



## Ashoka India Equity Investment Trust PLC

Morningstar Rating™

www.ashokaindiaequity.com

**Investment Objective**

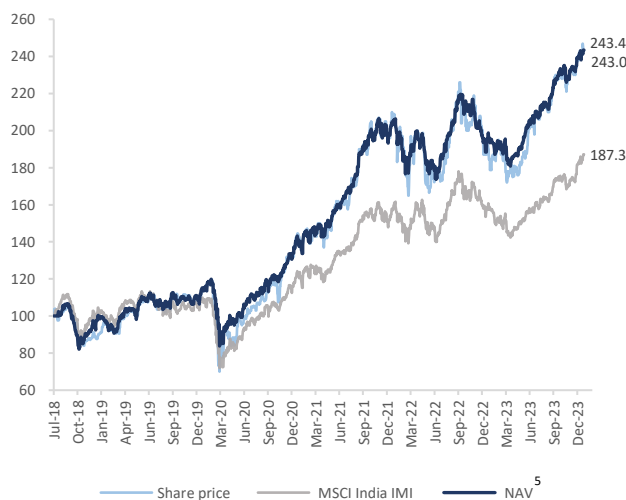
To achieve long-term capital appreciation, mainly through investment in securities listed in India and listed securities of companies with a significant presence in India.

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

Ticker:	AIE
ISIN:	GB00BF50VS41
Reference Benchmark:	MSCI India IMI <sup>1</sup>
NAV:	238.56p
Share price:	243.00p
(Discount)/Premium:	1.9%
Number of investments:	113
Total net assets:	£298.05 million
Active share:	75.1%
Launch date:	6 July, 2018
On-going charges ratio <sup>6</sup> :	0.33% 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>1</sup> :	£ 5.4 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 2023	4Q 2023	2023	2022	2021	2020	2019	Since 31-Jul-2018 <sup>3</sup>	Since IPO*	Annualised since IPO
AIE NAV (£)	4.0%	5.4%	24.5%	-3.7%	48.6%	26.0%	8.8%	140.2%	143.4%	17.6%
MSCI India IMI	6.9%	7.4%	18.4%	2.1%	31.7%	12.6%	1.3%	74.3%	87.3%	12.1%
NAV Outperformance (bps)	-294	-201	+609	-578	+1688	+1333	+744	+6596	+5617	+549
Share Price	4.1%	5.9%	26.6%	-6.3%	49.6%	26.3%	18.9%	140.7%	143.0%	17.6%
Currency (INR/GBP)	-0.2%	-4.2%	-6.0%	0.6%	-0.5%	-6.4%	-5.3%	-15.1%	-14.2%	-2.7%

Source : Bloomberg, Factset. Note: Past performance does not predict future returns. \*Since IPO: 06 July 2018 - 31 December 2023

Top 10 holdings (as at December 31, 2023)	GICS Sector	% of AUM
1. ICICI Bank	Financials	4.9
2. HDFC Bank	Financials	2.9
3. Titan	Consumer Discretionary	2.9
4. Nestle India	Consumer Staples	2.6
5. Bajaj Finserv	Financials	2.6
6. Coforge	Information Technology	2.5
7. RR Kabel	Industrials	2.4
8. Tata Consultancy Services	Information Technology	2.3
9. Info Edge India	Communication Services	1.9
10. Gopal Snacks Limited	Consumer Staples	1.8
<b>Total</b>		<b>26.8%</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.



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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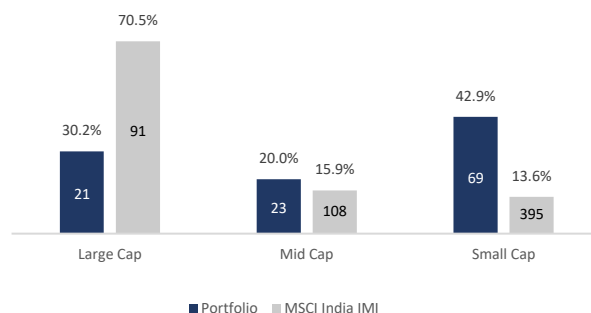
## CY 2023: Key Contributors and Detractors

Key Contributors	Ending Weight (%)	Total Return (%)	Contribution to Returns (bps)
Kaynes Technology	0.5	+193.6	+431
Cholamandalam Invest.	1.5	+63.9	+245
Safari Industries	1.4	+118.0	+181
Neuland Laboratories	1.0	+198.8	+143
Persistent Systems	1.7	+81.0	+138

Key Detractors	Ending Weight (%)	Total Return (%)	Contribution to Returns (bps)
Ambuja Cements	0.0	-29.7	-141
Infosys	0.0	-5.1	-107
Tatva Chintan Pharma	0.0	-26.3	-32
Campus Activewear	0.0	-28.2	-26
RHI Magnesita	0.5	-9.7	-21

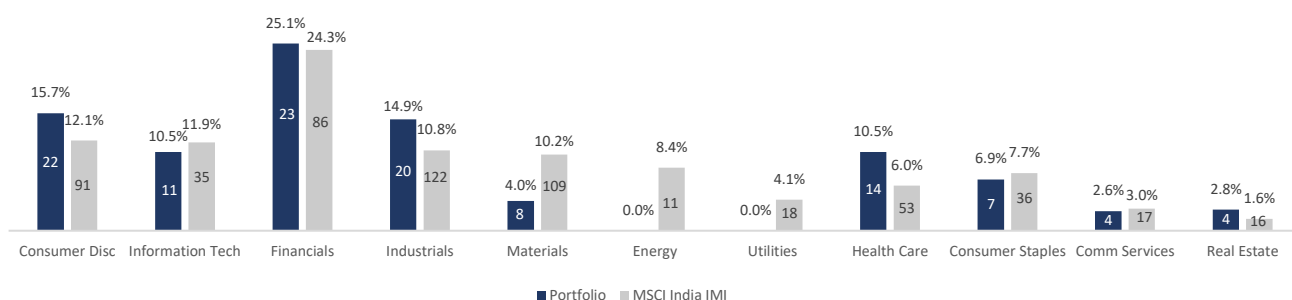
Source: Factset. Past performance does not predict future returns

## 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 2023, the MSCI India IMI index was up 18.4%. It underperformed the US equities (S&P 500), which was up 19.1% but outperformed other global indices like MSCI World and MSCI EM, which were up 17.3% and 4.1%, respectively.

In 2023, Foreign Institutional investors (FIIs) were net buyers to the tune of US\$21.4bn, while net buying by domestic institutional investors (DIIs) was US\$22.3bn. For the year, the Rupee depreciated by 6.0% vs the GBP while the 10-year G-Sec yields eased from 7.33% to 7.18%. Commodities declined, with Brent and S&P GSCI Industrial Metals Index down 15.0% and 11.2%, respectively.

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

## Performance Review

The Fund was up 24.5% in 2023, outperforming the benchmark by 609bps. The key contributors include Neuland Laboratories (+198.8%), Kaynes Technology (+193.6%), and Safari industries (+118.0%), whereas Ambuja Cements (-29.7%), Campus Activewear (-28.2%), and Tatva Chintan Pharma (-26.3%) were the key detractors.

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## Key Contributors

**Neuland Laboratories**, established in 1984, is a leading manufacturer of active pharmaceutical ingredients (APIs) and an end-to-end solutions provider for the pharmaceutical industry's chemistry needs through Custom Manufacturing Services (CMS). The company provides a complete range of solutions, from synthesizing library compounds to supplying new chemical entities and advanced intermediates at various clinical life-cycle and commercial launch stages. By its inherent nature, this segment could support a structural revenue increase over the longer term as more molecules move closer to commercialization. The stock's outperformance can be attributed to strong growth in the CMS business.

**Kaynes Technology** is a fully integrated electronics manufacturing services 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 with existing customers.

**Safari Industries** is one of the most prominent players in the luggage and luggage accessories sector. The company is predominantly present in the value segment and is constantly gaining market share from the unorganized segment, which accounts for about 40% of the market. Safari recently launched its "Urban Jungle" brand to cater to the premium segment. Safari also sells backpacks, a fast-growing category, with an even longer runway for growth, given the larger presence of the unorganized players in that category. The recent share price outperformance was likely a result of the company's strong operating performance vis-a-vis its peers.

## Key Detractors

**Ambuja** (Ambuja Cements along with its majority-owned subsidiary, ACC), is among the largest cement companies in India, with a production capacity of ~70 Mn MT. It manufactures and sells various types of cement and other related products such as aggregates, concretes, and concrete blocks and commands a premium pricing on most of the brands. The company was acquired by the Adani group in 2022. The company plans to double its capacity to 140 Mn MT in the next 5-6 years and improve its operating performance through various cost optimization initiatives. Over the last few quarters, the volume growth for the consolidated entity has been slightly below industry growth, impacted mainly due to external factors such as floods in North India. This factor could have weighed on near-term stock performance.

**Campus Activewear** is one of India's largest sports and athleisure (S&A) footwear manufacturers and is a lifestyle-oriented company that offers a diverse product portfolio. The 'Campus' brand, introduced in 2005, holds a market share of ~17%. The company had been following the traditional distribution-focused Multi Brand Outlets or MBO channel and, over time, has expanded to other direct-to-consumer (D2C) formats, including E-commerce, EBOs, and Large Format Stores (LFS). Although the company is expanding in metros and tier-1 cities at a fast pace, leveraging its newer channels, most of its sales come from tier-2 and 3 cities. Due to higher costs, there has been some slowdown in sales in tier 2 and tier 3 cities. There has also been some churn in the top management. These factors seem to have impacted the company's near-term performance.

**Tatva Chintan Pharma** (Tatva Chintan), established in 1996, is a specialty chemical manufacturer with a diverse portfolio of structure-directing agents (SDAs), phase transfer catalysts (PTCs), electrolyte salts for supercapacitor batteries (electronic chemicals) and pharmaceutical and agrochemical intermediates and other specialty chemicals (PASC). The company is a pioneer in processes such as conventional synthesis and electrolysis and in developing continuous flow chemistry with applications in green chemistry. It is the second-largest manufacturer of SDAs for zeolites globally and the largest commercial supplier in India. The company is also the largest producer of electrolyte salts for supercapacitor batteries in India. In addition, the company is the largest producers of Glymes globally. Of late, the company faced operational headwinds owing to a slowdown in global chemical markets because of inventory destocking and issues related to domestic demand for Guaicol. The recent capacity expansion in the key plants will likely lead to improved operational performance. Further, the company is exploring international tie-ups to resolve the issues related to domestic demand for Guaicol.



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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, as at Dec 2023.

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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:

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Disclosure related to Morningstar rating:

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Compliance Code: 160120241740