



## Ashoka WhiteOak Emerging Markets Trust PLC

www.awemtrust.com

## Investment Objective

To achieve long-term capital appreciation, primarily investing in equity and equity-related securities that provide exposure to global emerging markets.

## Summary of Investment Policy

The Company shall invest primarily in securities admitted to trading on any stock exchange (which may include stock exchanges in Developed Markets) that provide exposure to companies that are domiciled in Global Emerging Markets (EMs), or that are domiciled in Developed Markets but at the time of investment, derive a majority of their economic value, revenues or profits from, or whose assets or cost base are mainly located in EMs.

## Company Details

Ticker	AWEM
ISIN	GB00BMZR7D19
SEDOL	BMZR7D1
Listing	LSE Main Market (Premium Segment)
Reference Benchmark	MSCI Emerging Markets NR £, Bloomberg ticker: MGEF Index
Opening NAV <sup>2</sup>	98.26p
NAV <sup>1</sup>	100.81p
Share Price <sup>1</sup>	100.0p
(Discount)/Premium	-0.80%
Number of Investments <sup>2</sup>	126
Total Net Assets <sup>1</sup>	£30.77 million
Active Share	70.0%
Launch Date	3 May 2023
Gearing	0%
Dividend	0%
Discount Control	Annual redemption facility at or close to NAV (December year end)
Investment Manager	AIFM (Acorn Asset Management Ltd)
Investment Adviser	White Oak Capital Partners Pte. Ltd. (Singapore)
Corporate Broker	Ellora Partners
Firmwide AUM <sup>1</sup>	£5.0 billion

## Fees and Charges

Management Fees	0%
Performance Fees	30% of alpha over the benchmark index (MSCI Emerging Markets NR £, Bloomberg ticker: MGEF Index) over a 3 year period, fee capped at 12%, 100% of fees received in shares, with 50% subject to lock up arrangements

**Ashoka WhiteOak Emerging Markets Trust plc (AWEMT) is a UK investment trust seeking to achieve long-term capital appreciation primarily through investing in a multi-cap portfolio of equities that provide exposure to global emerging markets**

Advised by White Oak Capital Partners Pte. Ltd, founded by Prashant Khemka with leading Emerging Markets investment experience

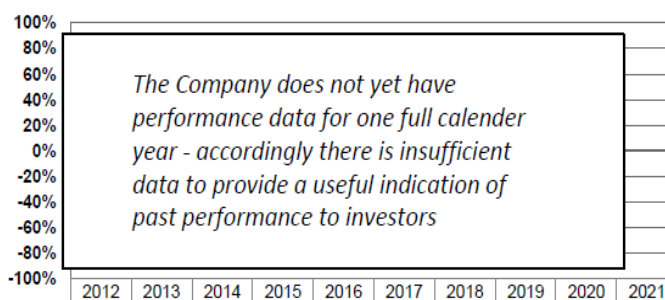
White Oak Capital Group has delivered an exceptional track record for Ashoka India Equity Investment Trust plc as well as other strategies, and has £5.0 billion in assets under management or advisory<sup>1</sup>.

Analytical approach integral to disciplined research process underpinned by proprietary frameworks - OpcoFinco™ for valuation and ABLEx™ for ESG research<sup>3</sup>

Emerging markets present potential for higher alpha. EMs remain under-researched and inefficient. AWEM leverages WhiteOak's investment approach to capture the higher alpha potential in these markets

No fixed management fee. Manager remuneration is aligned with alpha generation and hence shareholders' interest. The Investment Adviser is remunerated solely as a function of outperformance over the benchmark.

## Performance since launch (GBp)



Top 10 holdings (as at Sep 30, 2023)	Country	% of NAV
1. Samsung Electronics	South Korea	5.3
2. TSMC	Taiwan	5.1
3. Hong Kong Exchanges	China/HK	3.0
4. DBS Group	Singapore	2.4
5. Naspers	South Africa	2.3
6. Alibaba	China/HK	2.2
7. Hermes Intl	France	2.0
8. Prosus NV	Netherlands	1.8
9. Kweichow Moutai	China/HK	1.6
10. Senco Gold	India	1.6
<b>Total</b>		<b>27.3%</b>

<sup>1</sup> Data as of 30<sup>th</sup> Sep 2023. AUM data refers to aggregate assets under management or investment advisory for White Oak Group.

<sup>2</sup> Includes Index Futures and ETFs

<sup>3</sup> ABLEx: Assessment of Business Longevity and Excellence; More details on OpCo Finco framework and ABLEx framework on Page 8



## Ashoka WhiteOak Emerging Markets Trust PLC

## Exhibit 1: Key Contributors and Detractors

30 Jun 2023 <sup>1</sup> – 30 Sep 2023 Key Contributors	Ending Weight (%)	Total Return (%)	Contribution to Return (%)	30 Jun 2023 <sup>1</sup> – 30 Sep 2023 Key Detractors	Ending Weight (%)	Total Return (%)	Contribution to Return (%)
Senco Gold	1.6	+106.7	+106	CIE Financière Richemont SA	1.5	-22.5	-43
Gokaldas Exports	0.8	+61.4	+55	AIA Group	0.7	-15.3	-31
DBS Group Holdings	2.4	+11.8	+25	LVMH	1.6	-16.1	-29
Disco Corporation	0.8	+23.4	+23	Hermes International	2.0	-12.1	-28
Dodla Dairy	0.2	+22.1	+21	Budweiser Brewing Co.	0.9	-20.2	-24

Source: Factset. Past performance does not predict future returns. The performance calculation is based on GBP. Currency fluctuations will also affect the value of an investment. <sup>1</sup>The proceeds raised from the IPO got substantially invested at the end of June 2023.

## Key contributors

**Senco Gold** is the leading jewelry retailer in Eastern India with a strong leadership position in its home state of West Bengal. The key drivers include – (1) continued formalization of the large (US\$70 bn+) Indian jewelry retail market; unorganized sector still has a 60% market share; most well-run organized national and regional chains continue to gain share from the unorganized players on the back of trust, design and aggressive store expansion, (2) advantageous competitive positioning; apart from Titan, Senco is the only other player in the industry to have a well-established franchisee model – this aids quicker expansion and shores up the ROCE profile, and (3) a solid, eager-to-learn and ever-improving management team led by Suvankar Sen, the son of the founder Shankar Sen. Senco was also among the early adopters of IT infrastructure across the supply chain (for artisans, franchise partners, store and inventory management), which has led to an improvement in operational efficiency.

**DBS**, established in 1968, is the largest bank in Singapore, with more than 50% of the loan book originating outside Singapore, mainly from Asia. DBS has positioned itself firmly in the key financial hubs of Singapore and Hong Kong to capture the cross-border Asian trade and wealth management flows. Their Wealth Management AUM of SGD 320 bn is the highest among the three major banks based out of Singapore. The key competitive advantage is a healthy CASA ratio of ~56%, which provides DBS with a cheaper source of funds. The interest rate profile of the bank, good asset quality and cost control combined to deliver a >17% RoE in 1H23 for the bank. The stock outperformed due to the continued strong business performance.

**Disco** manufactures capital equipment for the semiconductor industry, the main products being grinders (to thin semiconductor wafers), dicers (to cut completed wafers into individual chips) and related consumables. Owing to its technical prowess, Disco commands a market share of more than 80%. Recent developments within the semiconductor industry, such as quicker than expected adoption of silicon carbide in electric vehicles, and the adoption of chiplets/advanced packaging have led to Disco's strong operating performance compared to its peers. Silicon carbide is amongst the hardest materials, and as such, dicing and grinding such materials takes longer, requiring more equipment and consumables. These factors have led to a resilient demand environment for Disco's products despite the weakness in the semiconductor sector. These reasons could have contributed to the recent stock performance.

## Key detractors

**AIA** is a Hong Kong listed insurer with a presence in multiple emerging markets, including Hong Kong (35% of Embedded Value or EV), Mainland China (18% of EV), and Thailand (12% of EV), along with a growing presence in other ASEAN countries and India as well. AIA is primarily an agency-driven business with a focus on selling protection products. In partnership with South Africa based Discovery, AIA launched 'AIA Vitality', bringing the successful health insurance and loyalty program to its Asian markets. AIA maintains a prudent investment portfolio with 72% of the book in fixed-income securities (37% of which is in government bonds), while BB and below rated securities make up just 3% of the portfolio. The company's focus to return excess capital to shareholders is noteworthy, with USD 5.8bn returned in 2022. However, operational performance was likely affected by slower than expected economic rebound in China, which may have led to weak stock price performance.



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**LVMH** is the world leader in luxury goods. Fashion & Leather Goods (Louis Vuitton in particular, but also Dior, Fendi, and Loro Piana) and Wines & Spirits (Hennessy cognac, Moët & Chandon, Veuve Clicquot) are the group's most important divisions and account for about 80% of the group's EBIT. LVMH is also present in Perfumes & Cosmetics, Watches & Jewellery and Selective Retailing. China accounts for almost a third of its total sales. LVMH's competitive advantage is its portfolio of iconic brands, which would be impossible to recreate in a few years as heritage is only built over time. The market share of the top five global luxury brands has been fairly consistent over time, and these companies offer exposure to the most attractive luxury segments, which have long product cycles and a strong investment value attached to them. Long-term growth of the global luxury goods industry will likely be in the high single digits, led by wealthy US and Asian consumers. LVMH, along with the rest of the luxury stocks, has pulled back recently as luxury spending in Europe and the US normalizes from the highly elevated levels seen over the last two years. Recovery in China since Covid restrictions were removed has also been slower than expected.

**Budweiser Brewing** has a 40% market share in the premium and super premium beer categories in China (accounts for 85% of its EBITDA) on the back of its leading brands like Budweiser, Corona, Hoegaarden, Blue Girl, etc. It also has a market-leading position in Korea (accounts for 15% of its EBITDA). As has been observed globally, most beer markets tend to premiumize over time, resulting in a moat for breweries that can manage brands well. This has also been the case in China over the last 5-10 years. In the most recent quarter, the flagship Budweiser brand (a premium brand in China) grew 20% yoy while Super premium brands grew 35% yoy. However, the operating performance in Korea was weak because its largest competitor, HiteJinro, launched a new brand. Consequently, the company had to increase its marketing spends. In summary, the company continues to perform strongly in its main business of China even as it faces a challenging year in Korea.

### Portfolio Construction, Composition, and Characteristics

For the benefit of first-time readers, we describe our team's views on portfolio construction and how it manifests itself in the portfolio. In case you need further details, kindly reach out to one of our team members.

At WhiteOak, we seek to ensure that performance is a function of stock selection rather than non-stock specific macro factors. However, in an active portfolio, it is not possible to do away with all factor risks completely. In order to generate higher stock selection alpha, we tolerate certain *residual factor risks* that are by-products of stock selection.

We emphasise here that these residual factor risks are different from proactive top-down factor bets made to seek alpha generation from the factors per se.

The latter is something we never do, as we believe that over time such top-down bets are merely a zero sum game which do not add any net value, but lead to increased volatility of alpha. Portfolio construction to us is a balance between maintaining a strong stock specific alpha potential on one hand, while mitigating residual factor risks to contain short term alpha volatility on the other hand. The challenge lies in intelligently achieving the latter, while preserving the former.

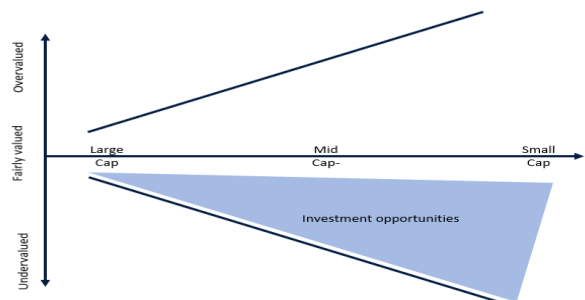
While we strive to mitigate *residual factor risks* of various types, the following two are the biggest risks which we tolerate in our portfolio construction approach:

- (i) Relatively higher exposure to mid-caps and small-caps.
- (ii) Relatively low exposure to segments of the market where poor governance is widespread, in our view.

We believe the most logical ex-ante assumption is that the different market segments - large caps or small caps, well governed or poorly governed - are in aggregate fairly valued at any given point of time and shall perform in-line with each other going forward. However, stock selection based alpha opportunities differ across these segments. As depicted in Exhibit 2, the funnel of alpha opportunity in any market globally is narrower on the large cap side and becomes wider as one moves down the market cap spectrum because the latter are more inefficiently valued segments of the market. Hence, usually our allocation to mid and small cap companies is expected to be higher than the large caps (Exhibit 4).

We believe similar alpha funnels exist along several other factors, even if more difficult to quantify or find much empirical evidence for. Governance is one such important factor, with poorly governed market segments presenting less alpha potential than better governed segments.

#### Exhibit 2: Higher inefficiencies in mid and small caps



Graphical representation is for illustration purpose only and not supposed to be precise or accurate.

## Ashoka WhiteOak Emerging Markets Trust PLC

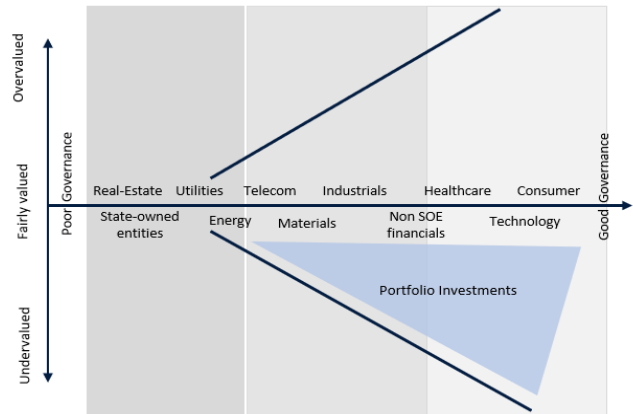
The reason we believe poorly governed companies have lower alpha potential is because we are unable to value such companies with any degree of confidence. The fundamental first principle of valuation, that our team strongly believes in, is that the value of any business is the present value of its future cash flows. The underlying assumption being that we, as minority shareholders, shall receive our proportionate share of company cash flows. But this assumption falls apart in case of poorly governed companies, as controlling shareholders eventually siphon-off disproportionate cash or value at the expense of minority shareholders. As such, we can hardly have any confidence in the value of such companies, and hence in their alpha potential, for minority shareholders like us. The best way to derive value from such companies is to avoid them, and allocate the capital to better governed companies where the value and hence alpha potential is more ascertainable.

Companies with poor governance exist across countries, sectors, and various other market segmentations. But the problem is more acute, or the shades of grey are darker, in certain segments than in others. Exhibit 3 illustrates the sectoral prevalence of poor governance. For example, poor governance is likely to be more prevalent in the real estate sector as compared to the consumer sector in our view. Similarly, we believe weaker governance is more likely in government owned companies (or SOEs) and in some heavily regulated industries. As discussed in our 2021 annual newsletter of the ICAV sub-fund, we believe governance is worse in the least democratic countries compared to that in the most democratic countries.

The above does not mean that there are no well-governed companies in these market segments, but simply that the proportion of well-governed companies within these segments is far smaller than that in the rest of the market.

As a consequence, the effective investable universe for WhiteOak is much smaller in these segments of the market and accordingly their weight in the portfolio is much smaller as well. Consistent with the above, the portfolio is likely to have less exposure to heavily regulated sectors such as utilities, energy and telecom (Exhibit 6) or SOEs (Exhibit 7). Also, given our philosophy and approach, we are more likely to find opportunities for alpha generation in certain sectors like consumer discretionary, private financials, IT Services, and healthcare – segments that tend to have heterogeneous business models as well as a larger pool of companies with better corporate governance characteristics. Similarly, we also find fewer alpha opportunities in the least democratic countries and find more of them in the most democratic countries (Exhibit 9). As a result, it is to be expected that the portfolio would have such residual factor risks corresponding to size and governance.

**Exhibit 3: Fewer opportunities where poor governance is more prevalent**



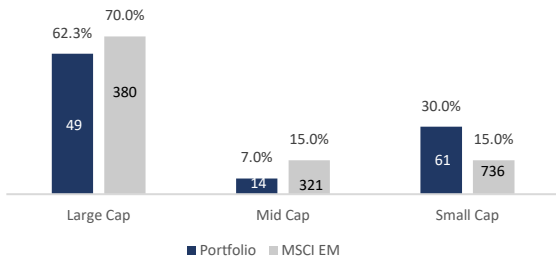
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AWEM's investments in companies in the developed market are often intended to mitigate these *residual* factor risks, while preserving the long-term alpha potential. As examples, for the French domiciled LVMH and Hermes, the Chinese consumer is the largest value contributor with approximately a third of the revenues coming from the latter. Moreover, in our estimates, the majority of their revenues and more of their enterprise value is derived from emerging markets, mostly countries that we may be otherwise underweight like China. Though not a perfect hedge, these investments could mitigate the risk of lower exposure to such countries. Exhibit 8 provides country weights as per the MSCI classification exposure as well as on the basis of economic exposure, by reassigning the developed market companies to the EM country of largest value exposure, as per our estimates.

Exhibit 10 provides aggregate characteristics of the portfolio, which should be viewed in the context of the above investment choices. For instance, the higher P/E multiple of the portfolio vs. the benchmark is not merely a function of higher growth of portfolio companies, but even more so a function of their superior governance characteristics.

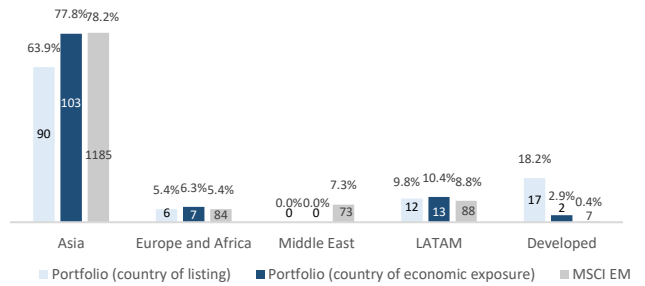
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**Exhibit 4: Market Cap Composition**



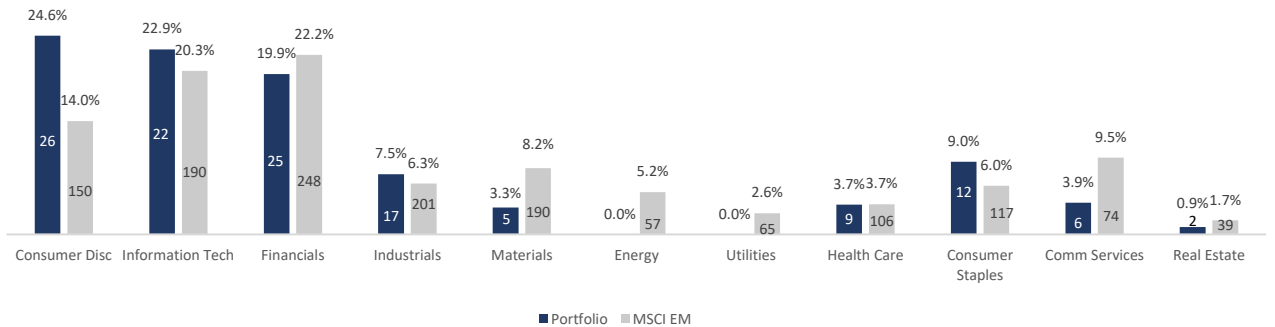
As at 30 Sep 2023; Source: Bloomberg. Allocations shown above are as of the date indicated and may not be representative of future investments. They may not represent all of the portfolio's investments. Future investments may or may not be profitable. For the sake of illustration, WhiteOak has categorised the MSCI EM standard benchmark and the portfolio as comprising of the largest 70% by market weight as large caps, the next 15% as mid caps and bottom 15% as small caps. Kindly note that MSCI classification of market cap segments is different. The numbers inside the bars denote the number of companies in each classification. Allocations shown above are as of the date indicated and may not be representative of future investments. They may not represent all of the portfolio's investments. Future investments may or may not be profitable.

**Exhibit 5: Regional Composition**



As at 30 Sep 2023; Source: Bloomberg. The numbers inside the bars denote the number of companies in each classification. Allocations shown above are as of the date indicated and may not be representative of future investments. They may not represent all of the portfolio's investments. Future investments may or may not be profitable.

**Exhibit 6: Sector Composition**



As at 30 Sep 2023; Source: Factset, Bloomberg. The numbers inside the bars denote the number of companies in each classification. Allocations shown above are as of the date indicated and may not be representative of future investments. They may not represent all of the portfolio's investments. Future investments may or may not be profitable.



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Exhibit 7: Portfolio Composition: SOE vs Non SOE weights

	Within the MSCI Country Index		Index Composition		AWEM		Active Exposure		
	Weight in MSCI Index	SOE weight	Non SOE weight	SOE	Non-SOE	SOE	Non-SOE	SOE	Non-SOE
China + HK	30%	28%	72%	8%	21%	2%	19%	-7%	-2%
India	16%	8%	92%	1%	14%	0%	22%	-1%	7%
Indonesia	2%	48%	52%	1%	1%	0%	2%	-1%	1%
Korea	12%	3%	97%	0%	12%	0%	9%	0%	-3%
Malaysia	1%	50%	50%	1%	1%	0%	1%	-1%	0%
Philippines	1%	0%	100%	0%	1%	0%	0%	0%	-1%
Taiwan	15%	7%	93%	1%	14%	0%	9%	-1%	-4%
Others (Thailand)	2%	37%	63%	1%	1%	0%	0%	-1%	-1%
<b>Asia</b>	<b>78%</b>	<b>17%</b>	<b>83%</b>	<b>13%</b>	<b>65%</b>	<b>2%</b>	<b>62%</b>	<b>-12%</b>	<b>-2%</b>
South Africa	3%	0%	100%	0%	3%	0%	2%	0%	-1%
Poland	1%	60%	40%	0%	0%	0%	3%	0%	3%
Others <sup>1</sup>	2%	12%	88%	0%	2%	0%	0%	0%	-1%
<b>Europe &amp; Africa</b>	<b>5%</b>	<b>12%</b>	<b>88%</b>	<b>1%</b>	<b>5%</b>	<b>0%</b>	<b>5%</b>	<b>-1%</b>	<b>1%</b>
Brazil	5%	30%	70%	2%	4%	0%	2%	-2%	-1%
Peru	0%	0%	100%	0%	0%	0%	0%	0%	0%
Mexico	2%	0%	100%	0%	2%	0%	5%	0%	2%
Others <sup>2</sup>	1%	14%	86%	0%	1%	0%	2%	0%	2%
<b>LATAM</b>	<b>9%</b>	<b>19%</b>	<b>81%</b>	<b>2%</b>	<b>7%</b>	<b>0%</b>	<b>10%</b>	<b>-2%</b>	<b>3%</b>
Kuwait	1%	98%	2%	1%	0%	0%	0%	-1%	0%
Qatar	1%	70%	30%	1%	0%	0%	0%	-1%	0%
Saudi Arabia	4%	55%	45%	2%	2%	0%	0%	-2%	-2%
UAE	1%	89%	11%	1%	0%	0%	0%	-1%	0%
<b>Middle East</b>	<b>7%</b>	<b>69%</b>	<b>31%</b>	<b>5%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>-5%</b>	<b>-2%</b>
Developed Markets	0%	0%	100%	0%	0%	0%	18%	0%	18%
<b>Total</b>	<b>100%</b>			<b>20%</b>	<b>80%</b>	<b>2%</b>	<b>98%</b>	<b>-18%*</b>	<b>18%*</b>

As at September 30, 2023; Source: Bloomberg. Allocations shown above are as of the date indicated and may not be representative of future investments. They may not represent all of the portfolio's investments. Future investments may or may not be profitable.

SOE: State Owned Entities; <sup>1</sup> Includes Czech Republic, Egypt, Greece, Hungary, Romania, Turkey; <sup>2</sup> Includes Colombia, Chile; \* Cash and MSCI EM futures included in non-SOEs

Exhibit 8: Portfolio Composition: Country Weights

Weight (%)	Weight in MSCI EM Index	By Country of Listing/Incorporation		By Country of Economic Exposure <sup>1</sup>	
		AWEM	Active weight	AWEM	Active weight
<b>Asia</b>	<b>78.2</b>	<b>63.9</b>	<b>-14.3</b>	<b>77.8</b>	<b>-0.4</b>
China + HK	29.8	20.6	(-9.2)	30.1	(0.2)
India	15.7	21.9	6.2	22.3	6.6
Taiwan	14.6	9.4	(-5.1)	12.6	(-1.9)
South Korea	12.2	8.7	-3.5	8.7	-3.5
Indonesia	2.0	2.2	0.2	2.2	0.2
Thailand	1.9	0.0	-1.9	0.0	-1.9
Malaysia	1.4	1.0	-0.4	1.0	-0.4
Others	0.6	0.0	-0.6	0.8	0.2
<b>Europe and Africa</b>	<b>5.4</b>	<b>5.4</b>	<b>0.0</b>	<b>6.3</b>	<b>0.9</b>
Poland	0.7	2.8	2.1	2.8	2.1
South Africa	2.9	2.3	-0.7	2.3	-0.7
Others	1.7	0.3	-1.4	1.2	-0.6
<b>Middle East</b>	<b>7.3</b>	<b>0.0</b>	<b>-7.3</b>	<b>0.0</b>	<b>-7.3</b>
Saudi Arabia	4.1	0.0	-4.1	0.0	-4.1
UAE	1.4	0.0	-1.4	0.0	-1.4
Qatar	0.9	0.0	-0.9	0.0	-0.9
Kuwait	0.8	0.0	-0.8	0.0	-0.8
<b>LATAM</b>	<b>8.8</b>	<b>9.8</b>	<b>1.0</b>	<b>10.4</b>	<b>1.6</b>
Brazil	5.4	2.4	-3.0	2.4	-3.0
Mexico	2.5	4.8	2.3	4.8	2.3
Peru	0.3	0.3	0.0	0.3	0.0
Others	0.6	2.3	1.7	2.9	2.3
<b>Developed Markets</b>	<b>0.4</b>	<b>18.2</b>	<b>17.8</b>	<b>2.9</b>	<b>2.5</b>
Netherlands (Prosus, ASM, ASML)	0.0	4.2	4.6	0.0	0.0
France (Hermes, LVMH)	0.0	3.6	4.0	0.0	0.0
Japan (Disco)	0.0	0.8	1.2	0.0	0.0
Singapore (DBS Group, OCBC)	0.0	2.9	2.3	2.9	2.8
Others (Erste, Moncler, BBVA, CIE, Atlas, LEM, HSBC, IFX, EXL)	0.4	6.7	6.5	0.0	-0.3

As at September 30, 2023; Source: WhiteOak, Bloomberg.

<sup>1</sup> Country from where the largest business value is derived. Allocations shown above are as of the date indicated and may not be representative of future investments. The holdings and/or allocations shown may not represent all of the portfolio's investments. Future investments may or may not be profitable.



## Ashoka WhiteOak Emerging Markets Trust PLC

## Exhibit 9: Portfolio Composition: Net Democracy Score

Weight (%)		By Country of Listing/Incorporation		
Region/Country	Net Democracy Score	MSCI EM	AWEM	Active weight
<b>Most democratic countries</b>	<b>&gt;=7</b>	<b>60.2</b>	<b>76.7</b>	<b>16.5</b>
Taiwan	10	14.6	9.4	-5.1
Poland	10	0.7	2.8	2.1
Developed Markets	10	0.4	18.2	17.8
India	9	15.7	21.9	6.2
Indonesia	9	2.0	2.2	0.2
Peru	9	0.3	0.3	0.0
South Africa	9	2.9	2.3	-0.7
Brazil	8	5.4	2.4	-3.0
Mexico	8	2.5	4.8	2.3
South Korea	8	12.2	8.7	-3.5
Colombia	7	0.1	0.0	-0.1
Malaysia	7	1.4	1.0	-0.4
Europe/Asia/Latam (Others)	8	2.0	2.6	0.6
<b>Least democratic countries</b>		<b>39.8</b>	<b>20.6</b>	<b>-19.2</b>
Thailand	-3	1.9	0.0	-1.9
Egypt	-4	0.1	0.0	-0.1
Turkey	-4	0.8	0.0	-0.8
China	-7	29.8	20.6	-9.2
Kuwait	-7	0.8	0.0	-0.8
UAE	-8	1.4	0.0	-1.4
Qatar	-10	0.9	0.0	-0.9
Saudi Arabia	-10	4.1	0.0	-4.1
<b>Portfolio</b>	<b>5.6</b>			
<b>Benchmark</b>	<b>2.5</b>			

As at September 30, 2023; Source: Polity Project database. Net Democracy Score = Polity score obtained by deducting autocracy score from democracy score. In the Polity database, countries are rated between -10 (full autocracy) to +10 (full democracy).

## Exhibit 10: Portfolio Characteristics

	AWEM	MSCI EM
Number of Holdings	126	1,437
Weighted Avg Market Cap	\$ 86bn	\$ 100bn
CY23 ROE	13.4%	11.4%
CY23 P/E	21.9x <sup>3</sup>	13.4x <sup>1</sup>
CY24 P/E	18.7x <sup>3</sup>	11.3x <sup>1</sup>
CY23 OpcoFinco™ P/FCF	25.7x <sup>3</sup>	25.6x <sup>2</sup>
CY24 OpcoFinco™ P/FCF	21.4x <sup>3</sup>	19.8x <sup>2</sup>
Projected Revenue 3 year cagr	14.0% <sup>3</sup>	4.4% <sup>1</sup>
Projected Earnings 3 year cagr	10.7% <sup>3</sup>	9.3% <sup>1</sup>

Source: WhiteOak, Bloomberg, Factset, MSCI

<sup>1</sup> As per estimates from Bloomberg and Factset (Consensus)

<sup>2</sup> As per WhiteOak and Consensus estimates, for top 500 companies in MSCI EM by weight

<sup>3</sup> As per WhiteOak estimates

The scenarios presented are an estimate of future financial performance of the holdings based on evidence from current market conditions reflecting the nature and risk of the specified type of investment holdings and are not an exact indicator. Forecasts are not a reliable indicator of future performance.



## Ashoka WhiteOak Emerging Markets Trust PLC

### Exhibit 11: Opco Finco™ framework

Our investment philosophy is that outsized returns are earned over time by investing in great businesses at attractive valuations. A great business is one that generates superior returns on capital, is scalable, and is well-managed both in terms of execution and governance.

The team strives to buy these businesses when they are available at a substantial discount to their intrinsic value. We do not look at the commonly used accounting-based metrics like P/E or EV to EBITDA, as they can be distorted and misleading. Instead, we rely on DCF and excess ROIC multiple derived from our proprietary OpcoFinco™ framework.

The OpcoFinco™ framework is an adapted version of the DCF that is aligned with our investment philosophy. The framework assesses the economic cash flows generated by the business in excess of the cost of capital. This approach dissects the value of any company between two components:

- Value of the invested capital in the business
- Value of the excess returns on invested capital

Such distinction into components of value is very insightful in understanding the sources of value in a business. Crucially, the excess ROIC multiples are useful in comparing businesses within a sector, as well as across sectors in an apples-to-apples comparison rather than an apples-to-oranges comparison as provided by P/E or EV/EBITDA multiple.

### Exhibit 12: ABLEx™ framework

We use our proprietary ESG risk assessment framework ABLEx™ (Assessment of Business Longevity and Excellence) to assess companies on their ESG practices. The framework contains a sector-specific list of ESG risk and opportunities against which a company's practices, policies and disclosures are assessed. The results from our ESG analysis are used in valuations.

The ABLEx score, which is a reflection of ESG practices of company, is used as an input into the terminal value ascribed to terminal year cashflows of a company along with other fundamental factors (such as superior return on capital, scalability, quality of management teams) driving the terminal multiple. All else equal, a company with higher ESG score would be awarded a relatively higher terminal multiple. This is a subjective exercise that the team does and there is no set numerical formula or weight assigned to each of the factors.

Further details of White Oak ESG integration can be found at [ESG – Ashoka WhiteOak Emerging Markets Investment Trust Plc \(awemtrust.com\)](https://www.awemtrust.com)





# Ashoka WhiteOak Emerging Markets Trust PLC

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## Important Information

This document has been issued for information purposes only. It does not contain any advice, investment recommendations or any offer, invitation or inducement to invest in the Company. Investors should seek advice from an authorised financial adviser prior to making investment decisions.

Capital may be at risk as the value of investments may go down as well as up and is not guaranteed; therefore investors may not get back the amount originally invested. Past performance is not a guide to future performance, nor a reliable indicator of future results or performance.

The cost of investment may increase or decrease as a result of currency and exchange rate fluctuations. Currency fluctuations will also affect the value of an investment. Investments in shares of smaller companies are generally considered to carry a higher degree of risk as the market for their shares may be less liquid than that for shares of larger companies, making shares of smaller companies more difficult to buy and sell.

The performance of shares of smaller companies may be more volatile than the shares of larger companies over short time periods; therefore investors should regard such investments as long term. There can be no guarantee that the investment objective of the Company will be achieved or provide the returns sought by the Company.

An investment in the Company is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise from such an investment (which may be equal to the whole amount invested). Such an investment should be regarded as long term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio.

The Company is a public limited company and an investment trust, the shares of which are traded on the premium segment of the main market of the London Stock Exchange. Accordingly, the ability of shareholders to sell their shares will be dependent on the market price of the shares. The shares may trade at a discount or premium to their net asset value. The Company may borrow money in order to make further investments. This is known as gearing. The effect of gearing can enhance returns to shareholders in rising markets but will have the opposite effect on returns in falling markets.

Economic and market forecasts presented herein reflect a series of assumptions and judgments as of the date of this presentation and are subject to change without notice. Emerging markets securities may be less liquid and more volatile and are subject to a number of additional risks, including but not limited to currency fluctuations and political instability.

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This is an actively managed portfolio that is not designed to track its reference benchmark. Therefore, the performance of the portfolio and the performance of its reference benchmark may diverge. In addition, stated reference benchmark returns do not reflect any management or other charges to the portfolio, whereas stated returns of the portfolio do.

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. The index composition may not reflect the manner in which the Company's portfolio is constructed.

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