

# White Oak India Pioneers Equity Portfolio

Performance (%) <sup>1-9</sup>	Mar 2023	2023 YTD	2022	2021	2020	Part 2019	Inception Abs	CAGR
Portfolio	-0.5	-6.2	-6.6	34.4	34.9	6.7	69.7	14.2
S&P BSE 500 TRI	0.4	-5.7	4.8	31.6	18.4	3.5	59.5	12.4
Outperformance (bps)	-88	-52	-1137	+281	+1651	+320	+1015	+176

Other Indices								
S&P BSE 100 Largecap	0.8	-5.8	5.5	26.9	16.6	5.4	54.9	11.6
S&P BSE 150 Midcap	-1.0	-4.7	3.6	48.6	26.3	-0.3	84.9	16.7
S&P BSE 250 Smallcap	-1.3	-6.0	-1.0	59.1	27.9	-11.2	68.2	14.0

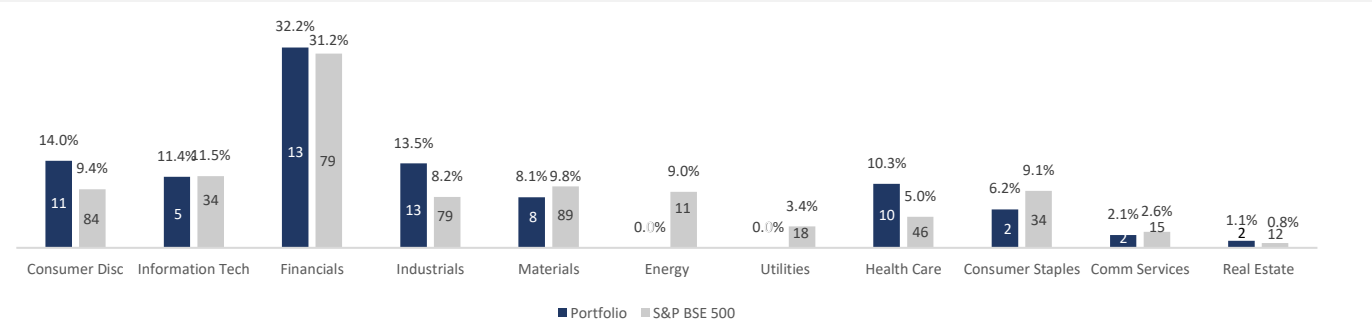
### Market Cap Attribution Since Inception (%)<sup>11</sup>

	Portfolio		Benchmark		Attribution		
	Avg Wt	Total Return	Avg Wt	Total Return	Selection Effect	Allocation Effect	Total Return
Large Cap	61.1	75.3	79.8	63.7	5.0	-1.2	3.8
Mid Cap	23.5	144.0	13.7	53.5	20.2	0.5	20.7
Small Cap	12.9	78.5	6.5	27.4	7.6	-4.4	3.2
Cash/Fut/Other	2.5	0.0	0.0	0.0	-	-	-4.7
Total	100.0	82.5	100.0	59.5	32.7	-9.8	23.0

### Sector-wise Attribution Since Inception (%)<sup>12</sup>

	Portfolio		Benchmark		Attribution		
	Avg Wt	Total Return	Avg Wt	Total Return	Selection Effect	Allocation Effect	Total Return
Comm Services	2.3	44.7	2.8	36.5	-0.6	-0.6	-1.2
Cons Disc.	13.0	60.7	8.6	53.8	0.7	0.2	0.9
Cons Staples	7.7	46.0	8.8	57.8	-0.3	-1.4	-1.7
Energy	0.0	0.0	9.7	62.9	0.0	-0.6	-0.6
Financials	31.9	64.4	31.4	34.3	10.3	0.1	10.4
Health Care	11.3	128.4	5.4	63.1	7.7	7.3	15.0
Industrials	5.9	82.6	7.0	81.9	-0.8	-0.7	-1.5
Information Tech	16.0	139.8	12.3	93.9	9.0	1.6	10.6
Materials	8.5	106.3	9.6	97.2	-2.1	-0.5	-2.6
Real Estate	0.9	103.6	0.7	49.3	0.7	-0.4	0.3
Utilities	0.0	0.0	3.6	100.4	0.0	-1.8	-1.8
Cash/Fut/Other	2.5	0.0	0.0	0.0	-	-	-4.7
Total	100.0	82.5	100.0	59.5	24.5	-1.6	23.0

### Sector Exposure<sup>9</sup>



### Top 20 Holdings & Key Contributors / Detractors

Scrip Name	Weight (%)	Scrip Name	Weight (%)
ICICI Bank	9.0	Abbott India	2.4
HDFC Bank	8.6	Persistent Systems	2.4
Nestle India	5.3	Navin Fluorine	2.0
Infosys	5.1	Bajaj Finserv	1.7
Cholamandalam Inv	4.3	Axis Bank	1.7
Larsen And Toubro	3.7	Garware Technical Fibres	1.7
Titan Company	3.3	Eicher Motors	1.7
Maruti Suzuki India	2.9	Cipla	1.6
Coforge	2.6	Asian Paints	1.5
Kotak Mahindra Bank	2.5	Astral	1.3
Total			65.4

### Investment Objective

The objective of the strategy is to achieve long term capital appreciation by primarily investing in ‘listed securities’ in India.

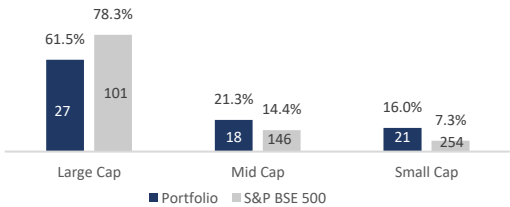
### Portfolio Facts

Structure:	Discretionary PMS
Firmwide AUM: <sup>3,5</sup>	₹ 45,470 Cr
WO India Pioneers Equity AUM: <sup>3</sup>	₹ 7,650 Cr
Minimum Investment:	INR 50 Lakhs
Benchmark:	S&P BSE 500 TR

### Portfolio Characteristics<sup>10</sup>

Wt. Av. Market Cap (INR Cr)	241,860
No. of Holdings	66
Standard Deviation (SI):	Portfolio : 19.8 / S&P BSE 500 : 19.9
Sharpe Ratio (SI):	Portfolio : 0.49 / S&P BSE 500 : 0.33
Beta (SI):	0.91
ROE (FY 23):	19.1%
PE (FY 24):	19.8
Projected Revenues (3 Yr CAGR):	14.9%
Projected Earnings (3 Yr CAGR):	16.8%

### Market Cap Classification<sup>9</sup>



Classification as per Securities and Exchange Board of India (SEBI) guidelines for Mutual Funds. Additional information on the classification methodology is available upon request.

# White Oak India Pioneers Equity Portfolio

## Performance Review

The portfolio was down 6.2% during YTD March 2023, underperforming the benchmark by -52bps. The key contributors include Persistent Systems (+19.8%), Cholamandalam Investment (+5.5%), and Nestle (+0.5%), whereas Ambuja Cements (-30.3%), Dixon Technologies (-30.8%), and Indigo Paints (-22.6%) were the key detractors.

## Market Review

During YTD March 2023, S&P BSE 500 TR index was down 5.7%. S&P BSE 100 LargeCap was down 5.8%, S&P BSE 150 MidCap down 4.7%, and S&P BSE 250 SmallCap down 6.0%.

FPIs were net buyers to the tune of US\$2.8bn during YTD Mar 2023 period, while net buying by local mutual funds was US\$6.3bn. The Rupee appreciated by 0.7% while the benchmark 10-year G-Sec yields remained steady at 7.3%. Commodities declined, with Brent down 8.4% and the S&P GSCI Industrial Metals Index was flat QoQ.

For the period, Consumer Staples, Information Technology and Healthcare outperformed, while Utilities, Communication Services and Real Estate underperformed. Large caps have underperformed mid and small caps while state owned entities (SOEs) have outperformed their private sector peers.

## YTD March 2023 Key Contributors

**Persistent Systems** is a mid-sized IT services company with deep domain expertise in healthcare, life sciences and financial services verticals, and a niche positioning in adjacent areas such as health-tech and fin-tech. The company has forged strong partnerships with leading enterprise software ecosystems such as Salesforce, Appian, and Snowflake. It also has strong capabilities in product engineering services with the likes of IBM, CISCO, Intuit and Dassault Systems as key customers. Over the years, the business has de-risked its revenue base, lowered client concentration and increased number of large accounts. The company has several levers to drive healthy cash flow growth over the next few years. The stock outperformance was backed by strong results that beat expectations on both revenue and margins. The company continues to be in a broad-based growth track with healthy new contract bookings.

**Cholamandalam Investment and Finance (CIFIC)** is a non-banking financial company (NBFC) belonging to the Murugappa Group. It primarily operates in vehicle finance (including CVs, PVs, 2W and 3Ws), home equity, and affordable home loans category. 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 its ability to underwrite and collect from customers whose income streams are relatively less predictable. The Vehicle Finance business is entering an upcycle given that demand has been weak in the last couple of years. Further, CIFIC has now started to briskly scale up its housing finance business, which on a low base could grow upwards of 25% in the coming years. The company has been scaling-up in three new areas viz Consumer & Small Enterprise Loans (CSEL), Secured Business & Personal Loans (SBPL) and SME Loans (SME) business while showcasing strong set of results.

**Nestle India** is India's largest food products company. With household brands like Maggi, KitKat, Nescafe, Cerelac, and Nan in its portfolio, it is a market leader in most categories that it operates in. Nestle is amongst the best companies in India, across sectors, on operational excellence, in its ability to create and grow categories, on return ratios and free cash flow metrics. The company's brand portfolio enjoys tremendous consumer

equity and occupies the sweet spot of 'aspirational yet affordable' positioning that very few brands enjoy. While raw material inflation worries have been weighing on the stock, Nestle has sufficient pricing power to tide over these short-term disruptions. We expect Nestle to deliver strong FCF growth in the coming years on the back of healthy revenue growth and sustained operating/FCF margins. Recent outperformance likely reflects: (a) Nestle's defensive positioning as a consumer staple stock; such names often tend to outperform in weak markets, and (b) early signs of correction in base raw materials, including agri commodities.

## YTD March 2023 Key Detractors

**Cipla** is a leading pharmaceuticals company in India and its products are distributed in more than 180 countries worldwide. It is one of the largest in the domestic formulations market, which contributes ~40% of its total revenue and is witnessing strong growth, similar to the branded generics segment. We expect Cipla to outperform the industry on the back of focused investment in the domestic business through in-licensing and improved bargaining power with distributors. It has also recalibrated its investments into its US business by increasing focus on the respiratory portfolio and reducing investments in commoditized generics. The stock underperformed as Cipla's Pithampur (Indore) facility (which contributes 5-6% of revenues) was recently inspected by USFDA and received eight observations, which could be negative in the short-term.

**Indigo Paints** is one of the fastest-growing players in the decorative paints industry, with a strong position in specific niche segments. Its revenue has grown by 39% CAGR over the last decade as the company expanded its distribution and tinting machines network. Indigo has created a portfolio of differentiated products like floor coatings which command a leadership position in brand recall and market share in several states across the country. The stock underperformed due to the uncertain nature of potential competition with the entry of a new player "Grasim" in the paints sector.

**Dixon Technologies** is an electronics manufacturing services company. It is a contract manufacturer of televisions, washing machines, smartphones, lighting, and CCTV security systems for companies such as Samsung, Xiaomi, Panasonic, and Philips. Dixon derives its revenues from two business streams - Original Equipment Manufacturing (OEM, accounting for 85% of revenues) and Original Design Manufacturing (ODM-15% of revenues). Dixon has demonstrated the ability to consistently enter and establish itself in new categories while delivering superior returns on capital. It also has a high level of backward integration and economies of scale which has led to superior cost efficiency. The stock corrected as company reported slower volume growth across a majority of segments given the increased competitive intensity in the industry.

# White Oak India Pioneers Equity Portfolio

## Notes:

(1) Performance is calculated basis time weighted rate of return method net of all fees and expenses; Individual client performance may differ. Past performance is not indicative of future results. Performance shown since April 9, 2019, as client monies were managed from this date. Performance related information provided herein is not verified by SEBI. Returns have been calculated using Time Weighted Rate of Return (TWRR) method as prescribed by SEBI (2) S&P BSE 500 Total Returns Index. CAGR : Compound Annual Growth Rate (3) All data is as of 31 March 2023. Part 2019 : From April 9, 2019 till December 31, 2019 (4) All returns and % changes are in INR terms unless otherwise stated. (5) Refers to aggregate assets under management or advisory for White Oak Capital Management Consultants LLP and WhiteOak Capital Asset Management Limited (6) Source: Bloomberg, Factset. Further details are available upon request (7) Inception Date : April 9, 2019 (8) Returns for 1 year and less than 1 year are absolute returns, while more than 1 year are CAGR. (9) The number inside the bars denote the number of companies in each classification. (10) SI : Since Inception (11) FactSet's Attribution Analysis. Performance is gross of fees, taxes and expenses. Market Cap Classification as per Securities and Exchange Board of India (SEBI) guidelines for Mutual Funds. Performance related information provided herein is not verified by SEBI. (12) Factset's Attribution Analysis: GICS Classification. (13) Source: Bloomberg, further details are available upon request. Performance is gross of fees, taxes and expenses. Performance related information provided herein is not verified by SEBI.

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