

IndiaCapital

India Capital Fund – Investor Call

December 2025

Performance

December 05, 2025 *(Estimated)*	Since Inception CAGR	5Y CAGR	3Y CAGR	YTD
India Capital	**6.9%**	**11.0%**	**11.7%**	**2.1%**
$Sensex	6.2%	9.3%	7.5%	4.3%
+/- bps	***+73 bps***	***+169 bps***	***+426 bps***	***-221 bps***
MSCI EM	2.9%	2.1%	12.1%	28.8%
+/- bps	***+402 bps***	***+891 bps***	***-36 bps***	***-2,671 bps***

Note: India Capital refers to the India Capital Fund
The data above is for the A2 share class
Source: Bloomberg, India Capital Research

Diwali Holiday (October 2025)



Holiday Sales

Sales
(YoY Growth)



Automobiles

+22%



Retail

+25%



Jewellery

+35%

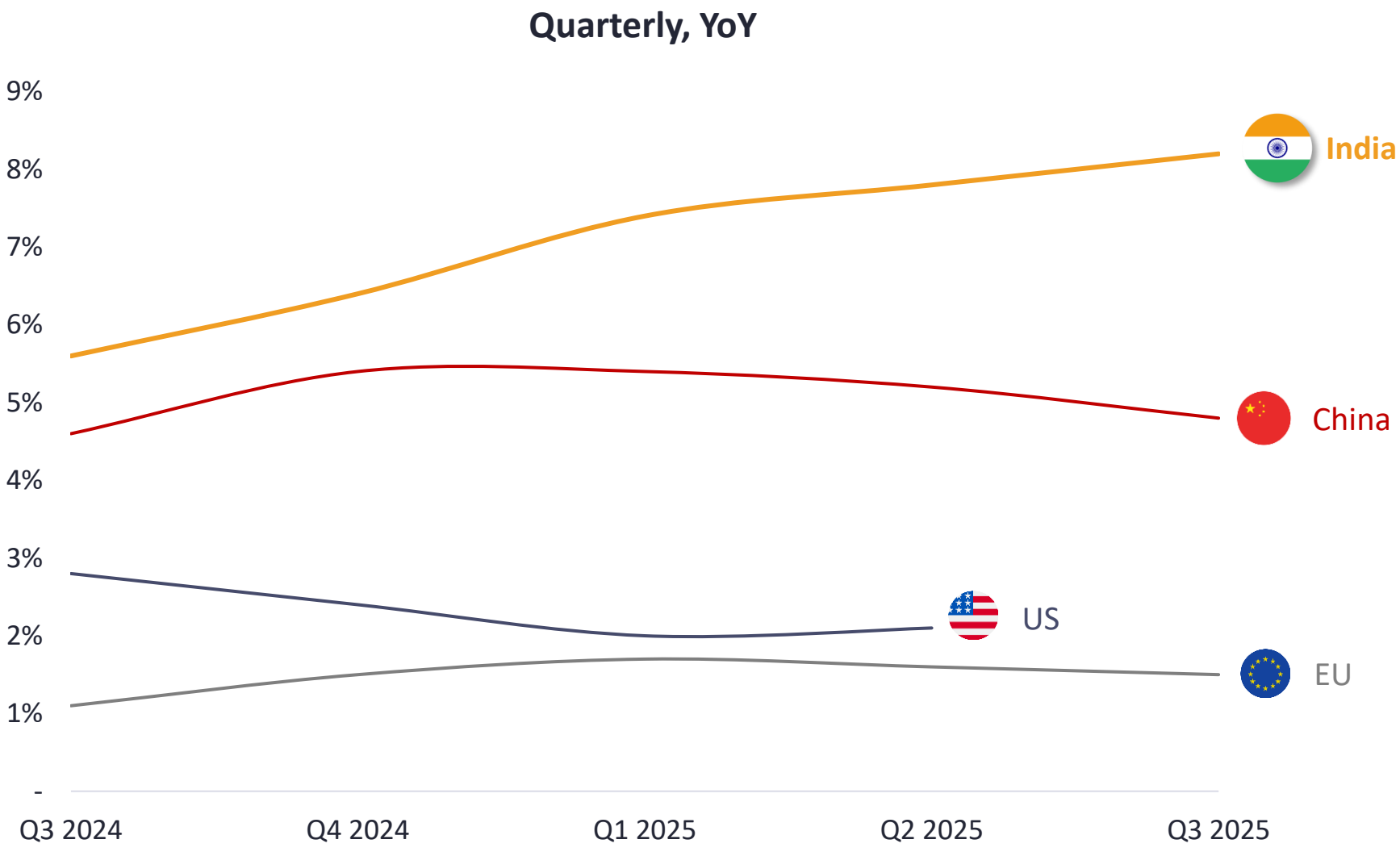


Consumer Durables

+40%

Source: Jefferies, Confederation of All India Traders, Livemint

India – World Leading Growth



Note: Q3 GDP figure for US has not yet been reported
Source: Government of India, National Bureau of Statistics of China, Federal Reserve Bank of St. Louis, European Commission

Recent Fiscal And Monetary Measures

April ’25

Direct Tax Reforms



Zero tax for low-income earners

September ’25

Indirect Tax (GST) Reforms



Lower, simplified taxes on most goods

November ’25

New Pay Commission



~15% salary hike for government employees

December ’25

Interest Rate Cuts



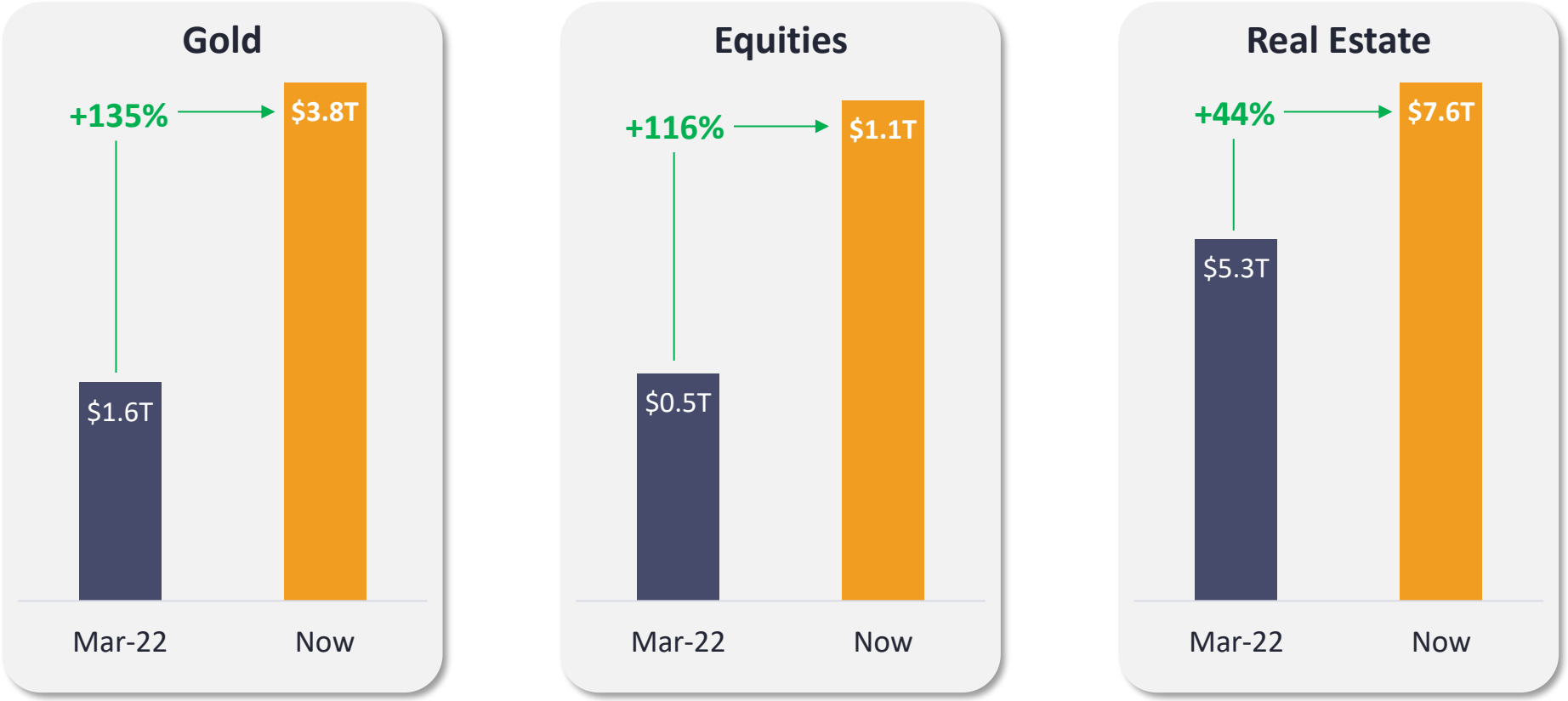
100 bps cut to repo rate

~$90B

Additional Disposable Income

Source: Axis Capital, Spark Capital, India Capital Research

Strong Household Balance Sheets

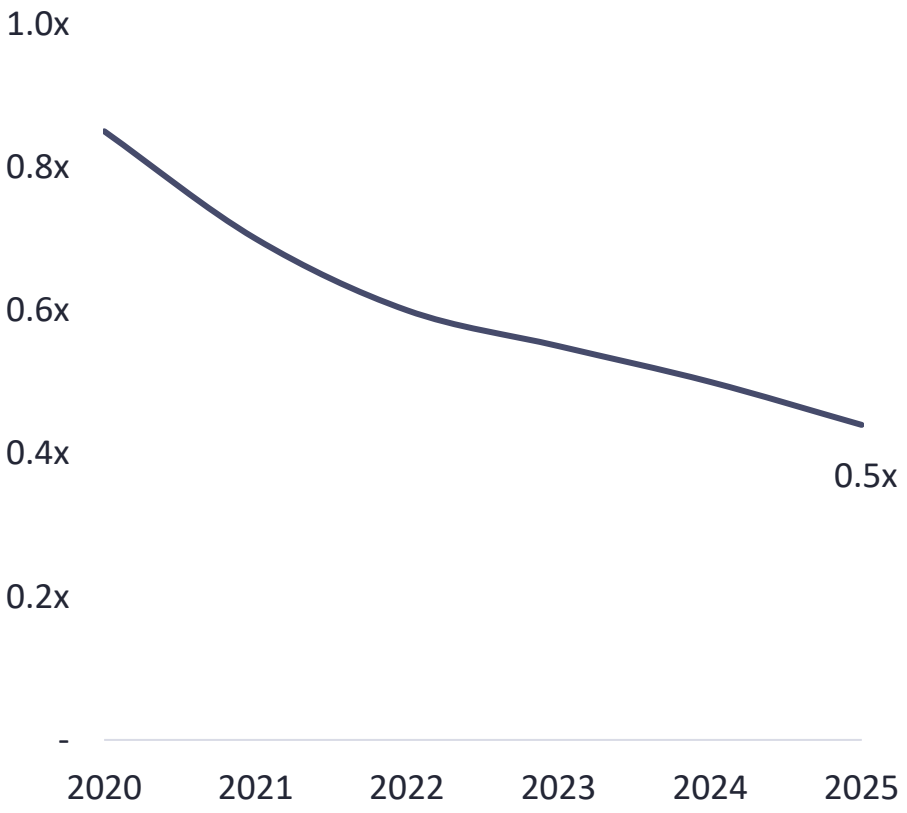


Indian households hold more gold than the combined reserves of the US, China, Germany, Italy, France, Russia, and Switzerland

Source: Reserve Bank of India, Jefferies

Robust Corporate Balance Sheets Now Driving Private Sector Capex

Gross Debt/Equity Ratio
(Top 500 Companies)



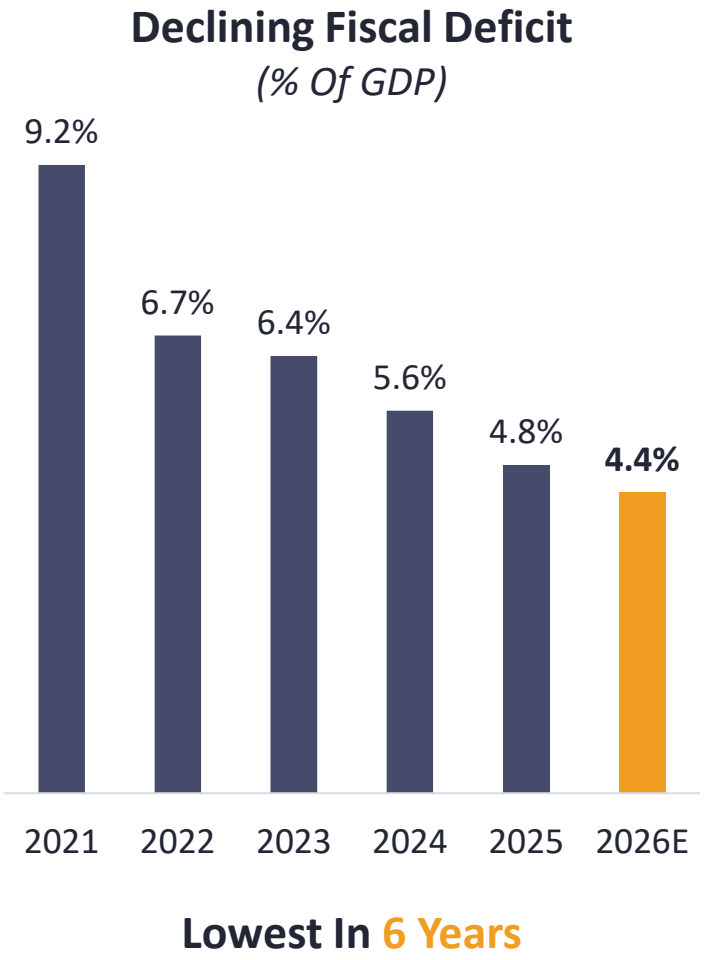
New Investment Plans Of Private Companies



+77%

Note: Periods refer to Indian financial years between April and March. For instance, 2022 represents the period from April 2021 to March 2022
Source: Jefferies, Business Standard

Falling Deficit, Rising Credit Rating



REUTERS

S&P lifts India's rating to BBB in first upgrade since 2007

By Swati Bhat, August 14, 2025

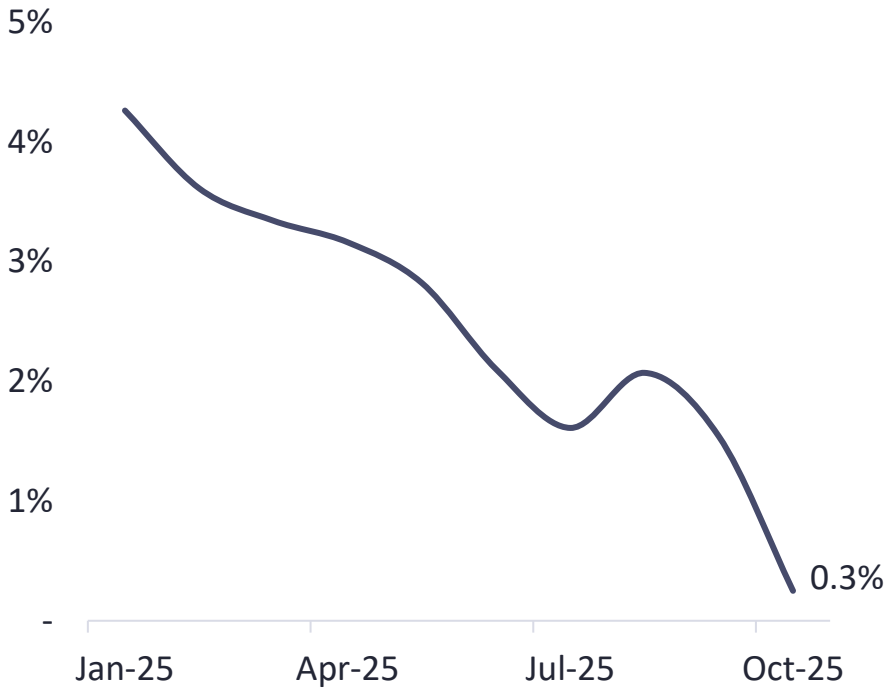
Summary

- S&P cites strong growth, improved monetary policy for upgrade
- India's GDP growth highest in Asia-Pacific, projected at 6.8% annually
- Finance ministry welcomes upgrade, aims for developed economy by 2047

Note: Periods refer to Indian financial years between April and March. For instance, 2022 represents the period from April 2021 to March 2022
Source: Government of India, S&P

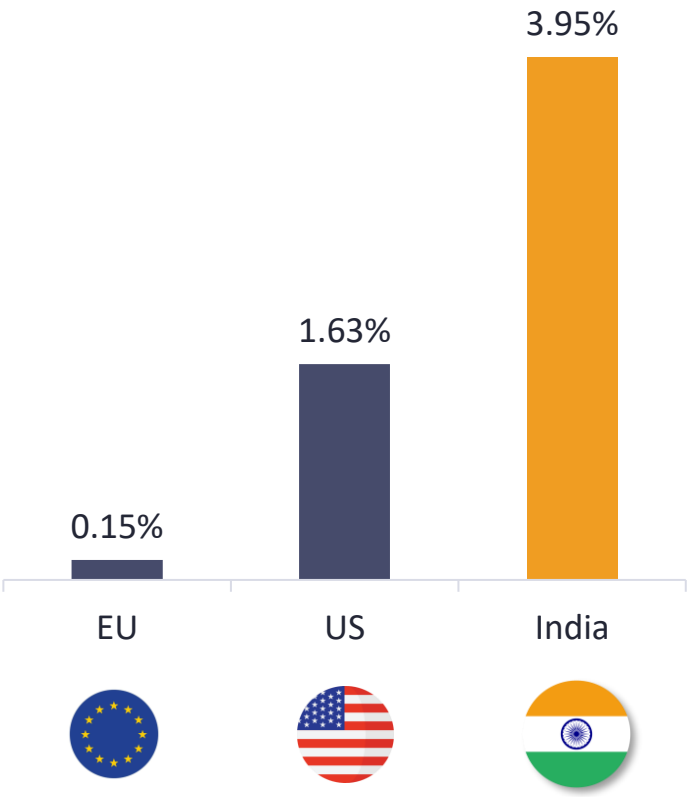
Declining Inflation And Room For Further Rate Cuts

CPI Inflation Rate
(YoY)



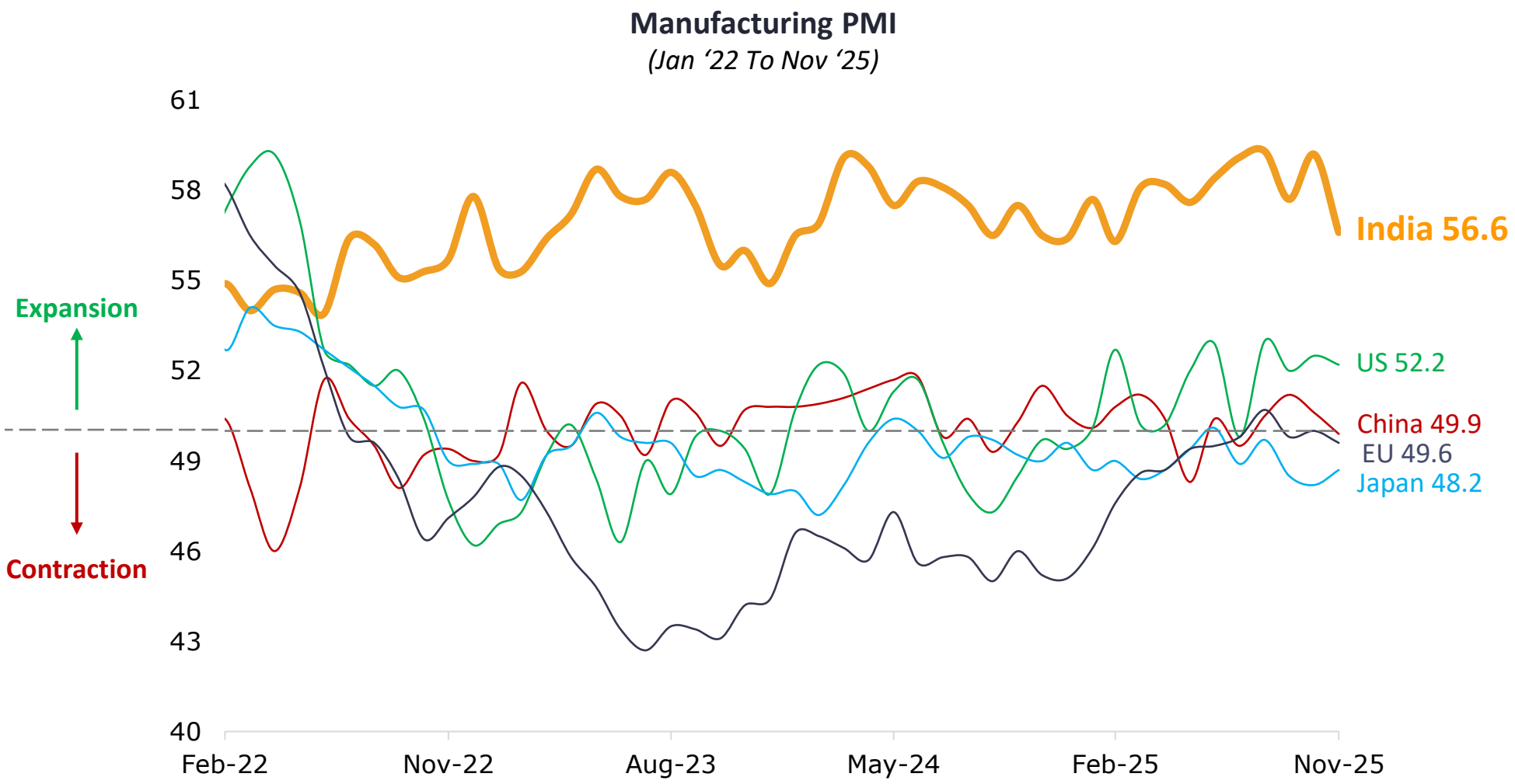
Lowest In 10 Years

Real Interest Rate



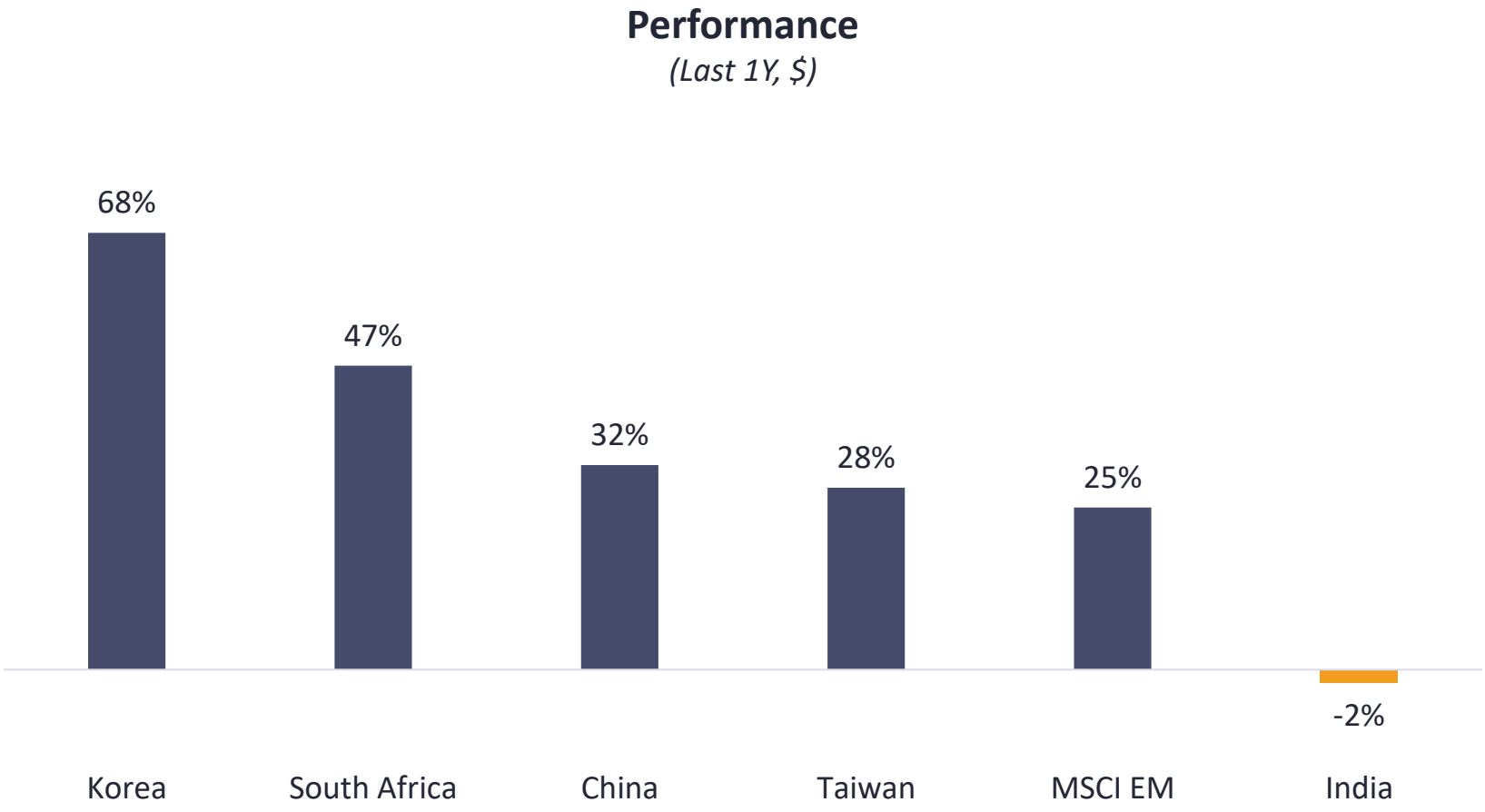
Source: IMF, RBI

Purchasing Managers' Index, A Good Micro Indicator, Is Robust



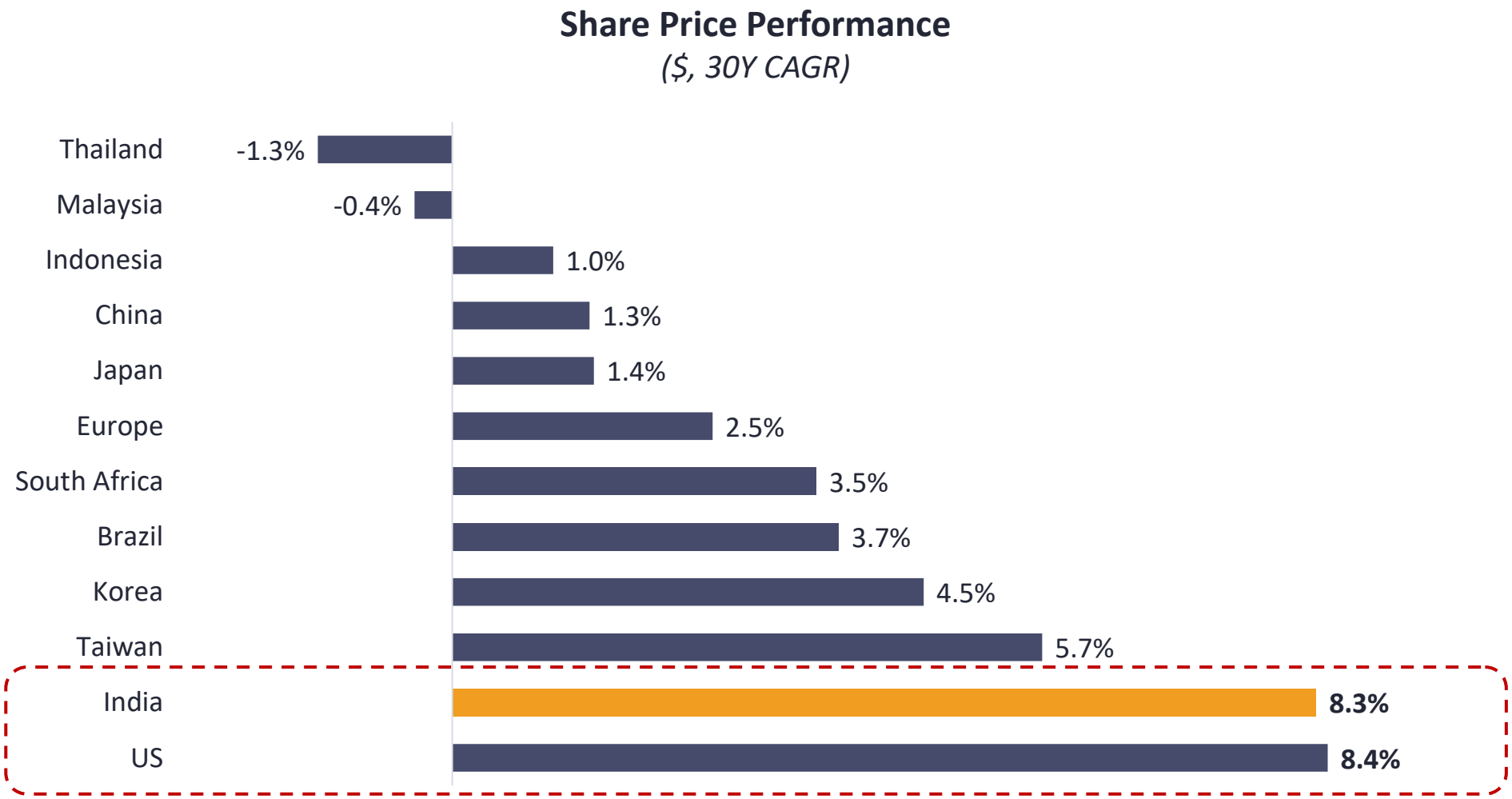
Source: Bloomberg

India Has Underperformed EM Peers



Note: Performance data is as of December 04th for respective MSCI indices
Source: Bloomberg

India & US – Standing Apart



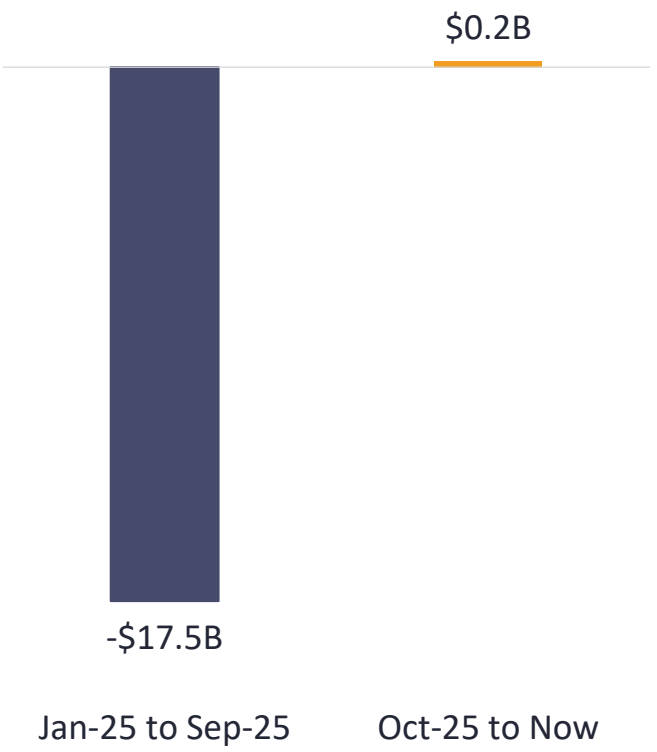
Note: 1) MSCI Country index has been used to calculate performance of all countries
2) Europe's performance has been calculated from March 1999 due to unavailability of data for earlier periods
Source: Bloomberg

Foreigners Are Underweight India

GEM Fund Managers' India Weight Over MSCI EM

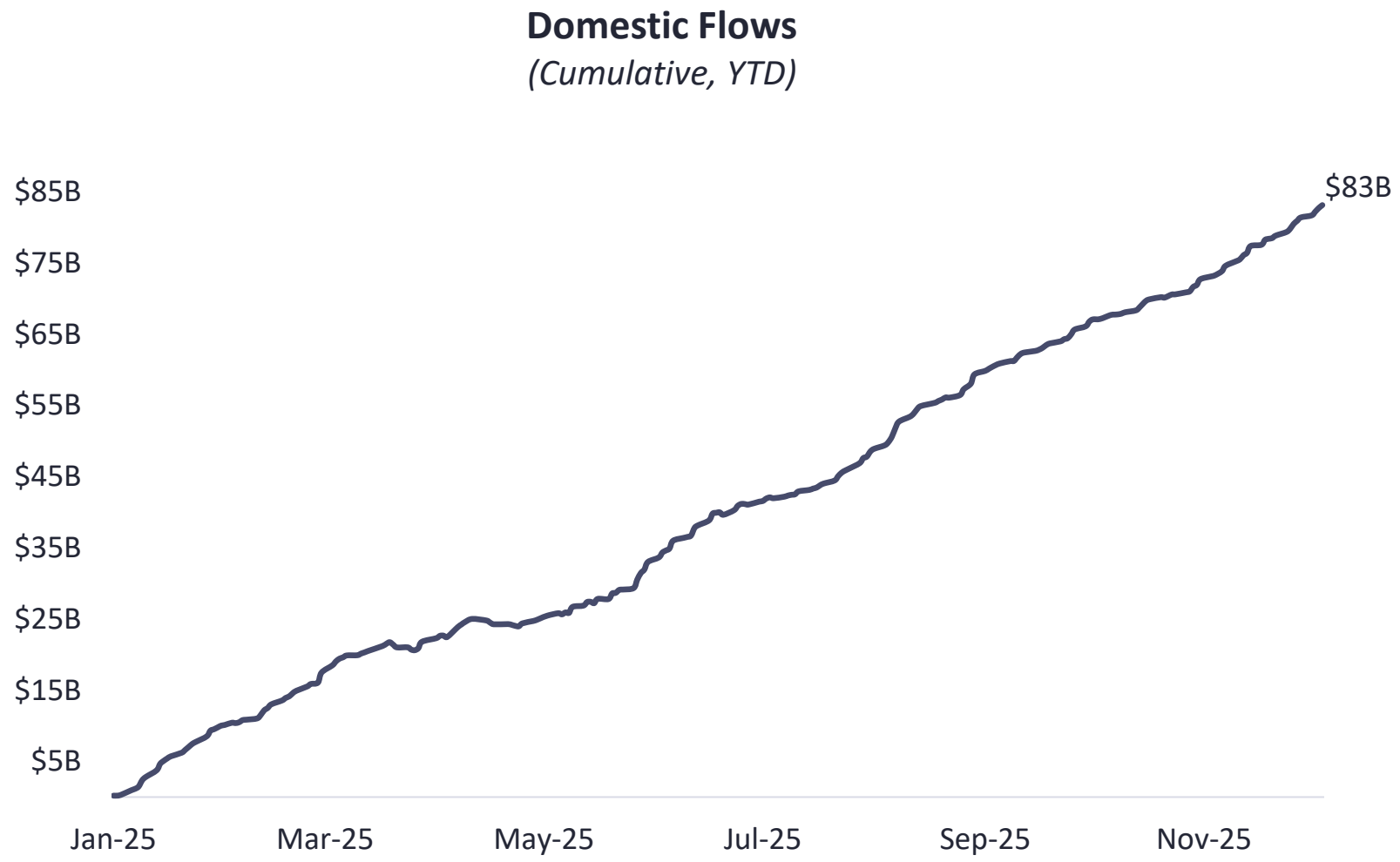
10Y Peak	7.2%
10Y Average	1.8%
Current	**-0.8%**

Net Foreign Flows
($B)



Source: Bloomberg, Morgan Stanley

Domestic Inflows Resilient

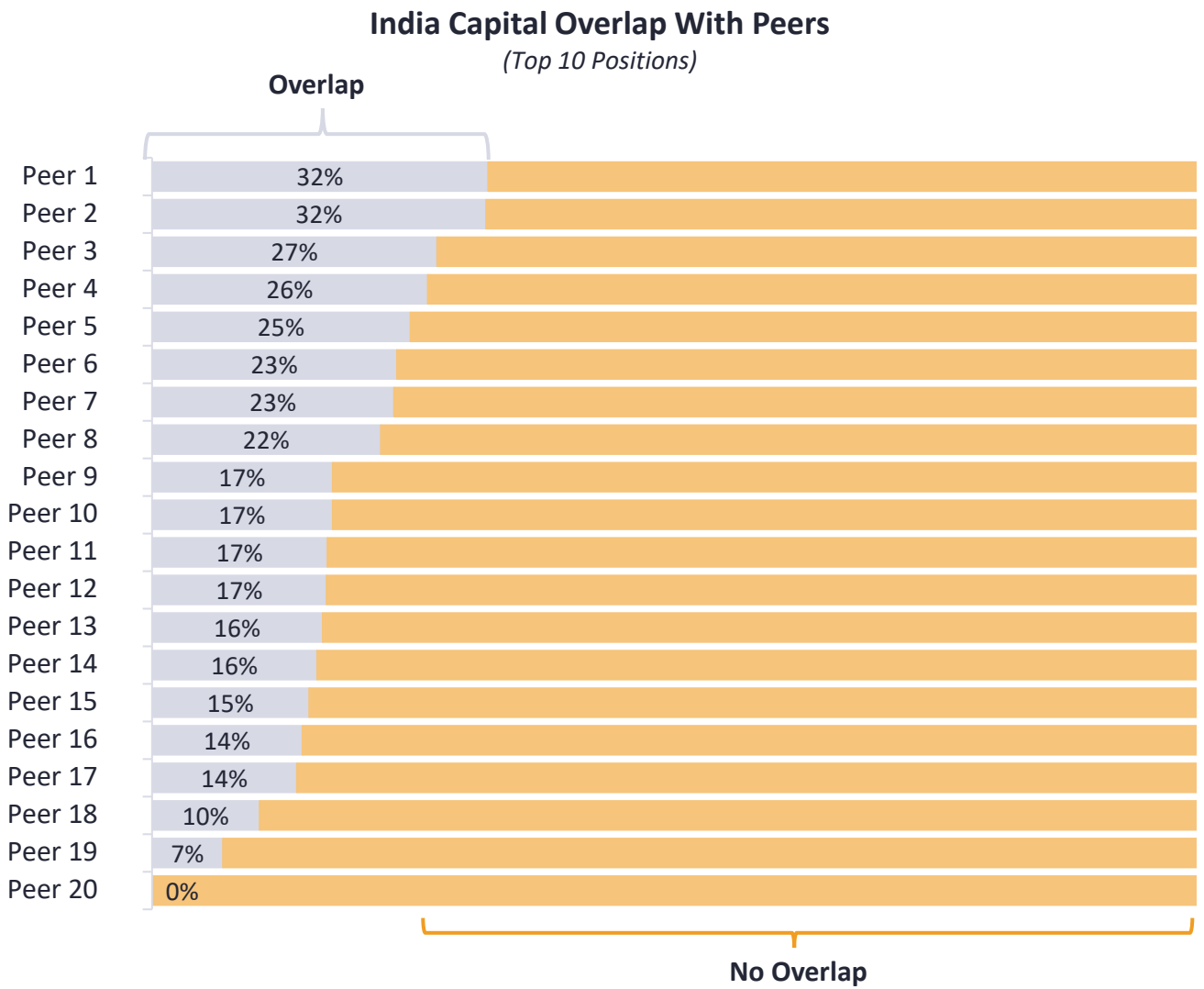


Source: Bloomberg

Portfolio Update



What We Own – Concentrated, High Conviction Portfolio; Markedly Different From Peers

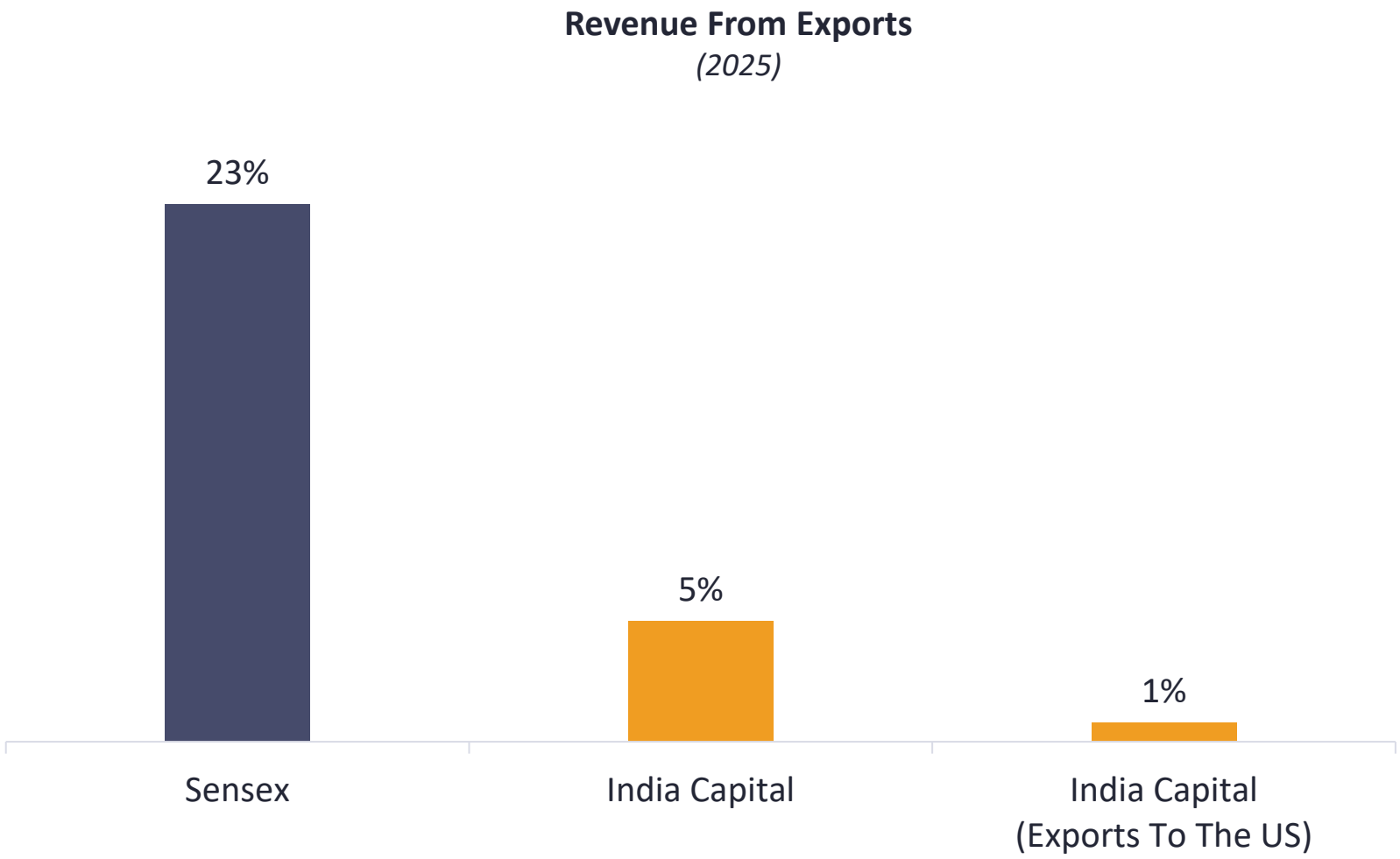


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India Capital Positions Are Not In Any Peer's Top Holdings*

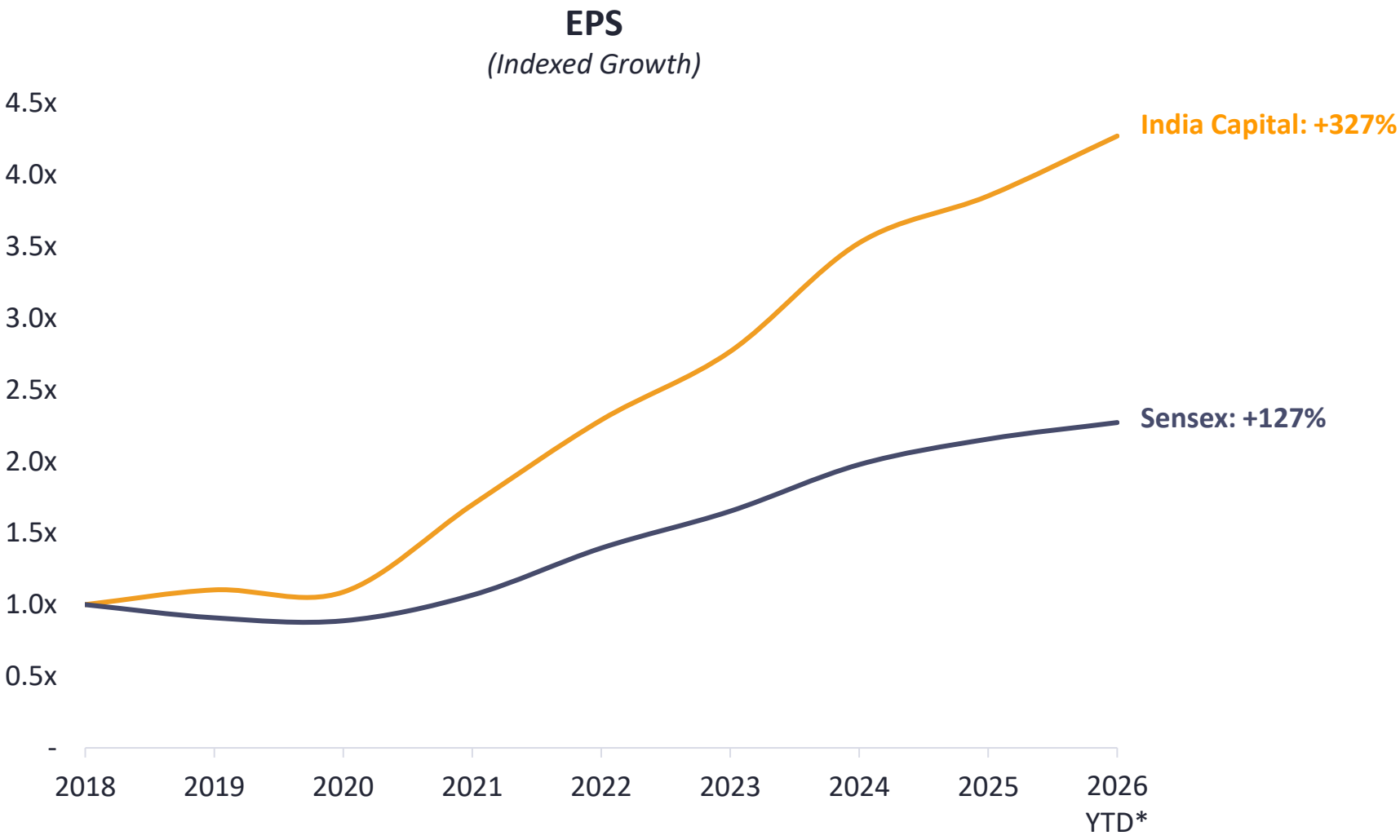
Note: *Peer set includes top twenty India-focused UCITS funds by AUM. Overlap is calculated on the basis of each fund's top ten positions, the number of holdings each fund consistently discloses
Source: Fund filings, India Capital Research

What We Own – Mostly Domestically Focused Businesses



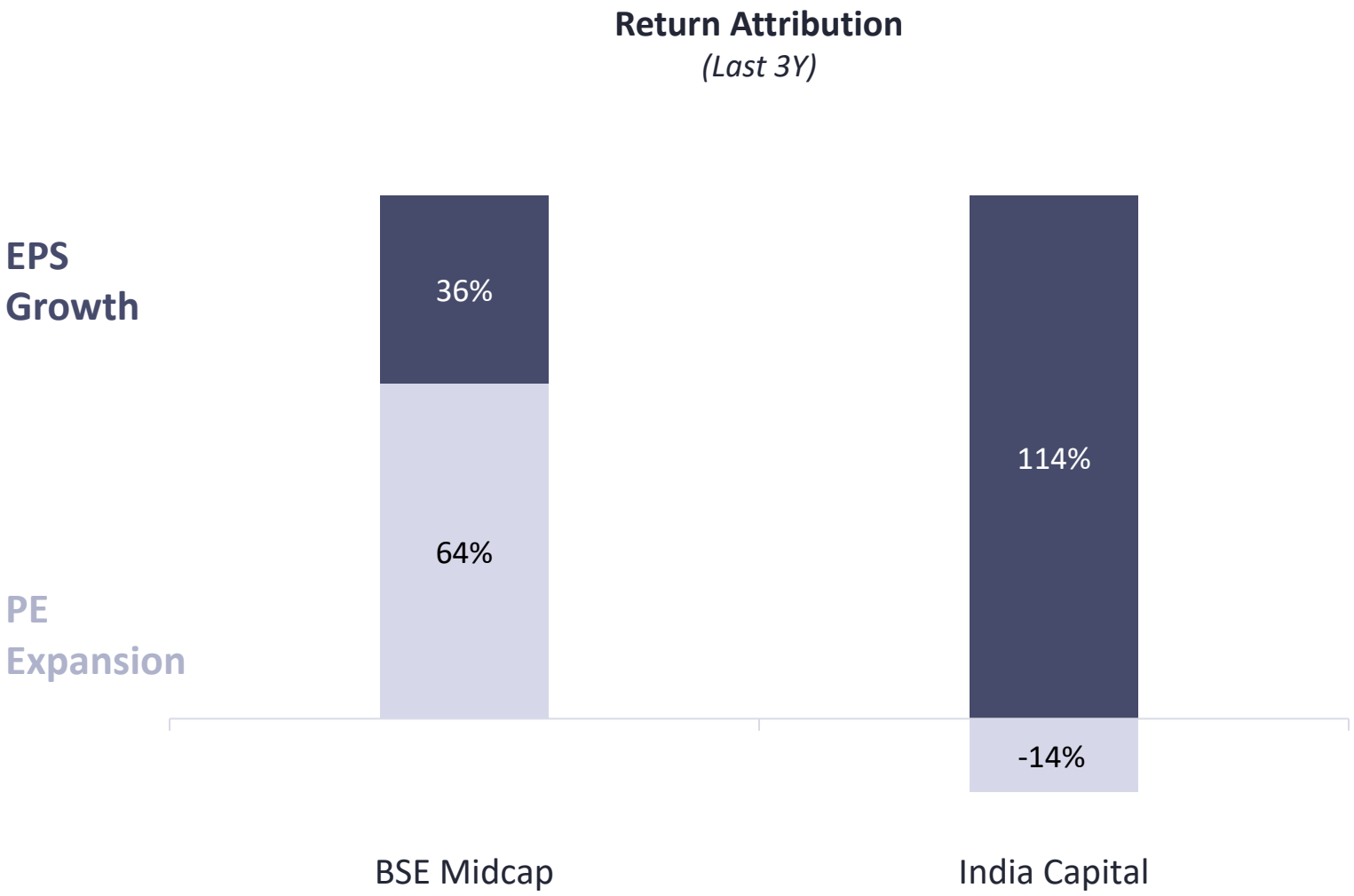
Note: Period refer to Indian financial years between April and March. 2025 represents the period from April 2024 to March 2025
Source: Company filings, India Capital Research

What We Own – Consistently Higher Earnings Growth



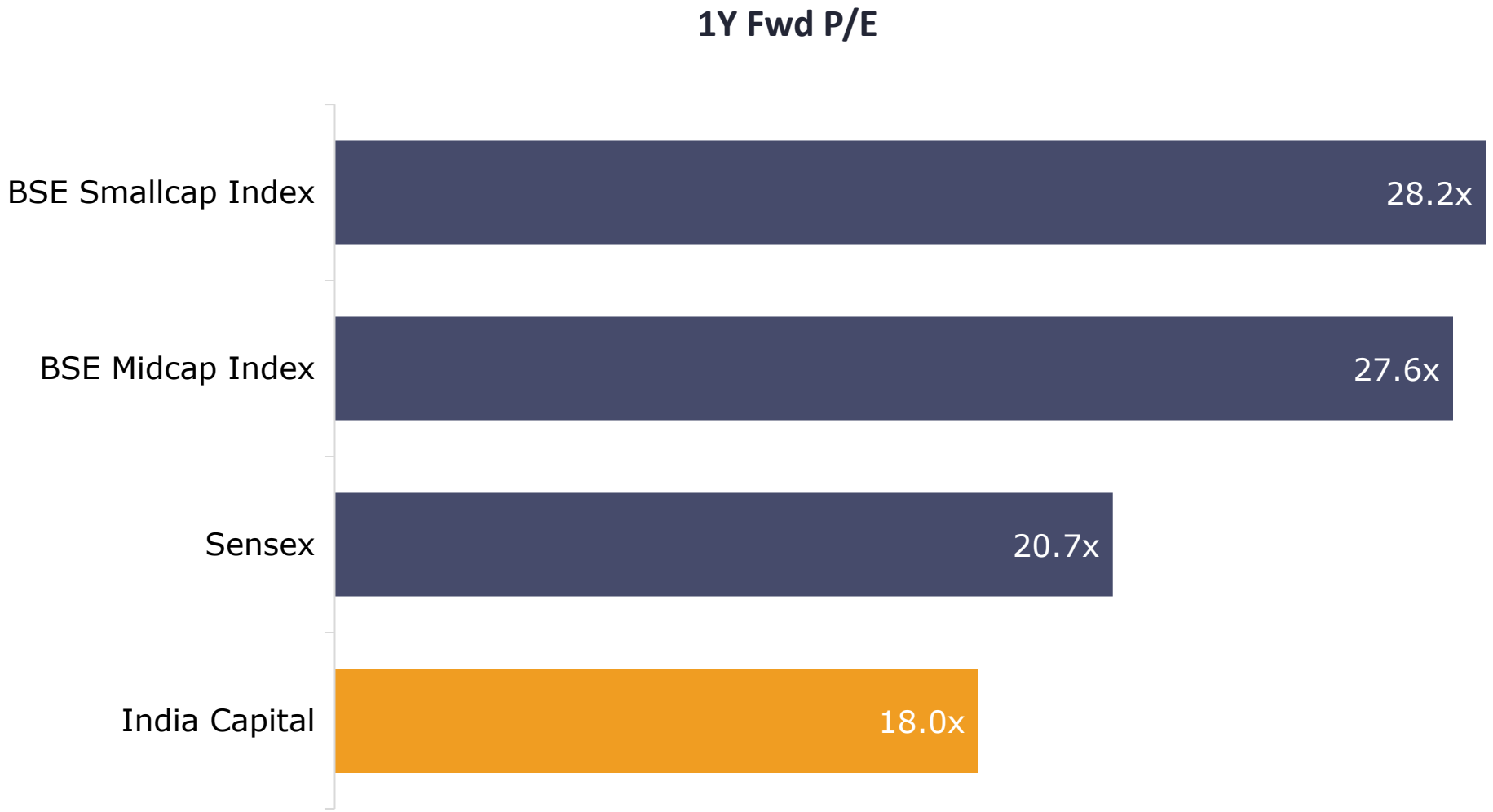
Note: Periods refer to Indian financial years between April and March. For instance, 2022 represents the period from April 2021 to March 2022
* 2026 YTD refers to results for 6M between Apr '2025 to Sep '2025
Source: Company filings, India Capital Research

What We Own – Earnings Driven Performance



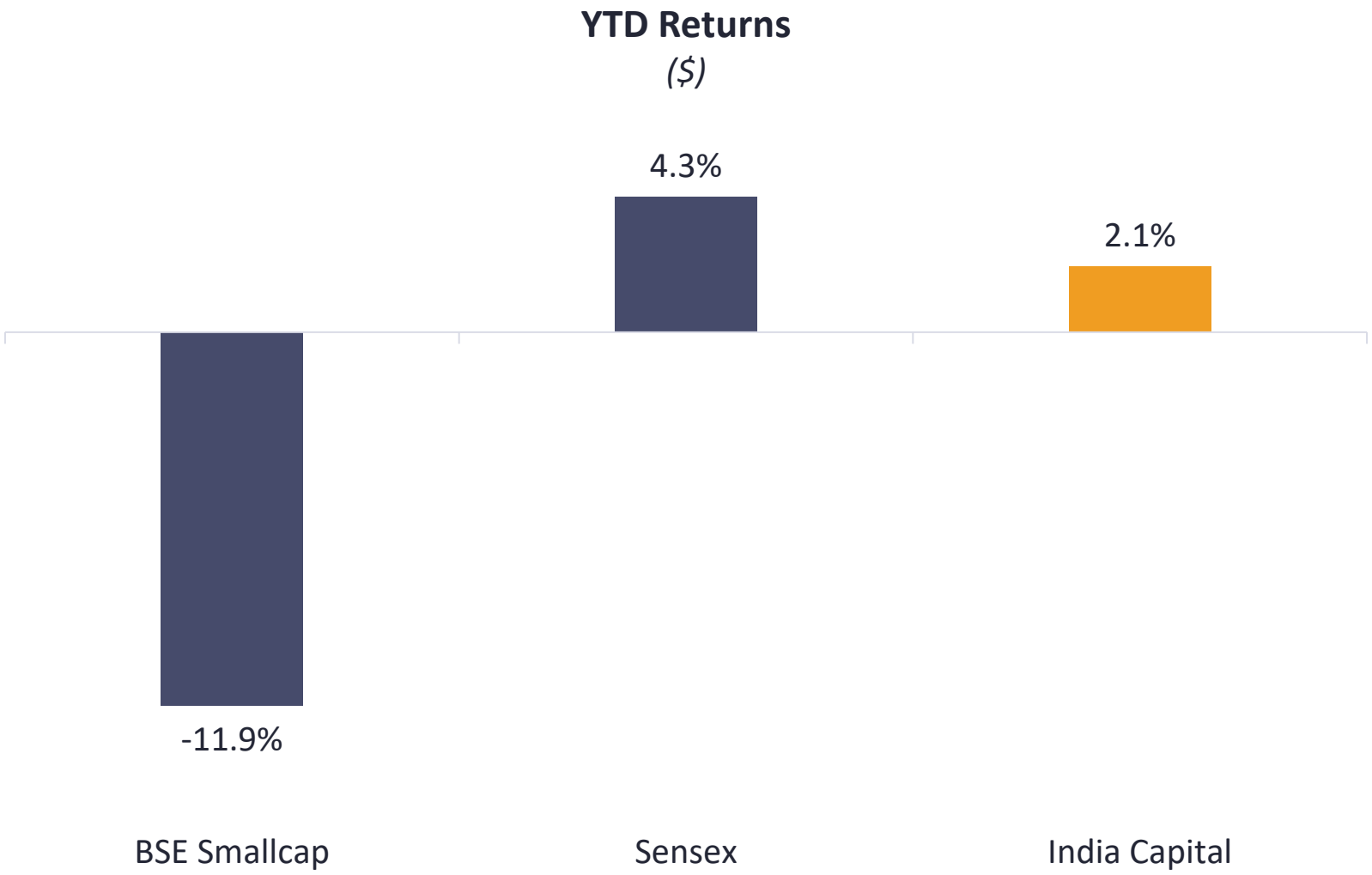
Source: Bloomberg, India Capital Research

Portfolio Trading At A Discount In Aggregate



Source: Bloomberg, Company filings, India Capital Research

Recent Performance



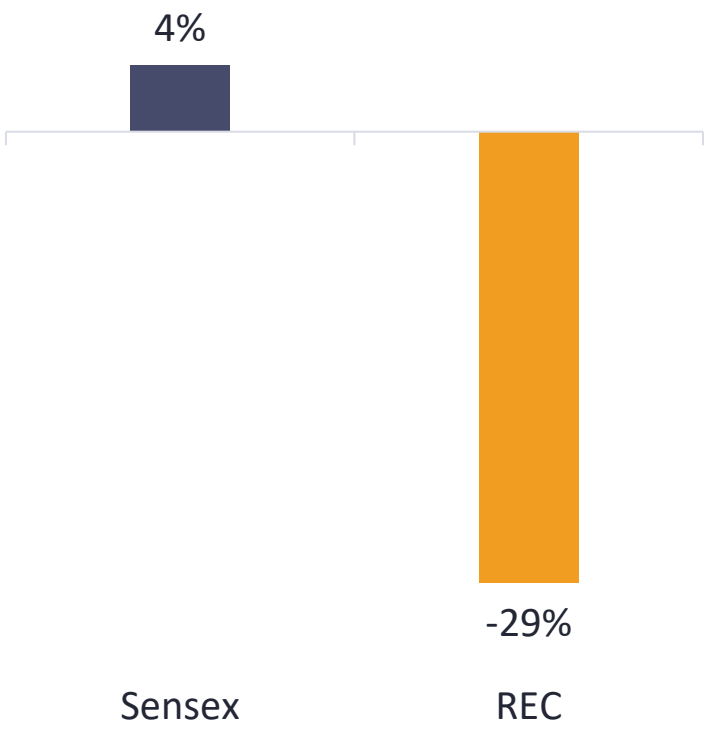
Note: Data is as of December 5th, 2025
The data above is for the A2 share class
Source: Bloomberg, India Capital Research

Recent Detractor – REC

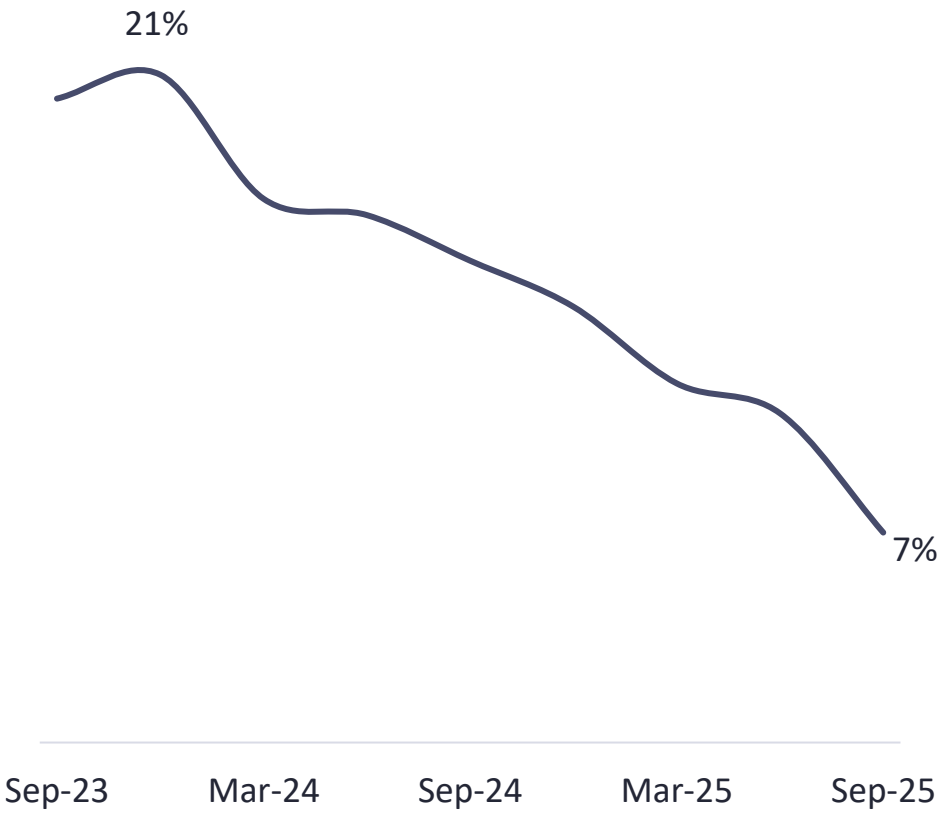


Recent Detractor – REC

YTD Performance
($)

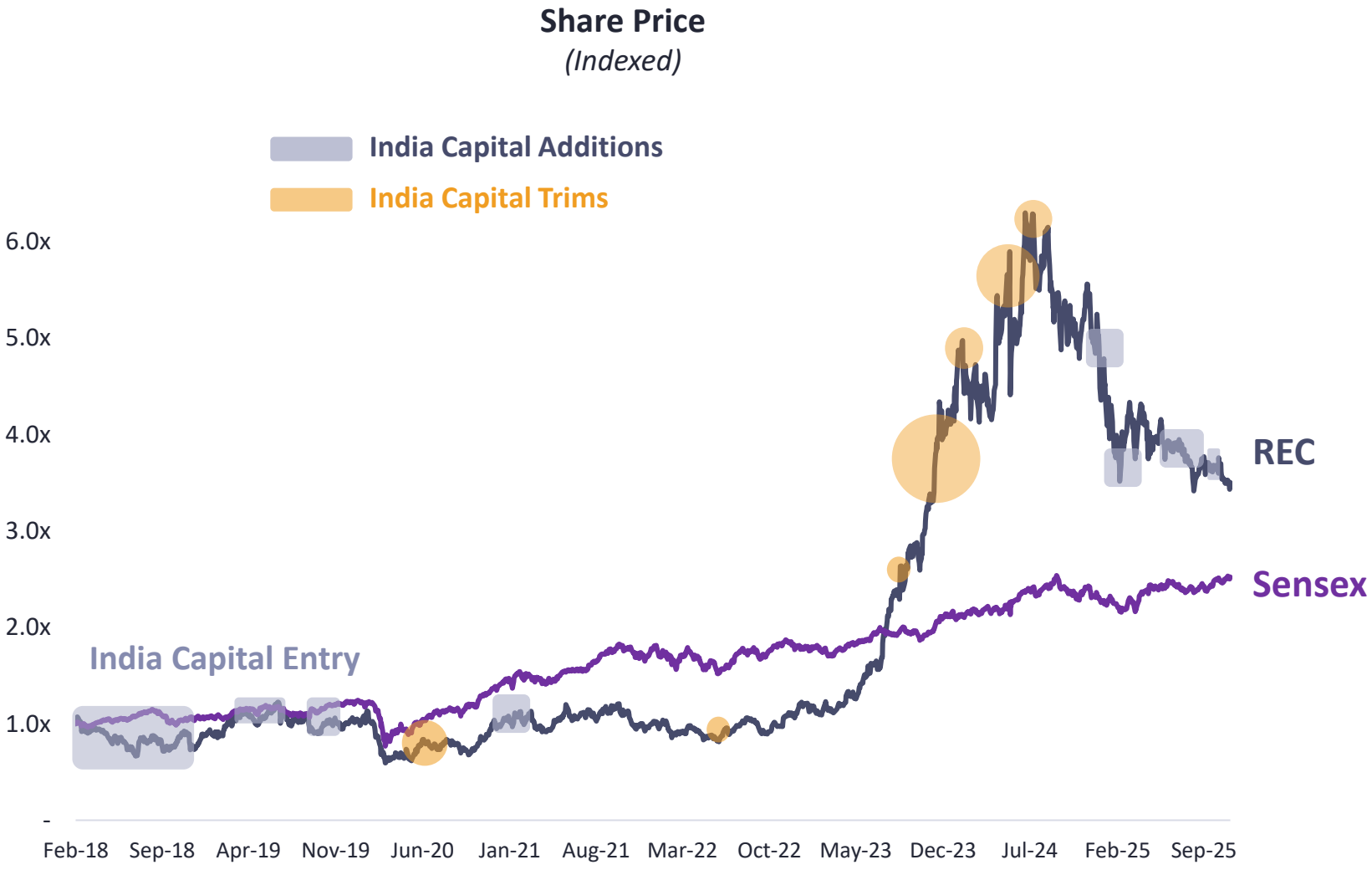


Loan Growth
(YoY)



Note: YTD performance includes dividends for REC
Source: Bloomberg, Company filings

REC – Position History: Additions And Trims

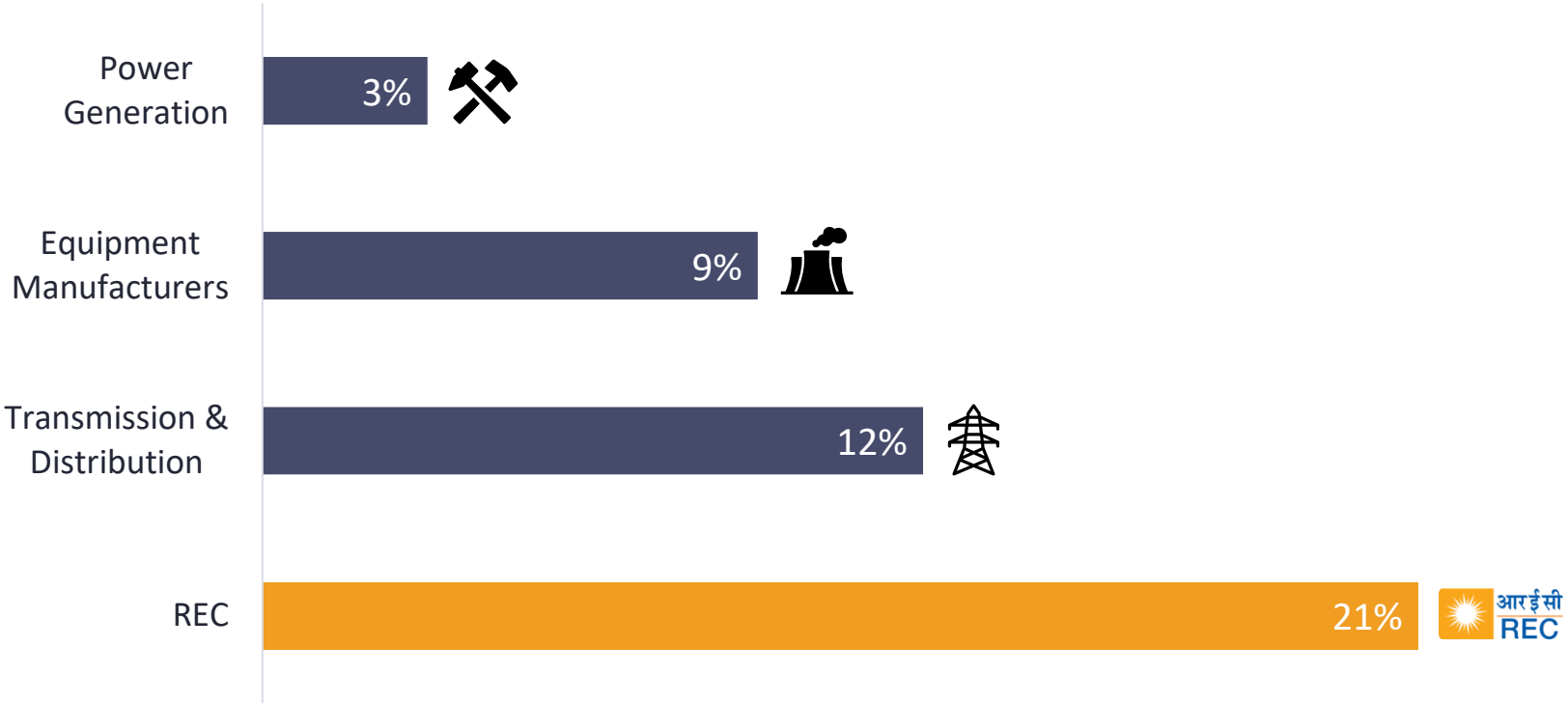


Note: Size of each circle approximately corresponds to the value of ICF's trims
Source: India Capital Research, Bloomberg

REC – India's Most Profitable Power Company Is Also India's Most Profitable Lender

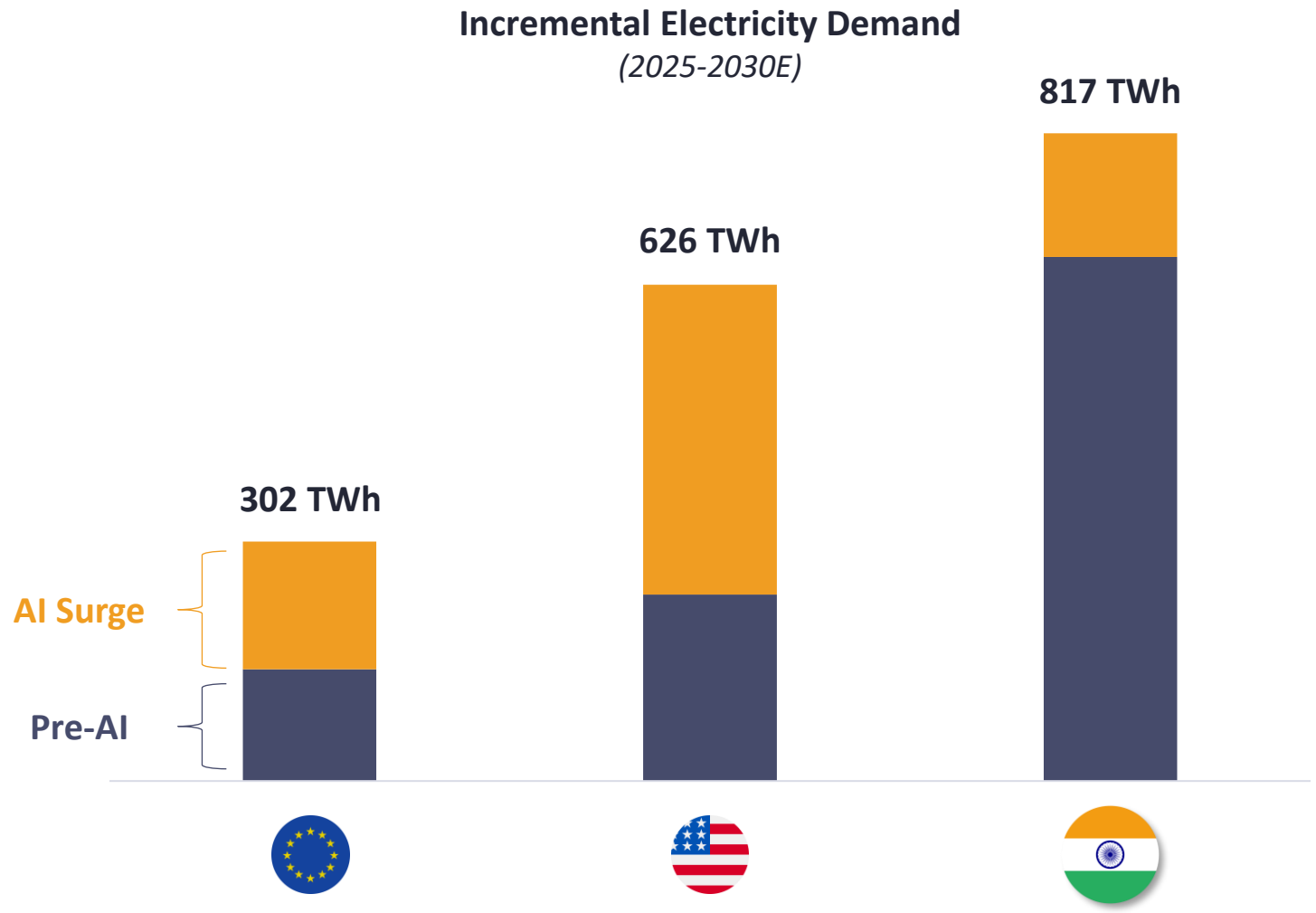
Profitability Across The Power Value Chain

(RoE, Last 15Y)



Note: RoEs refer to an average of leading companies across various subsegments
Source: Ace Equity, Company filings, India Capital Research

REC – Power Capex Enters A Stage Of Exceptional Growth



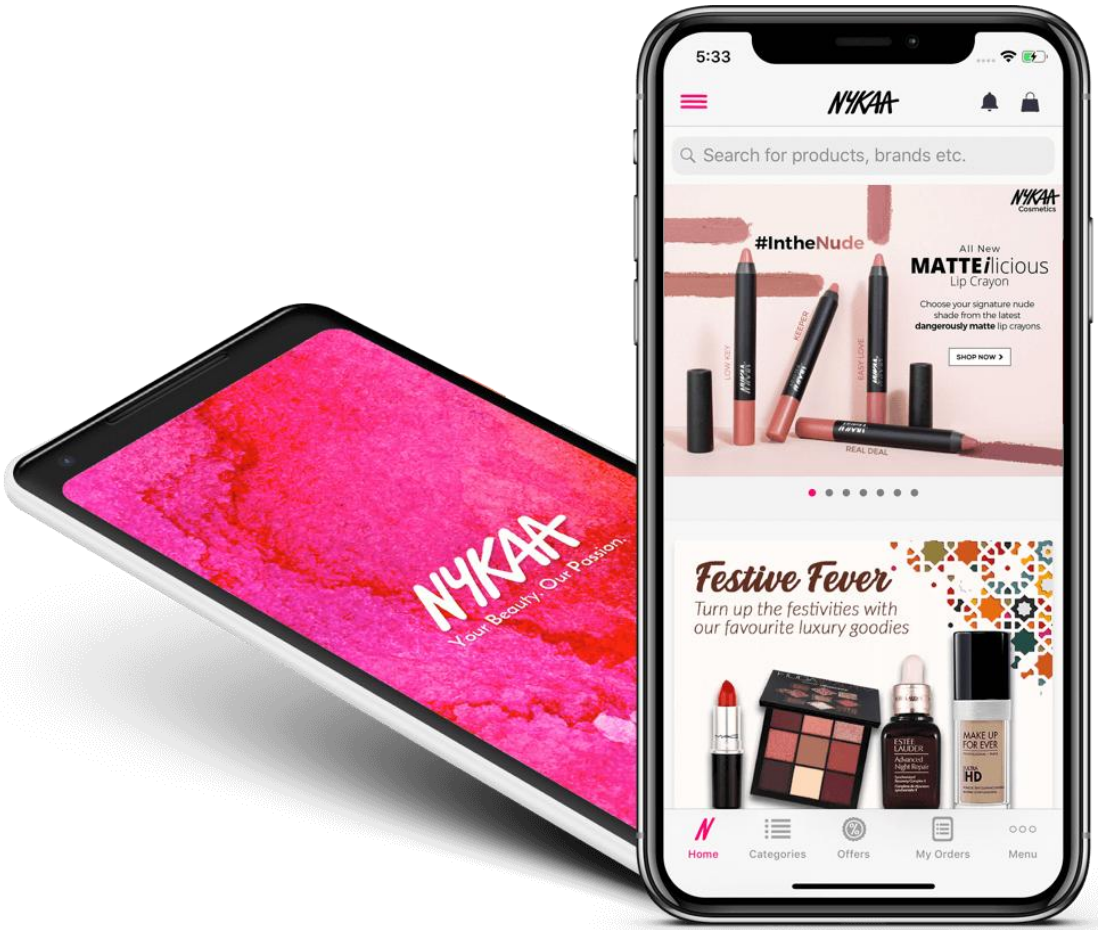
Source: International Energy Agency, Ember Energy

REC – Compelling Valuation

	Sensex	REC
P/E *(1Y Fwd.)*	20.7x	**5.3x**
Dividend Yield	1.3%	**5.5%**
Foreign Investment *(Average Per Constituent)*	$16B	**$2B**

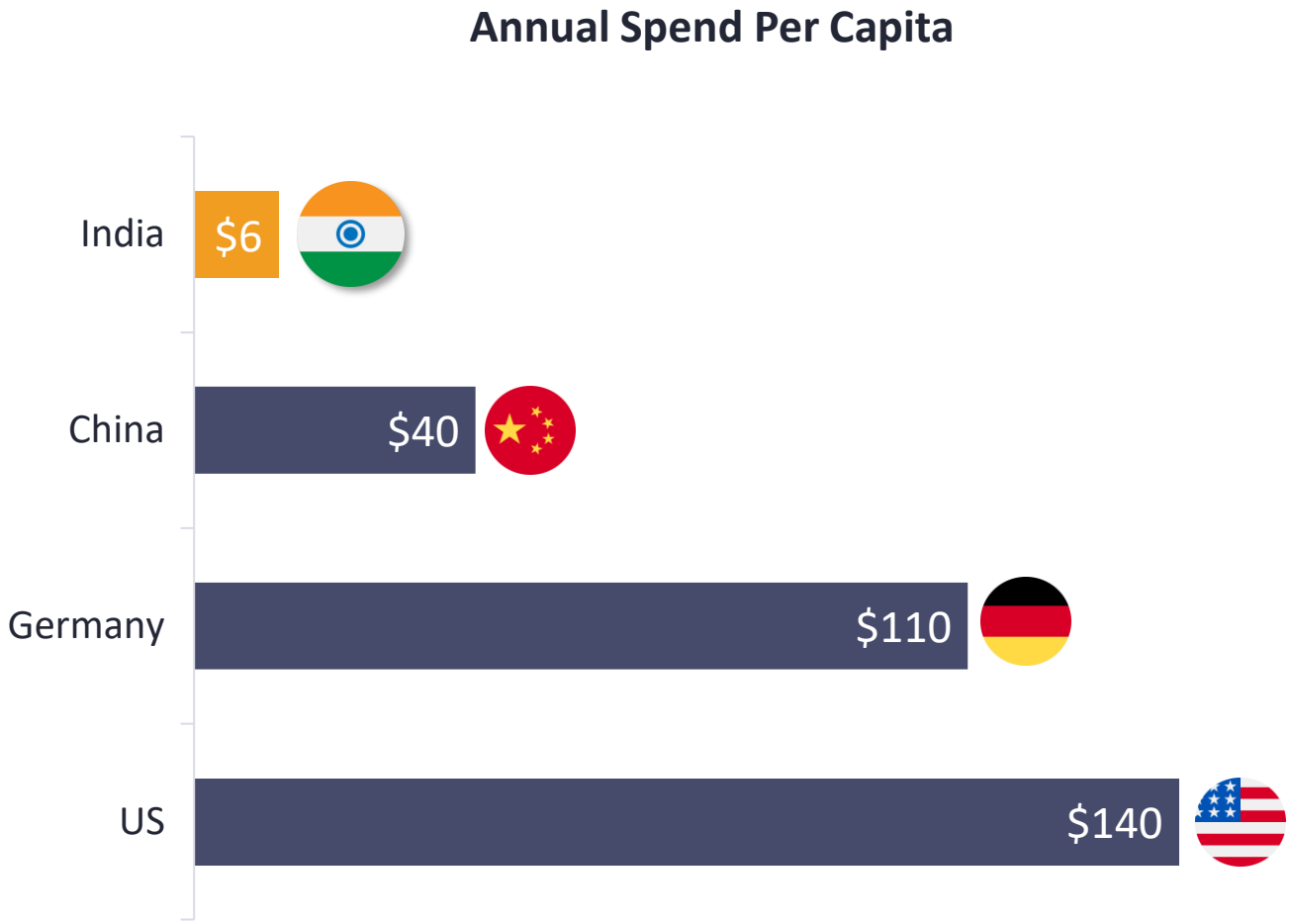
Source: India Capital Research, Bloomberg, Company filings

Nykaa – India's Largest Beauty Products Retailer



Source: Nykaa

Beauty Products Consumption – Nascent…



Source: Ambit, Morgan Stanley

…But Growing Fast

Revenue Growth
(Last 3Y)



Source: Company filings, Ace Equity

Nykaa – India's Best E-commerce Business, In Our View



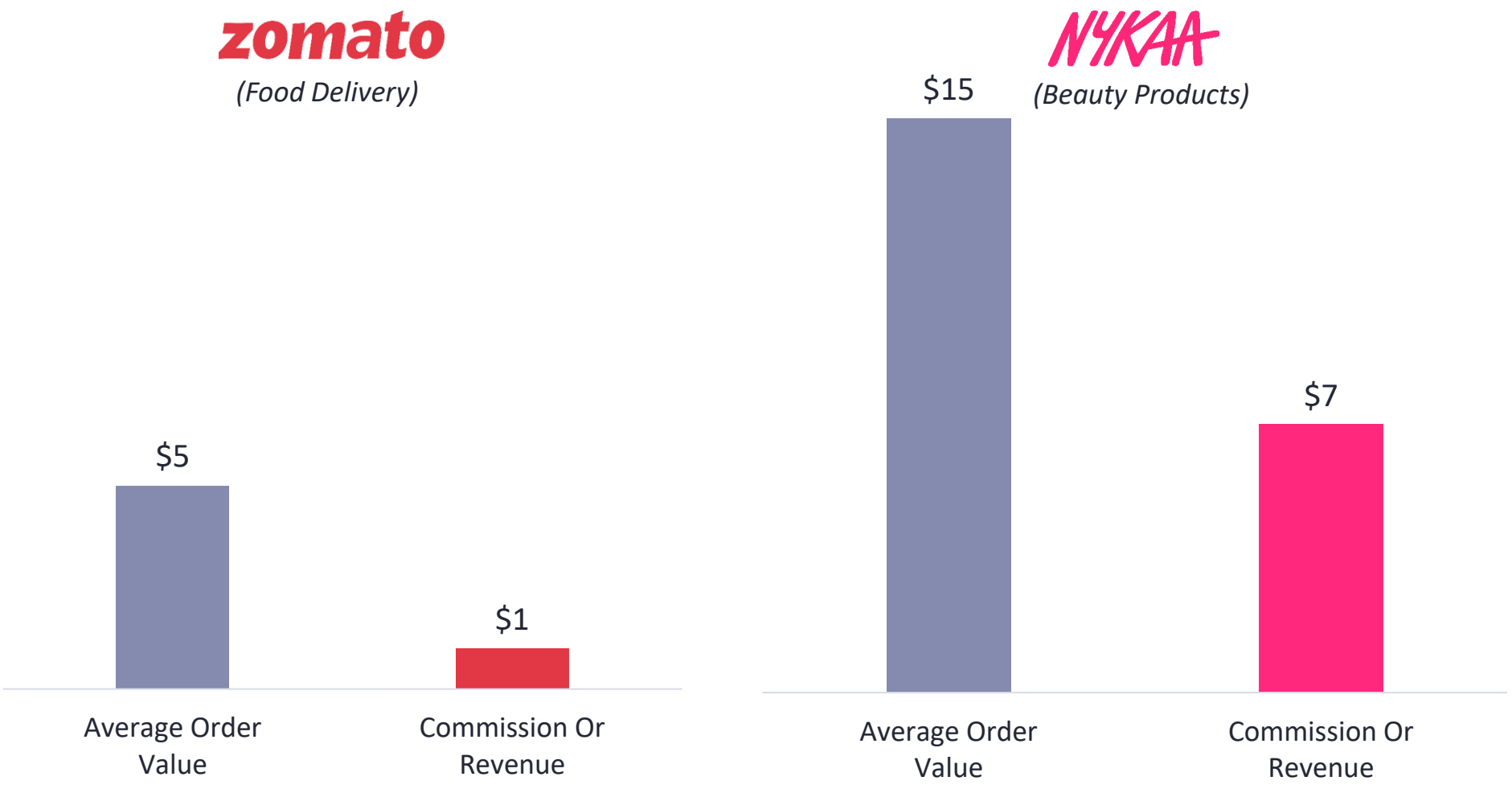
Capital Efficient Growth

Key Metrics	Listed Peers (Average)	Nykaa
Capital Raised	$2.1B	$0.2B
Number Of Fund Raises	13	7
Founders' Ownership	7%	52%

Note: Listed peers are Eternal, Swiggy, PayTM, Policybazaar, Cartrade and Lenskart
Source: Nykaa app, Bloomberg, Tracxn, India Capital Research

Nykaa – India's Best E-commerce Business, Why?

Superior Unit Economics – Food Delivery Vs. Beauty Products



Source: Company filings

How Nykaa Stands Out – Loyal Customer Base; Differentiated Approach

M.A.C Studio Fix Fluid SPF 15 - NC20
(30ml)



	Number of User Ratings	Number of Reviews
NYKAA	>12,000	>1,600
amazon.in	8	1
tira	3	2
Flipkart	0	0

Source: Respective apps, India Capital Research

And Finally, Nykaaland



