

The *“Journey”* is just as important,
as the *“Destination”*

Only SIP and STP in WhiteOak Capital Mid Cap Fund

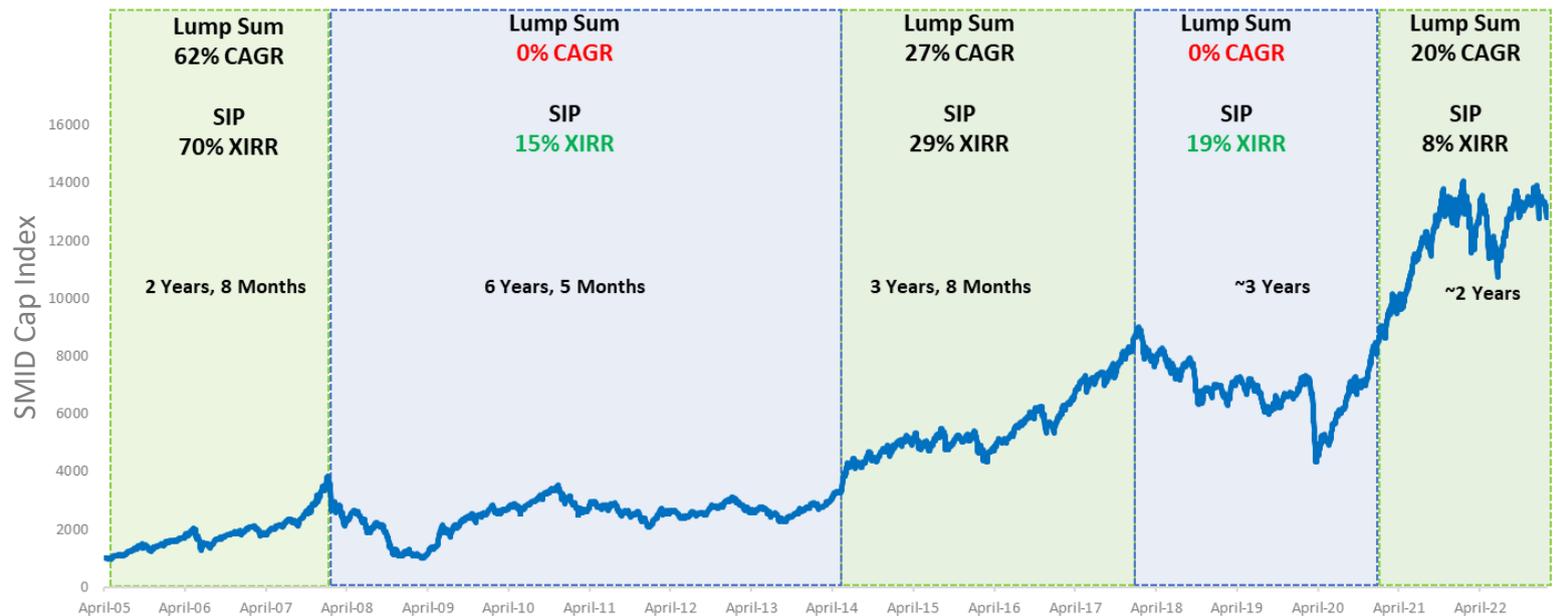
As a part of our endeavours to create a better experience for our investors investing in Mid Cap segment, we at WhiteOak Capital Mutual Fund will be accepting investment only through SIP and STP route till further notice in our Mid Cap Scheme, i.e., WhiteOak Capital Mid Cap Fund.

Apart from Normal SIP and STP features, investors may opt for various other exciting facilities like Flex SIP, Goal SIP, SIP Top-up and Flex STP offered by WhiteOak Capital Mid Cap Fund. We believe these features will make the investing journey of our investors more pleasant and rewarding. And investors can reap the benefit of investing in Mid Cap segment over the full market cycle.

Why Only SIP and STP : Tale of two Investments; SIP and Lump Sum

The chart underneath explains the investment journey through SIP vs Lumpsum route in SMID Cap from April 2005 to Jan 2023. It is visible that during the painful patches also, SIP could manage to deliver reasonable returns even when Lump-sum investment returns were almost flat.

The SMID Cap Index has gone through the long range-bound periods, and returns often came in the spurt. The patches in the graph highlighted in blue colour are elongated periods of range-bound index and the periods where returns came in spurt are highlighted in green.



Full Period (Apr'05 to Dec'22) →

Lump Sum 15.5% CAGR

SIP 14.3% XIRR

In a nutshell, from Apr 2005 to Jan 2023, in almost 17+ years, there are two significantly long periods where the SMID Cap Index delivered flat returns. This means that there were nine challenging years where investors could have lost their patience and would not have continued their investments till it had resulted in a rewarding experience.

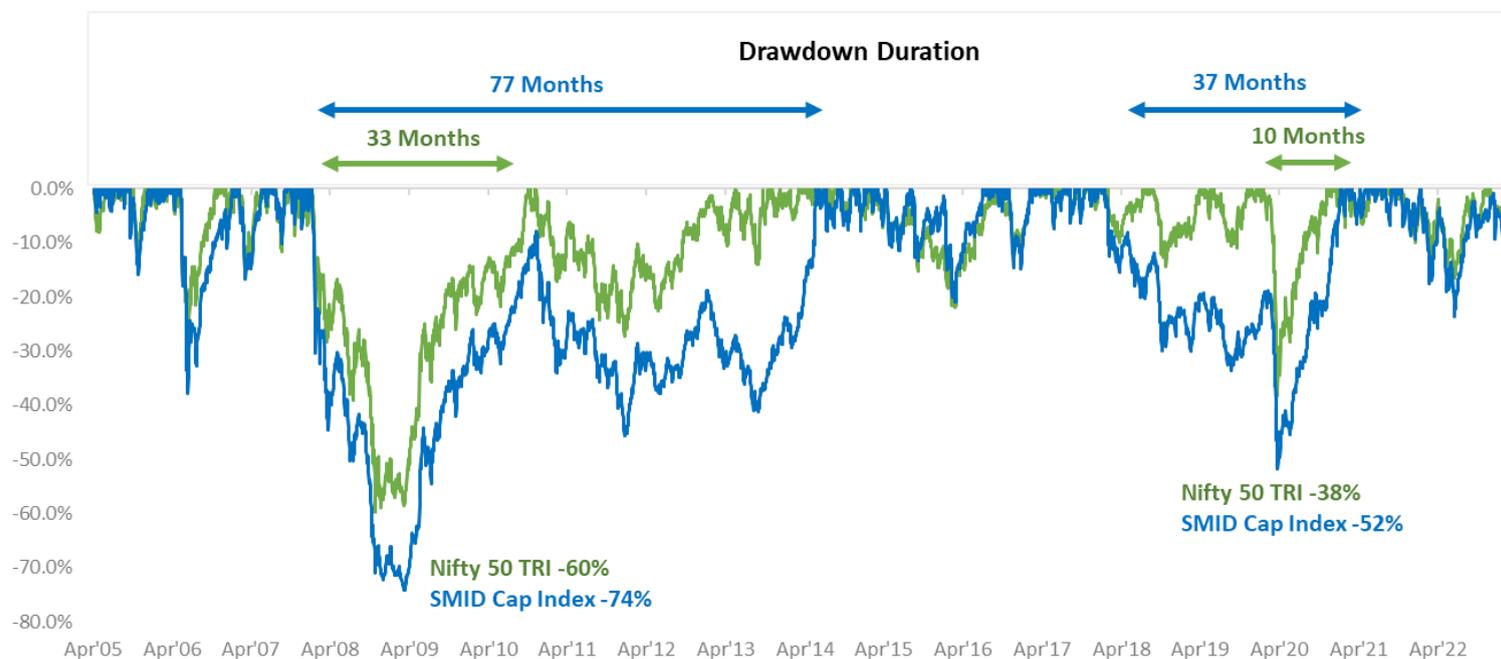
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What is more painful, % Drawdown or Drawdown Period?

There isn't a single market fall that hasn't recovered in the history of the Indian Equity Market. But, it is observed that, it is not the extent of the drawdown but the duration of the drawdown period, that can impact the investment horizon adversely. Hence, the longer the painful period, the higher the chances that the investment may result in premature withdrawal (and quite often at the wrong time).

As we can see from the chart/table below, during the two major market corrections over last 17 years, the SMID caps have not only corrected more than the large-cap index, but the drawdown durations were more prolonged than that of the large-cap index.

During the subprime crisis, the Large Cap and SMID Cap corrected sharply. Nifty 50 TRI fell by 60%, and the SMID Cap fell by 74%. Subsequently, the Large-Cap Index recovered within two years, while the SMID Cap Index took about 6.5 years to recover back to previous highs. The sentiments were highly negative during this period, which resulted in the outflows from investors before they could benefit from the investment post-2014, when SMID cap rallied significantly.



Historically, both % of Drawdowns and Drawdown Durations, were higher for SMID Cap Index compared to Nifty 50 TRI.

Event	Nifty 50 TRI				SMID Cap Index			
	% Drawdown	Drawdown Period (A)	Recovery Period (B)	Drawdown Duration (A+B)	% Drawdown	Drawdown Period (C)	Recovery Period (D)	Drawdown Duration (C+D)
Sub Prime Crisis	-60%	10 Months	23 Months	33 Months	-74%	14 Months	63 Months	77 Months
NBFC/Covid Crisis	-38%	2 Months	8 Months	10 Months	-52%	27 Months	10 Months	37 Months

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Correlation between Flows and SMID Cap Performance

From Jan 2018 to Jan 2021, when SMID Cap delivered almost flat returns there were outflows from the Midcap funds instead of inflows.

Calendar Year Wise Flows in Midcap Funds (in Rs. Cr) - Ex SIP



Note: Flows are Ex-SIP in Midcap Funds, assuming % of SIP Flows in Midcap to Total SIP Flows is equal to a % of Midcap Category AUM to Total Equity MF AUM (~12%).

To Conclude ...

Midcap and Smallcap index has delivered reasonable returns over the medium to *“long term”* in the past and while it looks obvious to *“Invest for long-term,”* intermittent volatility plays a significant role in holding the investments in the long run.

Scheme Name	3 Years	5 Years	7 years	10 years	12 years	15 years	17 years	Since 1-Apr-05
Nifty 100 TRI	14.6	10.4	14.0	12.9	11.7	10.1	12.5	14.3
Nifty Midcap 150 TRI	21.4	11.3	16.8	17.3	15.3	12.3	14.1	16.2
Nifty Smallcap 250 TRI	22.4	6.8	13.3	14.8	12.3	9.0	12.2	14.7
Nifty 500 TRI	16.1	10.3	14.3	13.3	11.9	9.8	12.2	14.0

Source: MFIE and Internal Research. Returns above are % CAGR as on 31st January 2023. Past performance may or may not be sustained in future. Index performance does not signify scheme performance.



^Plus some allocation in Large Cap for Liquidity purpose and to capture some compelling opportunities

The allocations mentioned above are tentative and for illustration purpose only. Final portfolio can have higher or lower allocation depending on prevailing market scenario. Portfolio will be managed as per stated Investment objective, investment strategy & asset allocation in the Scheme Information Document (SID) and is subject to the changes within provisions of SID of the Scheme.

Philosophy at WhiteOak Capital: Focus on Stock Selection



Great Business

Well managed and scalable business, with superior returns on capital

Attributes of Great Business

Superior returns on incremental capital

Scalable long term opportunity

Strong execution and governance



Valuation

Current price at a substantial discount to intrinsic value

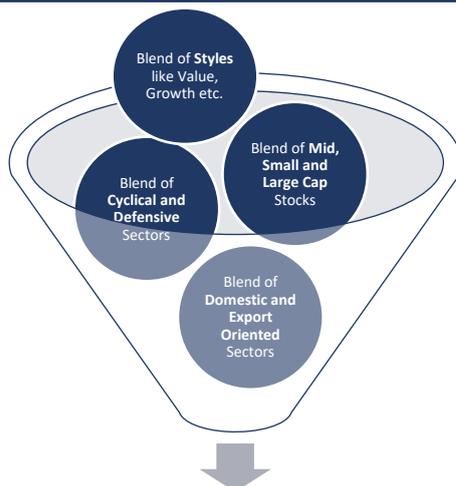
Valuation

Intrinsic value = present value of future cash flows

Value excess returns on capital vs capital employed

At WhiteOak we believe, "Outsized returns can be earned over time by investing in **Great Businesses** at **Attractive Valuations**". So, instead of taking skewed Macro bets on Sectors or on Particular Style, we focus on Stock Selection.

WhiteOak Capital's Approach towards Balanced Portfolio Construction



Balanced Portfolio Construction

No particular **Style** performs consistently every year. Likewise, **Sector and Market Cap** performance keeps rotating year on year. Furthermore, there may be prolonged cycle of out performance and under performance. Hence, a **Balanced Portfolio with blend** of these factors can help improving consistency of the performance.

For illustration purpose only. Portfolio will be managed as per stated Investment objective, investment strategy & asset allocation in the Scheme Information Document (SID) and is subject to the changes within provisions of SID of the Scheme.

Why WhiteOak Capital Mid Cap Fund

- **Large Investment Team**
 - Covering ~1000 Stocks with more than Rs. 1000 Crore Market Cap
- **Balanced Portfolio Construction**
 - Portfolio of Pro-cyclical and Counter-cyclical stocks to help reducing macro economic shocks
- **Sectoral Analyst: Team within Team Structure**
 - Each sector is tracked by several analysts for in-depth analysis
- **Analysts' Experience**
 - Many analysts in team are tracking the same sector for more than a decade
- **Forensic for Negative List of Stocks**
 - Helps reduce possible accidents due to poor corporate governance
- **Tactical Allocation to Small Caps**
 - to capture compelling opportunities in this segment
- **Small Allocation to Large Caps for Liquidity**

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Additional SIP/STP Variants with WhiteOak Capital Mid Cap Fund



Please read terms and conditions of respective feature before investing. Investors are requested to consult their Mutual Fund Distributor/Advisor to decide which feature is suitable to them.

mf.whiteoakamc.com
 Call us on 1800 3000 3060
 Or call your Mutual Fund Distributor

WhiteOak Capital Mid Cap Fund (An open ended equity scheme predominantly investing in mid-cap stocks) is suitable for investors who are seeking*:

- Long term capital appreciation
- Investment in a diversified portfolio of equity and equity-related securities of companies primarily selected from the mid-cap segment of the Indian markets.

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



The AMC will evaluate the Risk-o-Meter on a monthly basis and shall disclose the same along with the portfolio disclosure.

C/035/2/23



Spotting Potential Leaders is an Art,
Bringing them Together is a Science.

WHITEOAK CAPITAL
MID CAP FUND
 (An Open Ended Equity Scheme Predominantly Investing In Mid-Cap Stocks)



Mutual fund investments are subject to market risks, read all scheme related documents carefully.