

# White Oak India Pioneers Equity Portfolio

Performance (%) <sup>1-9</sup>	June 2023	Q2 2023	2023 YTD	2022	2021	2020	2019	Inception CAGR	Abs
Portfolio	4.6	15.0	7.9	-6.6	34.4	34.9	13.3	17.6	116.1
S&P BSE 500 TRI	4.3	13.2	6.8	4.8	31.6	18.4	9.0	14.4	89.8
Outperformance (bps)	+31	+184	+114	-1137	+281	+1651	+434	+317	+2635

Other Indices									
S&P BSE 100 Largecap	3.7	11.7	5.2	5.5	26.9	16.6	11.8	12.2	72.9
S&P BSE 150 Midcap	5.9	17.6	12.1	3.6	48.6	26.3	0.9	17.7	117.4
S&P BSE 250 Smallcap	6.5	20.3	13.1	-1.0	59.1	27.9	-8.4	16.0	102.3

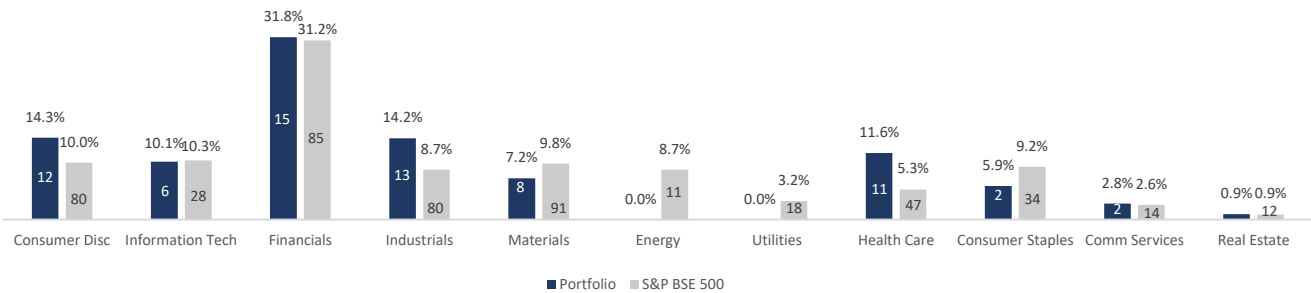
### Market Cap Attribution Since Inception (%)<sup>11</sup>

	Portfolio		Benchmark		Attribution		
	Avg Wt	Total Return	Avg Wt	Total Return	Selection Effect	Allocation Effect	Total Return
Large Cap	59.9	125.2	79.7	93.2	15.6	-1.1	14.5
Mid Cap	23.8	220.0	13.7	90.8	28.7	1.4	30.0
Small Cap	13.9	138.4	6.6	50.3	15.3	-6.7	8.6
Cash/Fut/Other	2.5	0.0	0.0	0.0	-	-	-6.2
Total	100.0	136.7	100.0	89.8	59.6	-12.7	46.9

### 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	2.5	122.6	2.7	61.3	1.4	-0.9	0.5
Cons Disc.	13.1	95.3	8.8	76.0	3.1	0.5	3.6
Cons Staples	8.1	81.4	9.0	82.0	0.7	-1.9	-1.2
Energy	0.0	0.0	9.6	83.4	0.0	0.2	0.2
Financials	32.0	131.0	31.5	78.7	17.3	-0.1	17.1
Health Care	10.5	230.8	5.3	76.4	12.2	10.0	22.2
Industrials	7.5	122.2	7.2	128.8	-2.4	-0.1	-2.4
Information Tech	14.9	159.1	12.1	102.2	11.3	2.3	13.6
Materials	8.1	221.6	9.6	116.1	1.4	-0.3	1.1
Real Estate	0.8	133.1	0.7	130.3	0.5	-0.5	0.0
Utilities	0.0	0.0	3.5	118.4	0.0	-1.6	-1.6
Cash/Fut/Other	2.5	0.0	0.0	0.0	-	-	-6.2
Total	100.0	136.7	100.0	89.8	45.4	1.5	46.9

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



### Top 20 Holdings & Key Contributors / Detractors

Scrip Name	Weight (%)	Scrip Name	Weight (%)
ICICI Bank	8.4	Kotak Mahindra Bank	2.1
HDFC Bank	7.9	Larsen And Toubro	2.0
Nestle India	4.9	Bajaj Finserv	1.8
Cholamandalam Inv	4.4	Astral	1.7
Titan Company	3.5	Grindwell Norton	1.6
Maruti Suzuki India	3.0	Garware Technical Fibres	1.6
Coforge	2.8	Infosys	1.5
Persistent Systems	2.2	Navin Fluorine	1.5
Abbott India	2.2	Info Edge India	1.5
Tata Consultancy Serv	2.2	Rainbow Childrens Med	1.5
Total			58.6

### Investment Objective

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

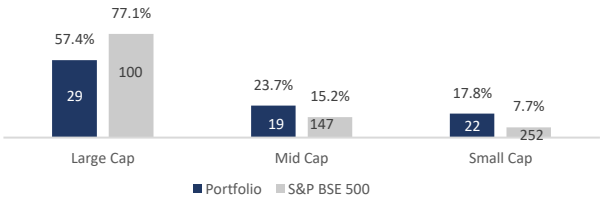
### Portfolio Facts

Structure:	Discretionary PMS
Firmwide AUM: <sup>3,5</sup>	₹ 54,170 Cr
WO India Pioneers Equity AUM: <sup>3</sup>	₹ 8,305 Cr
Minimum Investment:	INR 50 Lakhs
Benchmark:	S&P BSE 500 TR

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

Wt. Av. Market Cap (INR Cr)	253,730
No. of Holdings	70
Standard Deviation (SI):	Portfolio : 18.6 / S&P BSE 500 : 19.4
Sharpe Ratio (SI):	Portfolio : 0.62 / S&P BSE 500 : 0.44
Beta (SI):	0.89
ROE (FY 23):	18.8%
PE (FY 24):	22.1
Projected Revenues (3 Yr CAGR):	14.2%
Projected Earnings (3 Yr CAGR):	16.2%

### 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 up 15.0% in Q2 2023, outperforming the benchmark by 184bps. The key contributors include Cholamandalam Investment (+50.0%), Astral (+48.3%), and Indigo Paints (+41.7%), whereas ICICI Bank (+6.5%), MCX (-1.1%), and Abbott India (+6.1%) were the key detractors.

Year-to-date, the portfolio was up 7.9%, outperforming the benchmark by 114bps. The key contributors include Cholamandalam Investment (+58.2%), Persistent Systems (+30.2%), and Nestle (+17.4%), whereas Ambuja Cements (-18.7%), Dixon Technologies (-30.8%), and Cipla (-5.7%) were the key detractors.

## Market Review

In Q2 2023, S&P BSE 500 TR index was up 13.2%. S&P BSE 100 LargeCap was up 11.7%, S&P BSE 150 MidCap up 17.6%, and S&P BSE 250 SmallCap up 20.3%.

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 6.3% and 9.8%, 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.

## Q2 2023 Key Contributors

**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 investment phase for the new lines of businesses. We expect CIFIC to report healthy growth in profitability over the medium term.

**Astral** is one of India's largest plastic pipe manufacturing companies. Over the last few years, large organized players like Astral have gained market share from the unorganized segment. Astral was the first to introduce CPVC (Chlorinated polyvinyl chloride) pipes in India and is the market leader in this segment. It has successfully diversified into adhesives & sealants in the past and with its latest foray into water tanks, valves, sanitaryware & faucets, and paints, it has the potential to transform into a building materials major over the next five years. The company continues to post healthy growth in its core segment while investing prudently in adjacent categories. Recent outperformance was led by strong operating results.

**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. Recent outperformance can be attributed to (a) continued strong volume growth in the Indian decorative paints industry, (b) Indigo resuming its outperformance on growth, and (c) reversal in raw material prices post the sharp rise in 2022.

## Q2 2023 Key Detractors

**ICICI Bank** is one of the leading private sector banks in India. Given the under-penetration of credit, the Indian banking sector offers a long runway for growth. Well run private sector banks, like ICICI Bank, are gaining market share from poorly run government-owned banks, which account for two-thirds of the market share. The management team has been leveraging ICICI's wide distribution franchise, a new risk-based pricing approach, and digital offerings to accelerate market share and enhance the return ratios. The bank's asset quality has also remained robust. While ICICI has delivered one of its best quarterly performances in Q4FY23, there is some concern regarding the margin outlook given the increasing costs of deposits. This factor may have led to the recent under-performance.

**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 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 over the years from BSE, NSE and NCDEX. The company is currently in the process of making a change in their technology vendor, which is likely to 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.

**Abbott India Ltd** is one of the leading multinational pharmaceutical companies in India and sells its products through independent distributors. The company sells over 140 branded generic pharmaceuticals across various therapeutic segments such as women's health, gastroenterology, central nervous system (CNS), metabolic, multi-specialty (Pain management, insomnia, nutritional supplements and vitamins), vaccines, consumer health, etc., with many of its products being category leaders. The company's focus on the top-15 powers brands, many of which are underpenetrated, along with sustained momentum in new launches should support double-digit revenue growth. Expansion in field-force for greater reach along with ongoing doctor/patient engagement remains a key differentiator. Recently, there was some competition that Abbott faced in one of their larger products (Duphaston), which weighed on the near-term stock performance. However, Abbott has maintained its sales and is still the leading brand in this category.

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## 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 September 27, 2018, 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. Note: The performance reporting of the portfolio approach is revised basis SEBI Circular vide SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated December 16, 2022. Past performance is not a reliable indicator of future results. Please note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of 1) the timing of inflows and outflows of funds; and 2) differences in the portfolio composition because of restrictions and other constraints. Performance relative to other Portfolio Managers within the selected Strategy : [Click Here](#). (2) S&P BSE 500 Total Returns Index. CAGR : Compound Annual Growth Rate (3) All data is as of 30 June 2023. (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 : September 27, 2018 (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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