

**SHINING A LIGHT ON THE.....  
Ashoka India Equity Investment Trust**

**AT A GLANCE**

<b>Investment Objective</b>	
The investment objective of the company is 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. The company shall invest primarily in securities listed on any recognised stock exchange in India and securities of companies with a significant presence in India that are listed on stock exchanges outside India. The company may also invest up to 10% of GA (calculated at the time of investment) in unquoted companies with a significant presence in India.	

<b>Inception Date</b>	6 July 2018
<b>Fund Factsheet Link</b>	<a href="http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=F000010R57%5D2%5D0%5DFCGBR%24%24ALL">http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=F000010R57%5D2%5D0%5DFCGBR%24%24ALL</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Not disclosed	6 July 2018

<b>Investment Style Details</b>	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	29.34%
Large	26.80%
Medium	28.75%
Small	13.88%
Micro	1.22%

<b>Top 10 Holdings</b>		
<b>Total number of holdings</b>	46	
<b>Assets in Top 10 Holdings</b>	45.38%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Bajaj Finance Ltd	Financial Services	7.23%
Bajaj Finserv Ltd	Financial Services	7.13%
HDFC Bank Ltd	Financial Services	4.94%
HDFC Asset Management Company Limited	Financial Services	4.68%
Asian Paints Ltd	Basic Materials	4.17%
Titan Co Ltd	Consumer Cyclical	3.68%
NIIT Technologies Ltd	Technology	3.54%
L&T Technology Services Ltd	Technology	3.46%
Navin Fluorine International Ltd	Basic Materials	3.37%
Maruti Suzuki India Ltd	Consumer Cyclical	3.18%

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Volatility Measurements	
3-Yr Std Dev (volatility)	-
3-Yr Mean Return (average)	-

## FUND PERFORMANCE

Performance from 6 July 2018 to 31 May 2020:

	2018	2019	2020
Ashoka India Equity Investment Trust	-11.84%	18.90%	-12.90%
iShares MSCI EM ETF	-2.60%	12.62%	-11.27%

Performance over 12 months, and since launch.

	1 year	Since launch
Ashoka India Equity Investment Trust	-12.50%	-8.70%
iShares MSCI EM ETF	-3.95%	-2.67%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

**These updates have been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.**

The management team started by explaining that to outperform in India it is all about the management team (since launch the fund has returned -8.70% vs the index which is down -10.01%). In terms of COVID19 it has been very difficult with stringent lockdown measures. The virus is not under control, but it is concentrated in certain areas which means parts of the country are slowly getting back to normal. India will be hit by COVID19, but it has a younger population and much of the support has been targeted at income to vulnerable segments, farmers, daily wage labourers and guaranteed loans to small businesses.

There are structural reforms which could benefit India, for example the labour and competitive federalism reforms could encourage companies to move supply chains from China to India. Also, India will benefit from lower oil prices and on current levels this will save them around \$50 billion.

The trust is positioned towards technology where they believe Indian firms are gaining market share and COVID19 has accelerated the change. Financials is another area they like where there are strong balance sheets. They also have healthcare stocks which could benefit from the shift away from China, and some consumer franchises.

They are a nine-member team based in India but with global experience. They are looking for great businesses at attractive valuations, those with a competitive advantage and a desire to create long term value. They look to avoid misgoverned businesses. They are stock pickers, which is a process and philosophy developed over time.

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The trust will invest across the market cap, but mid-cap is where much of the value comes from. In terms of fees they have no management fee. There is a performance fee based on 30% outperformance of the index over a 3-year period. The fee is paid in shares which have a 3 year lock up. Therefore the management interests are aligned to investors.

The trust has not made any significant changes as a result of recent market movements. They feel confident that although India is challenged from COVID19, the focus on good companies means that the trust should benefit from this, especially where supply chains are moved from China to India.

In summary, this is a new fund with performance fees very much aligned to investors. If investors believe in the long term opportunities for India then this might be an investment to consider.

*The source of information in this note has been provided by Ashoka and is correct as at June 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*