



# KSEMA WEALTH PVT LTD

Ksema Wealth- Alpha

CAGR 19.4%

Ksema Wealth-Multicap

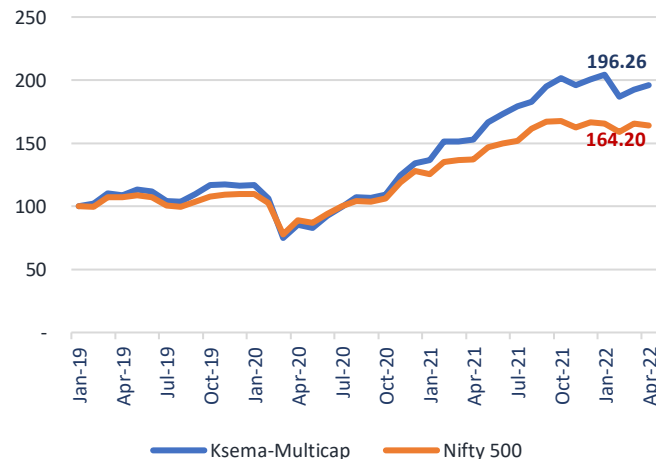
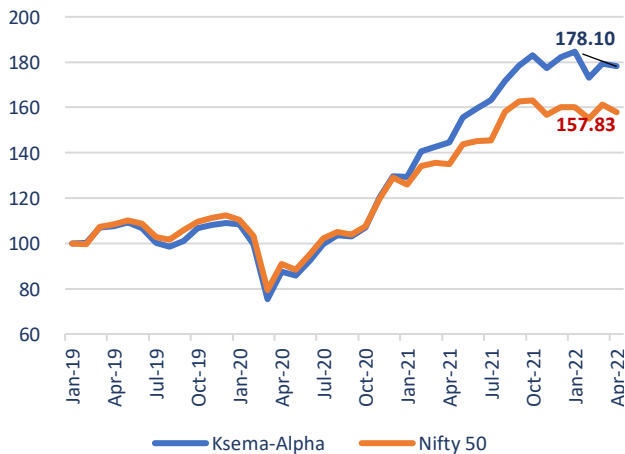
CAGR 23.0%

## KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

Since Feb 2019	Alpha	Nifty 50
Average Monthly return	1.70%	1.37%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	19.4%	15.1%
Annualized Volatility	22.2%	21.2%
% of winning months (against benchmark)	64.1%	na
% of gained months	69%	61.5%
YTD	-0.72%	-2.07%
Sharpe (RF 6%)	0.58	0.41
Alpha	5.16%	na

## KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

Since Feb 2019	Multicap	Nifty500
Average Monthly return	2.04%	1.48%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	23.1%	16.5%
Annualized Volatility	25.9%	21.4%
% of winning months (against benchmark)	65.8%	na
% of gained months	72%	64.1%
YTD	1.91%	-0.75%
Sharpe (RF 6%)	0.64	0.47
Alpha	8.82%	na



## MARKET REVIEW & OUTLOOK

### Global

World Equity markets declined further in the month of April. Global shares were hit by the ongoing war in Ukraine, lockdowns in China due to fresh wave of Covid, continued supply chain disruptions, and expectations that US interest rates could rise swiftly. US shares represented by DJIA dropped 5% and Tech heavy Nasdaq 13% after disappointing updates from some previously fast-growing companies.

Bond yields continued to rise as markets anticipated significant interest rate hikes. The expectation of higher interest rate incited rally in Dollar which moved higher by 4.9%. In the U.S, the 10-Yr and 30-Yr Treasury yields increased 56 and 49 basis points, respectively during the month. The move followed the inflation print which was 8.5% annualized rate - a 40-year high.

Eurozone equities too fell sharply during the month of April as the war in Ukraine continued and there was no let-up in inflationary pressures. Annual eurozone inflation reached 7.5% in April, up from 7.4% in March. Russia halted gas supplies to Poland and Bulgaria after the two countries refused to comply with a decree from Russia that payment must be made in roubles. The Eurozone economy grew by 0.2% quarter-on-quarter on Q1 and forward-looking indicators shows signs of higher activity in the services backed by tourism and travel related sectors. The reduction in Covid cases and subsequent opening of the economy has driven interest in these sectors despite the ongoing war.

Emerging markets including China too met with similar situation as Markets declined in the range of 2% to 4%. While in some of the Asian emerging markets the Covid still creates chaos, the other markets are impacted by stronger USD leading to higher import of inflation.

While Commodities across the globe has shown signs of peak out, and approaching pre-October 2021 levels, Oil and Natural gas continues to rule high. The war in Ukraine has caused major supply disruptions and led to historically higher prices for several commodities. The outlook for commodity markets depends heavily on the duration of the war in Ukraine and the severity of disruptions to commodity flows,

### India

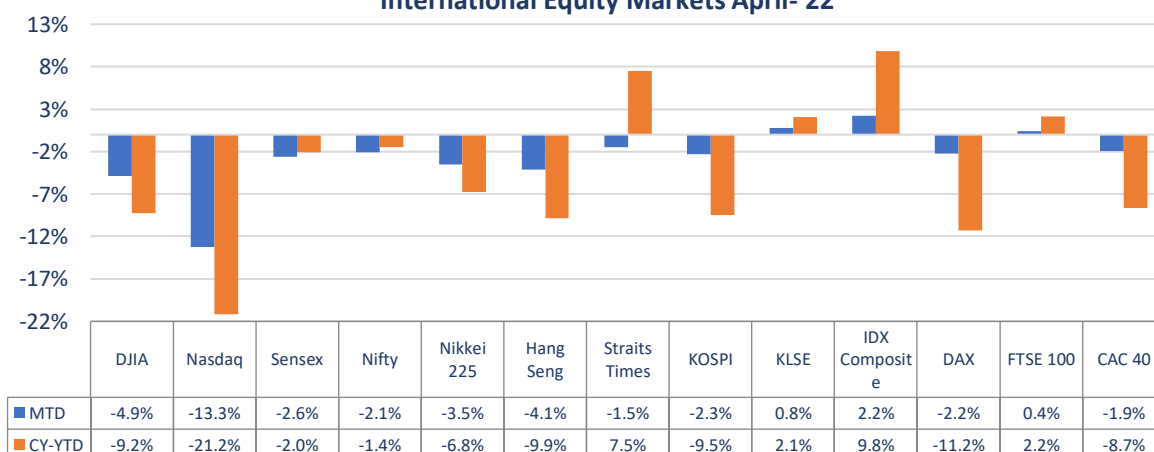
The new Financial Year has started on a turbulent note, owing to geopolitics, and resulting inflationary scenario. Added to this US Central bank aggressive stance to curtail inflation has dented the INR implying incremental import of inflation. RBI owing to this surprised the market in the early May by raising the repo rate by 40bps. Though we feel it is aimed to restrict capital flight, the signal of rate rises in line with US Federal indicates at least another one percentage points increase before the end of the financial year.

India's CPI has been above the 6.0% (upper band) for past two consecutive months and rising inflation in the street has been a concern as well. April inflation came in about 7.79% clearly indicating the need for immediate rate increase. On the other hand, the credit growth is showing slight increase from the 9% growth reported at the end of March 2022.

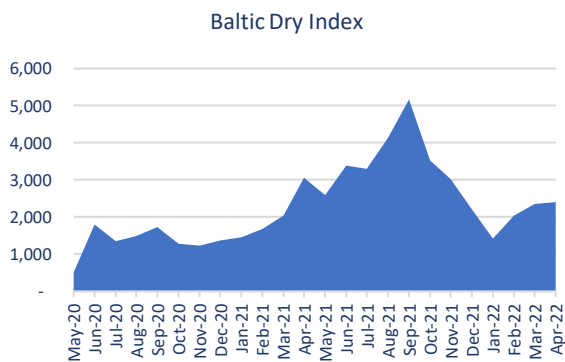
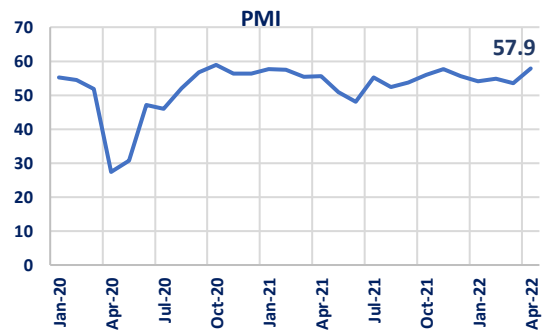
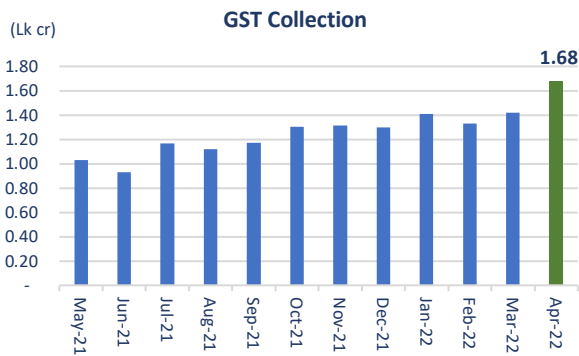
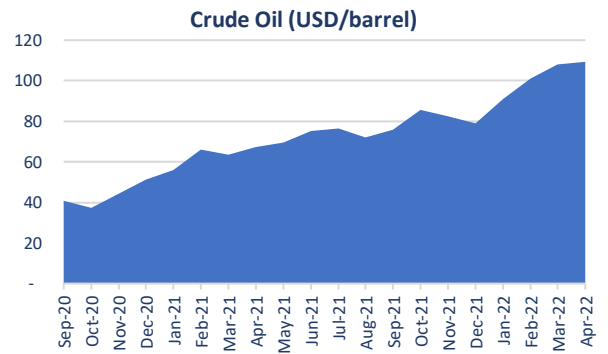
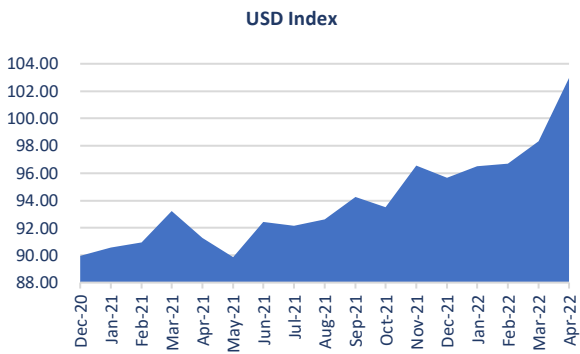
The Q4 results declared so far has been mixed. While the consolidated revenue growth of the 29 companies of Nifty showed 10% sequential growth, the higher commodity prices dented the PAT which grew only by 5%. However, on the YOY basis the topline and bottomline grew by 46% and 15% respectively. The Banking sector has shown phenomenal growth as credit has started growing in high single digits and provision has drastically come down. The energy and commodity companies are running at higher capacity utilisation and realisation has increased sharply compared to last year. The IT companies saw good growth, but the margins were impacted due to wage rises. The FMCG companies too reported higher revenue however, few companies could pass on the raw material price increases. The building material and construction companies too faced margin pressure in the previous quarter.

The near term is challenging for the corporates as higher inflation is threatening demand destruction. However, the early indication of non-ferrous metal price correction signals prices peaking out. The energy prices, however, are dependent on the geopolitics. There is a likely hood of the Nifty earnings growth to be at reduced level of 16% to 18% compared to earlier estimates of 18% to 20%.

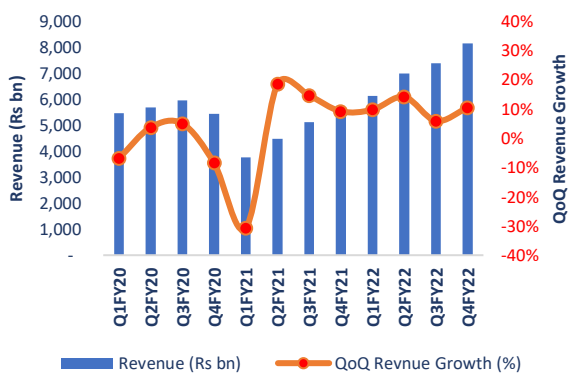
International Equity Markets April- 22



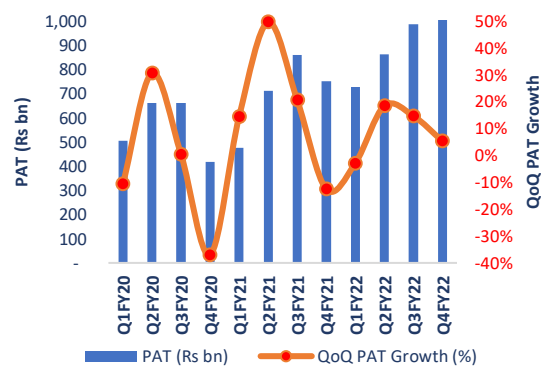
## CHARTS OF THE MONTH



Quarterly Revenue (NIFTY Companies - Q4FY22 Results announced)



Quarterly PAT (NIFTY Companies - Q4FY22 Results announced)



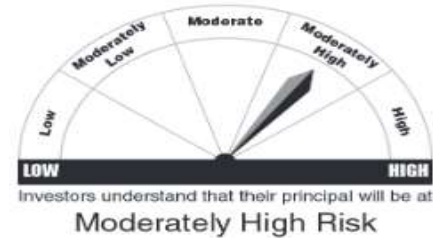
# KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

APRIL 2022

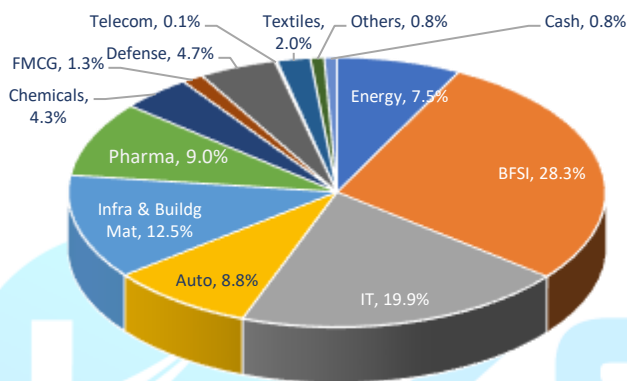
## THEME

The fund seeks long-term capital appreciation by investing substantially in the equity securities of companies that are leaders in their industries/segment of industries, and which the managers believe are suitable for a buy-and-hold strategy.

## RISKOMETER



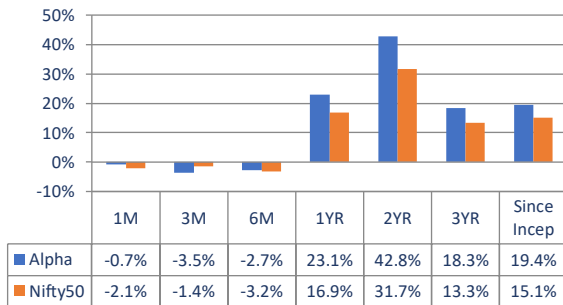
## SECTORAL ALLOCATION



## TOP HOLDINGS

Company Name	Holdings (%)
Reliance Industries Ltd	6.36%
ICICI Bank Ltd	6.21%
State Bank of India	5.96%
Larsen & Toubro Ltd	5.27%
Tata Consultancy	4.36%
Cash	0.89%

## PERFORMANCE (%)

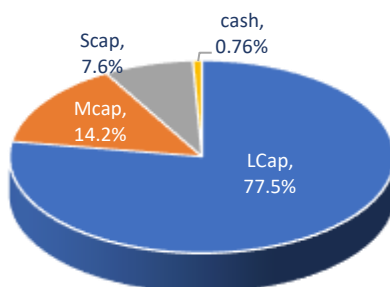


>1 yr is CAGR; Incep Feb2019

## Performance Review

Ksema Wealth-Alpha continued to outperform the benchmark in the month of April despite the volatility. The cyclicals have started showing signs of stability vis-à-vis the market. The initial Q4 results have also provided support to the stocks in our portfolio. Particularly the IT and Banking sectors have exceeded street expectation. The margin impact has not been severe as expected in the FMCG, Chemicals where we are invested in.

## MARKET CAPITALISATION (%)



## OUTLOOK

The beginning of the year has been turbulent so far owing to inflationary scenario. The supply chain bottleneck too aggravated the situation leading to historic rise in prices. The market is divided into two extreme ends- one optimistic group expecting the war coming to a closure sooner leading to reduction of commodity prices. The other expecting the war to prolong and central banks accelerating the rate rise resulting in recession sooner than later. However, we are inclined to the first considering the recognition of the problem and leaders taking efforts to resolve them.

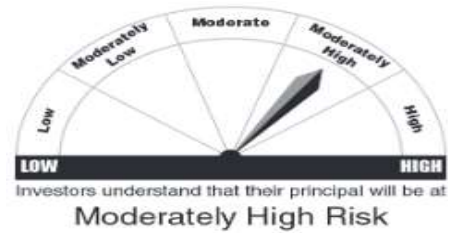
# KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

APRIL 2022

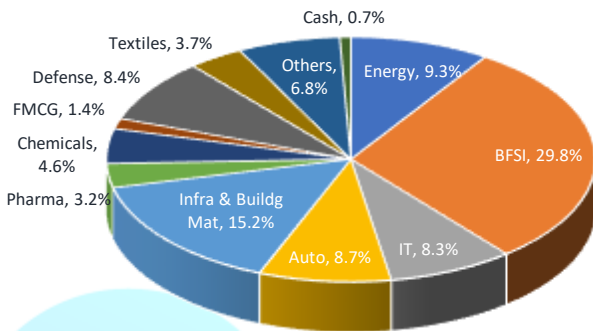
## THEME

The fund seeks superior returns over long term by investing in high growth-oriented stocks that are sector agnostic

## RISKOMETER



## SECTORAL ALLOCATION



## TOP HOLDINGS

Company Name	Holdings (%)
State Bank of India	5.53%
ICICI Bank Ltd	5.29%
Reliance Industries Ltd	5.17%
Axis Bank Ltd	4.59%
Larsen & Toubro Ltd	4.38%
Cash	0.60%

## PERFORMANCE REVIEW

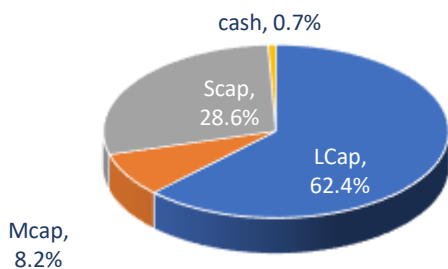


>1 yr is CAGR; Incep Feb2019

## PERFORMANCE (%)

The Ksema Wealth-Multicap reported a gain vs loss for the benchmark owing to sharp bounce back by the small and mid-cap stocks. The strong fundamentals of the stock picked in the portfolio shows the resilience in these scenarios. Baring the inflationary risks, the fundamental of the economy is in upswing. The sooner the war comes to an end the better is for the world which has just come out of the pandemic and returning back to normalcy.

## MARKET CAPITALISATION (%)



## OUTLOOK

Though the year has started on a turbulent note, the call for swift end to the war if fructifies will lead to sharp revision of the growth in India. The recent RBI interest rate rise is more to counter USD rate increase. The credit growth is moderate at 9% and still not showing heating up of the economy. Most of the inflation is imported and hence if geopolitics improves, we should see inflation lowering. We expect return to stability by 2<sup>nd</sup> Quarter and corporate growth inching upwards from then.



**KSEMA**  
WEALTH MANAGEMENT

**KSEMA WEALTH PVT LTD**

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