



KSEMA WEALTH PVT LTD

Ksema Wealth- Alpha

CAGR 19.5%

Ksema Wealth-Multicap

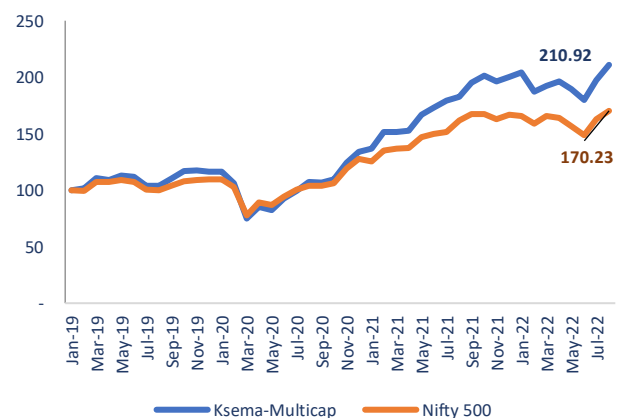
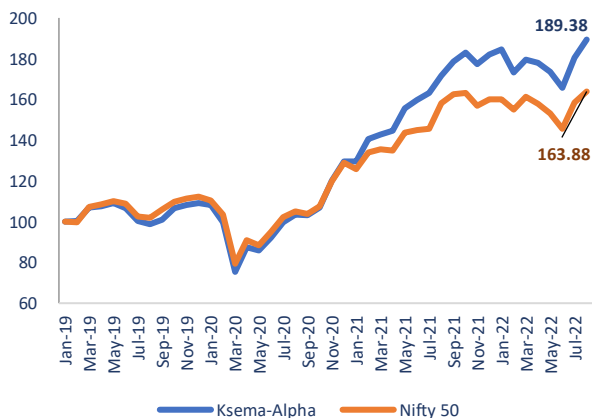
CAGR 23.2%

KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

	Alpha	Nifty 50
Average Monthly return	1.70%	1.34%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	19.5%	14.8%
Annualized Volatility	21.9%	20.9%
% of winning months (against benchmark)	67.4%	na
% of gained months	67%	60.5%
YTD	5.57%	1.68%
Sharpe (RF 7.5%)	0.55	0.35
Alpha	5.36%	na

KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

	Multicap	Nifty500
Average Monthly return	2.04%	1.44%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	23.2%	16.0%
Annualized Volatility	25.5%	21.4%
% of winning months (against benchmark)	67.4%	na
% of gained months	70%	62.8%
YTD	9.52%	2.90%
Sharpe (RF 7.5%)	0.61	0.40
Alpha	8.94%	na



KSEMA WEALTH PVT LTD

MARKET REVIEW & OUTLOOK

Global

In August the Inflation Reduction Act was enacted by the US government. This act is aimed to lower costs for families, combat the climate crisis, and reduce the deficit. Healthcare, clean energy, and taxes were the three segments of this act. The proposed corporate minimum tax and 1% excise tax on stock buyback are being viewed negatively by the equity market.

At the Jackson Hole symposium, Fed chair Powell has reiterated the central bank's commitment to bring inflation to 2% levels and stated that restoring price stability could take some time as they continue to work to bring the demand and supply in better balance. He further warned of pain to households due to higher rates in the period to come. This additional hawkishness dampened market sentiments as the Dow Jones industrial average index plunged over 5% in four days resulting in decline of more than 4% for the month.

The inflation in the Euro area increased to 9.1% in August 2022 compared to 8.9% in July 2022. UK inflation hits new 40-year high of 10.1% as food and energy price surge continued in July 2022. Massive fiscal measures have been undertaken by select EU governments. The French government passed €20 billion anti-inflation package aimed to counter inflation, driven by the rise of food and energy prices. Similarly, the Italian government approved an economic aid package worth €17 billion to help shield firms and families from surging energy costs and consumer prices. Germany announced a \$65 billion package to weather the winter.

China's finance ministry aimed at addressing growth concerns has announced step up measures to boost demand and stabilise employment and prices in the second half of the year to optimise economic outcomes. It announced a \$145 billion package primarily in infrastructure sector to boost growth.

The global markets showed divergent trend in the month of August with the Asian markets recording a gain while the developed western markets including Nasdaq, Cac40 and Dax closing with a loss of more than 4% resulting in double digit fall for the year until August.

India

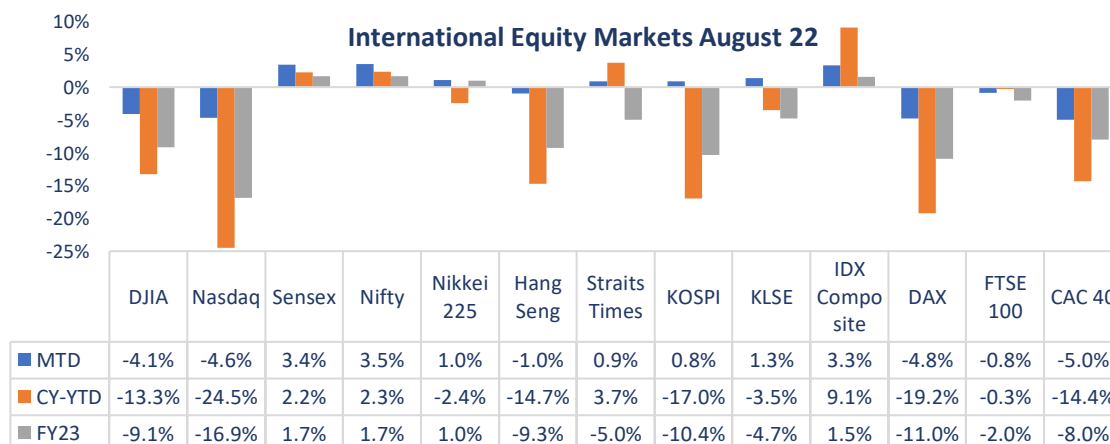
In Q1FY23, Nifty stocks reported cumulative revenue of ₹14,436 bn (up 31.6% yoy and down 0.45% qoq) and net profit of ₹1,437 bn (up 15.9% yoy and down 13.2% qoq). A similar trend of top-line growth and suppressed margins have been observed around other companies as well. Input cost escalation was observed across the board. However, the commodity price cooling off since the past few months is expected to continue and result in margin recovery in H2FY23.

In August, RBI raised the repo rate by 50 bps and continued its stance – withdrawal of accommodation. As inflation concern is not as much as their western counterparts; RBI can accomplish price stability without sacrificing growth. In addition, non-food bank credit continued to expand, registering 15.1% growth in July 2022 as compared with 5.1% a year ago.

This blend of positive domestic macro-outlook and margin relief expectation kept market sentiment positive. Thus, Indian equities are being viewed favourably by domestic and international investors. The FIIs returned vigorously with a purchase of \$6.4 billion in August. However, India's outperformance to other EMs and being relatively expensive could bring back caution.

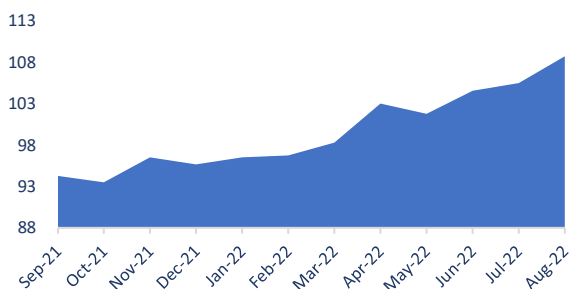
India's GDP in Q1FY23 stood at ₹36.9 lakh cr registering a 13.5% growth. Construction and hospitality, and transportation registered strong double-digit growth, while manufacturing grew lower than expected. Moody's lowered India's GDP forecast for CY22 from 8.8% to 7.7% and for CY23 from 5.4% to 5.2%. The downward revision has been attributed to the rising interest rates, uneven distribution of monsoons, and slowing global growth which would dampen economic momentum on a sequential basis.

The expected addition of India's sovereign bonds to JPMorgan's GBI-EM Global Diversified bond index by 2023 is expected to trigger passive inflows of about \$30 billion that will help the country to finance its current account and fiscal deficits.

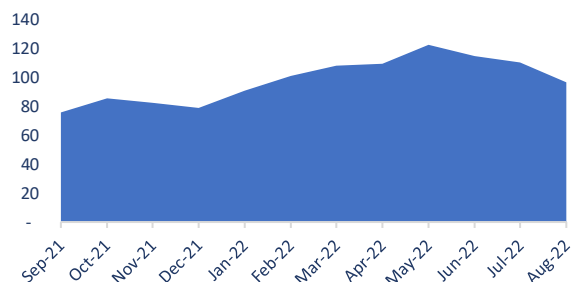


CHARTS OF THE MONTH

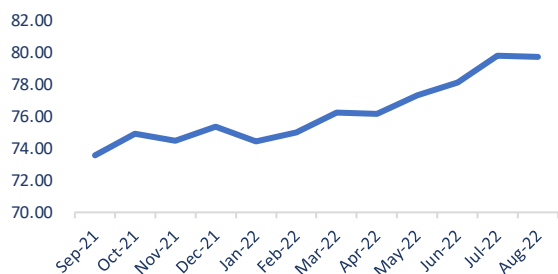
USD Index



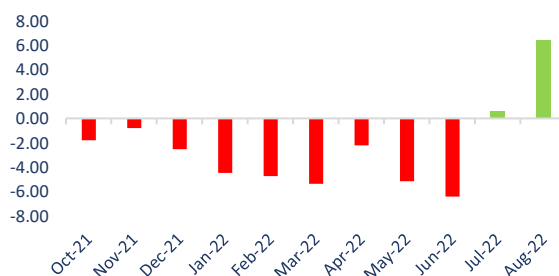
Crude Oil (USD/barrel)



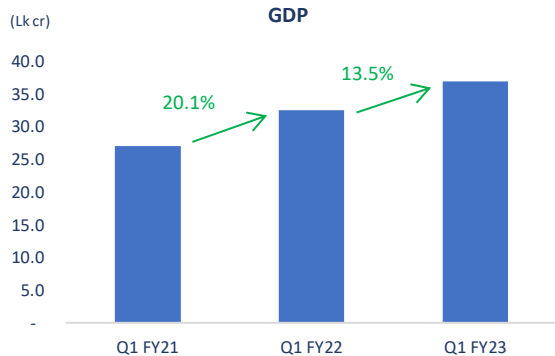
INR/USD



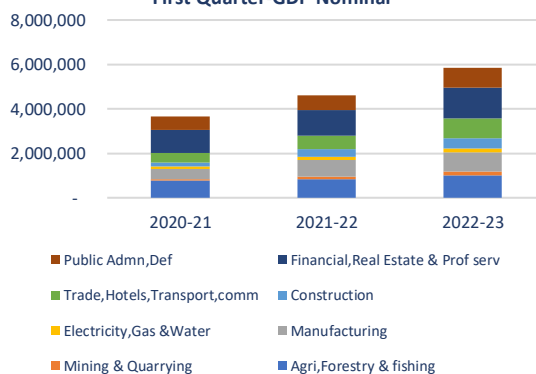
FII Net Investments (USD Bn)



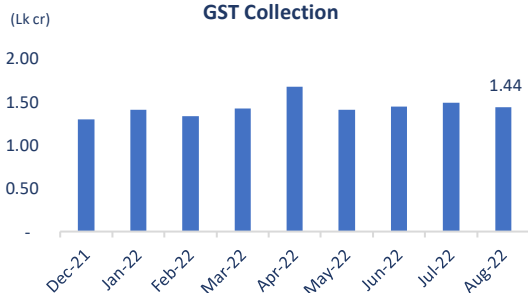
GDP



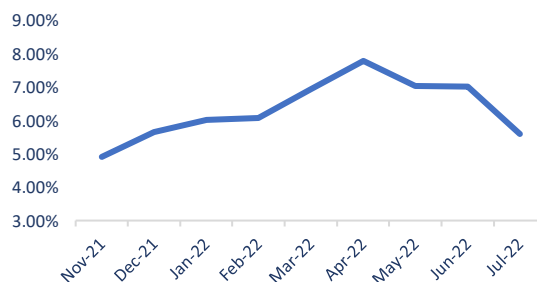
First Quarter-GDP Nominal



GST Collection



CPI



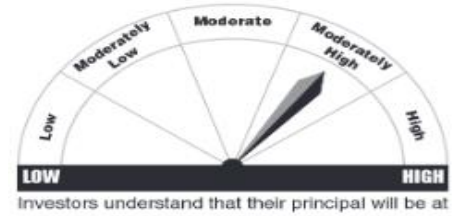
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

August 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.

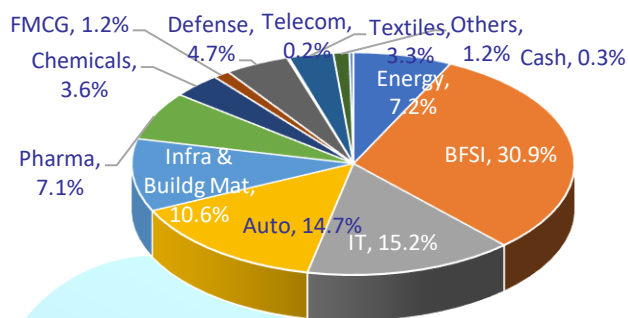
RISKOMETER



Moderately High Risk

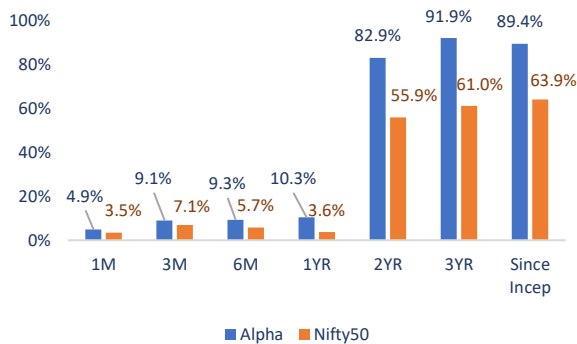
TOP HOLDINGS

SECTORAL ALLOCATION



Company Name	Holdings (%)
ICICI Bank Ltd	7.64%
Reliance Industries Ltd	6.12%
State Bank of India	6.07%
Larsen & Toubro Ltd	5.69%
TCS Ltd	4.35%
Cash	0.30%

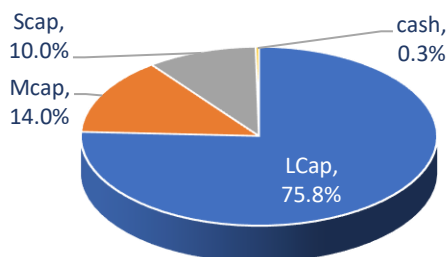
PERFORMANCE (%)



Performance Review

The portfolio continued its outperformance driven by Banks and Mid cap picks in auto ancillaries. The higher than expected auto sales figures fueled interest in the sector and ancillaries which were undervalued saw fresh interest. The defense stocks continued its march upwards as localization boosts its order book inciting analysts to rerate the stocks. With commodity prices correcting, Q2 margins are expected to be sequentially better. Market senses the same and are showing buying interest.

MARKET CAPITALISATION (%)



OUTLOOK

The return of FPIs in a big way shows the confidence in the Indian growth story. The flow is likely to continue in rest of CY23 and also fresh allocation in the year to come as growth in developed markets are still a concern. The terminal rates are likely to be achieved in emerging markets before US Fed, this will bring more volatility in the period to come. However, the broadening of the growth in India will see more participation.

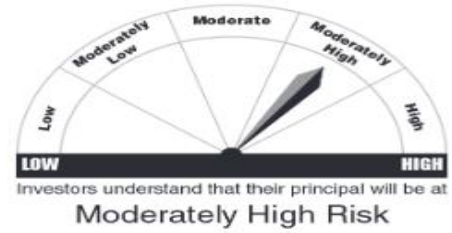
KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

August 2022

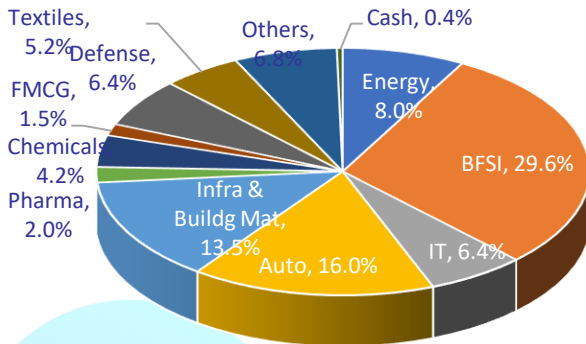
THEME

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

RISKOMETER



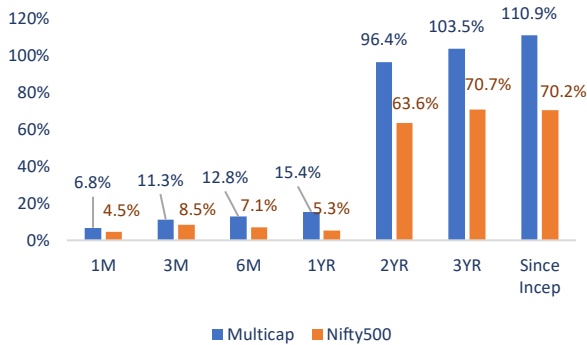
SECTORAL ALLOCATION



TOP HOLDINGS

Company Name	Holdings (%)
ICICI Bank Ltd	6.18%
State Bank of India	5.52%
Reliance Industries Ltd	4.72%
Larsen & Toubro Ltd	4.60%
Axis Bank Ltd	4.47%
Cash	0.38%

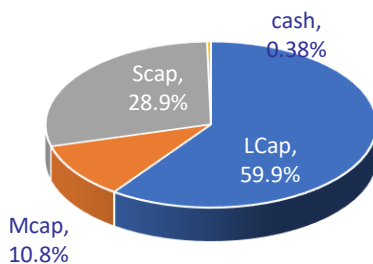
PERFORMANCE (%)



PERFORMANCE REVIEW

The Multicap theme exceedingly performed well owing to contribution from textiles, auto ancillaries apart from Banking. Mid cap banks too did well as valuation was in its favor. All the beaten down stocks in the past 6 months have found fresh interest leading to catch up of previous valuations. We reshuffled stocks within the defense sector as certain picks had moved beyond its near-term fundamentals.

MARKET CAPITALISATION (%)



OUTLOOK

With movement seen in the large cap during the last 2 months, the broader market has attracted attention in August, and continues in September as well. This trend is likely to continue as recent correction had led to certain small cap and mid cap to be relatively cheaper. We are fully invested and will continue to be actively involved in reshuffling the portfolios in the near term.



KSEMA

WEALTH MANAGEMENT

KSEMA WEALTH PVT LTD

**THE HIVE-VR CHENNAI, 3RD FLOOR JAWAHARLAL NEHRU ROAD, THIRUMANGALAM, ANNA NAGAR, CHENNAI- 600040, TAMILNADU,
INDIA.PH NO: 9500069609**

www.ksemawealth.com

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