ASHOKA INDIA EQUITY INVESTMENT TRUST PLC

HALF-YEARLY FINANCIAL REPORT

FOR THE PERIOD FROM INCORPORATION ON 11 MAY 2018 TO 31 DECEMBER 2018

Contents

Investment Objective, Financial Information and Performance Summary

Investment Objective

The investment objective of the Company is to achieve long-term capital appreciation, mainly through investment in securities listed in India and listed securities of companies with a significant presence in India.

Financial Information

	As at 31 December 2018
Net asset value ("NAV") per Ordinary Share (cum income)	97.7p
Ordinary Share price	91.3p
Ordinary Share price discount to NAV	6.6%

Performance Summary

	% change[1]
Share price total return per Ordinary Share[1]	-8.7%
NAV total return per Ordinary Share[1]	-0.3%
MSCI India IMI Index[2]	3.1%

[1] Total returns in sterling from commencement of operation on 6 July 2018 to 31 December 2018. Share Price total return based on opening share price of 100p and NAV total return based on opening NAV after share issue expenses of 98.0p per share.

[2] Source: Bloomberg.

Alternative performance measures ("APMs")

The Financial information and Performance summary are considered to represent APMs of the Company. Definitions of these APMs together with how these measures have been calculated can be found in the page 20.

Chairman's Statement

First, I would like to welcome you as shareholders of Ashoka India Equity Investment Trust plc (the Company) and thank you for your confidence and continued support. Investment in emerging markets generally goes hand-in-hand with a long-term approach to returns and I hope to be reporting to you over many successful periods as the years go by.

I am pleased to present the Company's first half-year financial report. The Company raised £44.7 million, after costs, in its fund-raising and its shares commenced trading on 6 July 2018 on the London Stock Exchange. Whilst this figure was below the Board's initial target due to market turbulence just ahead of the Initial Public Offering, your Directors were, and remain convinced that the investment case is a strong one and that, with good performance and support from existing and new shareholders over time, the Company will grow from this base to become of significant size.

I know I speak on behalf of the whole Board in saying that I am proud to be associated with a new investment company that has a team with true conviction, skill, experience and an unrivalled knowledge of the Indian market. In addition, the Investment Manager and Board have aligned their interests with those of the Company's shareholders; the Investment Manager's fee arrangements are such that a fee will only be paid when performance exceeds the MSCI India IMI ("benchmark") over an agreed period and the Directors have agreed to receive payment of their fees in shares in the Company.

Performance

Net asset value ("NAV") total return performance for the period has been -3.4% behind the benchmark primarily due to cash-drag as the IPO cash was being deployed at a time when the benchmark experienced a significant up move. However, to demonstrate the Manager's stock selection skill, the top five stock contributors have each produced between 21% and 47% total return in the period from listing to 31 December 2018.

In the period since launch to 31 December 2018, the Company's share price and NAV have recorded total returns in sterling terms of -8.7% and -0.3% respectively, compared to the benchmark of 3.1%.

The Company's shares traded at a discount to NAV (cum income) of 6.6% at the end of the period under review but since the period-end the Company's shares traded at an average discount of 0.1%.

Share Issuance

It is the declared intent of all those involved to grow the Company over time and, with this in mind and in response to continued demand for its shares post-IPO, the Company issued a further 2.4 million shares raising a net £2.1 million.

Chairman’s Statement

Cancellation of Share Premium Account

As indicated in the Company’s prospectus dated 19 June 2018, following admission of the Company’s Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court to reduce the share premium account. This has now happened and, from an accounting perspective, £44,275,898 has been credited to a distributable reserve.

Revenue and Dividends

The Company’s principal objective is to provide returns through long-term capital appreciation, with income being a secondary consideration. Therefore, shareholders should not expect that the Company will pay an annual dividend, under normal circumstances. Whilst the portfolio does generate a small amount of income, this is used to defray running costs. However, if a sufficient surplus is generated, the Company may declare an annual dividend to maintain UK investment trust status. In the period under review, no interim dividend has been declared.

Redemption Facility

The Company has a redemption facility through which shareholders will be entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. The first Redemption Point for the Ordinary Shares will be 30 September 2019. The Directors have absolute discretion to operate the annual redemption facility on any given Redemption Point and to accept or decline in whole or in part any redemption request.

Shareholders are reminded that this facility’s principal purpose is to help the Board limit discount volatility and investment in a Company of this nature should only be considered if it is understood that the significant growth potential of the Indian equity market is likely to be achieved over the longer term.

Outlook

As you will read in the Manager’s report, 2018 was a challenging year for Indian equity managers, specifically those specialising in mid and small-caps, as this Company does. Whilst the macro environment and special events such as the Indian general election in May 2019 are being closely tracked, the Manager seldom pays undue attention to such events and instead concentrates on selecting portfolio companies on a bottom-up basis, which have the potential to out-perform over the longer term regardless of near-term fluctuations.

The global picture does not look any clearer as we enter 2019 and there are challenges ahead for world leaders. Whilst past performance is no guide to the future, shareholders should take comfort that the investment management team has a strong track record and long-standing experience, with interests aligned to producing out-performance for shareholders over the long term.

Andrew Watkins
Chairman
1 March 2019

Market

Worries over a slowdown in global GDP, continued tightening of monetary policy by the US Fed, ongoing US-China trade tensions and uncertainty in the Euro-zone all contributed to a gloomy global environment in the second half of calendar year 2018. This had a negative impact on global equity markets, pulling down the S&P 500, MSCI World and MSCI Emerging Markets by -4.5%, -6.7% and -6.5% respectively for the six months ended 31 December 2018. Despite the global uncertainty, Indian equity markets were one of the best performing within emerging markets and also outperformed many developed equity markets, generating a GBP sterling return of 3.1% for the period. In the second half of calendar year 2018, the Indian market was supported by a sharp fall in crude oil prices (down 30%), which is positive for the net oil importing Indian economy, and a stable currency (the Indian Rupee appreciated by 1.6% against sterling).

Whilst the Indian equity market held up well relative to other equity markets, 2018 has been a challenging year for most Indian equity managers, primarily due to the sharp underperformance in small and medium-caps ("small/mid-caps") against large-caps. The sell-off that started in the first half of 2018 continued into the second half with a sharper impact on small-cap companies (the BSE Small Cap Index was down 25.6% compared to BSE Large Caps down 0.7% for the year). With the benefit of hindsight, the correction can largely be attributed to reversion to the median from the historically high valuations experienced for small/mid-caps during 2017. Another important contributor to the sharp underperformance of small/mid-caps in 2018 was the collapse of several companies tainted by corporate governance issues, none of which were held by the Company. In our analysis we did not find any significant governance related issues across our portfolio of around 40 companies. The avoidance of such corporate governance disasters was a major factor contributing to the relatively strong performance of the Company compared to its peers. This is a testament to the research team's strong emphasis on corporate governance, which we believe is one of our key strengths.

Performance

Against the above backdrop, the Company delivered a sterling NAV return of -0.3% compared to 3.1% for the MSCI India IMI ("benchmark") from inception on 6 July 2018 to 31 December 2018. The underperformance was in large part due to the surge in Indian equity markets whilst we invested the proceeds of the IPO in July and hence held an above-normal cash balance through this time. Once the Company was fully invested at the end of July, it outperformed the benchmark, generating alpha of 2.5%, with the Company delivering a NAV return of -1.6% against the benchmark, which was down -4.1% for the five months ending 31 December 2018. For the last quarter of 2018 the Company delivered a GBP sterling return of 10.3% against the benchmark performance of 5.5%.

Major contributors and detractors

Since the IPO, some of our holdings in the Speciality Chemicals and Information Technology industries contributed positively to our performance.

One of the top contributors was Fine Organic Industries (FOIL), the largest manufacturer of oleochemical based additives in India with a 90% market share. We like FOIL for its distinct competitive advantage arising from high industry entry barriers and its high quality management team that continues to deliver strong growth while maintaining a superior return on incremental capital.

L&T Technology Services (LTTS), which we consider to be one of the best engineering and R&D services companies globally was also a strong contributor. We like LTTS for its capabilities across its operating sectors as well as its cash generative abilities and its focused and experienced management team that continues to drive industry leading profitable growth.

Infoedge India was also an important contributor. Infoedge's Naukri.com and 99acres.com websites are India's premier jobs and real estate classifieds businesses respectively. It has also made highly successful investments in Zomato, India's leading food delivery platform and Policy Bazaar, an online insurance aggregator. We like Infoedge for its dominant market position in the fast growing online classifieds industry and for its entrepreneurial management that has a long track record of prudent capital allocation.

Some of our investments in the Health Care and the Consumer Discretionary sectors detracted from our performance.

Dishman Carbogen Amcis (DCA), a fully integrated contract research and manufacturing services provider to pharmaceutical companies globally, was amongst the largest detractors. The company underperformed due to muted growth arising out of capacity constraints as well as the general sell-off amongst small/mid-caps. However, given their strong innovation pipeline and ramp-up in operational assets, our view remains positive on the holding.

Maruti Suzuki, the dominant passenger vehicle manufacturer in India, was another detractor. The company was negatively impacted from a broad decline in auto sales across the market in the second half of 2018. Our view remains positive on the company due to its powerful brand, dominant position in the under penetrated passenger vehicle market and strong execution through the cycle relative to its peer group.

Another detractor from performance was Balkrishna Industries, which is globally the most profitable manufacturer of off-highway tyres (OHT). The stock underperformed in the second half of 2018 due to a drought in Europe that impacted agricultural tyre demand and higher capex at the company's US division. In our view these issues are transient and therefore we remain positive about the future prospects of the company.

Outlook

Being bottom-up stock pickers with a long-term horizon, we hardly ever have particularly strong views about near-term market moves and presently it is no different. Having said that, there are several factors worth considering as investors evaluate the backdrop for the Indian market in the near term.

After a wait of many years, Indian corporate earnings seem to be finally accelerating. Consensus estimates are for approximately 20% growth over the next couple of years. In this context, we think that current valuations are now reasonably attractive, trading closer to the long-term historical average.

Two specific factors aiding earnings acceleration that are worth mentioning are the improving asset quality of the banking sector driven by the introduction of the Insolvency and Bankruptcy Code and the implementation of the Goods and Services Tax (GST). Both these past headwinds have become tailwinds. Asset quality problems at corporate banks are improving with each passing quarter, in part helped by the recent resolution of a few large distressed assets after the implementation of the Bankruptcy Code. For example, due to the successful auction of Bhushan Steel and Binani Cement which were two notable defaulters in the banking system, the lenders recovered 100% of their principal and accrued interest and wrote back provisions made against these impaired assets.

GST implementation is largely done and has started to benefit corporate profitability as many erstwhile tax evaders in the "unorganized" segment of the economy have started to become more tax compliant at the margin. In doing so, they have become less competitive against and are losing market share, to the organized tax paying segment of the economy where all the listed companies belong.

Besides the potential for corporate earnings acceleration, 2019 is also an important year politically as the central parliamentary elections will be held in May. Recent state election results on 11 December 2018 suggest an increased likelihood of a stable coalition government post the May 2019 elections, led by either the ruling BJP party or the Congress party. Either of such outcomes, in preference to a weak unsustainable coalition led by a third party, should be equally well received by the markets in our view. India's macroeconomic backdrop remains robust, aided in recent months by a sharp fall in the crude oil price which further reduces pressure on the comfortable inflation environment and allows for an easing monetary stance under the new central bank governor. As India is a predominantly domestic driven economy, unlike China, it remains relatively more insulated from uncertainty surrounding global trade tensions. The Indian economy has grown at approximately a 7% compounded annual growth rate over the last decade and is expected to pick up further, with consensus estimates of 7.3% in 2019, the highest growth rate of any sizeable economy in the world.

Regardless of the market environment, in our opinion the opportunity to source alpha investment returns has always been and continues to remain, the most attractive aspect of the investment case for India. From this perspective we believe that the outlook for India remains as positive as in the past and we believe that we are well positioned to deliver top ranking performance amongst the India equity peer group.

In closing, we want to thank you, our investors, for entrusting us with your capital and we look forward to building a long lasting and successful investment relationship.

Acorn Asset Management Limited
1 March 2019

Portfolio

TOP TEN HOLDINGS As at 31 December 2018	% of net assets
HDFC Bank	10.6
L&T Technology Services	7.5
NIIT Technologies	6.2
Bajaj Finance	5.7
Bajaj Finserv	5.5
Axis Bank	5.4
Larsen & Toubro Infotech	4.6
Nestle India	4.0
Jyothy Laboratories	3.6
Info Edge India	3.4
Top ten holdings	**56.5**
Other holdings	41.7
Total holdings in companies	**98.2**
Cash and other net assets	1.8
Total	**100.0**

The Directors are required to provide an Interim Management Report in accordance with the UK Listing Authority's Disclosure Guidance and Transparency Rules. The Directors consider that the Chairman's Statement and the Investment Manager's Report on pages 3 to 7 of this Half-yearly Report, the following statement on related party transactions and the Directors' Responsibility Statement below, together constitute the Interim Management Report for the Company for the period from its incorporation to 31 December 2018. The outlook for the Company in the remaining six months of the Company's first financial period is discussed in the Chairman's Statement and Investment Manager's Report.

Principal risks and uncertainties

The Board considers that the main risks and uncertainties faced by the Company fall into the broad categories of (i) market risks (ii) corporate governance and internal controls risks (iii) regulatory risks and (iv) financial risks (including exchange rate fluctuations). A detailed explanation of these risks can be found in the Company's prospectus. The categories of risks and uncertainties facing the Company remain unchanged from those disclosed in the prospectus.

Related party transactions

Details of the amounts paid to the Company's Investment Manager and the Directors during the period are detailed in the notes to the condensed financial statements.

DIRECTORS' STATEMENT OF RESPONSIBILITY FOR THE HALF-YEARLY REPORT

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the Half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting.
- The interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

Andrew Watkins
Chairman
1 March 2019

Condensed Unaudited Statement of Comprehensive Income

For the period from incorporation on 11 May 2018 to 31 December 2018

		31 December 2018		
	Note	**Revenue £'000**	**Capital £'000**	**Total £'000**
Losses on investments		–	(178)	(178)
Gains on currency movements		–	246	246
Net investment gains		**–**	**68**	**68**
Income	5	174	–	174
Total income		**174**	**68**	**242**
Other expenses	6	(280)	–	(280)
Loss for the period		**(106)**	**68**	**(38)**
Return per ordinary share	7	**(0.23p)**	**0.15p**	**(0.08p)**

There is no other comprehensive income and therefore the 'Loss for the period' is the total comprehensive income for the period.

The total column of the above statement is the statement of comprehensive income of the Company. The supplementary revenue and capital columns, including the earnings per ordinary shares, are prepared under guidance from the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

The notes on pages 14 to 19 form an integral part of these financial statements.

Condensed Unaudited Statement of Financial Position

As at 31 December 2018

	Note	31 December 2018 £'000
Non-Current Assets		
Investments held at fair value through profit or loss	4	44,554
Current assets		
Cash and cash equivalents		1,090
Income receivable		25
Other receivables		20
		1,135
Total assets		**45,689**
Current liabilities		
Purchases for future settlement		205
Other payables		116
Total liabilities		**321**
Net assets		**45,368**
Equity		
Share capital	8	464
Share premium account		666
Special distributable reserve		44,276
Capital reserve		68
Revenue reserve		(106)
Total equity		**45,368**
Net asset value per ordinary share	9	**97.69p**

The notes on pages 14 to 19 form an integral part of these financial statements.

Condensed Unaudited Statement of Changes in Equity

For the period from incorporation on 11 May 2018 to 31 December 2018

	Notes	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 11 May 2018		–	–	–	–	–	–
Loss for the period		–	–	–	68	(106)	(38)
Dividend paid	10	–	–	–	–	–	–
Issue of ordinary shares		464	45,862	–	–	–	46,326
Share issue costs		–	(920)	–	–	–	(920)
Transfer between share premium and special distributable reserve		–	(44,276)	44,276	–	–	–
Closing balance as at 31 December 2018		**464**	**666**	**44,276**	**68**	**(106)**	**45,368**

The Company's distributable reserves consist of the special distributable reserve, capital reserve and revenue reserve.

The Company can use its distributable reserves to fund dividends, redemptions of ordinary shares and share buy backs.

The notes on pages 14 to 19 form an integral part of these financial statements.

Condensed Unaudited Statement of Cash Flows

For the period from incorporation on 11 May 2018 to 31 December 2018

	Note	31 December 2018 £'000
Cash flows from operating activities		
Income*		174
Operating expenses		(188)
Foreign exchange losses		246
Net cash flow from operating activities		**232**
Cash flows from investing activities		
Purchase of investments		(65,667)
Sale of investments		21,119
Net cash flow used in investing activities		**(44,548)**
Cash flows from financing activities		
Proceeds from issue of shares		46,326
Share issue costs		(920)
Net cash flow from financing activities		**45,406**
Increase in cash and cash equivalents		**1,090**
Cash and cash equivalents at start of period		–
Cash and cash equivalents at end of period		**1,090**

* Cash inflow from dividends for the financial period was £174,000.

The notes on pages 14 to 19 form an integral part of these financial statements.

1. Reporting entity

Ashoka India Equity Investment Trust plc is a closed-ended investment company, registered in England and Wales on 11 May 2018. The Company's registered office is Mermaid House, 2 Puddle Dock, London EC4V 3DB. Business operations commenced on 6 July 2018 when the Company's Ordinary Shares were admitted to trading on the London Stock Exchange. The condensed interim financial statements of the Company are presented for the period from 11 May 2018 to 31 December 2018.

The Company primarily invests in securities listed on any stock exchange in India and can invest in the securities of companies with a significant presence in India that are listed on stock exchanges outside India.

2. Basis of preparation

Statement of compliance

The condensed interim financial statements have been prepared in accordance with IAS 34 International Financial Reporting Standards 'IFRS', and the Disclosure Guidance and Transparency Rules ('DTRs') of the UK's Financial Conduct Authority.

When presentational guidance set out in the Statement of Recommended Practice ('SORP') for Investment Companies issued by the Association of Investment Companies ('the AIC') in November 2014 and updated in January 2017 is consistent with the requirements of 'IFRS', the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

Going concern

The Directors have adopted the going concern basis in preparing the condensed interim financial statements.

The Directors have a reasonable expectation that the Company has adequate operational resources to continue in operational existence for at least twelve months from the date of approval of these condensed interim financial statements.

Use of estimates and judgements

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There have been no estimates, judgements or assumptions, which have had a significant impact on the condensed interim financial statements for the period.

Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

Functional and presentation currency

The Company's investments are denominated in Indian Rupees. However, the Company's shares are issued in sterling and the majority of its investors are UK based. Therefore, the financial statements are presented in sterling, which is the Company's functional currency. All financial information presented in sterling have been rounded to the nearest thousand pounds.

Comparatives

There are no comparatives as this is the Company's first accounting period.

3. Accounting policies

(a) Investments

Upon initial recognition, investments are designated by the Company "at fair value through profit or loss". They are accounted for on the date they are traded and are included initially at fair value which is taken to be their cost. Subsequently quoted investments are valued at fair value which is the bid market price, or if bid price is unavailable, last traded price on the relevant exchange.

Changes in the fair value of investments held at fair value through profit or loss and gains or losses on disposal are included in the capital column of the Statement of Comprehensive Income within "losses on investments".

Investments are derecognised on the trade date of their disposal, which is the point where the Company transfers substantially all the risks and rewards of the ownership of the financial asset. Gains or losses are recognised in the capital column of the Statement of Comprehensive Income.

(b) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities, and non-monetary assets held at fair value denominated in foreign currencies are translated into sterling using London foreign exchange rates at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Statement of Comprehensive Income as appropriate. Foreign exchange movements on investments are included in the Statement of Comprehensive Income within "gains on currency movements".

(c) Income from investments

Dividend income from shares is accounted for on the basis of ex-dividend dates. Overseas income is grossed up at the appropriate rate of tax.

Special dividends are assessed on their individual merits and may be credited to the Statement of Comprehensive Income as a capital item if considered to be closely linked to reconstructions of the investee company or other capital transactions. All other investment income is credited to the Statement of Comprehensive Income as a revenue item. Interest receivable is accrued on a time apportionment basis and reflects the effective interest rate.

(d) Reserves

Capital reserves

Profits achieved in cash by selling investments and changes in fair value arising upon the revaluation of investments that remain in the portfolio are all charged to the capital column of the Statement of Comprehensive Income and allocated to the capital reserve.

Special distributable reserve

As indicated in the Company's prospectus dated 19 June 2018, following admission of the Company's Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court and obtained a judgement on 4 December 2018 to cancel the amount standing to the credit of the share premium account of the Company and the amount of the share premium account cancelled was credited to a special distributable reserve.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses are recognised through the Statement of Comprehensive Income as revenue items except as follows:

Performance fees

Performance fees, if any, are payable directly by reference to the capital performance of the Company and are therefore charged to the Statement of Comprehensive Income as a capital item. No other management fees are payable.

(f) Cash and cash equivalents

Cash comprises cash at hand and demand deposits. Cash equivalents, which include bank overdrafts, are short term, highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risks of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(g) Taxation

Irrecoverable taxation on dividends is recognised on an accruals basis in the Statement of Comprehensive Income.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Investment trusts which have approval as such under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

4. Investment held at fair value through profit or loss

	As at 31 December 2018 £'000
Investments held at fair value through profit or loss	44,554
Closing valuation	**44,554**

Under IFRS 13 'Fair Value Measurement', an entity is required to classify investments using a fair value hierarchy that reflects the significance of the inputs used in making the measurement decision.

The following shows the analysis of financial assets recognised at fair value based on:

Level 1

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The classification of the Company's investments held at fair value is detailed in the table below:

	As at 31 December 2018			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments at fair value through profit and loss – Quoted	44,554	–	–	44,554

There were no transfers between levels from incorporation on 11 May 2018 to 31 December 2018.

5. Income

	Period to 31 December 2018 £'000
Income from investments	
Overseas dividends	174
Total income	**174**

6. Expenses

	Period to 31 December 2018 £'000
Administration & secretarial fees	64
Auditor's remuneration	
– Statutory audit fee	21
Broker fees	18
Custody services	18
Directors' fees	56
Public relations	32
Printing	7
Registrar fees	3
Other expenses	61
Total	**280**

The Investment Manager will not receive a fixed management fee in respect of its portfolio management services to the Company. The Investment Manager will become entitled to a performance fee subject to the Company delivering excess returns versus the MSCI India IMI Index in the medium-term. The performance fee will be measured over periods of three years, with the first period ending approximately three years from the date of Admission on 30 June 2021.

7. Return per share

Return per share is based on the loss for the period of £38,000 attributable to the weighted average number of ordinary shares in issue (excluding treasury shares) of 45,949,192 in the period from the Company's commencement of operating on 6 July 2018 to 31 December 2018. Revenue loss and capital profit is £(106,000) and £68,000 respectively.

8. Share capital

	As at 31 December 2018 No. of shares	As at 31 December 2018 £'000
Allotted, issued and fully paid:		
Redeemable ordinary shares of 1p each ('ordinary shares')	46,440,856	464
Management shares	50,000	50
Total	**46,490,856**	**514**

On incorporation, the issued share capital of the Company was 1 ordinary share of 1 penny and 50,000 Management Shares of nominal value £1.00 each, of which one quarter of the nominal value is fully paid up issued to the subscribers to the Company's memorandum. As indicated in the Company's prospectus dated 19 June 2018, following admission of the Company's Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court to cancel the amount standing to the credit of the share premium account of the Company. On 4 December 2018, the share premium amount of £44,275,898 had been cancelled and credited to a reserve.

On 6 July 2018, 45,645,256 ordinary shares were allotted and issued to shareholders as part of the placing and offer for subscription in accordance with the Company's prospectus dated 19 June 2018. A further 795,600 ordinary shares have been allotted, issued and fully paid between 6 July 2018 and 31 December 2018.

Since 31 December 2018, a further 1,586,380 ordinary shares have been issued raising aggregate proceeds of £1,480,000.

As at the date of the Report, the total number of ordinary shares in issue is 48,027,236.

9. Net assets per ordinary share

Net assets per ordinary share as at 31 December 2018 is based on £45,368,000 of net assets of the Company attributable to the 46,440,856 Ordinary Shares in issue (excluding treasury shares) as at 31 December 2018. £12,500 of net assets as at 31 December 2018 was attributable to the Management Shares.

10. Dividend

The Company's objective is to provide shareholder returns through capital growth with income being a secondary consideration. Therefore it is unlikely that the Company will pay an annual dividend under normal circumstances.

11. Related party transactions

There are no fees payable to the Investment Manager as per disclosed in Note 6.

Since commencement of operations on 6 July 2018 fees have been payable at an annual rate of £35,000 to the Chairman, £27,500 to the Chair of the Audit Committee, and £25,000 to the other Directors.

The Directors had the following shareholdings in the Company, all of which are beneficially owned.

	As at 31 December 2018	**As at 1 March 2019**
Andrew Watkins	49,619	49,619
Jamie Skinner	38,739	38,739
Rita Dhut	35,068	35,068
Jerome Booth	10,877	10,877

12. Post balance sheet events

There are no post balance sheet events, other than those disclosed in these interim financial statements.

Alternative Performance Measures

Discount

The amount, expressed as a percentage, by which the share price is less than the Net Asset Value per Ordinary Share.

As at 31 December 2018 (Unaudited)		Page	
NAV per Ordinary Share (pence)	a	11	97.69
Share price (pence)	b	n/a	91.25
Discount	**(b÷a)-1**		**6.6%**

Ongoing charges

A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.

Period from 6 July 2018 to 31 December 2018 (Unaudited)		Page	
Average NAV	a	n/a	43,279,374
Annualised expenses	b	n/a	574,157
Ongoing charges	**(b÷a)**		**1.33%**

Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

Period from 6 July 2018 to 31 December 2018 (Unaudited)		Page	Share price	NAV
Opening at 6 July 2018 (p)	a	n/a	100	98.0
Closing at 31 December 2018 (p)	b	n/a	91.3	97.7
Total return	**(b÷a)-1**		**-8.7%**	**-0.3%**

n/a = not applicable.

Directors, Investment Manager and Advisers

Directors
Andrew Watkins (Chairman)
Jamie Skinner
Dr. Jerome Booth
Rita Dhut

Investment Manager and AIFM
Acorn Asset Management Ltd
4th Floor, 19 Bank Street
Cybercity, Ebene 72201
Republic of Mauritius

Broker
Peel Hunt LLP
Moor House
120 London Wall
London EC2Y 5ET

Custodian
Kotak Mahindra Bank Limited
3rd Floor, 27 BKC
C-27 G-Block
Bandra Kurla Complex
Bandra East
Mumbai 400051
India

Auditors
Ernst & Young LLP
1 More London Riverside
London SE1 2AU

Registered Office
Mermaid House
2 Puddle Dock
London EC4V 3DB
Registered in England under No.11356069

Investment Adviser
White Oak Capital Management Consultants LLP
Unit 6, 2B, 6th Floor
Cnergy Building
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400025
India

Secretary & Administrator
PraxisIFM Fund Services (UK) Limited
Mermaid House
2 Puddle Dock
London EC4V 3DB

Registrar
Computershare Investor Services Plc
The Pavilions
Bridgwater Road
Bristol BS13 8AE

Legal Adviser
Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

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