

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: | 192.73p |
| Share price: | 197.00p |
| (Discount)/Premium: | 2.2% |
| Number of investments: | 80 |
| Total net assets: | £195.22 million |
| Active share: | 75.4% |
| Launch date: | 06 July, 2018 |
| On-going charges ratio ⁶ : | 0.32% 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 : | £4.33 billion |

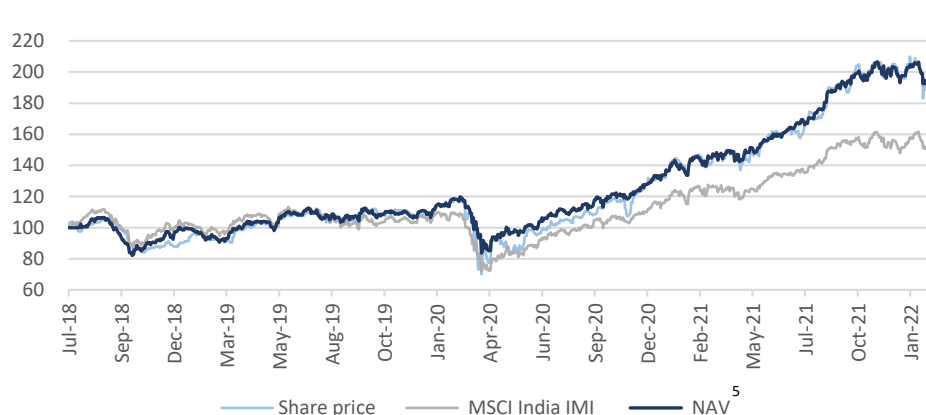
Fees & charges

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

Investment Performance²

| Growth | Jan 2022 | 2021 | 2020 | 2019 | Since IPO* | Since 31-July-18 ³ |
|--------------------|----------|-----------|-----------|----------|------------|-------------------------------|
| AIE NAV | -3.1% | 48.6% | 26.0% | 8.8% | 96.7% | 94.1% |
| MSCI India IMI | -0.9% | 31.7% | 12.6% | 1.3% | 53.5% | 42.9% |
| NAV Outperformance | -223 bps | +1688 bps | +1333 bps | +744 bps | +4316 bps | +5121 bps |
| Share Price | -3.9% | 49.6% | 26.3% | 18.9% | 97.0% | 95.1% |
| Currency (INR/GBP) | -0.3% | -0.5% | -6.4% | -5.3% | -9.5% | -10.5% |

*Since IPO: 06 July 2018 - 31 January 2022

Performance since launch (GBP)²

Top 10 Holdings (as at 31 January 2022)

| Holdings | GICS Sector | % of AUM |
|-----------------------------|------------------------|----------|
| 1. ICICI Bank | Financials | 5.8 |
| 2. Laxmi Organic Industries | Materials | 5.8 |
| 3. Infosys | Information Technology | 4.4 |
| 4. Asian Paints | Materials | 3.3 |
| 5. Mphasis | Information Technology | 3.3 |
| 6. Axis Bank | Financials | 3.0 |
| 7. Persistent Systems | Information Technology | 2.8 |
| 8. Titan | Consumer Discretionary | 2.8 |
| 9. HDFC Bank | Financials | 2.8 |
| 10. Nestle India | Consumer Staples | 2.5 |
| Total | | 36.4% |

Market Cap Classification (as at 31 January 2022)

| Market Cap | Portfolio End Weight (%) | MSCI India IMI (%) |
|------------|--------------------------|--------------------|
| Large Cap | 41.4% | 76.0% |
| Mid Cap | 20.4% | 15.7% |
| Small Cap | 32.3% | 8.4% |
| Cash | 5.9% | - |
| Total | 100.0% | 100.0% |

Classification as per Securities and Exchange Board of India (SEBI) guidelines.

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).

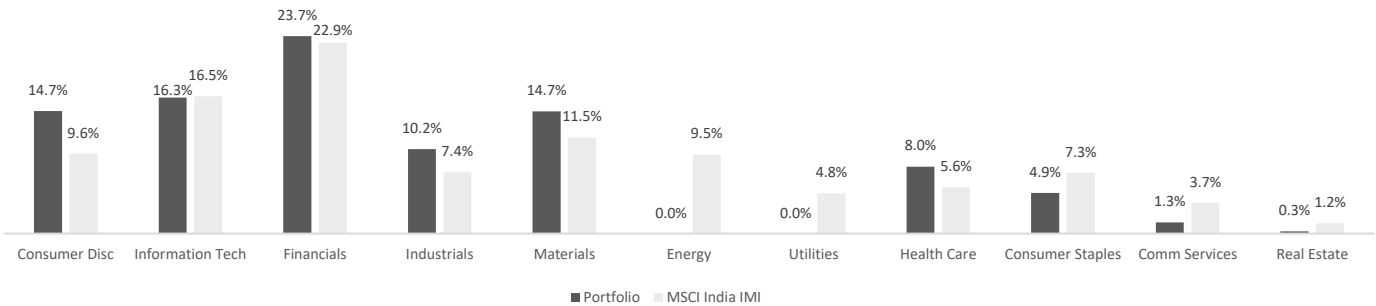
⁵ The beginning NAV of 98 has been rebased to 100 for comparison with the benchmark and share price.

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

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Sector Exposure



Top 5 Contributors and Detractors (January 2022)

| Contributors | Ending Weight (%) | Total Return (%) | Contribution to Return (bps) |
|--------------------------|-------------------|------------------|------------------------------|
| Axis Bank | 3.0 | +14.6 | +35 |
| ICICI Bank | 5.8 | +7.2 | +35 |
| Cholamandalam Investment | 2.0 | +21.6 | +32 |
| Maruti Suzuki India | 1.8 | +16.4 | +12 |
| Laxmi Organic Industries | 5.8 | +1.3 | +7 |

| Detractors | Ending Weight (%) | Total Return (%) | Contribution to Return (bps) |
|-----------------------|-------------------|------------------|------------------------------|
| Truecaller AB | 1.2 | -36.2 | -61 |
| Coforge | 2.4 | -17.8 | -53 |
| Dixon Technologies | 1.9 | -19.6 | -44 |
| Metropolis Healthcare | 1.1 | -26.6 | -37 |
| Infosys | 4.4 | -7.5 | -34 |

Performance Review

The Fund was down 3.1% in January, underperforming the benchmark by -223bps. The key contributors include Axis Bank (+14.6%), ICICI Bank (+7.2%), and Cholamandalam Investment (+21.6%) whereas Truecaller (-36.2%), Coforge (-17.8%), and Dixon Technologies (-19.6%) were the key detractors.

Market Review

In January, MSCI India IMI index was down 0.9%, outperforming other global indices. US equities (S&P 500) were down 4.5%, MSCI World was down 4.6%, and MSCI EM was down 1.2%.

FIIs were net sellers to the tune of US\$4.8bn in January 2022. For the month, the Rupee depreciated by 0.3% while the benchmark 10-year G-Sec yields hardened from 6.4% to 6.7%. Commodities surged, with Brent up 18% and the S&P GSCI Industrial Metals Index up by 3.3%.

Among sectors, utilities and financials outperformed, whereas health care and information technology underperformed during the month.

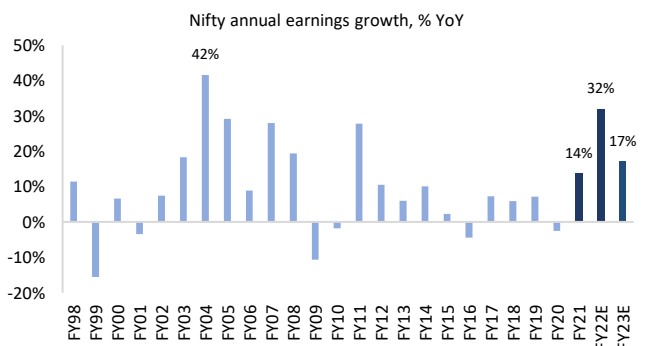
The 3QFY22 earnings season is proceeding inline with consensus estimates. Companies in the consumer staples and durables sectors continue to report steep input cost inflation, which has been partially passed through to consumers with the remaining expected over the coming months. As has been the case in the previous quarters as well, companies in our portfolio which tend to be market leaders are better

positioned to navigate through such cost inflation and continue to report market share gain from the weaker peers.

Among other sectors, IT Services companies continue to report robust revenue growth in the backdrop of a strong global demand environment, despite December quarter being seasonally weak. Meanwhile, the management commentary from leading private sector banks was consistent in highlighting stronger credit growth and improving asset quality trends.

Within the Nifty universe, there have been marginal downgrades in some sectors although it is unlikely to dent the strong momentum after a decade of near stagnation in earnings growth. As per consensus estimates, Nifty earnings are expected to grow by 32% for FY22 and 17% for FY23.

On track to achieve the highest earnings growth since FY04



Source: White Oak, Bloomberg

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The Union Budget presented on 1st Feb should be seen as a continuation of last year's budget, which was universally hailed as a pro-growth and pro-reforms budget. The government has sought to support the ongoing recovery process through capacity building and supply side measures. Besides a general thrust on public capex, there is a particular emphasis on strengthening multi-modal logistics, building digital ecosystems and sustainable energy infrastructure.

Despite a third Covid wave with daily cases crossing 300,000, high-frequency indicators such as indirect tax receipts, E-way bill generation and railway freight data continue to witness positive momentum. With vaccinations for the 15-18 years age-group also likely to be completed by mid March, it is expected that economic normalization will gather pace driven by relaxations for contact intensive sectors.

Important Information

This document has been issued for information purposes only. It does not contain any advice, investment recommendations or any offer, invitation or inducement to invest in the Company. Investors should seek advice from an authorised financial adviser prior to making investment decisions.

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. Changes in the exchange rates between currencies may cause the value of investments to fluctuate. Investments in shares of smaller companies are generally considered to carry a higher degree of risk as the market for their shares may be less liquid than that for shares of larger companies, making shares of smaller companies more difficult to buy and sell.

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.

An investment trust is a public limited company, the shares of which are traded on the main market of the London Stock Exchange. Accordingly, the ability of shareholders to sell their shares will be dependent on the market price of the shares. The shares may trade at a discount or premium to their net asset value. Investment trusts may borrow money in order to make further investments. This is known as gearing. The effect of gearing can enhance returns to shareholders in rising markets but will have the opposite effect on returns in falling markets.

White Oak Capital Management Consultants LLP (India) does not provide retail investors with investment advice.