



## Ashoka India Equity Investment Trust PLC

Morningstar Rating™

www.ashokaindiaequity.com

**Investment Objective**

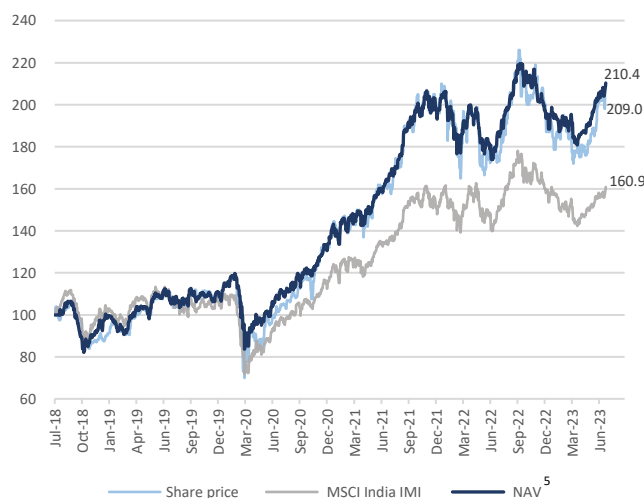
To achieve long-term capital appreciation, mainly through investment in securities listed in India and listed securities of companies with a significant presence in India.

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

Ticker:	AIE
ISIN:	GB00BF50VS41
Reference Benchmark:	MSCI India IMI <sup>1</sup>
NAV:	206.15p
Share price:	209.00p
(Discount)/Premium:	1.4%
Number of investments:	91
Total net assets:	£232.55 million
Active share:	76.1%
Launch date:	6 July, 2018
On-going charges ratio <sup>6</sup> :	0.46% 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>7</sup> :	£4.7 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>	June 2023	Q2 2023	YTD 2023	June				2022	2021	2020	2019	Since 31-Jul-2018 <sup>3</sup>	Since IPO*	Annualised since IPO
				2022-2023	2021-2022	2020-2021	2019-2020							
AIE NAV (£)	3.6%	14.1%	7.6%	18.3%	9.6%	52.6%	-4.3%	-3.7%	48.6%	26.0%	8.8%	107.6%	110.4%	16.1%
MSCI India IMI	3.0%	11.0%	1.7%	11.8%	7.2%	45.1%	-16.0%	2.1%	31.7%	12.6%	1.3%	49.7%	60.9%	10.0%
NAV Outperformance (bps)	+61	+306	+585	+656	+240	+746	+1175	-578	+1688	+1333	+744	+5786	+4947	+607
Share Price	9.1%	15.2%	8.9%	19.4%	7.7%	65.0%	-9.6%	-6.3%	49.6%	26.3%	18.9%	107.0%	109.0%	15.9%
Currency (INR/GBP)	-1.1%	-1.6%	-3.6%	-7.3%	7.3%	-10.0%	-5.8%	0.6%	-0.5%	-6.4%	-5.3%	-13.0%	-12.0%	-2.5%

Source : Bloomberg, Factset. Note: Past performance does not predict future returns. \*Since IPO: 06 July 2018 - 30 June 2023

Top 10 holdings (as at June 30, 2023)	GICS Sector	% of AUM
1. ICICI Bank	Financials	6.1
2. Cholamandalam Investment and Finance	Financials	4.5
3. Kaynes Technology India	Information Technology	3.2
4. Titan	Consumer Discretionary	3.1
5. Avalon Technologies	Information Technology	3.1
6. Coforge	Information Technology	2.7
7. Nestle India	Consumer Staples	2.6
8. Maruti Suzuki India	Consumer Discretionary	2.6
9. HDFC Bank	Financials	2.4
10. Tega Industries	Industrials	2.2

**Total****32.5%**

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 A rated by Citywire for his rolling 3-year risk-adjusted performance, for the period ending 31<sup>st</sup> May 2023



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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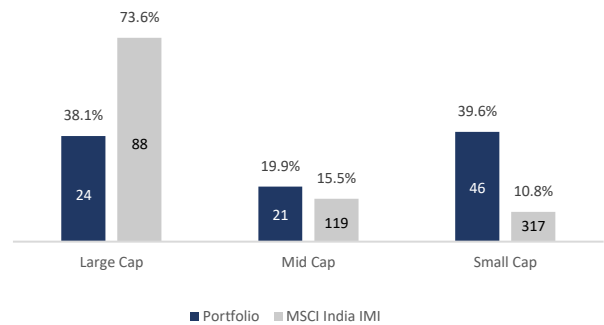
## Q2 2023: Key Contributors and Detractors

Key Contributors	Ending Weight (%)	Total Return (%)	Contribution to Returns (bps)
Kaynes Technology	3.3	+52.3	+194
Cholamandalam Inv.	4.5	+46.1	+176
Tega Industries	2.2	+34.9	+62
Avalon Technologies	3.1	+25.9	+61
Coforge	2.7	+20.9	+56

Key Detractors	Ending Weight (%)	Total Return (%)	Contribution to Returns (bps)
Infosys	1.6	-7.7	-55
MCX	0.7	-3.6	-4
Campus Activewear	0.4	-9.4	-3
KNR Constructions	0.2	-7.1	-2
Truecaller	0.2	-9.3	-2

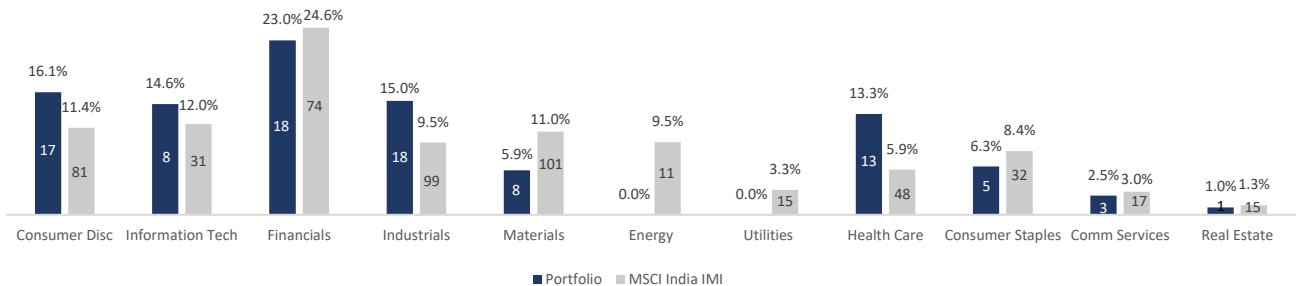
Source: Factset. Past performance does not predict future returns

## 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 Q2 2023, the MSCI India IMI index was up 11.0%. It outperformed other global indices like US equities (S&P 500) and MSCI World, which were up 5.5% and 3.7%, respectively, and MSCI EM which was down -2.0%.

In Q2 2023, Foreign Institutional investors (FIIs) were net buyers to the tune of US\$12.2bn, while net buying by domestic institutional investors (DIIs) was US\$0.4bn. For the quarter, the Rupee appreciated by 0.2% while the 10-year G-Sec yields softened from 7.3% to 7.1%. Commodities were down, with Brent and S&P GSCI Industrial Metals Index declining by 9.0% and 12.4%, respectively.

For the quarter, Real Estate, Consumer Discretionary, and Industrials outperformed, while Information Technology, Utilities and Energy underperformed. Large caps have underperformed mid and small caps this quarter, while State-owned entities outperformed their private peers.

## Performance Review

The Fund was up 14.1% in Q2 2023, outperforming the benchmark by 306bps. The key contributors include Kaynes Technology (+52.3%), Cholamandalam Inv (+46.1%), and Tega Industries (+34.9%), whereas Infosys (-7.7%), MCX (-3.6%), and Campus Activewear (-9.4%) were the key detractors.

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## Key Contributors

**Kaynes Technology** is a fully integrated electronic manufacturing service company with end-to-end operations delivering component assemblies and box-build solutions. It provides value-added electronics manufacturing services and original design manufacturing solutions. The company holds long-term relationships with multiple customers diversified across verticals like automotive, industrial, and railways, thereby limiting the impact of downturn associated with a particular vertical. The recent outperformance was led by continued strong operating results driven by new customer additions across verticals and increased wallet share within existing customers.

**Cholamandalam Investment and Finance (CIFIC)** is a non-banking financial company (NBFC) belonging to the Murugappa Group. It primarily operates in vehicle finance, home equity, and affordable home loan categories. In terms of customer profile, it caters predominantly to single truck owners and small fleet owners, self-employed non-professionals, and MSME businesses in semi-urban and rural India. CIFIC's strength lies in its ability to reach such customers in rural and semi-urban markets and underwrite and collect from customers whose income streams are relatively less predictable. The Vehicle Finance business is in an upcycle after a period of weak demand in the last couple of years. Apart from briskly scaling up its housing finance business, which on a low base could grow upwards of 25% in the coming years, CIFIC has also made progress in three new segments viz Consumer & Small Enterprise Loan (CSEL), Secured Business & Personal Loan (SBPL) and SME Loan (SME) business. The stock outperformed as the company continued to deliver sector leading return ratios despite being in the investment phase for the new lines of businesses. We expect CIFIC to report healthy growth in profitability over the medium term.

**Tega Industries** is a leading manufacturer and distributor of specialized, critical, and recurring consumable products for the global mineral beneficiation and mining industry. Tega Industries is the second-largest producer of polymer-based mill liners globally. Tega operates manufacturing facilities in India, which enables them to leverage low-cost production and outside India in key mining geographies like Chile, and South Africa to serve the regional mineral processing market. Tega enjoys strong customer loyalty, as 75% of its business comes from repeat customers. Tega has recently acquired a company in the equipment space, allowing them to provide bundled solutions (mine to mill liners) to new and existing customers. The company also reported operating solid performance in the last quarter. These reasons contributed to the outperformance of the stock.

## Key Detractors

**Infosys** is India's second-largest IT services company. It has a strong global presence, including the key markets of North America and Europe and a high-quality customer portfolio. Banking and Financial Services (BFSI) is the largest vertical, contributing approximately 30% of overall revenues. The company expects strong demand in retail banking, commercial banking, payments and wealth management segments leading to robust growth in the vertical, with better win rates and a healthy deal pipeline being the key lead indicators. However, the recent slowdown in overall tech spending and aggressive cuts to discretionary spending led to a weak Q4FY23 for Infosys. A muted quarter and a moderate 4-7% growth guidance for FY24 have led to the stock's underperformance.

**Multi-Commodity Exchange (MCX)** has a dominant (90%+) market share in the overall commodity futures market, with a 100% market share in energy (crude oil, natural gas) and base metals (copper, zinc, nickel) and a 99%+ market share in gold and silver. The commodity derivatives market in India is still at a nascent stage, is under-penetrated and presents a long runway for growth. Over the past four years since SEBI took over as a regulator, there have been significant measures to develop and deepen the commodity derivatives market. MCX has maintained its dominant market share despite stiff competition from BSE, NSE and NCDEX over the years. The company is currently changing their technology vendor, which will likely enable significant cost savings. However, due to some technical difficulties, this transition has been delayed. The above reason could have contributed to the stock's recent underperformance.

**Campus Activewear** is India's leading sports and athleisure (S&A) footwear company. The S&A footwear category presents a 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. Recent underperformance has been due to the weak operating performance over the last two quarters, owing to a slowdown in its core markets in North India. This is likely a temporary phenomenon, and the company is expected to post a rebound in growth over the coming quarters.



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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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Economic and market forecasts presented herein reflect a series of assumptions and judgments as of the date of this presentation and are subject to change without notice. Emerging markets securities may be less liquid and more volatile and are subject to a number of additional risks, including but not limited to currency fluctuations and political instability.

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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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Disclosure related to Morningstar rating:

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Compliance Code: 140720231835