



## Ashoka India Equity Investment Trust PLC

Morningstar Rating™

www.ashokaindiaequity.com

**Investment Objective**

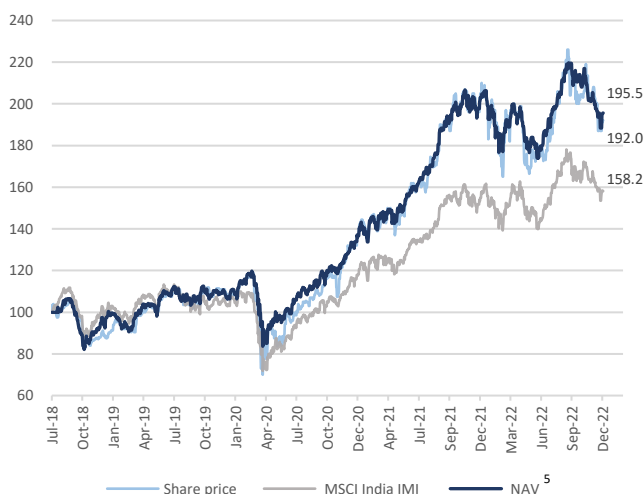
To achieve long-term capital appreciation, mainly through investment in securities listed in India and listed securities of companies with a significant presence in India.

**Company (Ashoka India Equity Investment Trust PLC) Facts**

Ticker:	AIE
ISIN:	GB00BF50VS41
Reference Benchmark:	MSCI India IMI <sup>1</sup>
NAV:	191.63p
Share price:	192.00p
(Discount)/Premium:	0.2%
Number of investments:	90
Total net assets:	£215.86 million
Active share:	74.8%
Launch date:	6 July, 2018
On-going charges ratio <sup>6</sup> :	0.31% p.a.
Gearing:	0%
Discount control:	Annual redemption facility at or close to NAV
Investment Manager:	Acorn Asset Management Ltd
Investment Advisor:	White Oak Capital Partners Pte. Ltd. (Singapore)
Firmwide AUM <sup>4</sup> :	£4.82 billion

**Fees and Charges**

Management Fees:	0%
Performance Fees:	30% of outperformance (capped)

**Performance since launch (GBP)<sup>2</sup>**

Source: Bloomberg, Factset; Past performance does not predict future returns.

Performance since launch <sup>2</sup>	Dec 2022	Q4 2022	2022	December			2021	2020	2019	Since 31-Jul-2018 <sup>3</sup>	Since IPO*	Annualised since IPO
				2021-2022	2020-2021	2019-2020						
AIE NAV (£)	-4.8%	-8.6%	-3.7%	-3.7%	48.6%	26.0%	48.6%	26.0%	8.8%	93.0%	95.5%	16.1%
MSCI India IMI	-5.7%	-6.2%	2.1%	2.1%	31.7%	12.6%	31.7%	12.6%	1.3%	47.2%	58.2%	10.7%
NAV Outperformance (bps)	+86	-241	-578	-578	+1688	+1333	+1688	+1333	+744	+4578	+3738	+536
Share Price	-6.8%	-9.4%	-6.3%	-6.3%	49.6%	26.3%	49.6%	26.3%	18.9%	90.2%	92.0%	15.6%
Currency (INR/GBP)	-2.0%	-9.0%	0.6%	0.6%	-0.5%	-6.4%	-0.5%	-6.4%	-5.3%	-9.7%	-8.7%	-2.0%

Source : Bloomberg, Factset. Note: Past performance does not predict future returns. \*Since IPO: 06 July 2018 - 31 December 2022

Top 10 holdings (as at December 31, 2022)	GICS Sector	% of AUM
1. ICICI Bank	Financials	6.6
2. Infosys	Information Technology	4.9
3. Ambuja Cements	Materials	3.4
4. Cholamandalam Investment and Finance	Financials	3.3
5. Titan	Consumer Discretionary	3.2
6. Keynes Technology India	Information Technology	2.8
7. HDFC Bank	Financials	2.6
8. Maruti Suzuki India	Consumer Discretionary	2.6
9. Asian Paints	Materials	2.5
10. Nestle India	Consumer Staples	2.4
<b>Total</b>		<b>34.3%</b>

Allocations shown above are as of the date indicated and may not be representative of future investments. They may not represent all of the portfolio's investments. Future investments may or may not be profitable.



Source and Copyright: Citywire  
Prashant Khemka is AA rated by Citywire based on the three year risk-adjusted performance across all funds he is managing to 31<sup>st</sup> December 2022



There is no guarantee that similar awards will be obtained by White Oak with respect to existing or future funds or transactions. For more about the awards, please see the last page.

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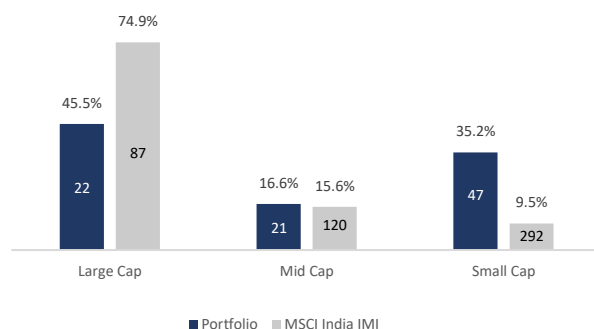
## 2022: Key Contributors and Detractors

Key Contributors	Ending Weight (%)	Total Return (%)	Contribution to Returns (bps)
ICICI Bank	6.6	+22.5	+202
Cholamandalam Inv.	3.3	+41.0	+92
Campus Activewear	0.7	+35.3	+77
Bikaji Foods	2.1	+58.3	+73
Ambuja Cements	3.4	+35.8	+64

Key Detractors	Ending Weight (%)	Total Return (%)	Contribution to Returns (bps)
Truecaller AB	0.4	-71.8	-126
Infosys	4.9	-17.4	-105
Mphasis	0.0	-40.7	-93
Metropolis Healthcare	0.5	-60.8	-90
PB Fintech	0.0	-55.5	-89

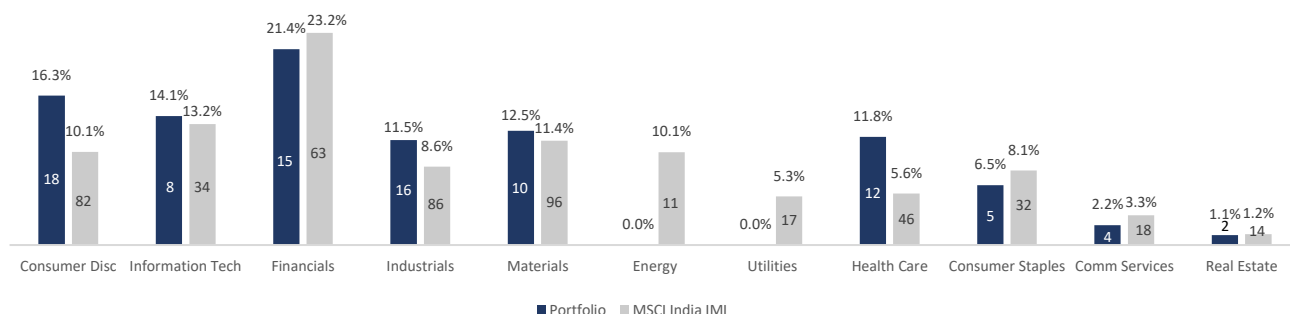
Source: Factset. Past performance does not predict future returns

## Market Cap Composition



Source: Bloomberg, White Oak. Classification as per Securities and Exchange Board of India (SEBI) guidelines. The numbers inside the bars denote the number of companies in each classification. Allocations shown above are as of the date indicated and may not be representative of future investments. They may not represent all of the portfolio's investments. Future investments may or may not be profitable.

## Sector Composition



Source: Bloomberg, White Oak. Classification as per GICS. The numbers inside the bars denote the number of companies in each classification. Allocations shown above are as of the date indicated and may not be representative of future investments. They may not represent all of the portfolio's investments. Future investments may or may not be profitable.

## Market Review

In 2022, MSCI India IMI index was up 2.1%, outperforming other global indices. US equities (S&P 500), MSCI World and MSCI EM were down 8.8%, 8.4% and 10.6%, respectively.

Foreign Institutional investors (FIIs) were net sellers to the tune of US\$16.6bn, while net buying by domestic institutional investors (DIIs) was US\$31.9bn. For the year, the Rupee appreciated by 0.6% vs the GBP while the 10-year G-Sec yields hardened from 6.45% to 7.33%. Commodities were mixed, with Brent up 23.6% and S&P GSCI Industrial Metals Index just up 1.1%.

For the year, Utilities, Industrials and Energy outperformed, while IT Services, Healthcare and Communication Services underperformed. State-owned enterprises (SOEs) have outperformed their private peers, and large caps have outperformed small caps this year.

## Performance Review

The Fund was down 8.6% in 4Q, underperforming the benchmark by 241bps. The key contributors include Bikaji Foods (+53.3%), Kaynes Technology (+15.6%), and Electronics Mart (+36.1%), whereas Campus Activewear (-34.0%), Asian Paints (-15.6%), and Bajaj Finserv (-15.8%) were the key detractors.

For the year, the fund was down 3.7%, underperforming the benchmark by 578bps. The key contributors include ICICI Bank (+22.5%), Campus Activewear (+35.3%), and Ambuja Cements (+35.8%) whereas Mphasis (-40.7%), Metropolis (-60.8%), and PB Fintech (-55.5%) were the key detractors.

# Ashoka India Equity Investment Trust PLC

## Key Contributors

**ICICI Bank** is one of the leading private sector banks in India. Given the under-penetration of credit, the Indian banking sector offers a long runway for growth. Well run private sector banks, like ICICI Bank, are gaining market share from poorly run government owned banks, which account for two-thirds of the industry. The management team has been leveraging ICICI's wide distribution franchise, a new risk-based pricing approach, and digital offerings to accelerate market share and enhance the return ratios. The bank's asset quality has also remained robust. The stock outperformed on the back of continued strong business performance.

**Campus Activewear** is the leading sports and athleisure (S&A) footwear company in India. The S&A footwear category presents significant long-term growth potential. The company has a strong positioning within the 'affordable premium' segment and has built substantial brand equity over the past decade, owing to its industry-leading capabilities in design, supply chain, and distribution. Post the recent induction of experienced professionals, the company has increased investments in design and technology. We expect sustained strong (20%+) growth rates and healthy (mid-30s pre-tax ROCE) return ratios for the next many years. Outperformance in 2022 is likely due to the strong operating performance by the company.

**Ambuja Cements** and its majority-owned subsidiary, ACC, were till recently owned by the Swiss giant Holcim. Together, these companies are the second largest cement manufacturer in India. In September, Adani Group, one of India's largest industrial conglomerates, completed the acquisition of Ambuja Cements from Holcim and announced a further fund infusion of INR 200bn. The company's current cash balance, projected internal accruals, and fund infusion provides the financial resources to scale up organically and for further acquisitions, in line with the group's aspiration to double capacity in five years. In addition, Ambuja Cements is likely to benefit from synergies with the integrated infrastructure platform of Adani Group in raw material sourcing, power, and logistics, which in turn could lead to margin expansion along with industry-leading growth. This positive outlook was one of the reasons for the outperformance of the stock.

## Key Detractors

**Mphasis** is India's 7th largest IT services company with approximately \$1.7bn in revenues. It has a strong positioning in custom application development and management for the banking & financial services (BFS) industry. Its deep domain expertise within BFS has resulted in a high-quality client profile wherein it counts six of the top ten US banks as its clients. Mphasis remains one of the better-run businesses in the mid-cap IT space, but the business faces headwinds due to its exposure to the US mortgage sector. In recent quarters, the company's operating performance has lagged behind its peers. This reason and the correction in the broader IT sector over concerns about the pullback in tech spending by global enterprises resulted in the stock's underperformance.

**Metropolis Healthcare** is one of the leading players in the diagnostic space, with a dominant presence in key cities like Mumbai, Pune, and Bangalore, in India's western and southern regions. The company offers a comprehensive range of 4,000+ clinical laboratory tests and profiles. It also has one of the most extensive network of satellite labs (capable of conducting routine and semi-specialized tests) and express labs (for conducting routine tests). Over the last few years, the company has evolved its business model to gradually increase the revenue share from the more profitable B2C segment while expanding its collection centers' network nearly ten-fold to 2,500. However, diagnostics is a high operating leverage business. The underperformance was due to low volume growth on a YoY basis, led by an unfavourable base, which impacted the near-term profitability.

**PB Fintech** operates Policybazaar.com, India's largest Insurance Web Aggregator, and Paisabazaar.com, one of India's leading financial products marketplaces. Policybazaar.com facilitates online comparison and purchase of insurance policies and has a dominant 90% market share in the insurance web aggregator segment. Over the last five years, revenues and underlying premiums have grown multi-fold. In addition, Paisabazaar.com is one of the leading players in the personal loans and credit card business. Though this business will take some more time to break even, it has a long runway for growth and represents a material option value for the company. Recently, the competition for both Policybazaar.com and Paisabazaar.com increased substantially. Moreover, the sentiment towards new-age tech companies has also weakened. The above reasons have contributed to the underperformance of the stock in 2022.

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<sup>1</sup>The Company does not follow this or any other benchmark, it is given for illustrative purposes and for calculation of the performance fee only.

<sup>2</sup> Past performance cannot be relied upon as a guide to future performance.

<sup>3</sup> The proceeds raised from the IPO got substantially invested at the end of July 2018.

<sup>4</sup> Refers to aggregate assets under management or investment advisory for White Oak Group

<sup>5</sup> The beginning NAV of 98 has been rebased to 100 for comparison with the benchmark and share price.

<sup>6</sup> On-going charges ratio calculated on a 6-month moving average of net assets.

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Capital may be at risk as the value of investments may go down as well as up and is not guaranteed; therefore investors may not get back the amount originally invested. Past performance is not a guide to future performance, nor a reliable indicator of future results or performance.

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The performance of shares of smaller companies may be more volatile than the shares of larger companies over short time periods; therefore investors should regard such investments as long term. There can be no guarantee that the investment objective of the Company will be achieved or provide the returns sought by the Company.

An investment in the Company is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise from such an investment (which may be equal to the whole amount invested). Such an investment should be regarded as long term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio.

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References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. The index composition may not reflect the manner in which the Company's portfolio is constructed.

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More about:

Investment Week's Investment Company of the Year Single Country award 2022: [Link](#)

Citywire Investment Trust Insider Emerging Market Single Country award 2022: The Citywire awards go to investment companies and trusts whose fund managers achieve the best underlying, risk-adjusted returns in their category in the three years to 31 August ([Citywire Investment Trust Awards 2022: The Winners! - Citywire](#)). There is no guarantee that similar awards will be obtained by WO with respect to existing or future funds or transactions.

Disclosure related to Morningstar rating:

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