India Capital Growth Fund

India Capital GROWTH FUND

PORTFOLIO AND MARKET UPDATE

Indian equities were mixed in October 2026, with sharp divergence across market caps. The BSE Sensex rose 2.7%, while Mid-Cap and Small-Cap indices fell 3.9% and 7.7% respectively. Most sectors declined, led by Capital Goods and Metals (both -7%); only IT and Pharma gained.

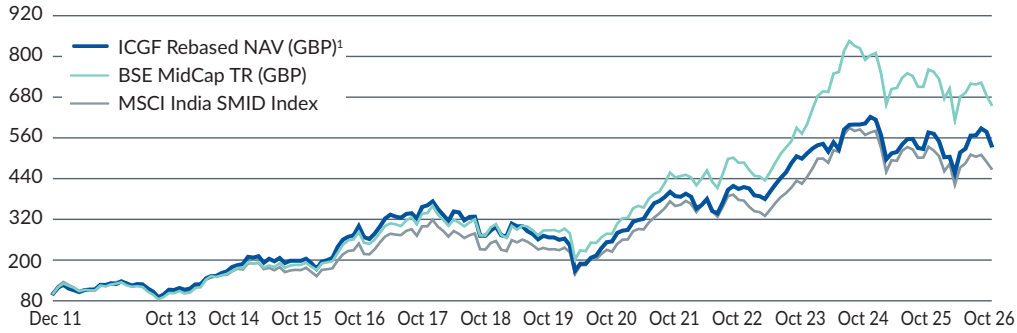
Foreign institutional investors were net sellers recording net equity outflows of US$2.2bn, while domestic institutions invested net flows US$6.5bn. Q2 FY27 corporate earnings showed double-digit revenue and profit growth, led by cyclicals, energy and financials. The RBI hiked rates 25 bps to 5.50%, its first rise in nearly four years, as CPI reached 5.5%. Even so, the World Bank raised India's GDP growth forecast to 7.1%.

At the portfolio level, Kanohar Electricals (+50%), Coforge (+17%) and Glass Wall Systems (+16%) were the strongest positive contributors during the month. The principal detractors were Cartrade Technologies (-24%), Titagarh Rail Systems (-20%) and Sagar Cement (-17%).

HOLDING IN FOCUS: Neuland Labs

Neuland Laboratories is a leading Indian Active Pharma Ingredient (API) and Custom Manufacturing Solutions (CMS) player with over 40 years' experience and a presence in 80+ countries. Expertise in complex chemistry, 100+ APIs and 1,000+ regulatory filings create meaningful barriers to entry. Neuland is well positioned to benefit as global innovators outsource complex API development and manufacturing, and as demand for peptides rises. CMS has grown at 41% CAGR over three years and now contributes 61% of revenue. Initiatives include the first commercial peptide module (7,000 litres), a 134-acre site at Kakinada and a process R&D centre in Hyderabad. Rising CMS and peptide contribution should improve revenue mix and support margin expansion, while a record RFP pipeline provides growth visibility. Over three years, revenue and PAT have grown at 19% and 31% CAGR. A net cash balance sheet, strong free cash flow and three US FDA-compliant facilities provide financial flexibility.

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	Since 2011
ICGF NAV	(7.2)	(5.6)	3.7	(7.0)	7.4	38.0	361.1
ICGF TR Pre CGT NAV	(6.8)	(5.3)	4.7	(6.4)	9.9	43.2	392.3
MSCI India SMID Index	(4.4)	(7.2)	(1.0)	(12.3)	10.1	30.2	368.0

Source: Liontrust Investment Partners LLP, Bloomberg

Effective 01/01/26, the benchmark for ICGF was changed from BSE Mid Cap TR Index to MSCI India SMID Cap. Performance prior to this date was measured against BSE Mid Cap TR Index. Both benchmarks are presented for comparison purposes over the full period shown, with the new benchmark shown for illustrative purposes only prior to the change date.

NET ASSET VALUE

The Net Asset Value (NAV) per share as at 30 October 2026 was 182.60 pence. In October the NAV was down 7.24% in Sterling terms, whilst the MSCI SMID CAP Index was down 4.41%. In local currency terms, the NAV was down 6.94% for the month.

FUND INFORMATION

Listing	LSE Main Market
Domicile	Guernsey
NAV publication	Monthly (daily estimate)
Size (NAV)	GBP116.7m
Launch date	22 December 2005
Adviser start	31 December 2011
Investment Manager	Liontrust Investment Partners LLP
Principal Adviser	Gaurav Narain
Benchmark	MSCI India SMID Index
AMC	1.25% of market cap
Share price NAV per share	163.0p / 182.6p
Discount to NAV	10.7%
Dividend per share	1.9p (paid 30 Oct)
Share price yield	1.20%

PORTFOLIO CHARACTERISTICS

Number of holdings	36
Median market cap (US$bn)	$1.4bn
PE FY28E	20.4
ROE FY28E	16.5%
Tracking Error	6.4%
Active Share	92.7%
CAGR Since 2011 (GBP)	12.0%

INDIA HIGHLIGHT

	MTD	YTD
INR vs US$ [stronger/(weaker)]	0.9%	(5.7)%
FII Net flows (US$m)	(2,168.9)	(30,430.4)
DII Net flows (US$m)	6,480.3	74,609.6
CPI inflation (August-26 / 3m avg)	5.5%	4.9%
GDP Q1 FY27		7.8%
Current account/ GDP Q1 FY27		(0.7)%

Source: Liontrust Investment Partners LLP

TOPICAL COMMENT

WEALTH BRIEFING - ANALYSIS November 2026	INDIA INSIGHTS October 2026	BOOK REVIEW October 2026	Q3 PORTFOLIO UPDATE September 2026
Is It Time To Start Loving India's Equities Again?	2 minute video clips: Are India's Earnings Expectations Grounded in Reality	Tuesdays with Morrie	Q3 Portfolio Update: On Demand Webinar

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QUARTERLY ATTRIBUTION – 3 MONTHS TO OCTOBER 2026 (%)

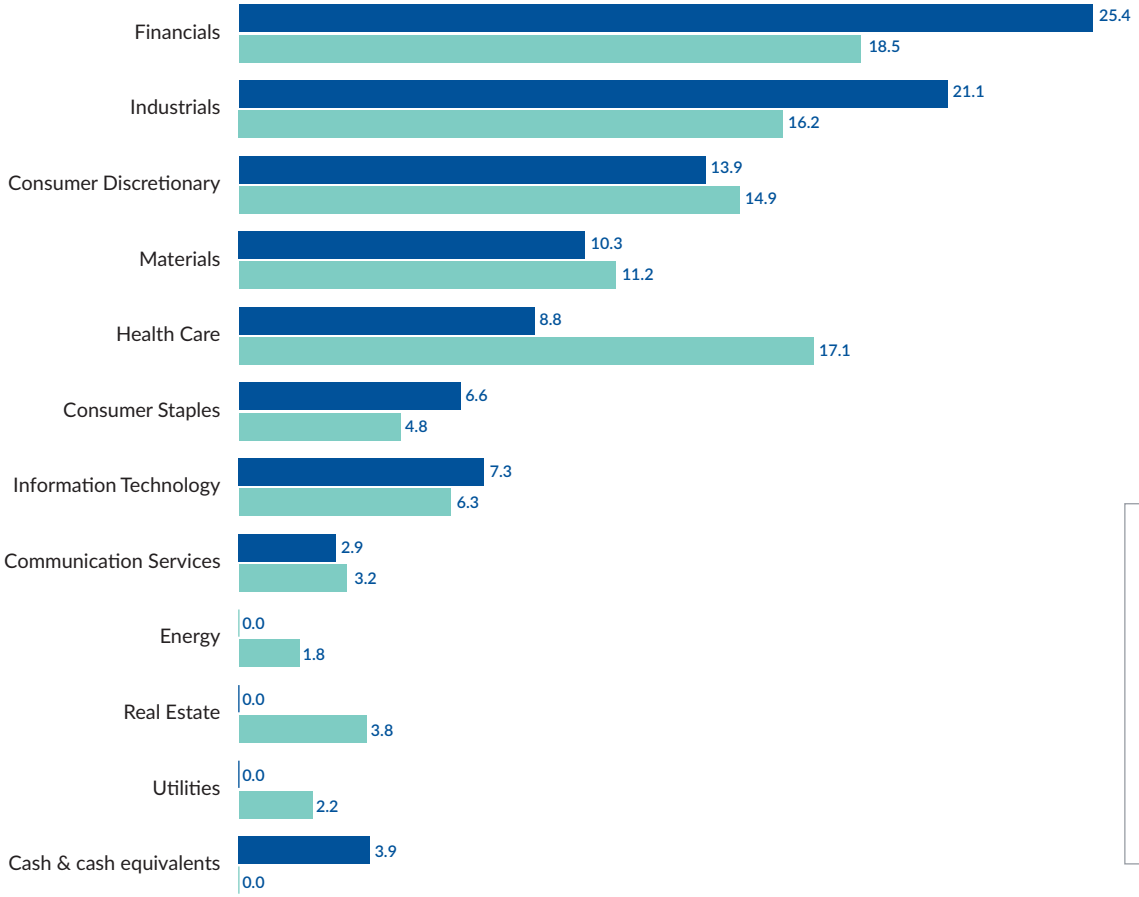
TOP 5	Ave. weight	Ave. index weight	Return	Contribution
Multi Commodity Exchange of India	4.88	0.59	19.36	0.77
Coforge	3.36	0.89	19.73	0.62
Welspun Living	1.71	0.07	41.23	0.56
Sona Blw Precision Forgings	3.24	0.52	16.35	0.44
Persistent Systems	2.73	0.86	9.57	0.27

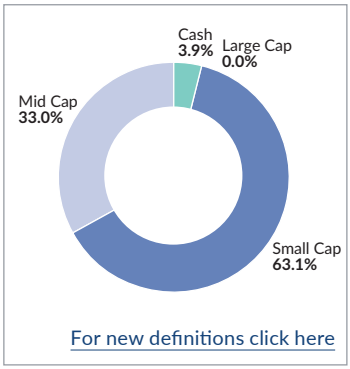
BOTTOM 5	Ave. weight	Ave. index weight	Return	Contribution
Dixon Technologies India	3.93	0.73	(21.23)	(0.88)
PSP Projects	1.97	0.00	(28.91)	(0.66)
IDFC First Bank	4.02	0.52	(14.27)	(0.59)
CCL Products India	2.85	0.11	(18.68)	(0.57)
Cartrade Tech	2.91	0.18	(19.05)	(0.50)

TOP TEN HOLDINGSTOP TEN HOLDINGS

Portfolio company	Weight	Characteristics	Market cap US$bn
Skipper	5.5%	India's largest integrated transmission and distribution tower structures manufacturer	0.6
Multi Commodity Exchange	5.4%	India's largest commodity derivatives exchange and the world's fourth largest exchange by number of commodity derivative contracts traded.	8.5
RBL Bank	5.2%	Mid-sized private sector bank with a strong presence in retail lending, credit cards and MSME banking. 60% owned by Emirates NBD Bank	5.7
Federal Bank	4.5%	Well run mid-sized private sector bank with a balanced portfolio of Corporate, MSME and Retail lending.	8.8
Coforge	4.0%	Fast-growing mid-sized global IT services and digital transformation company	9.5
IDFC Bank	3.8%	Fast growing retail focused private sector bank with a digital-first strategy.	6.5
City Union Bank	3.8%	South India based regional banking providing 100% secured lending to medium and small enterprises.	2.2
Dixon Technologies	3.5%	India's largest Electronic Manufacturing Service provider. Offers end to end design and manufacturing solutions for global and domestic brands	7.1
Aether Industries	3.5%	Specialty chemicals manufacturer producing advanced intermediates involving complex chemistries for diversified industries including pharmaceutical, oil & gas, agrochemical; sole Indian producer for several niche molecules	2.3
Neuland Laboratories	3.3%	Active Pharmaceutical Ingredient (API) manufacturer, offering CDMO services, peptides & custom synthesis to global pharmaceutical and biotech companies.	2.7

PORTFOLIO ANALYSIS (%)





For new definitions click here

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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

Liontrust Management Ltd is authorised and regulated by the Financial Conduct Authority.

The acquisition of River Global Holdings, the asset management business of River Global PLC, by Liontrust completed on 1 July 2026.

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WEBSITE

www.indiacapitalgrowth.com

SOURCES

Source of all performance and portfolio analysis: Liontrust Investment Partners LLP, Bloomberg.

CAPITAL STRUCTURE

63,935,124 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 MSCI India SMID Index 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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