



KSEMA WEALTH PVT LTD

Ksema Wealth- Alpha

CAGR 18.6%

Ksema Wealth-Multicap

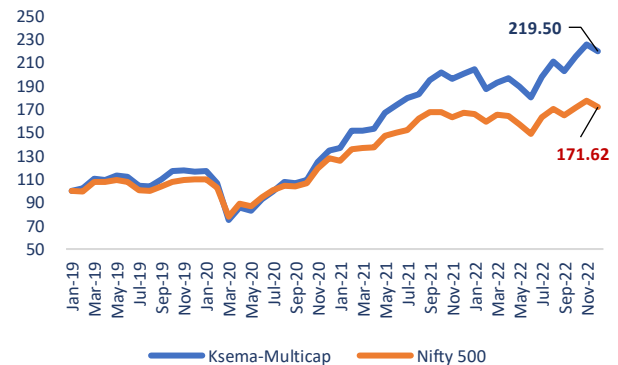
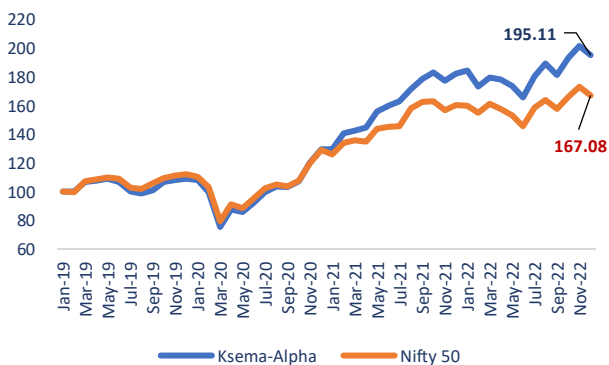
CAGR 22.2%

KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

| | Alpha | Nifty 50 |
|---|--------|----------|
| Average Monthly return | 1.63% | 1.28% |
| Monthly maximum loss | -24.3% | -23.3% |
| Month of Maximum loss | Mar-20 | Mar-20 |
| Annualized Return | 18.6% | 14.0% |
| Annualized Volatility | 21.5% | 20.5% |
| % of winning months (against benchmark) | 68.1% | na |
| % of gained months | 66% | 59.6% |
| YTD | 8.77% | 3.67% |
| Sharpe (RF 7.5%) | 0.52 | 0.32 |
| Alpha | 5.17% | na |

KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

| | Multicap | Nifty500 |
|---|----------|----------|
| Average Monthly return | 1.96% | 1.34% |
| Monthly maximum loss | -29.6% | -24.3% |
| Month of Maximum loss | Mar-20 | Mar-20 |
| Annualized Return | 22.2% | 14.8% |
| Annualized Volatility | 24.8% | 20.8% |
| % of winning months (against benchmark) | 68.1% | na |
| % of gained months | 68% | 61.7% |
| YTD | 13.98% | 3.74% |
| Sharpe (RF 7.5%) | 0.59 | 0.35 |
| Alpha | 8.98% | na |





MARKET REVIEW & OUTLOOK

Global

Inflation is the concern which continues to grip the growth of major economies. Despite the fall in commodity prices and the easing of global supply chain constraints, the world's major central banks may not achieve their respective target levels of inflation, which will result in continuing hawkish stance until first half of 2023, that in turn will prompt the emerging economies to maintain restrictive monetary policy. Croatia has switched to the euro and entered Europe's passport-free zone in 2023. Croatia's inflation rate reached 13.5% in November compared with 10% in the Eurozone. the adoption of the euro is expected to shield Croatia's economy from soaring inflation and improve tourism.

Europe's wholesale natural gas prices fell to its lowest levels since Ukraine-Russia war in the beginning of 2023. Though this development reduces some pressure, the high retail energy prices continue to be a factor impacting the travel and manufacturing industries in Europe. The uncertainty of cost effective manufacturing in the region has resulted in many companies diversifying their manufacturing base out of Europe. This strategy may benefit many Asian countries.

IMF has warned that one third of the world economy is expected to face recession in 2023. The IMF cut its growth outlook for 2023 stating that economies around the world have come under pressure from the war in Ukraine, rising interest rates and prices, and COVID-19 cases in China.

We predict the US to narrowly avoid a recession because its economy has been gaining strength, unemployment rate has been falling, and class 8 trucks have recorded strong sales. Fall in consumer spending due to fading fiscal stimulus, growth slowdown in export markets, and strong dollar pose a challenge for economic growth. The positive factor of real disposable income is likely to offset the negative factor of financial tightening resulting in a positive GDP growth.

Markets have started showing signs of bottoming out in the last week of the CY 2022. With China too opening up, the macro factors should attract funds to the market.

India

As all the major global indices recorded strong negative double-digit growth in 2022, India led the pack, recording 4.4% gain. The outlook for India is positive compared to the other major economies as well. To add feather to the cap, the Indian indices recorded seventh straight year of gains in 2022, this is a new record.

The major problem that hurt the world economy in 2022 was inflation. In comparison to the advanced economies, India did not have an acute inflation concern. In November, CPI stood at 5.88%, entering the RBI target band. The major drivers of CPI were food and fuel, which are expected to cool off going forward as global energy prices cool off and the good monsoon in India is expected to result in good supply of pulses and grains.

The RBI undertook regular rate hikes to curb inflation and protect interest rate differential. As growth was not weak, the increased interest rates did not affect the economy negatively. In November, CPI has entered the RBI target band, this reduces pressure on RBI to further undertake aggressive rate hikes. The repo rate at 6.25% is near market expectation of neutral rate. In the case of rate slowdown in advanced economies, the interest rate can be expected to reverse again, leading to another round of expansionary monetary policy.

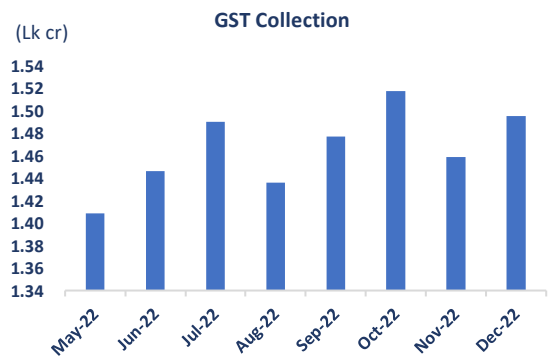
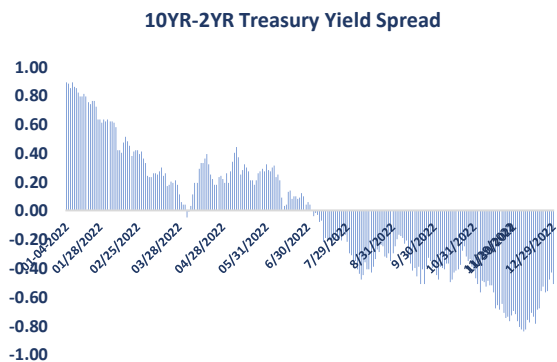
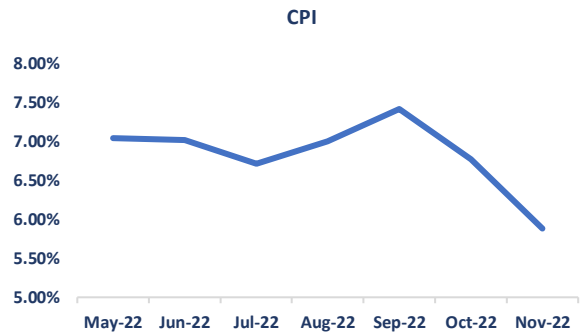
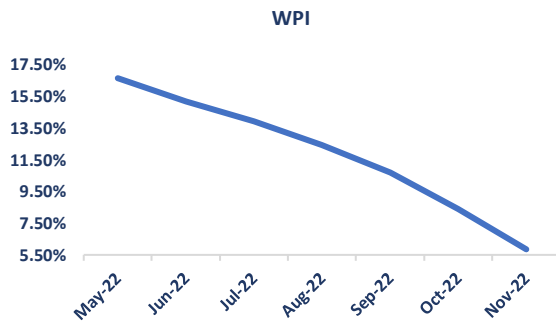
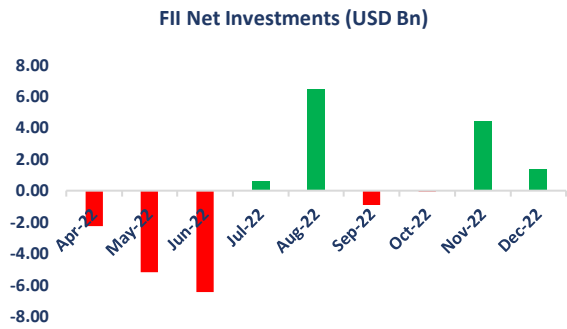
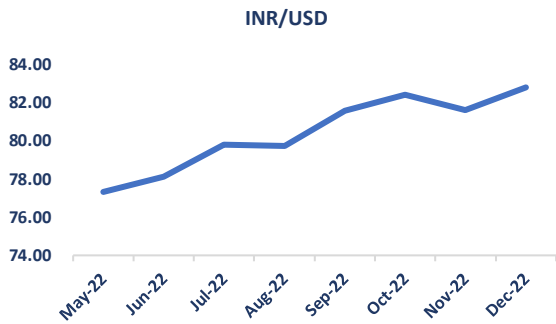
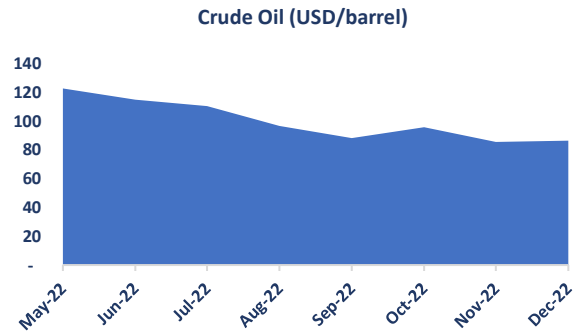
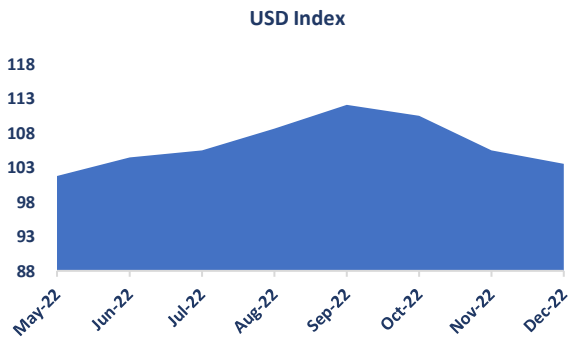
The private capex which lagged has now caught up and new investments are being made through 2023 and 2024. The Government capex which has been strong, except for the past two quarters is expected to comeback in a strong way in 2023. India's general election is due in 2024, and empirical evidence suggests that pre-election year witness heavy investment in infrastructure and transportation. These developments, coupled with low unemployment rates and strong wage growth, would continue to boost credit growth in the country.

The weak outlook on major economies, rebound in interest on EM and strong Indian economic foundations are expected to translate to higher interest in the Indian equities market and increase liquidity.

International Equity Markets December 2022



CHARTS OF THE MONTH



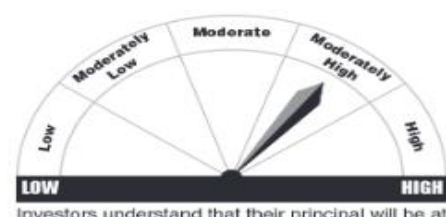
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

December 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.

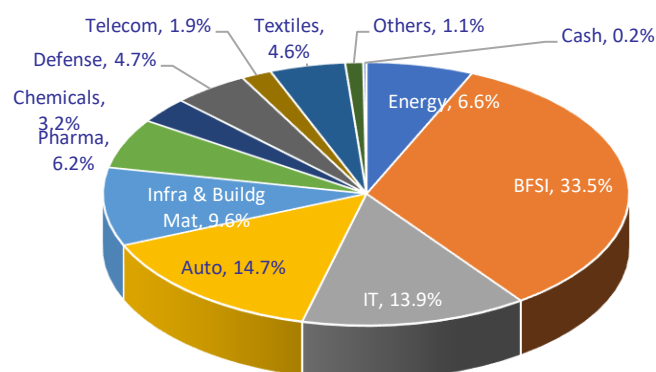
RISKOMETER



Moderately High Risk

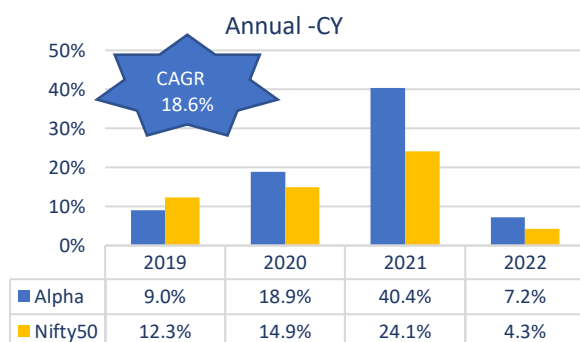
TOP HOLDINGS

SECTORAL ALLOCATION



| Company Name | Holdings (%) |
|-------------------------|--------------|
| ICICI Bank Ltd | 6.87% |
| State Bank of India | 6.58% |
| Larsen & Toubro Ltd | 5.50% |
| Axis Bank Ltd | 5.22% |
| Reliance Industries Ltd | 4.95% |
| Cash | 0.20% |

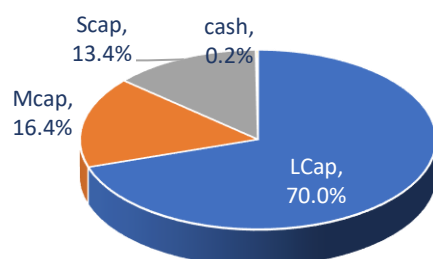
PERFORMANCE (%)



Performance Review

While the CY 2022 ended with a muted return for all markets, Indian market outshined the rest. Our portfolio surpassed the benchmark handsomely owing to better picks. Our overweight in the banks has enabled outperformance. Though small caps had tough month, the large and select mid cap stocks that we hold assisted in outperformance. The portfolio outperformed in a month of negative return showing the versatility of the portfolio. IT & Pharma were major draggers despite better valuations.

MARKET CAPITALISATION (%)



OUTLOOK

The market sentiment towards the CY 2023 is moderate owing to disaster in the developed markets in 2022. The impending recession is already discounted in the major markets while the corporate results and business activity are still strong. India on standalone basis remains stirred due to policy push in boosting the economy and companies preparing to scale up the business for new thrown opportunities like Europe & China plus one, apart from domestic strength. We remain fully invested.

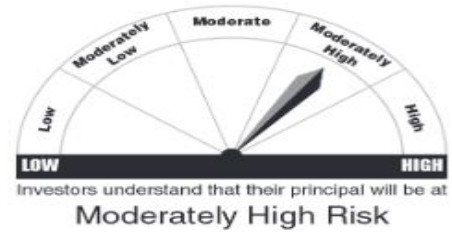
KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

December 2022

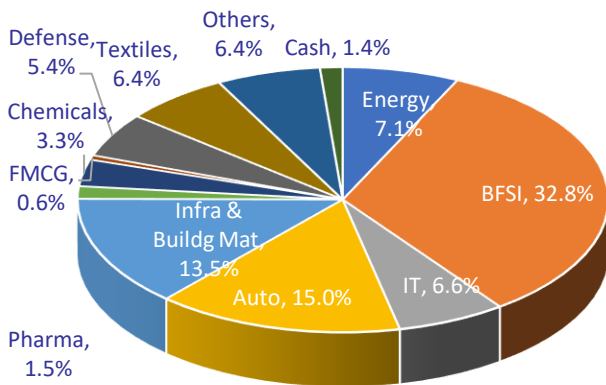
THEME

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

RISKOMETER



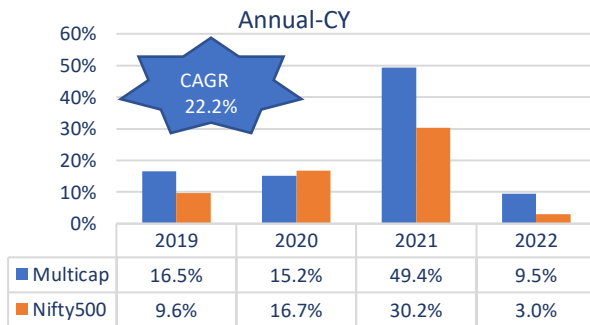
SECTORAL ALLOCATION



TOP HOLDINGS

| Company Name | Holdings (%) |
|---------------------|--------------|
| ICICI Bank Ltd | 5.96% |
| State Bank of India | 5.93% |
| Axis Bank Ltd | 5.19% |
| Canara Bank Ltd | 4.78% |
| Larsen & Toubro Ltd | 4.71% |
| Cash | 1.38% |

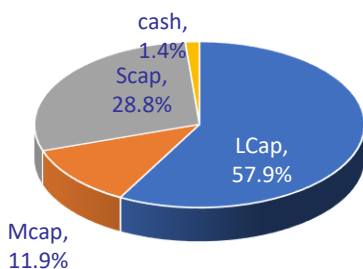
PERFORMANCE (%)



PERFORMANCE REVIEW

The Multicap portfolio outperformed significantly backed by large cap banking stocks. Select stocks in Auto and recovery in midcap enabled widening the gap. Infra companies got a booster with low commodity prices. These stocks woke up from the slumber after long time. We are also entered into high dividend yield stocks to benefit in the current scenario, which worked well.

MARKET CAPITALISATION (%)



OUTLOOK

The forthcoming calendar year though expected to be moderate, will throw opportunity for stock pickers. The inward focused companies will have the field with robust growth, stable interest rate, good capital availability, low inflation, and clear policy framework. This will bring to the front the better managed companies who is looking for scale. Our portfolio mix would include high growth domestic companies and undervalued export-oriented companies during the year.



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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