ASHOKA INDIA EQUITY INVESTMENT TRUST PLC

WHITE OAK CAPITAL MANAGEMENT

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 Facts

Ticker:	AIE
ISIN:	GB00BF50VS41
Benchmark:	MSCI India IMI[1]
NAV:	98.27p
Share price:	90.00p
(Discount)/ Premium:	-8.4%
Number of investments:	47
Total net assets:	£66.5 million
Active share:	75.7%
Launch date:	06 July, 2018
On-going charges ratio[6]:	0.71% p.a.
Gearing:	0%
Discount Control:	Annual redemption facility at or close to NAV
Investment Advisor:	White Oak Capital Management Consultants LLP (India)
Firmwide AUM[4]:	£1.33 billion

Fees & charges

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

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

[2] Past performance cannot be relied upon as a guide to future performance.

[3] The funds raised from the IPO got substantially invested at the end of July.

[4] Refers to aggregate assets under management or advisory for the investment advisor, White Oak Capital Management Consultants LLP (India).

[5] The beginning NAV of 98 has been rebased to 100 for comparison with the benchmark and share price.

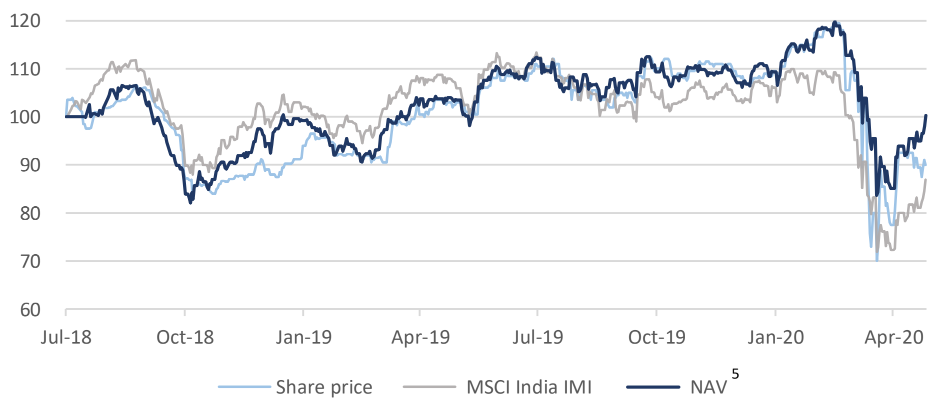
[6] On-going charges ratio calculated on a 6 month moving average of net assets.

Investment Performance[2]

Growth	Apr 20	YTD 20	2019	Since IPO*	Since 31-July-18[3]
AIE NAV	13.0%	-7.5%	8.8%	0.3%	-1.0%
MSCI India IMI	14.4%	-16.7%	1.3%	-13.0%	-19.1%
NAV Outperformance	-141 bps	+917 bps	+744 bps	+1330 bps	+1802 bps
Share Price	9.8%	-17.1%	18.9%	-10.0%	-10.8%
Currency (INR/GBP)	-0.6%	-0.1%	-5.3%	-2.6%	-3.7%

*Since IPO: 06 July 2018 - 30 April 2020

Performance since launch (GBp)[2]



Top 10 Holdings (as at 30 April 2020)

Holdings	GICS Sector	% of AUM
1. Nestle India	Consumer Staples	6.6
2. HDFC Bank	Financials	6.0
3. Infosys	Information Technology	5.6
4. Bharti Airtel	Communication Services	4.9
5. Asian Paints	Materials	4.3
6. ICICI Bank	Financials	4.2
7. HDFC Asset Management	Financials	3.5
8. Muthoot Finance	Financials	3.5
9. Navin Fluorine International	Materials	3.3
10. Cipla	Health Care	3.0
Total		44.7%

Market Cap Classification (as at 30 April 2020)

Market Cap	Portfolio End Weight (%)	MSCI India IMI (%)
Large Cap	60.0%	80.0%
Mid Cap	16.9%	15.0%
Small Cap	20.7%	5.0%
Cash	2.5%	-
Total	100.0%	100.0%

Large cap > £3.6bn; Mid cap = £3.6bn - £0.9bn; Small cap < £0.9bn

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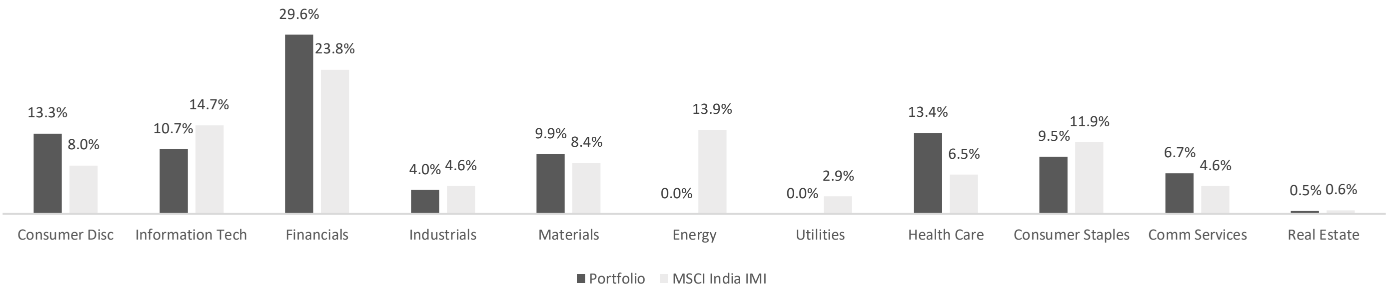
Sector Exposure



Top 5 Contributors and Detractors (April 2020)

Contributors	Ending Weight (%)	Total Return (%)	Contribution to Return (bps)
Muthoot Finance	3.5	+39.3	+106
Cipla	3.0	+38.1	+95
Infosys	5.6	+10.5	+82
Navin Fluorine International	3.3	+27.5	+78
HDFC Bank	6.0	+15.1	+74

Detractors	Ending Weight (%)	Total Return (%)	Contribution to Return (bps)
Orient Electric	1.9	-7.0	-32
Multi Commodity Exch India	1.2	-6.0	-16
Phoenix Mills	0.5	-5.9	-11
Bajaj Finance	1.7	+3.6	-8
Trent	2.5	+3.3	-8

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Market Review

MSCI India IMI index was up 14.4% outperforming global markets during April. US equities (S&P 500) were up 11.1%, MSCI World up 9.3%, and MSCI EM up 7.6% In GBP terms.

Foreign Portfolio Investor selling declined to almost zero during the month (sold US$0.03bn) keeping the total year-to-date outflows at US$6.6bn. Crude oil prices increased by 9.5% and INR depreciated by -0.6%.

Among sectors, healthcare and energy outperformed while consumer staples and utilities underperformed during the month. Energy's outperformance was underpinned by Reliance Industries (+30.0%) driven by Facebook's $5.8 bn investment in Reliance's Jio Platforms for a 9.9% stake.

Performance Review

The fund was up 13.0% in April, underperforming the benchmark by -141bps. The key contributors include Muthoot Finance (+39.3%), Cipla (+38.1%), and Infosys (+10.5%) whereas some of the main underperformers were Orient Electric (-7.0%), Multi Commodity Exchange (-6.0%), and Phoenix Mills (-5.9%).

Year-to-date the fund is down -7.5%, outperforming the benchmark by +917bps. The key contributors include Nestle India (+21.0%), Navin Fluorine (+56.4%), and Muthoot Finance (+16.4%) whereas some of the main detractors were Bajaj Finserv (-45.7%), Bajaj Finance (-45.2%), and HDFC Asset Management (-21.1%).

Portfolio Update

In the March quarterly newsletter we discussed the potential impact of the pandemic on portfolio exposures across sectors. This month we take a closer look at the composition of the portfolio holdings in the financial sector.

Exhibit: Break-down of investments in Financials

	% of Portfolio	% of Benchmark
Lending businesses		
Banks	11.0%	9.3%
NBFCs	8.6%	10.5%
Total: Lending businesses	19.6%	19.8%
Non-lending businesses		
Insurance	4.5%	3.0%
Asset managers, exchanges	5.5%	0.5%
Others	0.0%	0.5%
Total: Non-lending business	10.0%	4.0%
Total: Financials	**29.6%**	**23.8%**

Financials constitute 29.6% weight in the portfolio which can be broken down into two broad sub-categories: lending and non-lending businesses, as shown in the table above. Lending businesses can be further bifurcated into Banks and Non-Banking Financial Companies (NBFCs).

We believe that lenders with strong liability franchise, robust risk management practices and high capital adequacy would be well positioned through, and post, the current challenging environment. The largest portfolio holdings amongst banks are HDFC Bank (6.0%) and ICICI Bank (4.2%). We believe these banks have the strongest liability franchises amongst the private sector banks and together they constitute most of our investment in the banking sector.

Amongst NBFCs our portfolio owns Muthoot Finance (3.5%) which is India's largest gold finance company with an extensive network of over 4,500 branches. In the current environment, the proportion of collateralized lending and the quality of collateral would be an important variable in determining credit losses for any lending company. In this respect Muthoot's gold lending business outshines everyone else with a secured book collateralized by gold at a comfortable LTV (loan to value) of 70% at origination and 60% at the current book on average. The highly liquid nature of the collateral, and the fact that it always remains in Muthoot's possession, has resulted in negligible credit costs through cycles historically – an attribute that we expect to be maintained through the current downcycle as well. Bajaj Finance (1.7%) and Bajaj Finserv (3.0%) make up most of the remaining investment in NBFCs. We continue to believe that Bajaj Finance remains one of the best managed financial companies, but in the current crisis is likely to face elevated credit costs due to higher levels of unsecured lending in the asset mix. Bajaj Finserv derives half its value from Bajaj Finance, and the remaining half from Bajaj General Insurance and Bajaj Life Insurance. Bajaj General Insurance is amongst the leaders in the private general insurance industry along with ICICI Lombard.

Within the non-lending businesses, comprising 10.0% weight, the investments are spread across HDFC Life Insurance (2.5%), ICICI Lombard General Insurance (2.0%), HDFC Asset Management Company (3.5%) and MCX (1.2%). The insurance companies in the portfolio are leaders in their respective verticals and are very well placed to capitalize on the tailwinds likely to prevail in the post-pandemic era in a vastly underinsured country. HDFC Asset Management Company is not only the second largest asset manager in the country but also commands unparalleled trust from mutual fund investors, making it one of the key beneficiaries of increasing financialization of household savings, a trend that we believe is likely to accelerate post the pandemic. MCX is India's dominant commodity exchange with most of its revenues generated from commodities where it commands 90-100% market share of domestic trading volumes.