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:	108.79p
Share price:	109.00p
(Discount)/ Premium:	0.2%
Number of investments:	42
Total net assets:	£55.4 million
Active share:	89.0%
Launch date:	06 July, 2018
On-going charges ratio:	1.2%
Gearing:	0%
Discount Control:	Annual redemption facility at or close to NAV
Investment Advisor:	White Oak Capital Management Consultants LLP (India)
Firmwide AUM[4]:	£975.9 million

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)

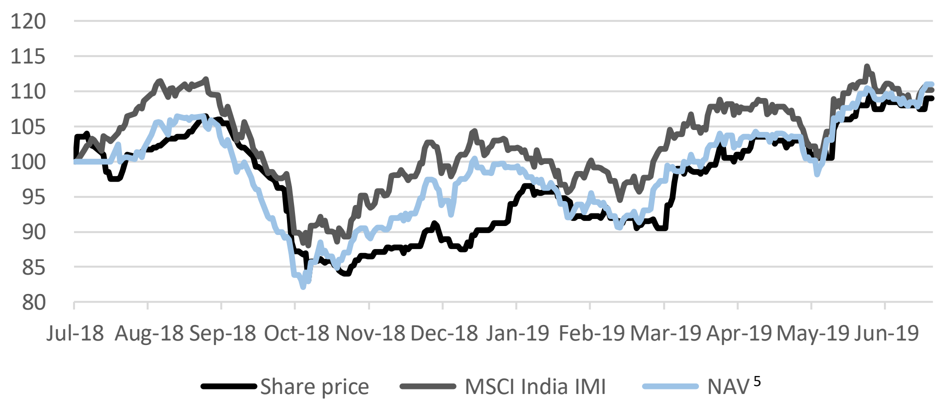
[5] The beginning NAV of 98 has been rebased to 100 for comparison with the benchmark and share price.

Investment Performance[2]

Growth	June 19	YTD 19	Q2CY19	Q1CY19	Since IPO*	Since 31-July-18[3]
AIE NAV	1.3%	11.4%	8.4%	2.7%	11.0%	9.5%
MSCI India IMI	-1.1%	6.9%	2.5%	4.4%	10.1%	2.5%
NAV Outperformance	+240 bps	+444 bps	+599 bps	-166 bps	+87 bps	+704 bps
Share Price	0.9%	19.5%	9.5%	9.0%	9.0%	8.0%
Currency (INR/GBP)	0.8%	1.4%	3.6%	-2.1%	4.3%	3.1%

*Since IPO: 06 July - 30 June 2019

Performance since launch (GBp)[2]



Top 10 Holdings (as at 30 June 2019)

Holdings	GICS Sector	% of AUM
1. Axis Bank	Financials	9.5
2. Bajaj Finance	Financials	9.2
3. HDFC Bank	Financials	8.5
4. L&T Technology Services	Industrials	7.3
5. NIIT Technologies	Information Technology	5.6
6. HDFC Asset Management	Financials	3.8
7. Larsen & Toubro Infotech	Information Technology	3.6
8. Bajaj Finserv	Financials	3.5
9. Intellect Design Arena	Information Technology	3.0
10. Nestle India	Consumer Staples	3.0
Total		57.0%

Market Cap Classification (as at 30 June 2019)

Market Cap	Portfolio End Weight (%)	MSCI India IMI (%)
Large Cap	42.7%	80.0%
Mid Cap	33.5%	15.0%
Small Cap	22.0%	5.0%
Cash	1.8%	-
Total	100.0%	100.0%

Large cap > £3.7bn; Mid cap = £3.7bn - £0.9bn; Small cap < £0.9bn

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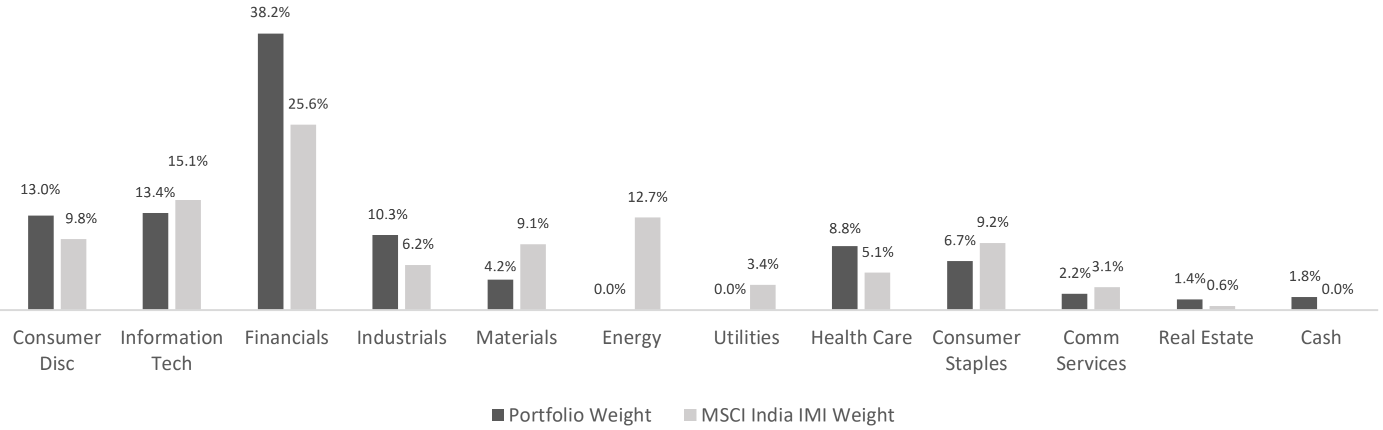
Sector Exposure (as at 30 June 2019)



Top 5 Contributors and Detractors (Q2 2019)

Contributors	Ending Weight (%)	Total Return (%)	Contribution to Return (bps)
Bajaj Finance	9.2	+25.0	+212
HDFC Asset Management	3.8	+38.1	+112
L&T Technology Services	7.3	+14.1	+104
Intellect Design Arena	3.0	+34.2	+95
Bajaj Finserv	3.5	+24.5	+83

Detractors	Ending Weight (%)	Total Return (%)	Contribution to Return (bps)
Delta Corp	1.1	-31.0	-84
Jyothy Laboratories	1.7	-10.8	-23
Godrej Industries	1.0	-7.3	-18
Ajanta Pharma	2.1	-5.1	-14
IPCA Laboratories	2.0	-4.0	-13

Market Review:

Post a strong Q1, most global equities continued their upward trend in Q2 2019. Global equities ended the second quarter with US equities (S&P 500) returning 6.6% followed by developed markets (MSCI World) at 6.4%, emerging markets (MSCI EM) at 3.0%, and Asia (MSCI AC Asia ex-Japan) at 1.7% in GBP terms.

Foreign Portfolio Investors purchased £2.6bn worth of Indian equities in Q2 2019. Crude oil prices declined by 2.7% and the Indian rupee appreciated by 3.6% versus the sterling during the quarter.

Among the sectors, Industrials, Financials and Information Technology outperformed while Healthcare and Consumer Discretionary underperformed in Q2 2019.

Performance Review:

In the month of June, the fund delivered 1.3%, outperforming the MSCI India IMI Index by 240bps. For the quarter ending June, the fund delivered 8.4%,

Performance Review (cont.):

outperforming the MSCI India IMI Index by 599bps. The key contributors to Q2 performance were Bajaj Finance (+25.0%), HDFC Asset Management (+38.1%), and L&T Technology Services (+14.1%) whereas key detractors were Delta Corp (-31.0%), Jyothy Industries (-10.8%), and Godrej Industries (-7.3%).

Key Contributors Q2 2019:

Bajaj Finance is a leading deposit-taking Non-Banking Financial Services (NBFC) company in India lending across consumer, SME, commercial, rural and mortgage segments, primarily catering to mass affluent customers. The company is run by a very capable management team, led by the CEO Mr. Rajiv Jain. The company showed solid performance in an otherwise challenging quarter for the industry, demonstrating prudent balance sheet management and a healthy customer base. Bajaj Finance has a long runway for growth on the back of new customer additions as well as cross-selling, led by continued strong execution by the management.

Key Contributors Q2 2019 (cont.):

HDFC Asset Management Company (HDFC AMC) is the largest asset management company (AMC) in India with industry leading profitability metrics. During the quarter HDFC AMC continued to gain market share, particularly in the debt mutual funds category, and delivered better than expected performance despite headwinds due to regulatory cuts in total expense ratio. It also benefitted from the shadow banking crisis which led to redemptions from Tier II AMCs.

L&T Technology Services (LTTS) is one of the best Engineering R&D Services companies globally and counts 51 out of the top 100 R&D spenders as its customers. The company is expected to deliver strong revenue growth for the next few years led by a multi-vertical and regional strategy, global design centres, new technologies, non-linear revenues, top account mining, and selective acquisitions. LTTS' stock price has performed well during Q2 and we continue to like LTTS for its strong capabilities across its operating verticals as well as its focused and experienced management team that is expected to sustain industry leading profitable growth.

Key Detractors Q2 2019:

Delta Corp is India's dominant gaming company with over 50% market share and operates 6 out of 15 casinos in India. The gaming industry is still at a very nascent stage in India and presents a long runway for growth for a dominant industry leader. The stock price declined partly due to media articles about higher GST taxes on the gaming industry than currently being paid. Secondly, Q2 also saw flat gaming revenues due to lower effective vessel operating days on account of scheduled maintenance.

Jyothy Laboratories is an FMCG company with a strong portfolio in fabric care, dishwashing, household insecticides and personal care segments. It has a dominant 71% market share in fabric whiteners and is the second largest player in the dish washing segment along with a niche presence in premium laundry and soaps. The market in India is fragmented with roughly half the market being dominated by unbranded, unpackaged, home-made products, operating mostly in the rural markets and this presents a long-term structural opportunity for Jyothy to gain market share. The company's stock price declined due to soft earnings in the previous quarter.

Key Detractors Q2 2019 (cont.):

Ajanta Pharma is a specialty pharmaceutical company engaged in the business of manufacturing formulations and finished dosages in branded generics. The company has presence in Africa, India, USA and South East Asia. Backed by strong R&D, Ajanta has grown by introducing first-to-file products in its focus markets and delivered industry leading margins and returns on capital. While the Q4 results were ahead of expectations, the stock price declined due to general weakness in the pharmaceuticals sector.

Investment Outlook:

In our opinion, the opportunity for sizeable magnitude of alpha has always been and continues to remain the most attractive aspect of the investment case for India. From this perspective the outlook remains as positive as in the years past. Having said that, there are several factors that might be worth considering as investors formulate their view of the market.

The re-election of the BJP led NDA government for the second term provides a positive backdrop for business sentiment by removing the uncertainty associated with a weak coalition government. Going ahead, there is an increased likelihood of further structural reforms over the coming years in continuation of what we have seen over the preceding years. With the current electoral math, it is expected that in a couple of years NDA is likely to get a majority in the upper house of the Parliament as well which will better position it to pursue difficult, long pending reforms.

Over the past few months, signs of moderation in growth have emerged in certain pockets of the economy. Automobiles and rural consumption have in particular seen softness in demand partly due to reduced lending activity on account of liquidity constraints faced by many NBFCs, as well as weak rural income growth. A delayed onset of monsoons has not helped either, though July has seen some catch-up in rainfall. If the demand weakness persists beyond a few months, it may lead to a reduction in earnings estimates over the coming quarters. Coming into fiscal 2020, what started as a 20% consensus estimate could see expectations moderate to low-to-mid teens as the year progresses, continuing the downward revision – a trend that has persisted for nearly a decade now. However,

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Investment Outlook (cont.):

it would still represent one of the fastest growth in a long time given the mid-single digit earnings growth that corporate India has experienced during the last ten years.

One of the factors that is contributing to such growth is normalization of profitability for corporate lenders - both government owned and private. Return on equity of several corporate lenders had collapsed from mid-teens to low single digits over the last few years due to rising bad debt and related write-offs. This represented a material headwind to reported earnings growth even at the aggregate level. With the implementation of the Insolvency and Bankruptcy Code and the resultant resolution of several non-performing assets, debt quality problems at corporate banks are rapidly improving with each passing quarter. While the corporate banking sector may represent a modest part of the overall market, the sharp recovery in this segment is expected to contribute approximately ten percentage points to the overall earnings growth.

Amongst the near-term risks, the second half of fiscal 2019 saw tightening of liquidity within the non-banking financials space, triggered by defaults from a large quasi-government NBFC. The rapid growth witnessed in the segment over the past few years has slowed down as the weaker NBFCs in the system face liquidity and solvency challenges. While the overall situation looks to be under control at present, any

Investment Outlook (cont.):

potential contagion effects on the broader system remains a risk to be monitored over the coming months.

The newly elected government presented its first budget earlier this month. There are several positive aspects to the budget in furtherance to the government's pro-reform bias of the last five years. But at the same time, similar to the last five years, this budget as well has sought to increase several taxes and has introduced yet new ones. While increasing taxes have helped the government manage fiscal balance over the past years, such frequent hikes may fuel rising "tax expectations". Akin to rising "inflation expectations", this may dampen business and investor sentiment in the country.

Another prevailing risk relates to the ongoing global trade tensions, though India remains relatively more insulated given that it is predominantly a domestic driven economy unlike China and most other emerging markets.

On the macro front, most indicators continue to remain stable. CPI inflation has been at the lower end of the historical range. Fiscal and current account deficits are at manageable levels. This benign macroeconomic environment allows the Central Bank room to stay accommodative, if required, to support economic growth or ease liquidity constraints.