



KSEMA WEALTH MANAGEMENT PVT LTD

KSEMA PMS Completes 25 months

Ksema Wealth- Alpha

CAGR-17.8%

Ksema Wealth-Multicap

CAGR-22.1%

Past 25 Months		
	Alpha	Nifty
Average Monthly return	1.68%	1.45%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	17.8%	15.2%
Annualized Volatility	26.6%	25.1%
% of winning months (against benchmark)	56.0%	na
% of gained months	64.0%	60.0%
YTD	86.67%	68.98%
Sharpe (RF 5.8%)	0.45	0.37
Alpha	3.65%	na

Past 25 Months		
	Multicap	Nifty500
Average Monthly return	1.74%	1.24%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	22.1%	15.6%
Annualized Volatility	30.9%	25.9%
% of winning months (against benchmark)	66.7%	na
% of gained months	67%	62.5%
YTD	82.71%	61.55%
Sharpe (RF 6%)	0.53	0.38
Alpha	8.54%	na

“Perseverance is not a long race; it is many short races one after the other.”

– Walter Elliot

“Buy not on optimism, but on arithmetic.”

– Benjamin Graham

MARKET REVIEW FEBRUARY 2021

Global Markets

Globally expansionary fiscal measures such as stimulus and tax cuts coupled with accommodative expansionary monetary policy prevailed over the markets. This has now sparked inflation fear which reflect in rising yield and tightening monetary policy.

The approved \$1.9 trillion Covid-19 relief plan includes \$1,400 stimulus checks for many Americans, \$350 billion in aid to state and local governments and an extension of federal unemployment benefits. This development is expected to support spending and have a multiplier effect on the economy. Since vaccine distribution began in the U.S. on Dec. 14, more than 17.3% of the total U.S. population has been covered. However, reports of rising cases in some states and the COVID restriction present new challenges. The 10 year treasury yield rose 35 bps to 1.44% in February. This triggered a sell off starting in US during the last week of the month and moved to other markets as well. Though the markets ended on positive note, the late sell off and increased volatility shows nervousness among the investors. The market rally based on available liquidity reveals the fragility.

UK announced its four part plan to ease lockdown beginning in March while Italy, France and Germany has been advised to go into total lockdown or impose restrictions. These developments do not look good for the European markets. Tourism accounts for 10% of EU GDP. With summer around the corner and low vaccination rate, the revival of the tourism industry and other related industries are at stake. The consequences of a consecutive bad summer would be tough. The earlier the situation is resolved better for the markets.

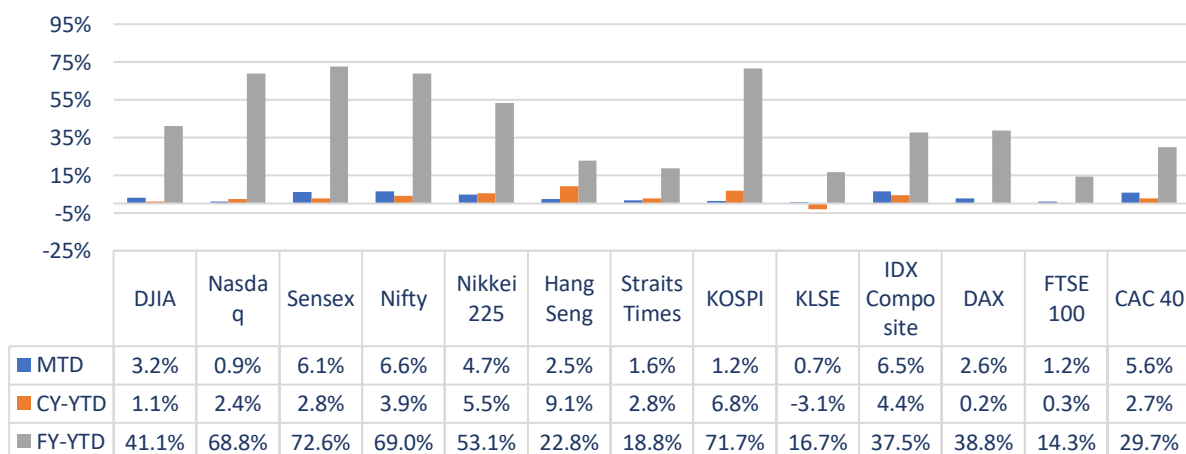
India –Optimism prevails

The budget triggered a V shaped recovery for the index, propelling it from 46,286 to over 52,000 in seventeen trading sessions. The budget was welcomed by the market with both the hands due to its focus on heavy spending from Government on infra oriented sectors. In addition, the market was enthused with the privatization and disinvestment of non-strategic sectors. However the market was concerned on high Oil prices, increasing USD yield and increasing probability of inflation in short term. This triggered selling in the last week of the month including FPI, who were otherwise been the force behind the rally.

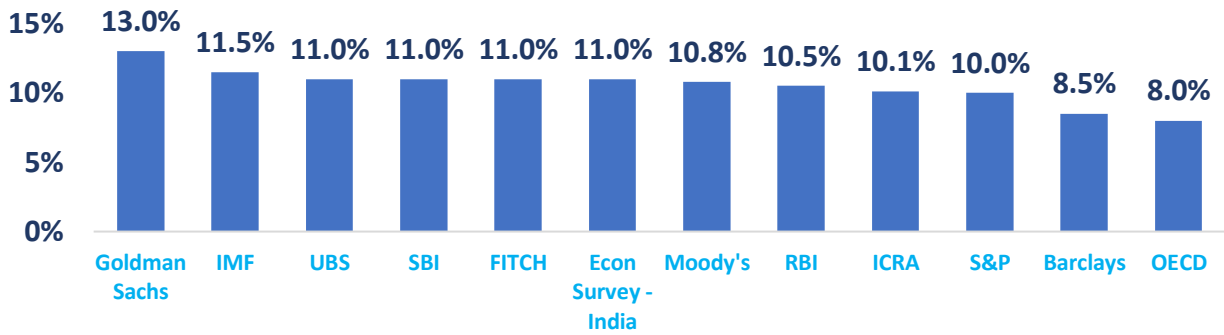
Despite the selling in the last week, February recorded foreign inflow of USD 3.2 billion leading to a cumulative inflow of USD 33.8 billion for the current financial year. Manufacturing PMI was strong at 57.5 in February, a 20 bps dip compared to previous month. The GST collection for February 2021 stood at INR 1.13 lakh crore. The GST collections are going strong for the fifth time being above the INR 1 lakh crore mark. This confirms the trajectory of the economic recovery.

A large number of quality stocks have displayed significant run up in price and India VIX at the end of the month was 28.1, this has investors at the edge of their seats. The Q3 corporate performance has been above expectation with both revenue and profits of Nifty50 companies growing 14% over the previous quarter. The cumulative figures were also higher than last year on the back of BFSI performance. Market may see profit booking in the coming month; however it would open up investment opportunity in value stocks.

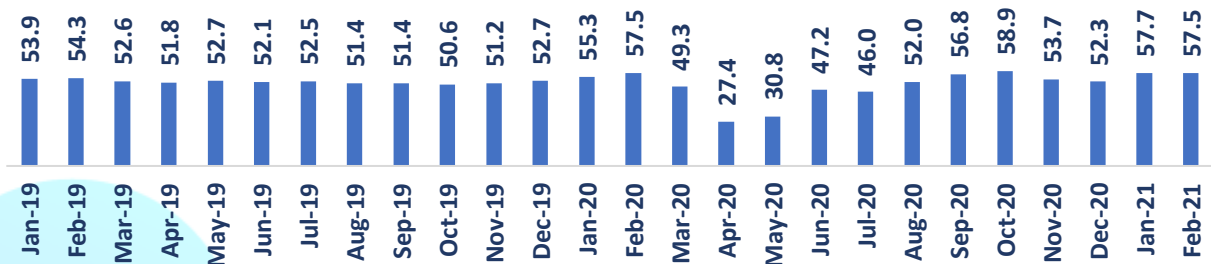
Global Markets Performance -Feb2021



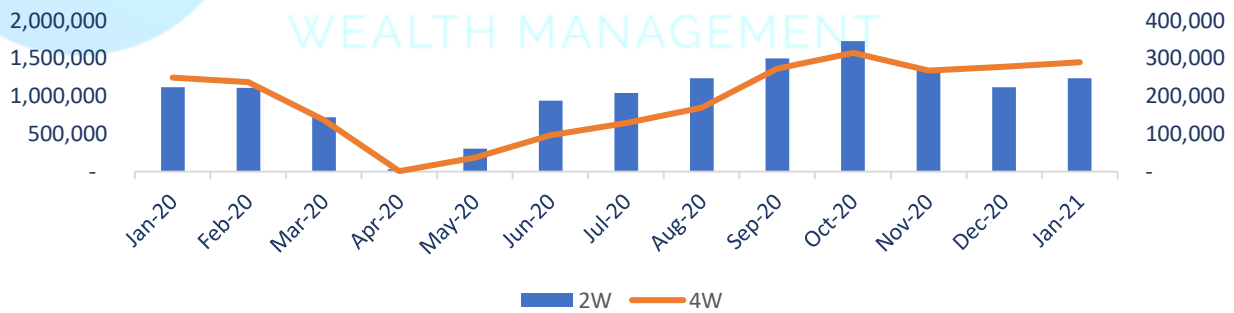
India FY 2021-22 GDP Forecast



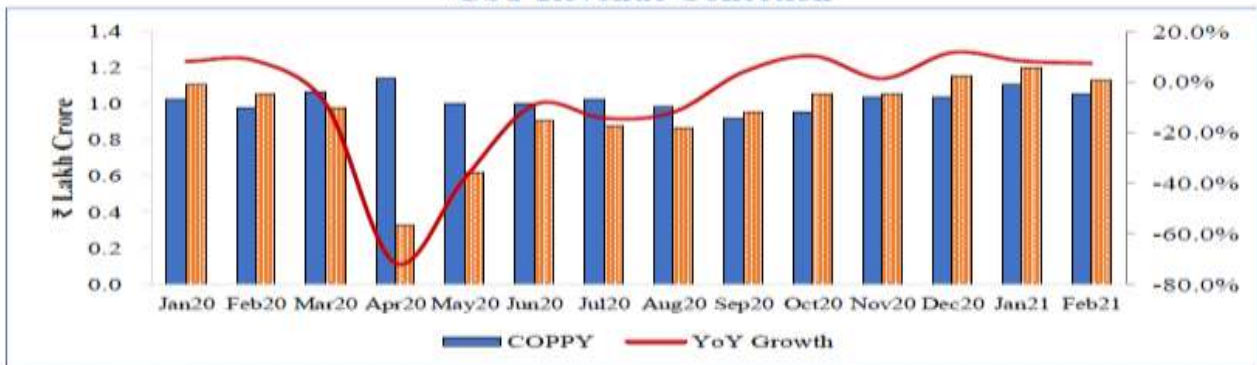
Monthly PMI



Vehicle Sales Volume



GST Revenue Collection



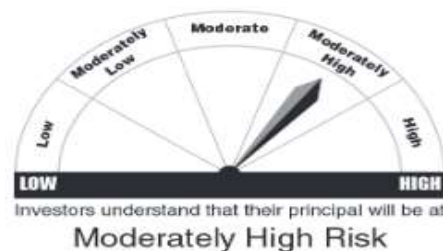
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

FEBRUARY 2021

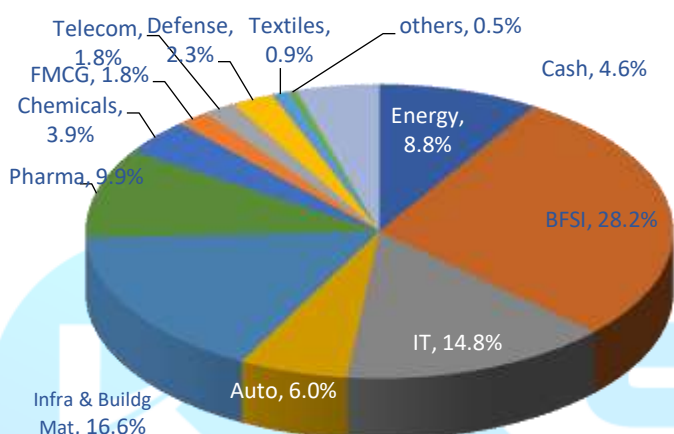
THEME

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



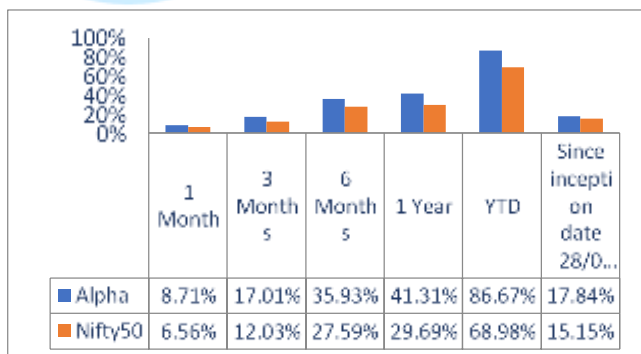
SECTORAL ALLOCATION



TOP HOLDINGS

Company Name	Holdings (%)
ICICI Bank Ltd	5.93%
State Bank of India	5.43%
Reliance Industries Ltd	5.36%
Larsen & Toubro Ltd	4.28%
Infosys Ltd	4.07%
Cash	4.58%

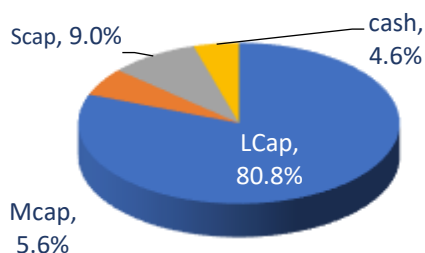
PERFORMANCE (%)



PERFORMANCE REVIEW

The cyclicals including Banking enabled our portfolio to outperform the benchmark. The PSUs, particularly defense provided dividend benefit which boosted the outperformance. While the Pharma sector corrected, our stock picks did well despite the stress. The broad-based activity in the market augured well for the mid and small cap which too contributed to the performance.

MARKET CAPITALISATION (%)



OUTLOOK

The fiscal and monetary efforts will continue in the same pace to boost the economy and put in the growth trajectory. In its recent meeting RBI has been firm in keeping up the liquidity situation as it prevails. This augurs well for the private sector in increasing its utilization levels. The Government too will be increasing its spending in this quarter as well in the early part of next FY. We will stay invested with tilt towards cyclical growth stories.

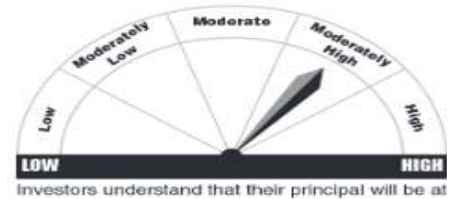
KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

FEBRUARY 2021

THEME

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

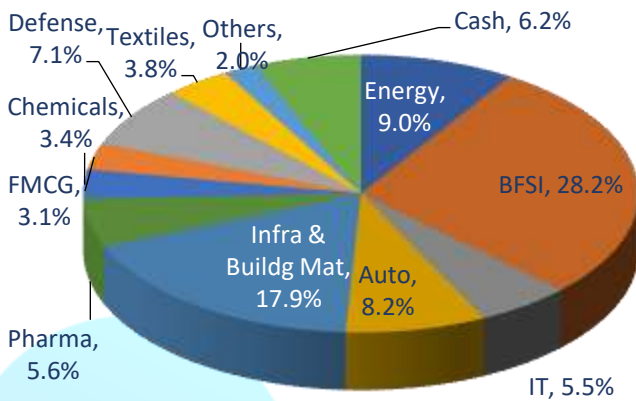
RISKOMETER



Moderately High Risk

TOP HOLDINGS

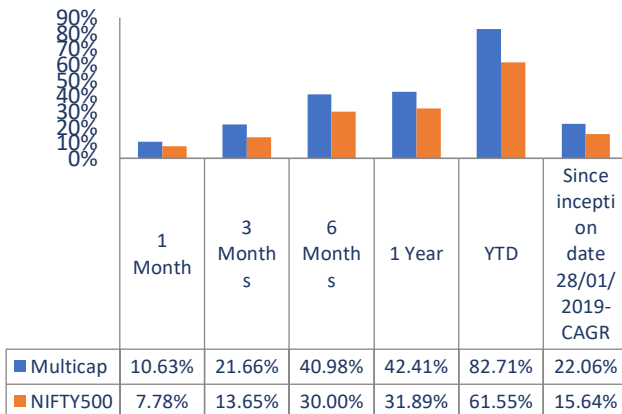
SECTORAL ALLOCATION



Company Name	Holdings (%)
State Bank of India	5.10%
Larsen & Toubro Ltd	3.86%
Reliance Industries Ltd	3.65%
IDFC First Bank Ltd	3.52%
ICICI Bank Ltd	3.50%
Cash	6.21%

PERFORMANCE (%)

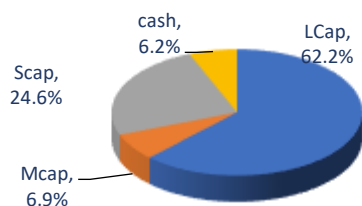
PERFORMANCE REVIEW



The broader market did better during the month and this enabled Multicap theme to outperform. The normal activity during the quarter and increased Government push amidst high liquidity scenario has given confidence to the MSME segment. The Q3 results too showed that the growth figures as well as guidance being good by the Mid and small cap companies. Our bottomup approach is bearing fruits with the stocks in defense and contracting doing well. Small sized banks too did contribute to the performance.

MARKET CAPITALISATION (%)

OUTLOOK



The upcoming months will see more funds to flow into the broader markets as large cap stocks are richly valued. In addition to the incremental capital, we may also see investors moving from large cap to the mid and small caps due to the relatively cheaper valuations. We are well positioned in this segment. The portfolio will be actively rotated during the period to take opportunity.



KSEMA

WEALTH MANAGEMENT
KSEMA WEALTH MANAGEMENT PVT LTD

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