

## Power up with Special Opportunities

Presenting

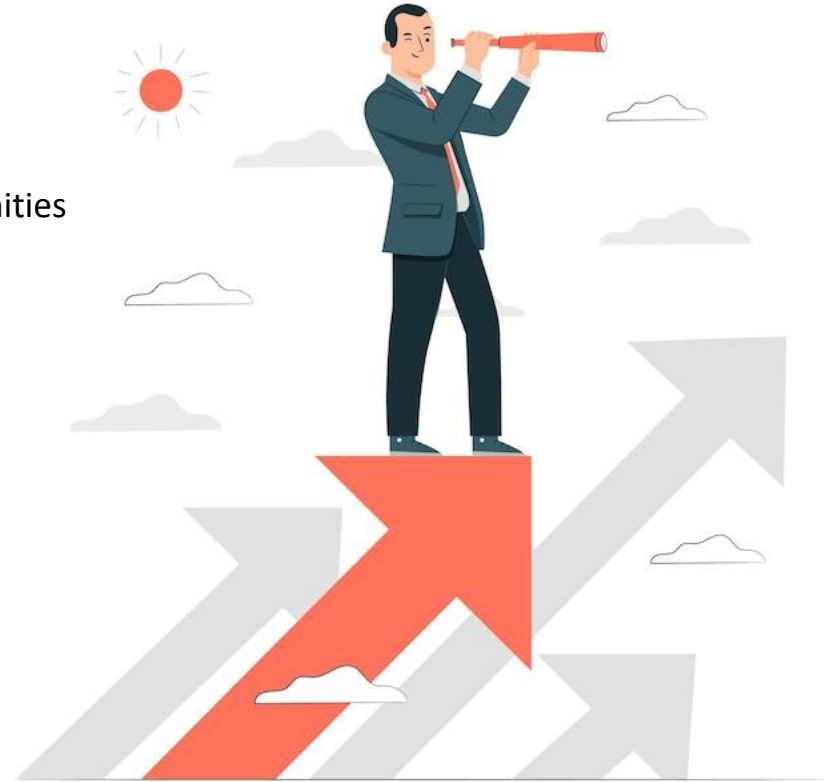
# WHITEOAK CAPITAL SPECIAL OPPORTUNITIES FUND

(An open ended equity scheme following special situations theme)

**NFO Period:**  
**15<sup>th</sup> - 29<sup>th</sup> May, 2024**

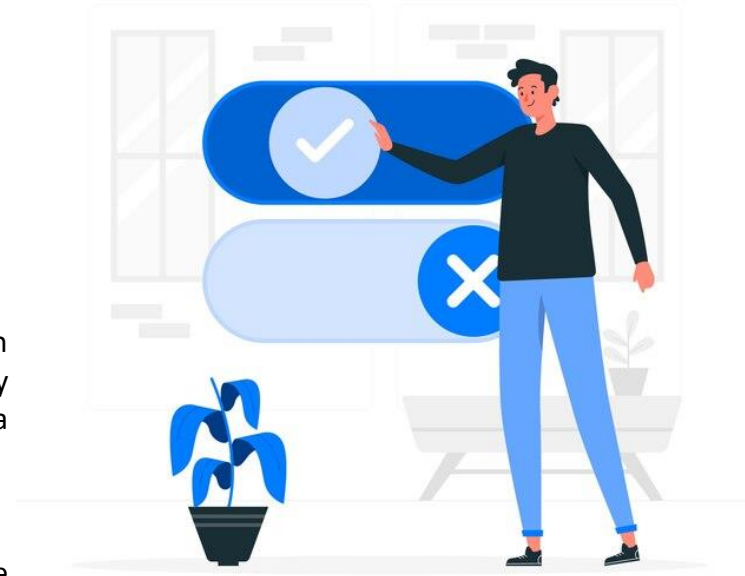


- What is a Special Situation ?
- Examples of Special Situations
- Thought Process required in identifying Special Situation Opportunities
- Historical Special Situation Events and Stock/Sector Examples
- Caveats while investing in Special Situation Opportunities
- Why WhiteOak Capital Special Opportunities Fund?
- Corporate Profile of WhiteOak Capital Group



# What is a *Special Situation* ?

- Special Situation are the unique situations, opportunities or challenges faced by a company, sector, or economy.
- **The opportunities can arise due to:**
  - **Temporarily and solvable problem impacting the stock price adversely or;**
  - **Positive developments are not fully priced in the stock price.**
- Unfavourable news may lead to stock's price decline, and negative sentiments can create uncertainty in the market. The outcome is that the stock of the company starts trading below its intrinsic (fair) value in the short term and that creates a "Buying Opportunity" for Special Opportunities Fund.
- Likewise, sometimes market takes time to fully factor in some of the positive development for a stock/sector. This allows the fund manager to capitalise on such opportunity.

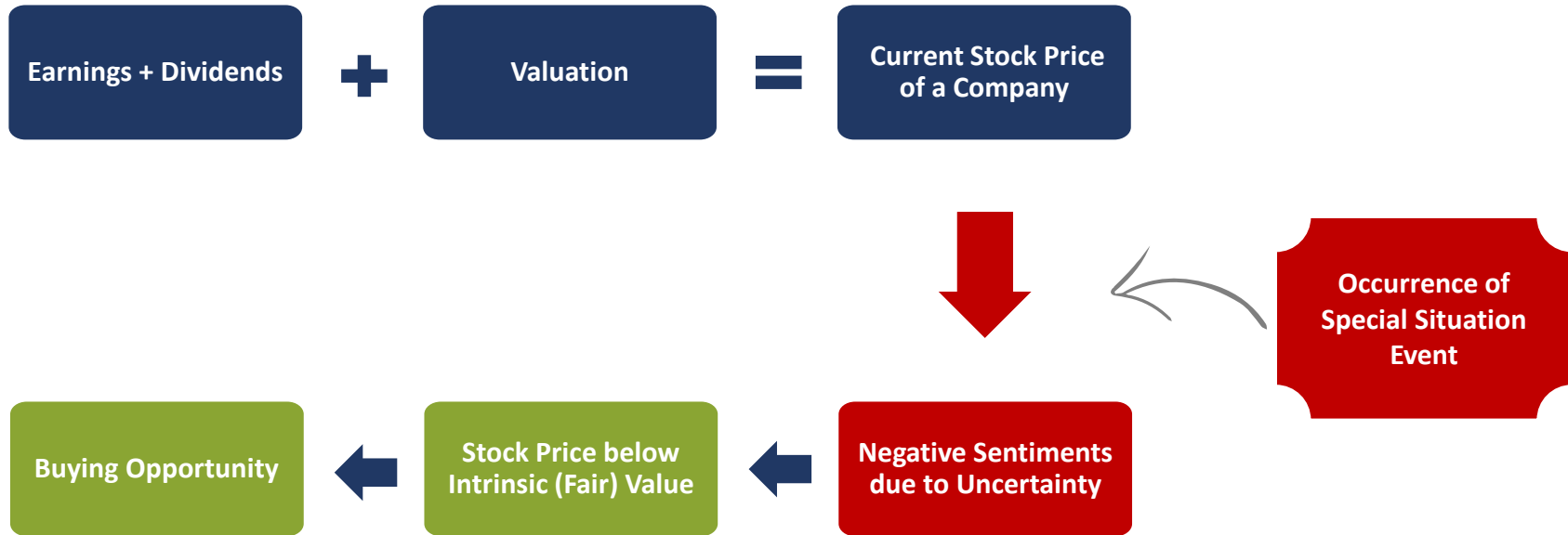


## Some Examples of *Special Situation* Events



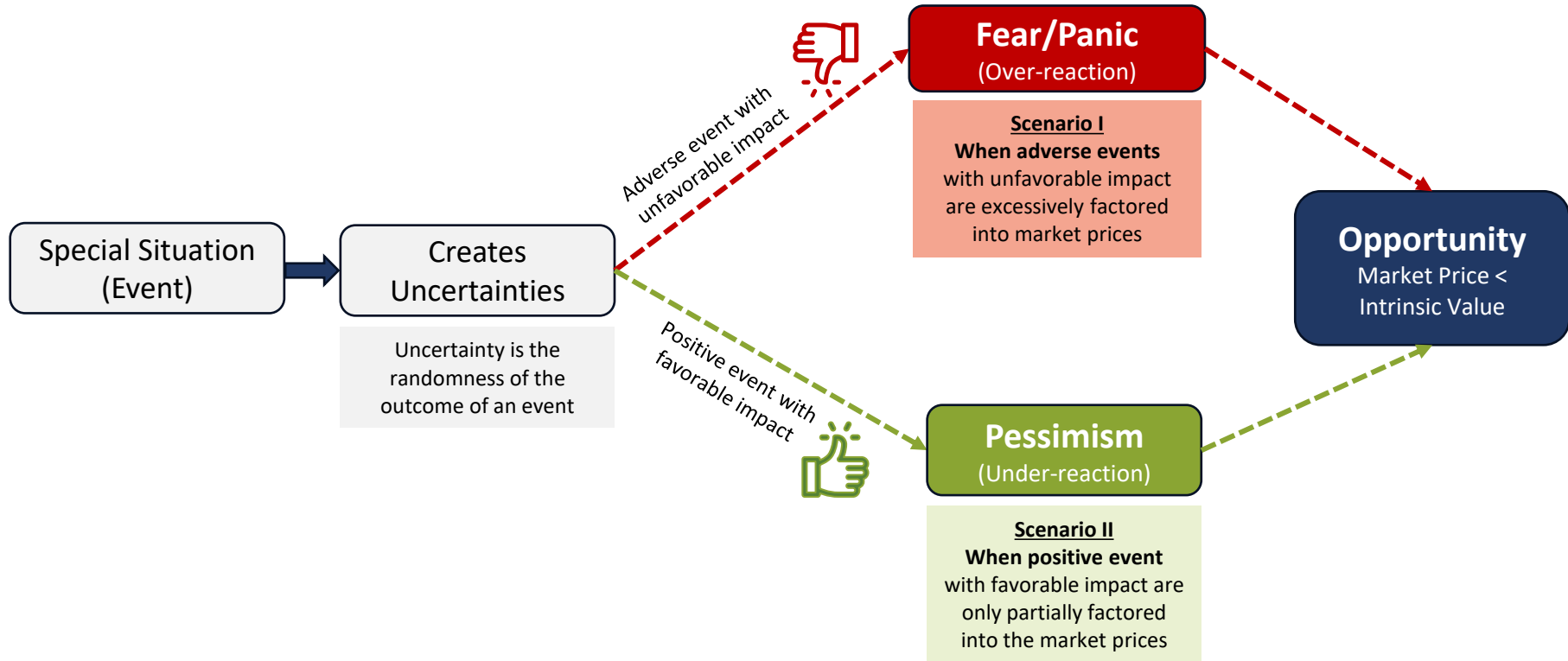
Special Situations are unusual challenges or unique situations faced by a company, industry or economy which may create a temporary disruption in the price

# Special Situation = Opportunity for Active Managers



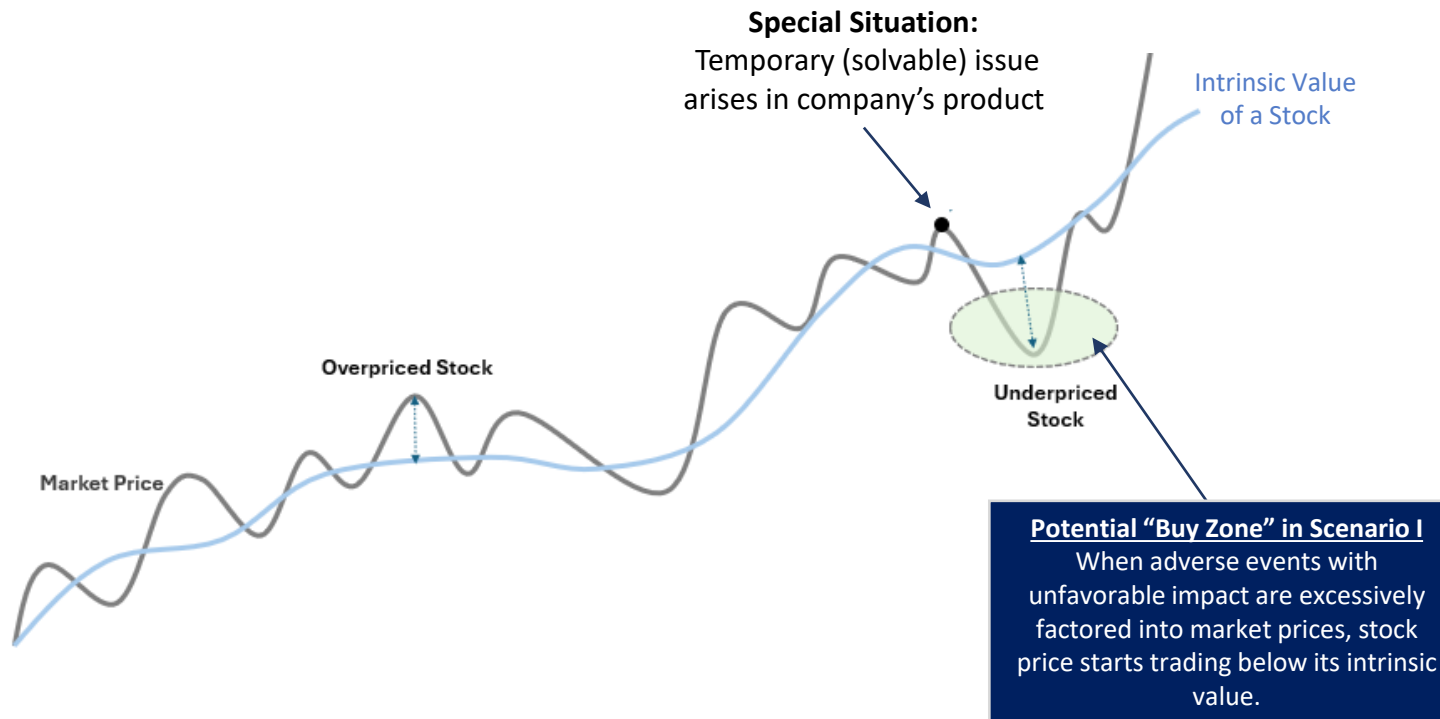
Special Situation may lead to a negative sentiment and can create uncertainty in the market.  
This can impact the stock price in the short-run.

# How do Special Situations create Opportunities?

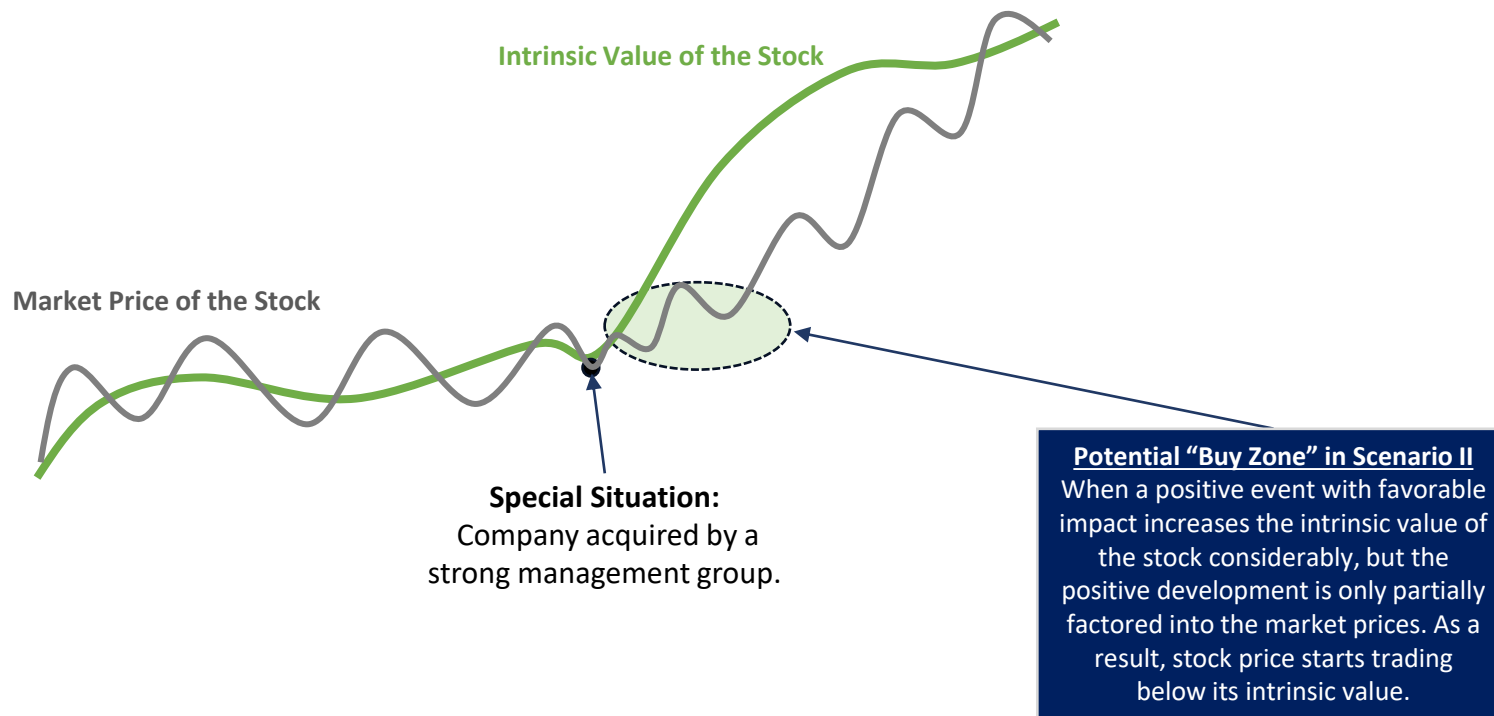


## Potential 'Buy Zone' under Special Situation

### Scenario I: Over-reaction to Negative Event



Potential 'Buy Zone' under Special Situation  
**Scenario II: Under-reaction to Positive Event**



# Margin of Safety and Special Situations

Higher Clarity, Lower Margin of Safety

## Margin of Safety

**Maximum**

*(Highest level of uncertainty)*

**Average**

*(Dust is getting settled)*

**Low**

*(Better Clarity)*

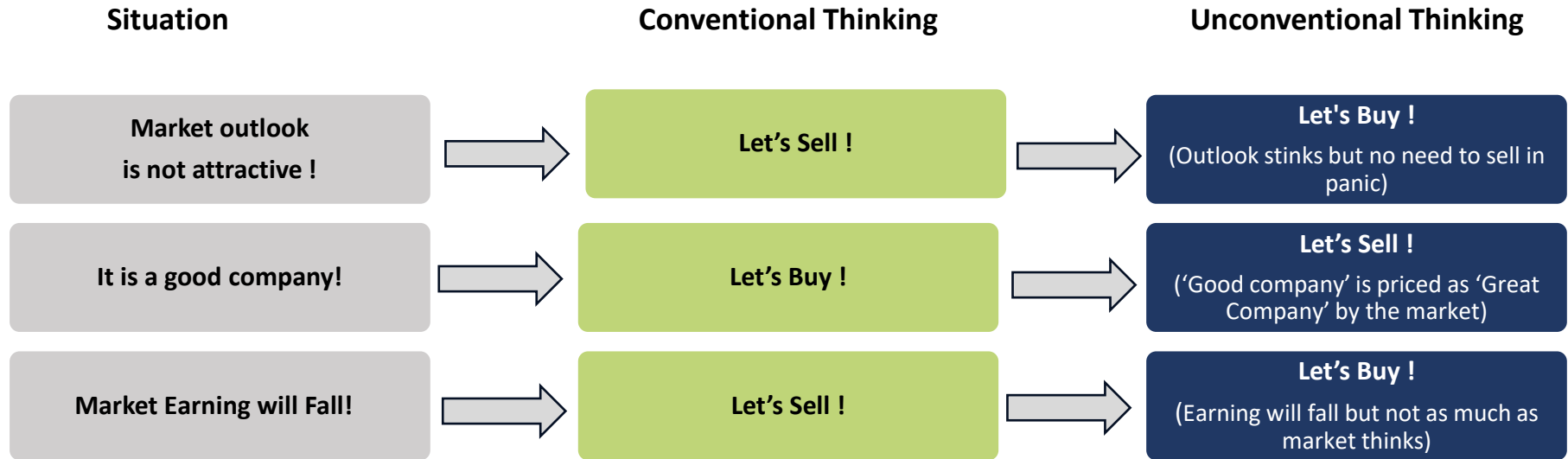
## Response to Special Situations

When a **Few** forward-looking people begin to **believe** things will get better

When **Most** investors **realise** improvement is taking place

When **Everyone concludes** things will get better forever

The key is to identify a situation in which stock's current market price is significantly lower than its intrinsic (fair) value due to an unfavorable event or pessimism about new development. Margin of safety changes as per level of clarity.



If you expect superior returns, you need superior judgment.  
And unconventional thinking can offer the same.

# Risk-Reward Matrix with Unconventional Thinking

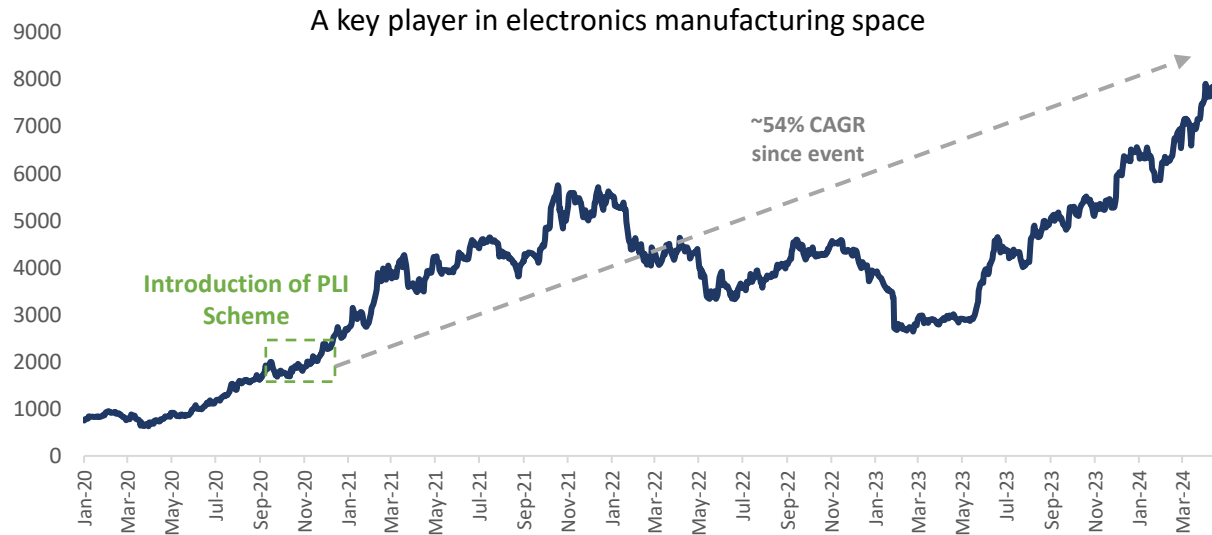


## Identification of Special Situations Opportunities needs Unconventional Thinking

When market participants have a consensus view about stock's bright future, it trades at above-average valuations. As a result, even with a favorable outcome, one can't outperform others.

But when it is a non-consensus stock and hence available at an attractive valuation, one may outperform if a favorable outcome occurs.

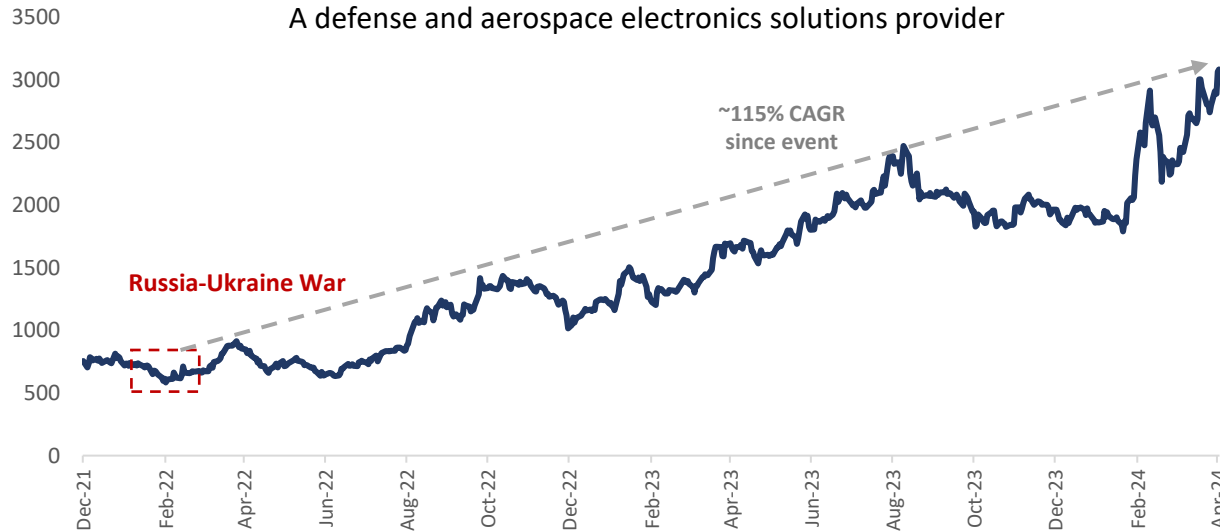
Holding a view different from the consensus often requires patience. It's necessary to wait for the market to recognize the disconnect between price and fair value.



A leading contract manufacturer of consumer electronics in India. It benefited significantly from the introduction of the PLI (Production-Linked Incentive) Scheme introduced in Oct'20, with an aim to promote domestic manufacturing of electronics and boost India's capabilities in this sector by providing incentives to eligible companies based on their incremental sales of certain products manufactured domestically.

Company's existence in the contract manufacturing space, along with superior execution and an agile management team, enabled it to become one of the few players that has taken full advantage of the government's vision of Atmanirbhar Bharat and localization of electronics manufacturing.

A defense and aerospace electronics solutions provider



A vertically integrated defence and aerospace electronics solutions-provider catering to the indigenously developed defence products industry. The company focuses on the in-house development of communication, surveillance, and defence systems through innovation, design, and development efforts.

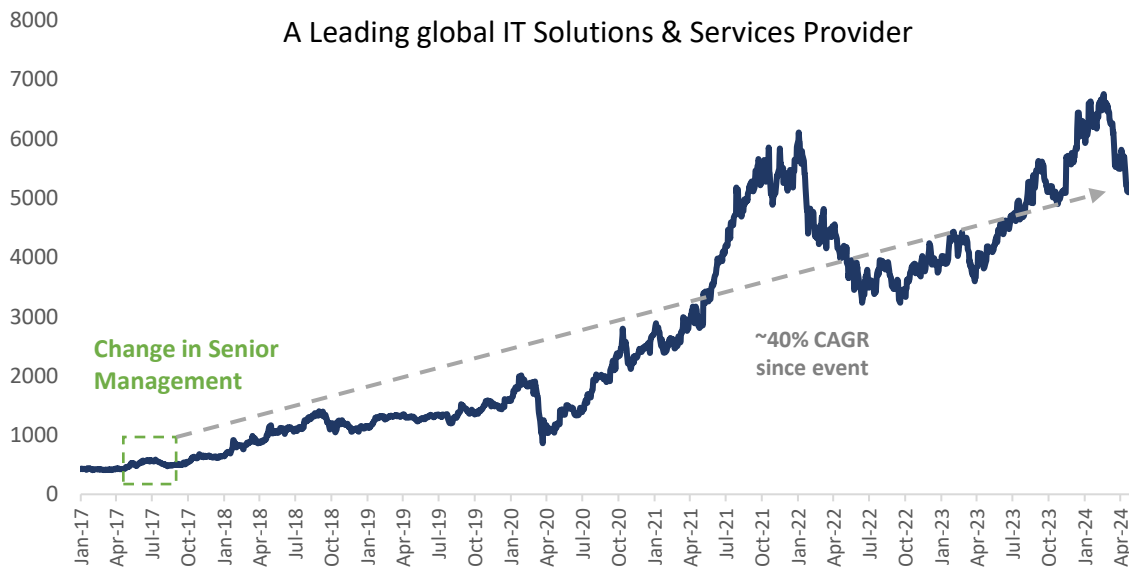
Russia – Ukraine conflict impacted major economies of the world. The growing tensions between these two countries impacted on the defense supplies to India. This indirectly helped Indian defense & aerospace companies.

The boosting of defense capital expenditure (capex) by the Indian government as well as increasing the domestic allocation of the defense budget created conducive environment for the company to expand their operations, innovate and contribute to India's defense preparedness.

## Special Situations Example

### *Change in Leadership*

A Leading global IT Solutions & Services Provider

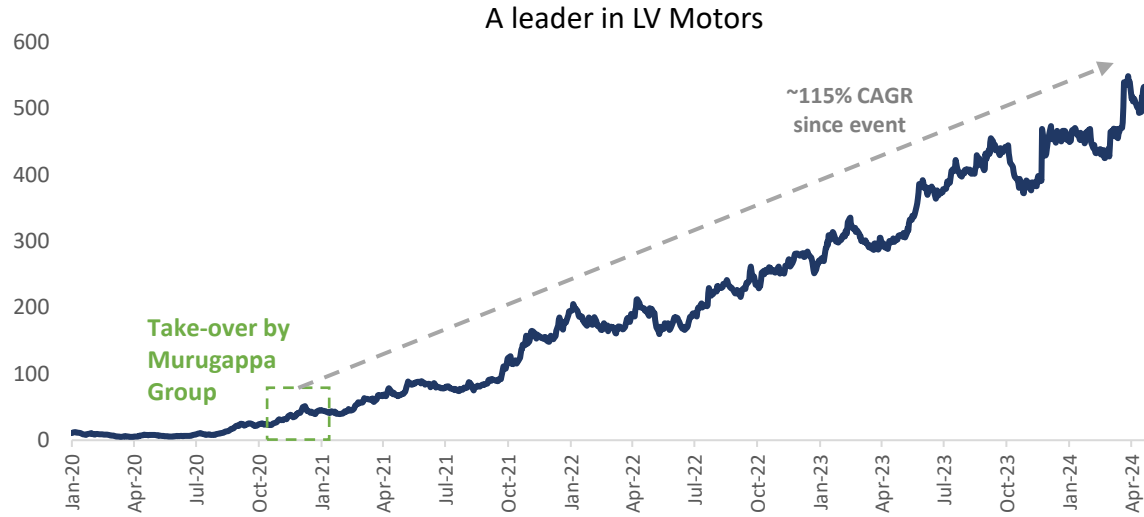


The company went through significant changes in the last six years which has led to strong value creation.

The current CEO was appointed in 2017, he made significant changes to the management team by overhauling the existing team with talent from tier-1 companies. All business heads were hired in onsite locations closer to the clients compared to them being in offshore locations previously.

Earlier the company had a geography-based Go-to-market (GTM) strategy where vertical-based domain experience could not be leveraged, which was later changed to a vertical-based GTM approach.

Company made capability acquisitions and was able to scale them and integrate them well with the existing capability set. It also packaged its existing capabilities into products such as AdvantageGO, which demonstrated differentiation and increased reference ability. These changes have led to a superior operating performance.



A leader in LV motors in India and one of the top suppliers of switchgear and transformers, along with critical components for railways. This company was acquired by Murugappa Group at the end of year 2020.

Earlier the company was suffering due to governance issues under the erstwhile promoters. This takeover marked an important development in Murugappa Group's diversification strategy, expanding its presence in the power sector through company's operations.

The company regained market share in core categories such as LV Motors by rebuilding trust with the channel network.

As the operation stabilized, the new management started looking to expand facilities and grow the revenue and profitability of the company at a rapid pace.

This change in management, including aggression towards growth, led to massive re-rating of the stock.

A leading hotel industry player



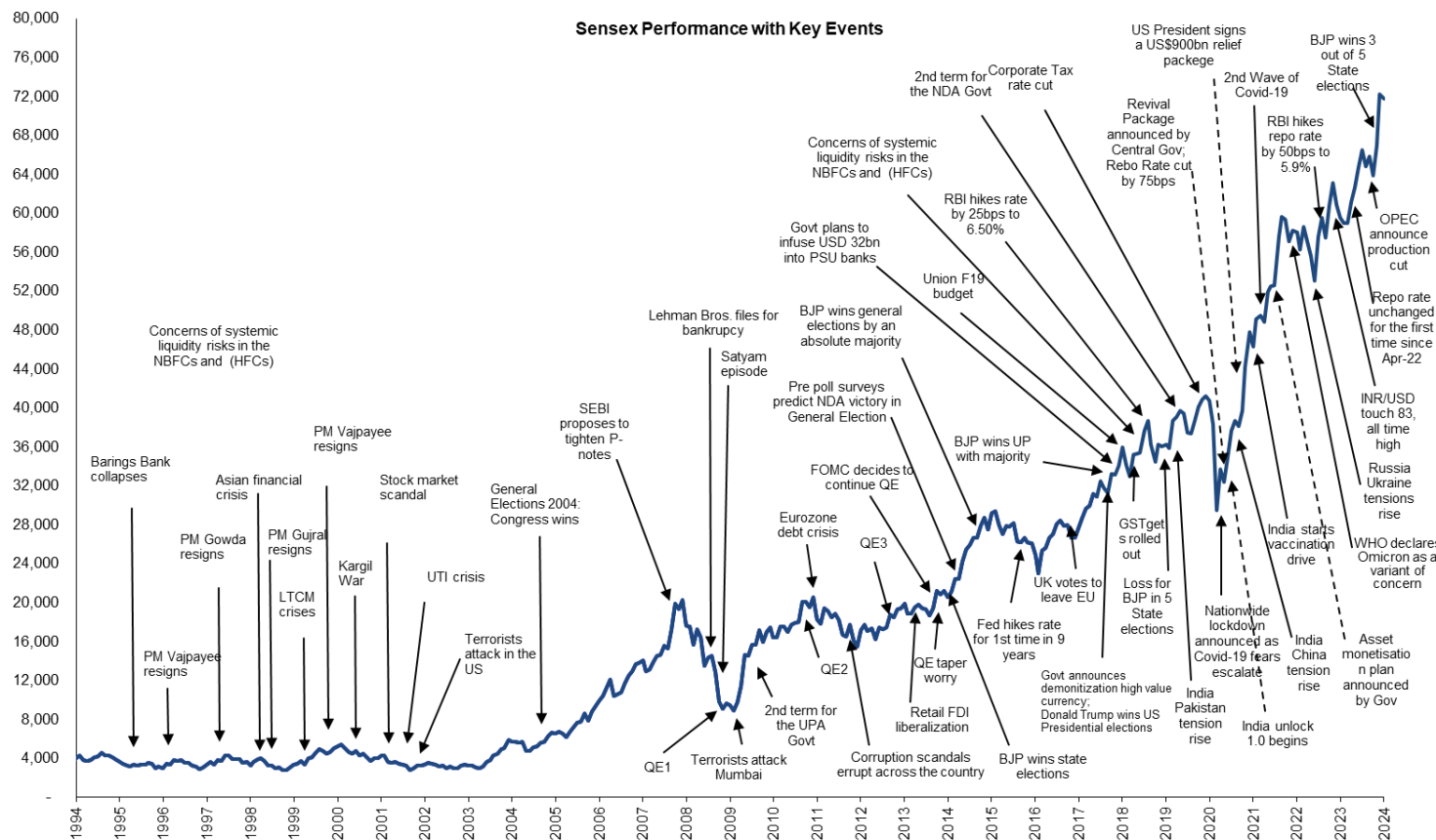
The hotel industry was among the sectors most severely impacted by the COVID-19 pandemic. In response to critical global measures such as social distancing, quarantine periods, travel limitations, etc., the company strategically navigated the uncertainties of economic recovery and the fear of COVID-19 reoccurrence.

Company's portfolio includes several iconic brands, such as Taj Hotels, Vivanta, Ginger, etc.

Its share price initially experienced a sharp decline when the pandemic hit in early 2020 and remained volatile throughout the pandemic period. However, the company implemented various strategies to manage costs and increase operational efficiency. Post-COVID, increased priority for safety and hygiene helped the company gain an edge over other hotels.

# Eventful Journey of Equity Market

"Never let a good crisis go to waste" – Winston Churchill



**The Equity Market  
remained eventful in the  
past and is likely to be  
eventful in future as  
well !!**

But remember..

## All Special Situations $\neq$ Special Opportunities

"Investing in special situations requires probabilistic thinking, as future outcomes are uncertain. The objective here is to identify situations with favorable asymmetric payoffs, i.e., large potential upside and low downside.

You need a contrarian mindset, questioning everything, but you don't have to be a contrarian for the sake of it; sometimes the market is right."

### Disguised Special Situations (Few Examples)

- When the company's business is in structural decline – technology disruption, product obsolescence etc.
- When the risk reward offered in the special situation is unfavourable, large downside and low upside.
- When the company business is a sham and is covered by accounting shenanigans.

Not necessarily all unique situations can lead to "Special Opportunities".  
Disguised Special Situations need to be avoided, which needs **Experience and Expertise!**

# What makes Special Situations difficult to analyze?

## Usually Special Situations are,

Mis-understood and difficult to understand

Fundamentally questionable on the surface

Controversial and unseemingly

Deemed inappropriate for “Respectable Portfolio”

Unpopular

Special Situation investing requires ‘**Probabilistic Thinking**’ which comes only by practice over time.

Bottom-up stock selection and In-depth analysis plays a pivotal role in analyzing the intrinsic value of the stock compared to its market price. This is where Active Management with Bottom-up Stock Selection & Strong Research Expertise plays an important role!



*Presenting,*

WhiteOak Capital

**Special Opportunities Fund**

**WhiteOak Capital Special Opportunities Fund will focus on opportunities arising out of Special Situations such as:**

- ✓ Corporate restructuring & Corporate Actions (including Mergers and Acquisitions):
- ✓ Government policy and/or regulatory changes.
- ✓ Technology and innovation led disruption.
- ✓ Company/sector affected by geopolitical issues.
- ✓ Company/sector affected by natural calamities.
- ✓ New trends, new & emerging sectors.
- ✓ Companies/sectors going through temporary unique challenges like such as strikes, litigation, product recalls, cybersecurity threats, supply chain disruptions, talent acquisition and retention, regulatory compliance complexity, reputation management challenges, environmental sustainability pressures, etc.

## **Sector/Market Cap Agnostic**

Bottom-up approach of stock selection with no bias for sectors or market capitalization

## **Tilted Towards Contra Investing**

The underlying theme necessitates contrarian bets on certain stocks/sectors going through special situations

## **High Active Share**

Scheme endeavors to keep a High Active Share, which is one of the necessary ingredients for potential alpha generation

## Why WhiteOak Capital Special Opportunities Fund ?

A large and experienced analysts' team to track Special Situations Opportunities in the market

Focus is on being ahead of the curve i.e. identifying Special Situations well in advance and capitalizing on them before the market fully factors in the outcome

The primary focus is on specific news, events, incidence that can impact a particular stock, sector or economy

The scheme will adopt bottom-up approach of investing, carefully selecting stocks and maintaining a diversified portfolio within the theme, ensuring balanced investment strategy

The risk-reward profile makes this scheme an attractive option for those who understand and are comfortable with the potential volatility



## Corporate Profile of WhiteOak Capital Group



Expertise and prior Experience only in  
**Investment Management**

- One of the few in the industry with DNA of investment management
- Group of Professionals led by an investment professional as 'Founder' to get SEBI license to set up an Asset Management Company (AMC)
- Core competence in domestic and global emerging equity markets



**Founded by**  
**Prashant Khemka**  
in June 2017



**AUM**  
**~US\$ 7.84 Bn**  
(~Rs. 65,350 Crore)



**Offices**  
India, Singapore, Mauritius,  
Switzerland, Spain, UK and Dubai



## Prashant Khemka Founder

- 2000** Prashant joined **Goldman Sachs Asset Management (GSAM)** in the US Growth Equity Team
- 2004** Became **Senior PM and Co-Chair of the Investment Committee** on the **US Growth Equity team** which managed US\$25 bn
- 2006** Returned to Mumbai to start **GSAM India business**, where he served as **CIO and CEO / Co-CEO** until 2013
- 2013** Moved to Singapore as **CIO and Lead PM of both India and Global Emerging Markets**
- 2017** Founded **WhiteOak Capital Group**

**Extensive investing record across India, Global Emerging Market (GEM) and the US**

# Large and Growing Investment Team at WhiteOak Capital Group Level

Well resourced team with experience across emerging and developed markets

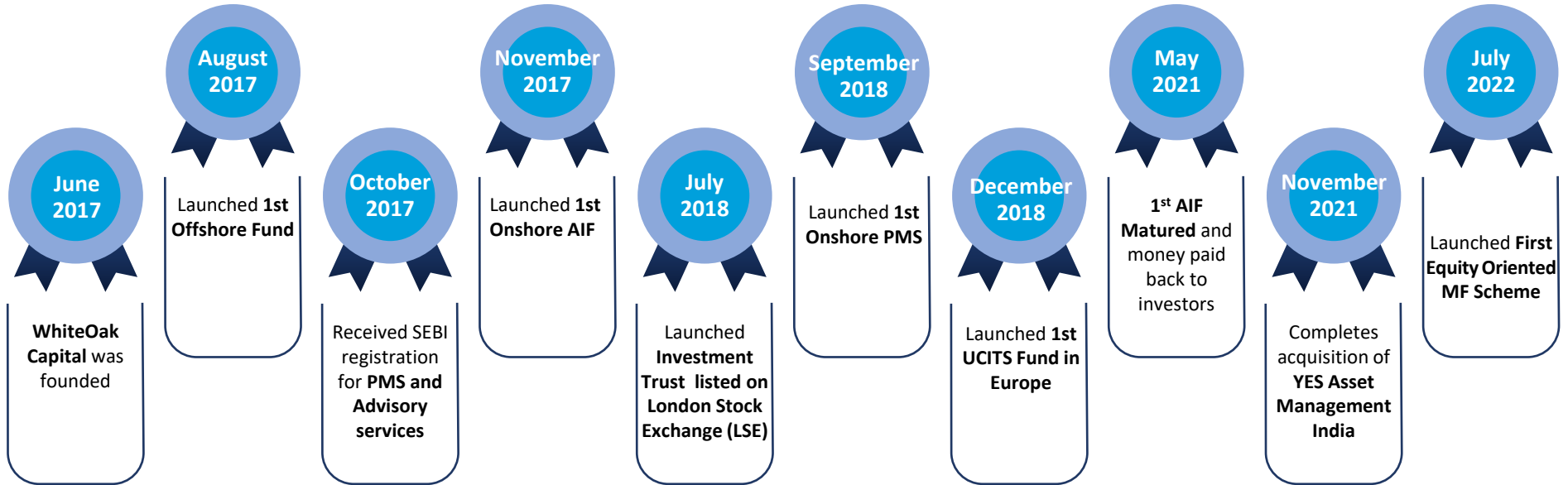
Name/(Yrs of Exp) Coverage		Name/(Yrs of Exp) Coverage		Name <sup>2</sup> /(Yrs of Exp) Coverage		Name <sup>2</sup> /(Yrs of Exp) Coverage		Name <sup>3</sup> /(Yrs of Exp) Coverage		Name <sup>3</sup> /(Yrs of Exp) Coverage			
	<b>Prashant Khemka<sup>1</sup> (26)</b> Founder		<b>Manoj Garg<sup>1</sup> (28)</b> Healthcare, Materials, Auto		<b>Ramesh Mantri (21)</b> CIO, Equities (AMC)		<b>Parag Jariwala (18)</b> Financials		<b>Trupti Agrawal (16)</b> Financials, Cons Disc		<b>Rohit Chordia (20)</b> Consumer, Comm Svcs, Energy, Utils		<b>Anand Bhavnani (13)<sup>6</sup></b> Financials
	<b>Sanjay Vaid <sup>1</sup> (35)</b> Trading		<b>Ayush Abhijeet<sup>1</sup> (12)</b> Info-Tech, Cons Disc, Comm Svcs		<b>Dheeresh Pathak (18)</b> Healthcare, Materials		<b>Ashish Agrawal (19)</b> Trading		<b>Shariq Merchant (12)</b> Consumer, Realty		<b>Chaitanya Kapur(7)</b> Trading		<b>Pratyush Agarwal (5)</b> Info-Tech, Comm Svcs
	<b>Arthur Kadish<sup>1</sup> (17)</b> Consumer, Realty		<b>Fadrique Balmaseda<sup>4</sup> (12)</b> Consumer, Realty, Commodities		<b>Neeraj Parkash (7)</b> Industrials, Energy, Utils		<b>Vineet Narang (3)</b> Generalist		<b>Darshak Lodhiya (4)</b> Financials, Auto		<b>Aman Kapadia (6)</b> Forensics, ESG, Primary Research		<b>Kshitij Bansal (3)</b> Consumer, Realty
	<b>Lim Wen Loong<sup>1</sup> (12)</b> Info-Tech, Industrials		<b>Nori Chiou<sup>1</sup> (12)</b> Info-Tech, Industrials		<b>Naitik Shah (1)</b> Healthcare, Materials		<b>Adithi Duggad (4)</b> ESG Advisor		<b>Kritik Jain</b> Financials		<b>Tejikiran Magesh (4)</b> Financials		<b>Sadeev Singh</b> Financials
	<b>Jorge Robles<sup>4</sup> (9)</b> Cons Disc, Comm Svcs, Commodities		<b>Krishna Sathyamoorthi<sup>1</sup> (3)</b> Healthcare, Consumer, Industrials		<b>Yash Verma</b> Cons Disc, Industrials, Commodities		<b>Armaan Wadhawan</b> Industrials, Materials		<b>Nikhil Kochar</b> Financials		<b>Sanket (1)</b> Comm Svcs, Commodities		<b>Nikunj Sarda</b> Industrials, Consumer, Realty
	<b>Yu Heng Ong <sup>1</sup></b> Consumer Disc		<b>George Chen <sup>1</sup></b> Info-Tech, Industrials		<b>Saahas Jain</b> Cons Disc, Realty		<b>Shubham Aggarwal</b> Healthcare, Materials		<b>Radhika Maheshwari</b> Trading		<b>Shane Mathews</b> Financials		
	<b>Joshua Chu<sup>1</sup></b> Consumer		<b>Charles Woo<sup>5</sup></b> Trading		<b>Ishanya Chanana</b> Generalist						<b>Bhavya Jain</b> Financials		

Employees of <sup>1</sup>White Oak Capital Partners Pte and <sup>4</sup>White Oak Capital Management (Spain), Sociedad Limitada

Employees of <sup>2</sup>WhiteOak Capital AMC

Employees of <sup>3</sup>White Oak Capital Management Consultants LLP

# WhiteOak Capital Group – Key Milestones



## WhiteOak Capital AMC

### Discretionary Portfolio Management Services (PMS)

- Launched in Sep 2018; amongst the top 5 PMS by AUM, total AUM: **~US\$ 760 Mn**
- Flagship strategy amongst top performers in peer group
- PMS business transferred to AMC as at April 2024

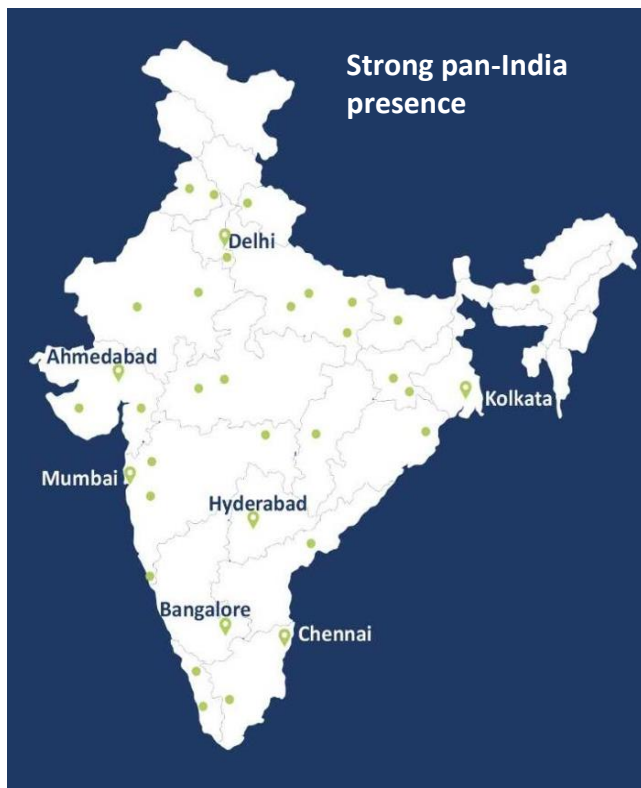
### Domestic Mutual Fund

- Launched first Equity NFO in August 2022, total AUM: **~US\$ 1,200 Mn**
- Performance backed by expanding product suite
- Empanelment with large wealth distributors, national retail distributors and banks
- One of the fastest scale-up for a domestic mutual fund, crossing Rs 100bn in AUM recently

## White Oak Capital Management Consultants LLP

### WhiteOak Capital LLP

Alternative Investment Funds (AIF) outside the AMC, group entity WhiteOak LLP, has AUM of **~US\$ 390mn** across four AIFs and two domestic advisory mandates



## Robust Distribution

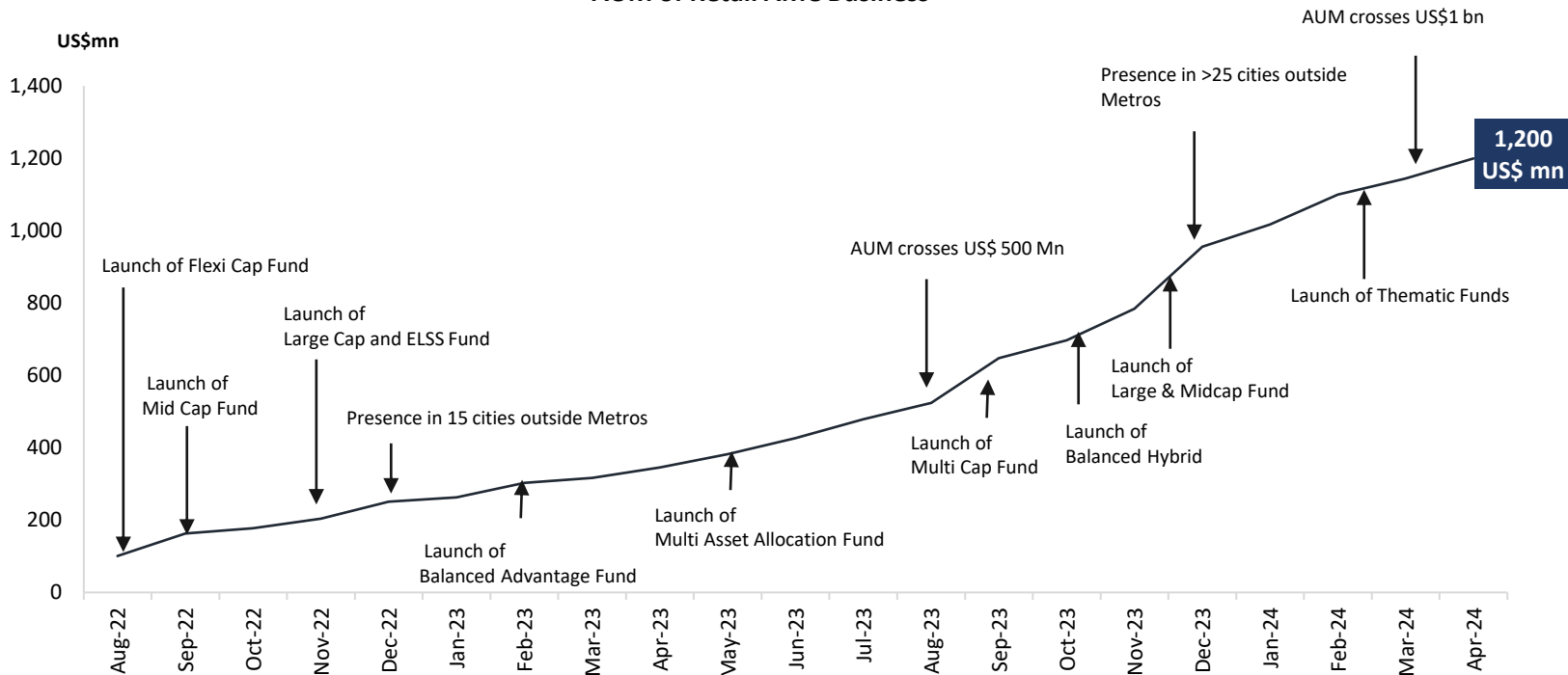
- Empanelment with all major private and MNC banks
- 35 large wealth distributors
- ~70 Retail National Distributors
- ~18,000+ Mutual Fund Distributors
- ~310 Registered Investment Advisors
- 49 branches across 20 states

## Granular Client Base<sup>1</sup>

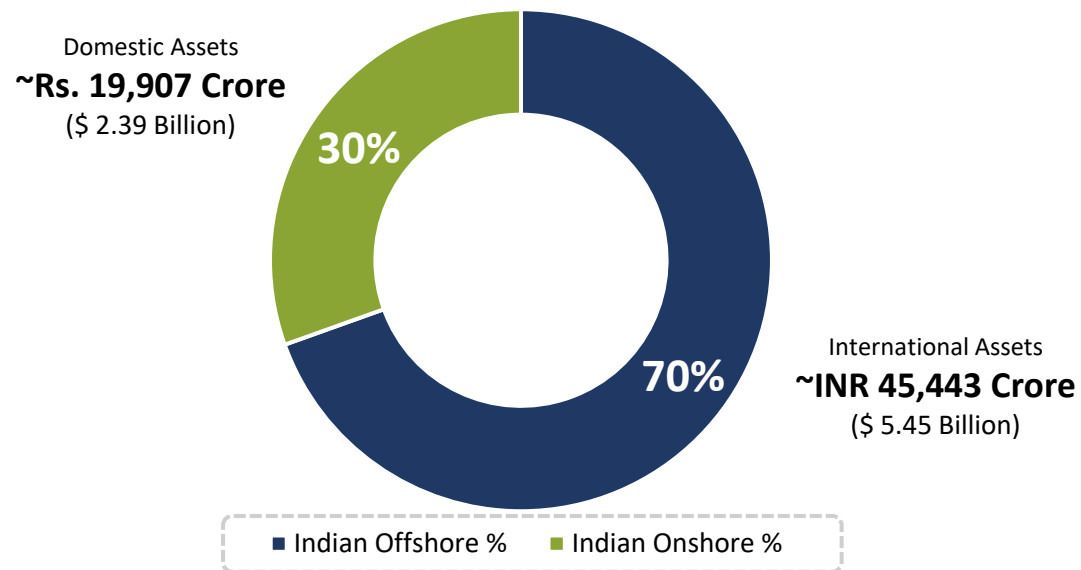
- Number of unique investors: ~363k
- Number of unique investors outside metros: ~171k
- Number of live SIPs: ~230k (100k outside metros)

# Evolution of Retail AMC Business

**AUM of Retail AMC Business**



# Assets Under Management or Advisory of the WhiteOak Capital Group



Total AUM of  
**~Rs. 65,350 Crore**  
~(\$ 7.84 Billion)

<b>Type of Scheme</b>	An open ended equity scheme following special situations theme
<b>Investment Objective</b>	The primary objective of the Scheme is to generate long-term capital appreciation by investing in opportunities presented by special situations such as corporate restructuring (including mergers & acquisitions etc.), government policy and/or regulatory changes, technology led disruption and innovation, new trends, new & emerging sectors, companies /sectors going through temporary unique challenges and other similar instances. However, there can be no assurance that the investment objective of the Scheme will be realized.
<b>Asset Allocation Pattern</b>	Equity & Equity Related Instruments of special situation theme** : 80%-100% (Risk Profile - Very High) Equity & Equity Related Instruments of other companies: 0%-20% (Risk Profile - Very High) Debt Securities and Money Market Instruments: 0%-20% (Risk Profile - Low to Medium) Units issued by REITs and InVITs: 0%-10% (Risk Profile – Very High)  **Special situations includes corporate restructuring (including mergers & acquisitions etc.), government policy and/or regulatory changes, technology led disruption and innovation, new trends, new & emerging sectors, companies/sectors going through temporary unique challenges and other similar instances and new and emerging areas of Special Situations Theme. For detailed asset allocation, please refer to the Scheme Information Document.
<b>Plans</b>	Regular Plan & Direct Plan
<b>Options</b>	Growth Option
<b>Minimum Application Amount</b>	Rs. 500 ( and in multiples of Re.1 thereafter)
<b>Minimum Additional Application Amount</b>	Rs. 500 ( and in multiples of Re.1 thereafter)
<b>Minimum Redemption Amount</b>	Rs. 500/- and in multiples of Re 0.01/- or account balance, whichever is lower
<b>Load Structure</b>	Entry Load: Nil Exit Load: 1.00% (of applicable NAV) if units are redeemed / switched-out within 1 month from the date of allotment., Nil thereafter
<b>Fund Manager</b>	Mr. Dheeresh Pathak (Equity), Ms. Trupti Agrawal (Assistant Fund Manager - Equity), Mr. Piyush Baranwal (Debt)
<b>Benchmark Index</b>	S&P BSE 500 TRI

**WhiteOak Capital Special Opportunities Fund (An open ended equity scheme following special situations theme) is suitable for investors who are seeking\*:**

- Long Term Capital Appreciation
- Investment predominantly in equity & equity related instruments of special situations theme

**\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.**



The product labelling assigned during the NFO is based on internal assessment of the Scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made. The AMC will evaluate the Risk-o-Meter on a monthly basis and shall disclose the same along with the portfolio disclosure.

While reasonable endeavors have been made to present reliable data in the Presentation, but WhiteOak Capital Asset Management Limited does not guarantee the accuracy or completeness of the data in the Presentation. WhiteOak Capital Asset Management Limited or any of its connected persons including its subsidiaries or associates or partners or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained, views and opinions expressed in this Presentation. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this Presentation reflect a judgment of its original date of publication by WhiteOak Capital Asset Management Limited and are subject to change without notice. This Presentation is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to local law, regulation or which would subject WhiteOak Capital Asset Management Limited and its affiliates to any registration or licensing requirement within such jurisdiction. The product described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this Report/Presentation may come are required to inform themselves of and to observe such restrictions. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision.



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