

# White Oak India Digital Leaders Portfolio

Performance(%) <sup>1-9</sup>	September 2022	Q3 2022	Inception Cumulative
Portfolio	-2.5	13.2	-17.1
S&P BSE 200 TRI	-3.5	10.9	-1.7
Outperformance (bps)	+108	+233	-1534

Other Indices			
Nifty India Digital	-3.6	4.1	-26.6
S&P BSE 100 Largecap	-3.8	10.2	-2.2
S&P BSE 150 Midcap	-1.6	15.0	-0.5
S&P BSE 250 Smallcap	-0.5	15.8	-5.6

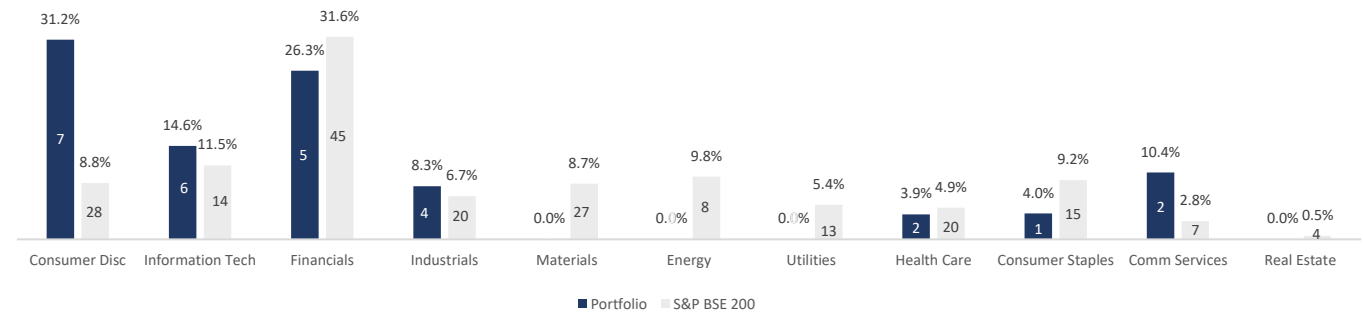
## Market Cap Attribution Since Inception (%)<sup>11</sup>

	Portfolio		Benchmark		Attribution		
	Avg Wt	Total Return	Avg Wt	Total Return	Selection Effect	Allocation Effect	Total Return
Large Cap	59.0	-11.8	86.9	-1.6	-6.0	-0.1	-6.1
Mid Cap	20.9	-21.7	12.9	-2.9	-3.6	0.0	-3.6
Small Cap	15.4	-19.4	0.2	-21.7	-2.1	-0.8	-2.9
Cash/Fut/Other	4.7	0.0	0.0	0.0	-	-	0.1
Total	100.0	-14.2	100.0	-1.8	-11.8	-0.7	-12.5

## 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	11.9	-31.4	2.7	-2.0	-3.5	0.0	-3.5
Consumer Disc	20.5	-11.5	7.9	10.6	-2.8	1.6	-1.1
Consumer Stp	4.4	19.3	8.2	18.8	-0.1	-0.7	-0.8
Energy	0.0	0.0	10.7	-3.8	0.0	0.1	0.1
Financials	24.6	1.7	31.0	-2.2	0.8	0.0	0.9
Health Care	4.2	-46.3	4.9	-6.7	-2.2	0.0	-2.2
Industrials	7.8	-25.4	6.2	10.3	-2.7	0.3	-2.4
Information Tech	21.9	-29.3	13.5	-25.2	-0.8	-1.8	-2.6
Materials	0.0	0.0	9.1	-7.1	0.0	0.4	0.4
Real Estate	0.0	0.0	0.6	-20.2	0.0	0.1	0.1
Utilities	0.0	0.0	5.1	36.6	0.0	-1.5	-1.5
Cash/Fut/Other	4.7	0.0	0.0	0.0	-	-	0.1
Total	100.0	-14.2	100.0	-1.8	-11.1	-1.3	-12.5

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



## Top 20 Holdings & Key Contributors / Detractors

Scrip Name	Weight (%)	Scrip Name	Weight (%)
ICICI Bank	12.1	Bajaj Finserv	3.9
Titan Company	8.6	Persistent Systems	3.7
Info Edge India	7.3	Delhivery	3.6
Infosys	6.9	Dr Lal Pathlabs	3.2
Campus Activewear	5.7	Saregama India	3.1
FSN E-Commerce	5.7	Bajaj Finance	2.9
Vedant Fashions	5.1	ICICI Lombard	2.7
Cholamandalam Inv	4.7	L&T Technology Services	2.3
Dixon Technologies	4.3	Cartrade Tech	1.6
Hindustan Unilever	4.0	Coforge	1.5
<b>Total</b>		<b>93.0</b>	

## Investment Objective

The objective is to invest in companies that are emerging as leaders in the digital era by being at the forefront of innovation and technology implementation in their respective sectors.

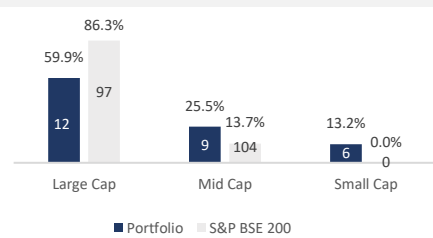
## Portfolio Facts

Structure:	Discretionary PMS
Firmwide AUM: <sup>3,5</sup>	₹ 46,165 Cr
WO India Digital Leaders AUM: <sup>3</sup>	₹ 133 Cr
Minimum Investment:	INR 50 Lakhs
Exit Load:	Nil
Benchmark:	S&P BSE 200 TR

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

Wt. Av. Market Cap (INR Cr)	203,415
No. of Holdings	27

## 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.

Q3 2022 Key Contributors	Ending Weight (%)	Total Return (%)	Contribution to Alpha (bps)
Campus Activewear	5.7	+75.4	+216
Titan Company	8.6	+34.8	+141
Vedant Fashions	5.1	+46.4	+129
ICICI Bank	12.1	+22.6	+64
Bajaj Finserv	3.9	+53.5	+49

Q3 2022 Key Detractors	Ending Weight (%)	Total Return (%)	Contribution to Alpha (bps)
FSN E-Commerce	5.7	-9.6	-99
Persistent Systems	3.7	-4.4	-60
Info Edge India	7.3	+2.8	-50
Intellect Design Arena	0.6	-18.0	-37
Saregama India	3.1	-0.5	-34

# White Oak India Digital Leaders Portfolio

## Performance Review

The portfolio was up 13.2% in Q3 2022, outperforming the benchmark by +233bps. The key contributors include Campus Activewear(+75.4%), Titan (+34.8%), and Vedant Fashions (+46.4%) whereas FSN E-Commerce (-9.6%), Persistent Systems (-4.4%), and Info Edge (+2.8%) were the key detractors.

## Market Review

In Q3 2022, S&P BSE 200 TR index was up 10.9%. 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

**Bajaj Finserv** is a leading diversified financial services firm with three key business units: (1) Bajaj Finance, (2) Bajaj Allianz General Insurance (BAGIC), and (3) Bajaj Allianz Life Insurance (BALIC). Bajaj Finance is India's leading consumer lending franchise. Leveraging its industry leading technology deployment, it straddles across consumer, SME, commercial, rural, and mortgage segments with an enviable track record of prudent risk management. BAGIC, the group's multiline general insurance business, is the second largest and among the most profitable private general insurance companies in India. It has a long runway for profitable growth driven by increasing penetration, new product introductions, and market share gains. BALIC, the group's life insurance company, continues to see strong growth and improving profitability and has the potential to scale up multifold over time. Over the last year, Bajaj Finserv has also forayed into e-Commerce, apart from launching a financial services marketplace and a digital health platform. The company has also received SEBI approval for setting up an Asset Management Company. The stock outperformed due to strong performance in the lending business and stable operating metrics in both life and general insurance businesses.

**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.

**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. The business has de-risked its revenue base, lowered client concentration and increased number of large accounts. The company has many levers to drive healthy cash flow growth over the next few years. The stock underperformed along with the IT Services sector as investors are concerned about demand going forward due to expectations of a recessionary environment.

**Saregama India Ltd** is India's oldest music label and is the and only pan-India company with the largest music content library, youngest film studio and a multi-language TV content producer. After a decade-long lull in content acquisition, the company is executing on a strategy to acquire more content across both film music and non-film music with elucidated criteria to optimize monetization. Saregama is having some momentum in executing on these strategic goals over the past few quarters. The company is also converting its pre-loaded music content consumer electronics product into a subscription model, thus reducing the risk of the revenue stream. The stock is undergoing a correction along with broader technology sector correction.

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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 January 5, 2022, 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 200 Total Returns Index. CAGR : Compound Annual Growth Rate (3) All data is as of September 30, 2022. (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 : January 5, 2022 (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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