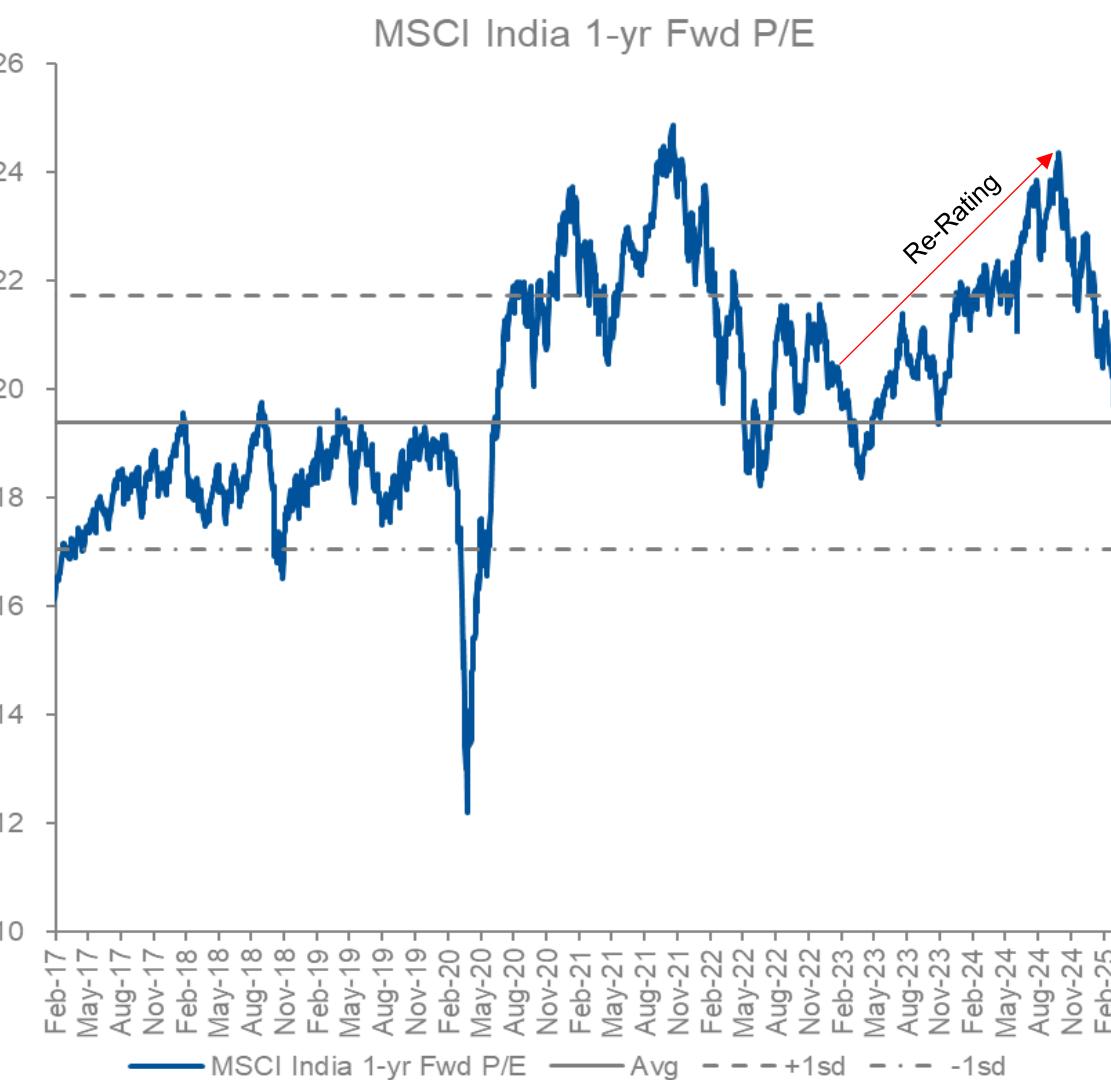
INDIA: SHARP CORRECTION YTD



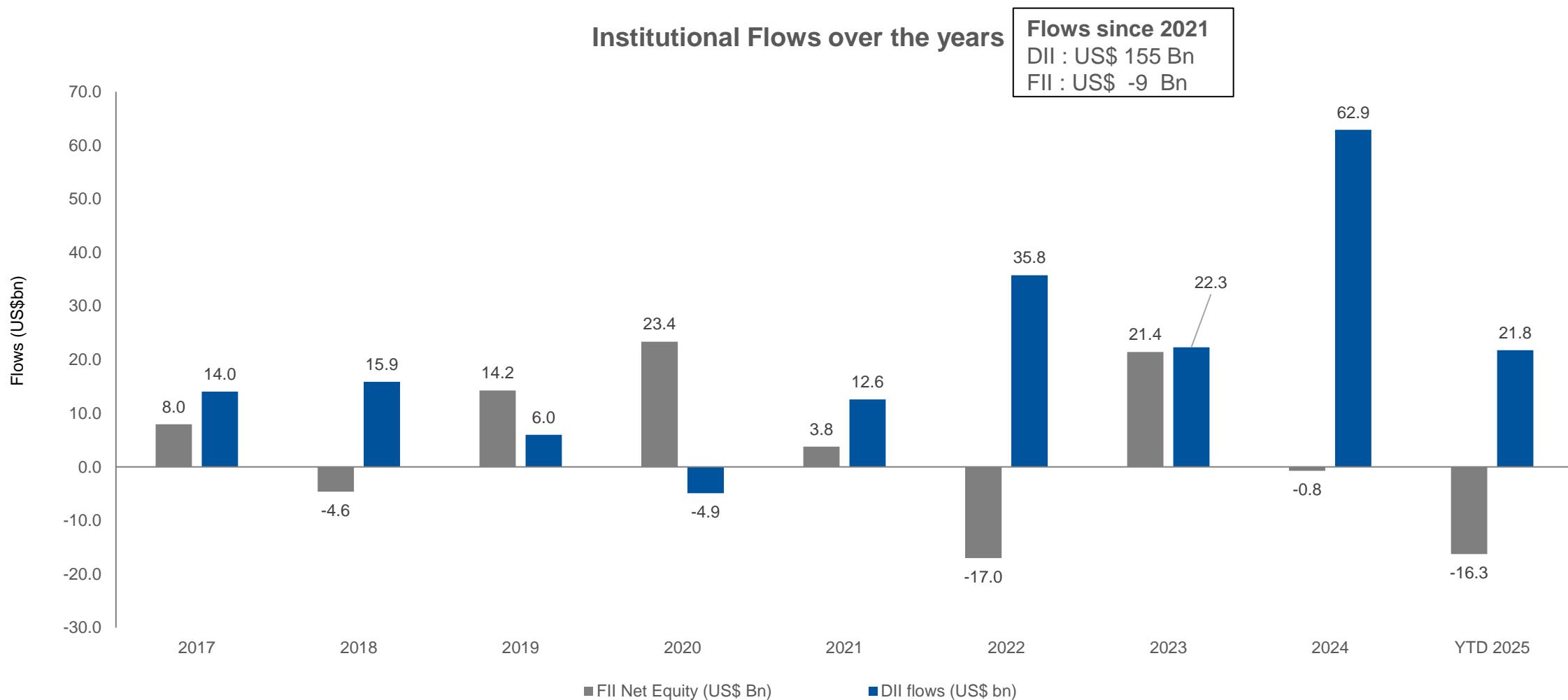
Performance during the quarter – YTD till 20 March 2025 (in US\$)



VALUATIONS: CORRECTED TO HISTORICAL AVERAGE



FUND FLOWS: RELENTLESS SELLING BY FOREIGN INSTITUTIONS



ICGF

INDIA CAPITAL GROWTH FUND: INVESTMENT PHILOSOPHY



Invest in small & mid-cap companies

- More opportunities, better value, determined by local factors

Absolute return mindset

- Over 88% active share position

Long term focus

- Approximately 52% of the portfolio held for over 5 years

Core portfolio centred around long-term compounders

- Low portfolio turnover – average 12-15%

What we look for in our investee companies

- Management: focused, trustworthy, growth oriented

Business: scalable, predictable, entry barriers

- Fundamentals: positive free cash flow, Return on Capital Employed above threshold

PORTFOLIO THEMES



Mainstreaming of digitalisation

1bn+ mobile internet users / \$0.17/GB data cost

Formalizing the economy / bringing rural India to mainstream



China plus 1 strategy

Beneficiaries of global supply chain de-risking

Electronic manufacturing / Chemicals / Auto Ancillary / Textiles / Industrial



Consumption

Evergreen plays

Consumer staples / Consumer Discretionary

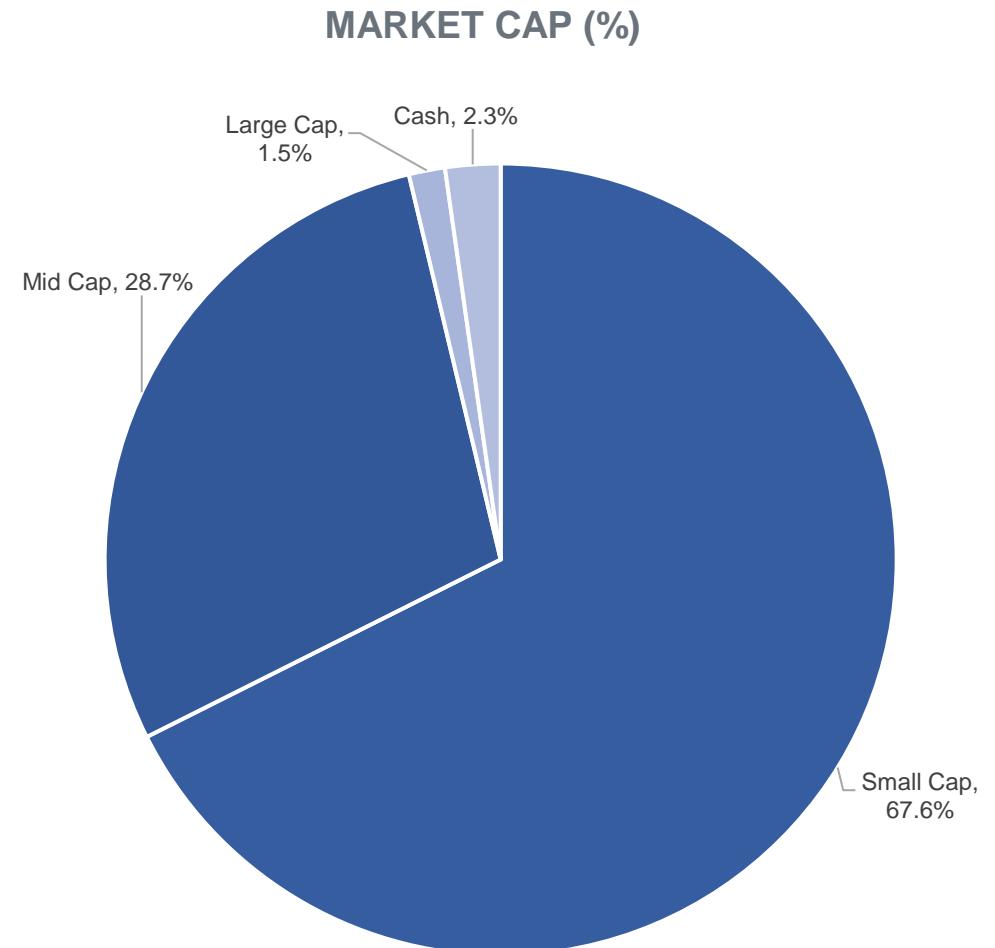
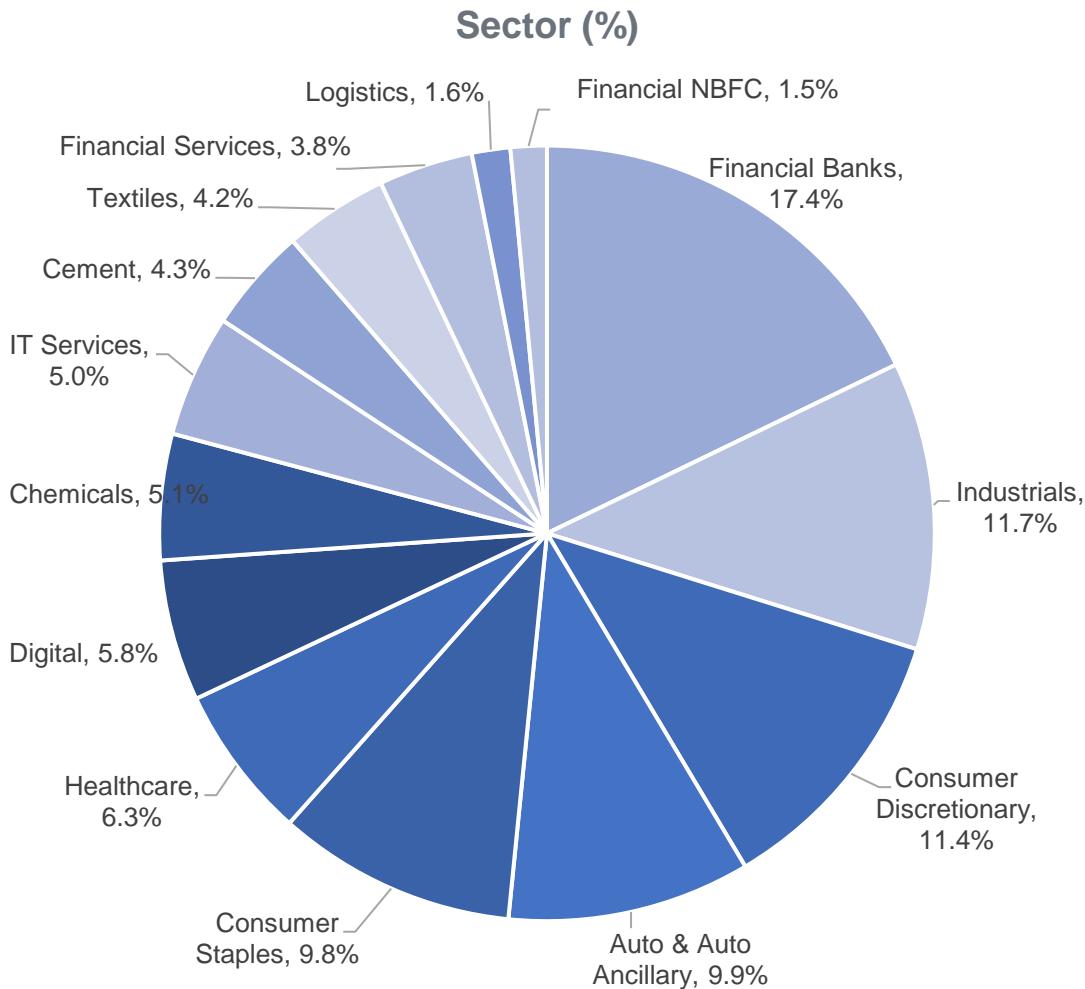


Domestic Capex

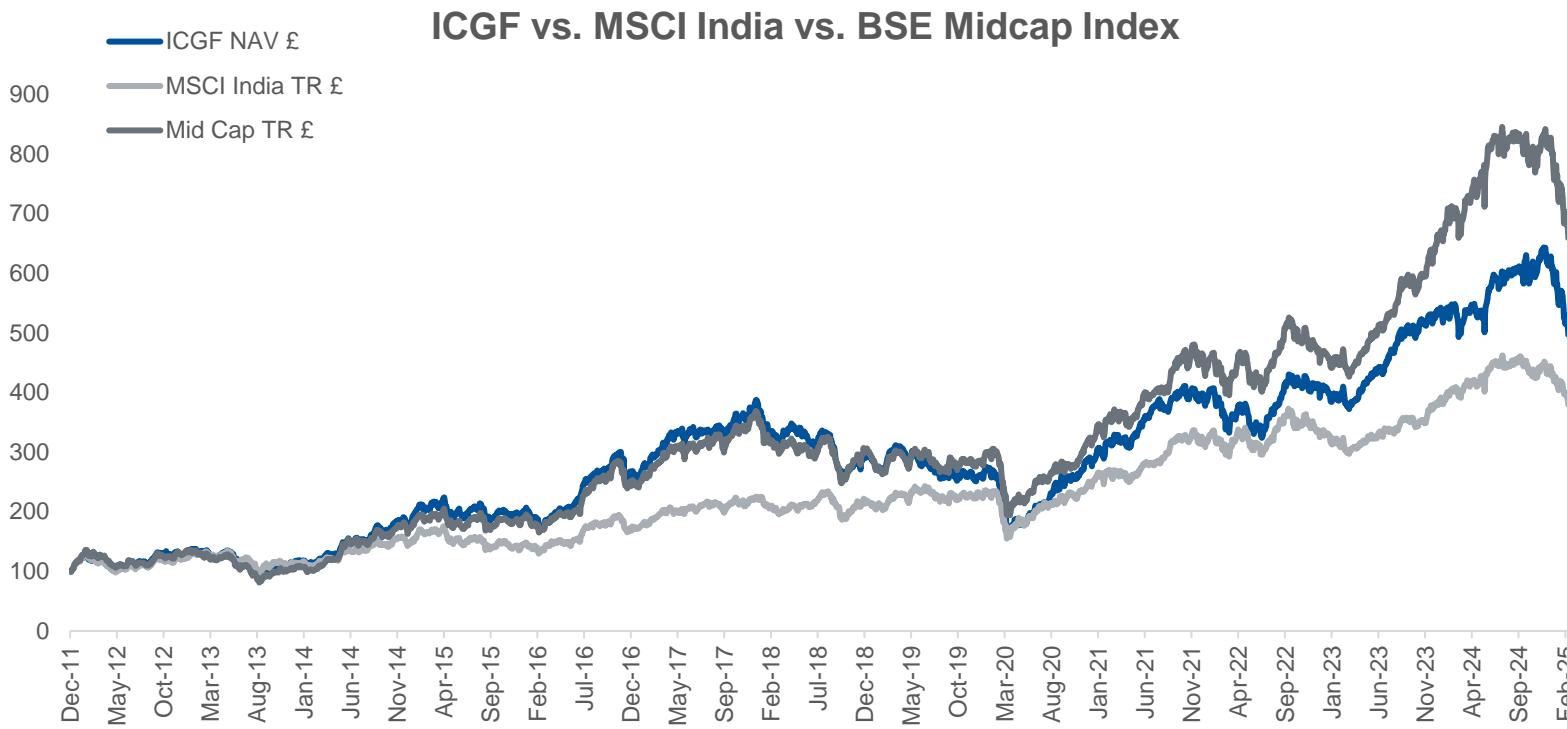
Infrastructure / Pvt. Sector corporate capex



PORTFOLIO BREAKDOWN



PERFORMANCE SINCE DEC 2011 VS BSE MIDCAP TR INDEX



Portfolio Characteristics	
PE FY26E	19.9
ROE (FY26E)	17.7%
Tracking error	8.1%
Active share	87.3%

Performance	3m	6m	1 yr	2 yrs	3 yrs
ICGF NAV Estimates (GBP)*	-20.0%	-17.0%	-8.3%	28.1%	41.4%
BSE MidCap TR Index (GBP)	-18.1%	-20.8%	-5.5%	47.6%	56.6%
Out/under performance	-2.0%	3.7%	-2.8%	-19.5%	-15.2%
MSCI India TR Index (GBP)	-12.9%	-15.5%	-5.6%	22.1%	21.0%
Out/under performance	-7.1%	-1.6%	-2.7%	6.0%	20.4%

.Source: Ocean Dial Asset Management, Bloomberg as at 28 February 2025.

*ICGF NAV is post factoring in 100% provisioning for capital gains tax, Capital At Risk.

THE VALUE OF INVESTMENTS AND ANY INCOME GENERATED MAY GO DOWN AS WELL AS UP AND IS NOT GUARANTEED. AN INVESTOR MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED. PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE

LONG TERM INVESTMENT CASE FOR INDIA



Compound Annual Growth Rate – GBP £			
Index	10 Years	15 Years	20 Years
BSE30 (India)	9.5%	8.7%	12.7%
BSE Midcap (India)	12.0%	9.5%	11.9%
MSCI Brazil	-1.3%	-5.2%	2.4%
MSCI China	2.5%	2.5%	7.4%
S&P 500 (USA)	13.3%	13.3%	10.6%
FTSE 100 (UK)	2.4%	3.4%	2.9%

India Capital Growth Fund's NAV has risen at a CAGR of 12.9%* since the portfolio adviser joined in December 2011



India to be fastest growing large economy

- Fuelled by consumption and investment

Political Stability & Regulatory Improvements

- Enhance attractiveness for investors.

India Capital Growth Fund

- Unlocks opportunities in mid and small-sized companies.
- Hand-picked by an experienced investment team based in Mumbai.
- Leverages the closed-end Investment Company structure for maximum advantage.

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