

# White Oak India Pioneers Equity Portfolio

Performance (%) <sup>1-9</sup>	Sep 2022	Q3 2022	YTD 2022	2021	2020	Part 2019	Inception Absolute	CAGR
Portfolio	-1.3	13.8	-6.5	34.4	34.9	6.7	81.0	18.6
S&P BSE 500 TRI	-3.2	11.3	0.4	31.6	18.4	3.5	62.1	14.9
Outperformance (bps)	+189	+244	-696	+281	+1651	+320	+1891	+370

Other Indices								
S&P BSE 100 Largecap	-3.8	10.2	0.7	26.9	16.6	5.4	56.9	13.8
S&P BSE 150 Midcap	-1.6	15.0	1.0	48.6	26.3	-0.3	89.0	20.1
S&P BSE 250 Smallcap	-0.5	15.8	-3.8	59.1	27.9	-11.2	73.9	17.2

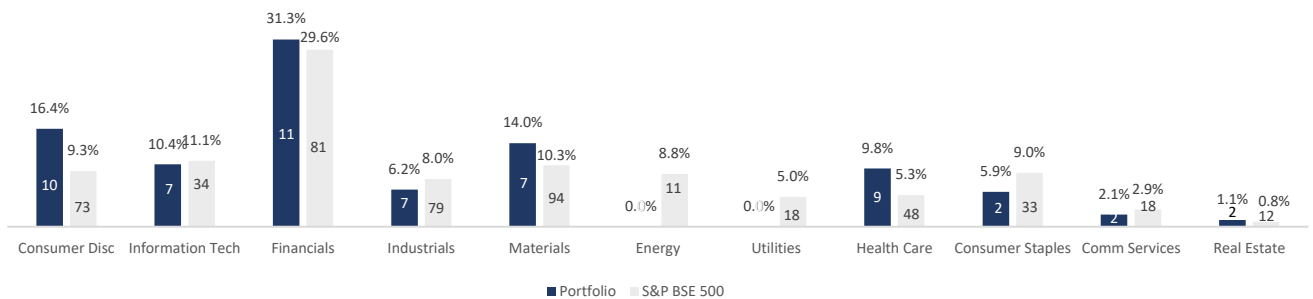
## Market Cap Attribution Since Inception (%)<sup>11</sup>

	Portfolio		Benchmark		Attribution		
	Avg Wt	Total Return	Avg Wt	Total Return	Selection Effect	Allocation Effect	Total Return
Large Cap	61.1	81.5	79.9	65.2	8.3	-1.1	7.2
Mid Cap	23.4	162.3	13.7	58.6	22.2	0.5	22.7
Small Cap	12.9	98.3	6.4	34.6	8.8	-4.0	4.9
Cash/Fut/Other	2.5	0.0	0.0	0.0	-	-	-4.7
Total	100.0	92.2	100.0	62.1	39.3	-9.2	30.1

## 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	53.4	2.8	51.8	-0.8	-0.8	-1.6
Cons Disc.	12.7	92.0	8.5	65.8	3.7	1.0	4.7
Cons Staples	8.0	43.8	8.9	55.5	-0.3	-1.2	-1.6
Energy	0.0	0.0	9.8	59.8	0.0	0.0	0.0
Financials	32.0	61.8	31.5	30.6	11.4	-0.1	11.3
Health Care	11.5	140.1	5.5	73.3	7.6	7.8	15.4
Industrials	5.4	99.7	6.9	85.3	-0.3	-0.7	-1.0
Information Tech	16.6	120.3	12.4	84.8	8.4	1.8	10.2
Materials	8.1	155.4	9.6	102.4	1.9	-0.4	1.5
Real Estate	0.8	117.4	0.7	64.4	0.6	-0.3	0.3
Utilities	0.0	0.0	3.5	187.8	0.0	-4.5	-4.5
Cash/Fut/Other	2.5	0.0	0.0	0.0	-	-	-4.7
Total	100.0	92.2	100.0	62.1	32.2	-2.1	30.1

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



## Top 20 Holdings & Key Contributors / Detractors

Scrip Name	Weight (%)	Scrip Name	Weight (%)
ICICI Bank	9.1	Bajaj Finserv	2.9
HDFC Bank	7.2	Cipla	2.9
Nestle India	5.0	Eicher Motors	2.2
Infosys	4.8	Persistent Systems	2.2
Ambuja Cements	4.5	Bajaj Finance	2.0
Titan Company	4.2	Navin Fluorine	2.0
Cholamandalam Inv	4.2	Abbott India	2.0
Asian Paints	3.3	Garware Technical Fibres	1.9
Maruti Suzuki	3.2	HDFC Life Insurance	1.8
Astral	3.1	Indigo Paints	1.5
<b>Total</b>		<b>70.0</b>	

## Investment Objective

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

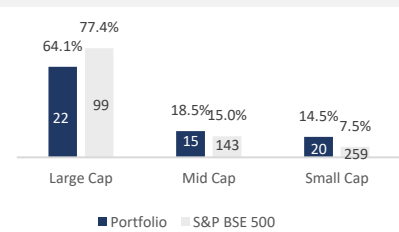
## Portfolio Facts

Structure:	Discretionary PMS
Firmwide AUM: <sup>3,5</sup>	₹ 46,165 Cr
WO India Pioneers Equity AUM: <sup>3</sup>	₹ 8,220 Cr
Minimum Investment:	INR 50 Lakhs
Benchmark:	S&P BSE 500 TR

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

Wt. Av. Market Cap (INR Cr)	225,786
No. of Holdings	57
Standard Deviation (SI):	Portfolio : 20.7 / S&P BSE 500 : 20.8
Sharpe Ratio (SI):	Portfolio : 0.62 / S&P BSE 500 : 0.33
Beta (SI):	0.91
ROE (FY 22):	19.3%
PE (FY 23):	23.2
Projected Revenues (3 Yr CAGR):	15.3%
Projected Earnings (3 Yr CAGR):	17.9%

## 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 13.8% in Q3 2022, outperforming the benchmark by +244bps. The key contributors include Ambuja Cements (+42.0%), Titan (+34.8%), and Astral (+35.0%) whereas Persistent Systems (-4.4%), Intellect Design (-18.0%), and Mphasis (-7.1%) were the key detractors.

Year-to-date, the portfolio was down 6.5%, underperforming the benchmark by -696bps. The key contributors include Cholamandalam Investment (+41.1%), Ambuja Cements (+40.1%), and Fine Organic Industries (+88.1%) whereas Coforge (-42.4%), Persistent Systems (-33.4%), and Mphasis (-37.2%) were the key detractors.

## Market Review

In Q3 2022, S&P BSE 500 TR index was up 11.3%. S&P BSE 100 LargeCap was up 10.2%, S&P BSE 150 MidCap up 15.0%, and S&P BSE 250 SmallCap up 15.8%.

For the quarter ending September, FIIs were net buyers to the tune of US\$6.1bn while net buying by domestic institutional investors (DIIs) was US\$1.8bn. For the quarter, the Rupee depreciated by 3.2% while the benchmark 10-year G-Sec yields remained steady around 7.40%. Commodities were down, with Brent and S&P GSCI Industrial Metals Index declining by 19.3% and 8.4%, respectively.

For Q3 2022, Industrials, Utilities, and Materials outperformed while Energy, Information Technology, and Real Estate were the key underperforming sectors. On a YTD basis, Utilities and Consumer Staples are among the best performing sectors while IT services is the worst performing sector.

## Q3 2022 Key Contributors

**Ambuja Cements**, earlier a part of Holcim along with ACC, is among India's largest cement manufacturers. Adani Group, one of India's largest industrial conglomerates, completed the acquisition of Holcim's assets in India, which includes Ambuja Cements and ACC and announced a fund infusion of Rs 200bn along with a rejig of management and Board of Directors. The company's current cash balance and internal accruals, along with the additional fund infusion, will provide a large war chest to scale up new expansions (organically or inorganically), in line with the group's aspiration to double capacity in five years. In addition, Ambuja Cements is likely to benefit from synergies with the integrated infrastructure platform of Adani Group in raw material sourcing, renewable power, and logistics, which in turn could lead to industry-leading growth along with margin expansion. These factors have led to the recent outperformance of the stock.

**Titan** is the leading jewelry company in India with a presence in other segments like watches, eyewear, fragrances, precision engineering, and women's ethnic wear. Titan is a lifestyle retailer par excellence and commands a premium brand positioning across segments. The company's well-tuned operating model allows it to generate industry-leading return ratios. Titan's jewelry market share is still in the mid-single digits, with significant scope for sustained expansion. Recent outperformance likely reflects continued strength in discretionary consumption in Titan's core target group – middle and high-income urban households. We continue to find Titan amongst the most well-run retailers in the country and remain constructive on the company's long-term growth and ROCE prospects.

ICICI Bank

**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 industry. Following a leadership change in 2018, the new management team is leveraging on the wide distribution franchise, a new risk-based pricing approach and digital offerings to accelerate market share and return ratios. ICICI Bank continues to improve its margin and core profitability while decreasing the Non-Performing Assets (or NPAs). Over the last quarter, the stock might have outperformed on the back of this continued strong operating performance.

## Q3 2022 Key Detractors

**Intellect Design Arena** is a financial services software company and is regarded as a leading transaction banking software solutions provider, accounting for ~45% of its revenue. It has also made significant inroads in other product suites, including payments, retail banking, digital banking, and insurance. Intellect Design has invested over \$200 million in product R&D over the last decade. It has built strong references in developed and emerging markets on the back of a marquee client list that includes JP Morgan, HSBC, and Barclays. Its profitability has improved significantly over the past few years from single-digit operating margins to c25% due to scale and operational efficiencies. The stock underperformed due to concerns of a margin decline in the near term on the back of increased investments in sales and marketing.

**Mphasis** is India's seventh largest IT services company, with approximately \$1.5bn in revenues. It has a strong positioning in custom application development and management for the banking & financial services (BFS) industry. Its deep domain expertise within BFS has resulted in a high-quality client profile wherein it counts six of the top ten US banks as its clients. Its core business, constituting more than 80% of its revenues, has delivered industry-leading growth over the past two years. We expect the company to continue doing well on the back of continued new client additions, strong total contract value (TCV) of deal wins, and mining of existing accounts. The stock has corrected along with the rest of the sector due to concerns of a growth slowdown in US banks and exposure to mortgage business amidst rising rates.

**HDFC Life** is one of India's largest private life insurance companies in terms of assets under management and new business premium. It has a market share of 8.9% among all insurance companies (including the state-run Life Insurance Corporation of India) and 14.1% within private sector insurance companies. We believe the insurance sector is underpenetrated and offers a long runway for growth. HDFC Life seems well positioned to deliver on its growth and margin guidance with a well-balanced product and distribution mix. However, industry-wide slowdown in retail protection, an overhang on the stock due to ownership regulations, and a recent reduction in HDFC Life's share in HDFC Bank's distribution mix have contributed to the recent underperformance.

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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 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 30 September 2022. 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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