



KSEMA WEALTH PVT LTD

Ksema Wealth- Alpha

CAGR 16.7%

Ksema Wealth-Multicap

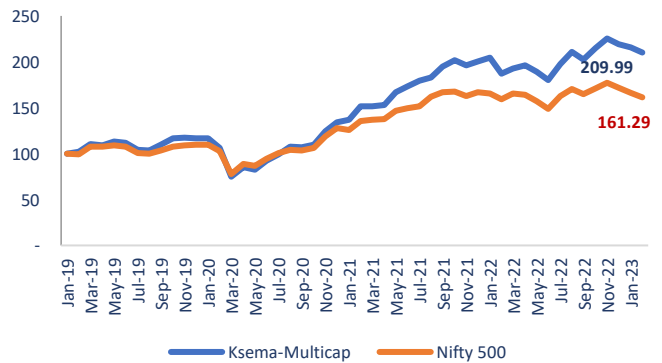
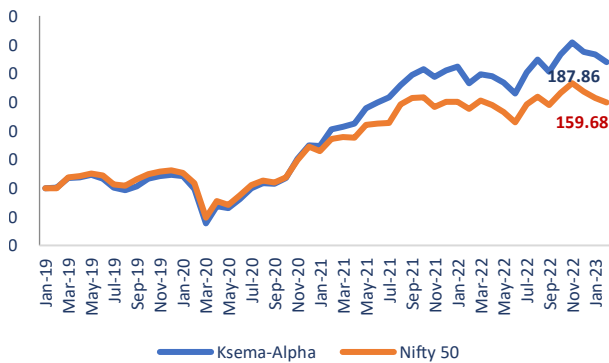
CAGR 19.9%

KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

	Alpha	Nifty 50
Average Monthly return	1.49%	1.13%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	16.7%	12.1%
Annualized Volatility	21.2%	20.2%
% of winning months (against benchmark)	67.3%	na
% of gained months	63%	57.1%
YTD	4.72%	-0.92%
Sharpe (RF 7.5%)	0.43	0.23
Alpha	4.95%	na

KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

	Multicap	Nifty500
Average Monthly return	1.79%	1.16%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	19.9%	12.4%
Annualized Volatility	24.5%	20.6%
% of winning months (against benchmark)	69.4%	na
% of gained months	65%	59.2%
YTD	9.04%	-2.50%
Sharpe (RF 7.5%)	0.51	0.24
Alpha	8.53%	na





MARKET REVIEW & OUTLOOK

Global

The US economy continues to positively surprise the world with consistent uptick in employment, consumer spending, and GDP growth. Treasury Secretary Janet Yellen has rejected concerns about a downturn, saying the economy remains strong and resilient. Increasingly investment banks have revised their possibility of US going into a recession.

Though inflation has reduced to 6.4% in January, it still being much higher than the Fed target continues to keep the Fed on a rate hike path. The margin pressure expected in 2023 by some analysts attributed to inflation pressure and under recoveries from price hikes is a blind spot for the equities market.

The EU inflation stands at 8.5% and the ECB increased interest rates by 50 bps in February and has signalled another 50 bps increase in March. Though the tailwind of energy prices falling has been a relief, the inflation problem appears to be persistent.

The reality of Europe's inflation problem and the policy that will be needed to bring it under control looks under-reflected in European bonds and equities. European equities have rallied significantly from their lows last year and have outperformed global indices in CY23 as it has become clear that Europe avoided the worst-case scenarios of the energy crisis.

Inflation is running hot across every major category and is being propped up by high and increasing wages. While some reversion in goods prices is almost certainly ahead of us, persistently high services prices will likely continue to push inflation above the ECB's target.

Most of the global markets ended in red for the month of Feb'23 except Europe. The trend is likely to be sideways until the central banks become decisive on the pivot. February -April Inflation data will fall sharply as the base impact catches up. This will provide breather in the otherwise dampened sentiment.

India

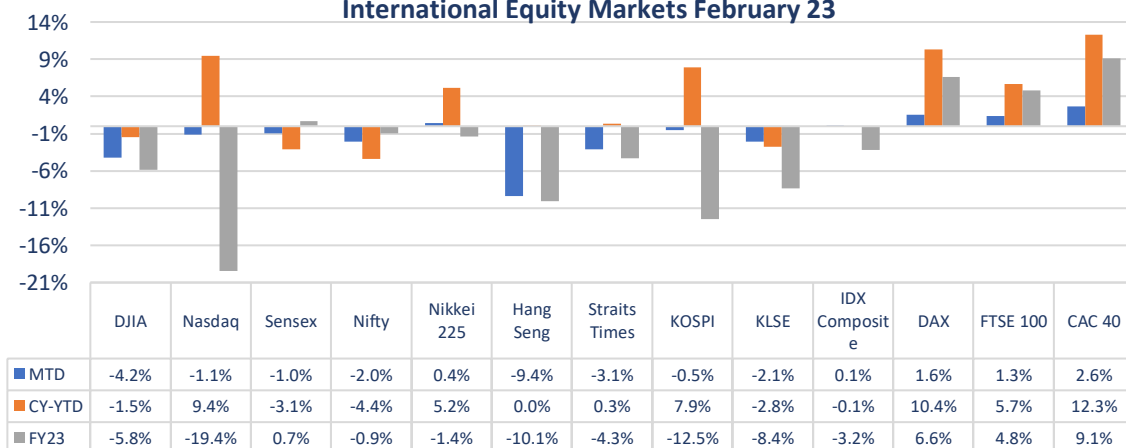
In the last five trading days in February, Sensex lost its support at 60,000 and stood at 58,962. The decline is attributed to weak global cues, higher interest rate hike expectations in the USA, increased tensions between Russia and West, strengthening dollar, and continued FIIs selling. In addition, the selling pressure on auto, realty, and oil and gas; coupled with negative sentiments around the Adani group put pressure on the index. The markets continue to be range bound with a negative bias.

In Q3FY23, India Inc's manufacturing companies (non-government) reported sales of Rs 9,97,061 cr (up 12% yoy, down 1% qoq), EBITDA of Rs 1,50,978 cr (down 4% yoy, up 3% qoq), and net profits of Rs 71,541 cr (down 19% yoy, down 6% qoq).

On a yoy basis, NIFTY's top-line grew 16.4% in Q3FY23 standing at Rs 15,695 bn and PAT grew 7.8% standing at INR 1,732 bn. The earnings disappointed street expectations as the overall performance was impaired as a result of a sharp drag in global commodities, namely metals and oil & gas. The third quarter results enabled the P-E multiple to squeeze further to 21x one year forward from earlier 24x. The banking and infrastructure reported healthiest growth in the topline as well as bottomline, while chemicals suffered due to margin pressures. IT cos despite the global headwinds performed well and most of the companies guidance has remained unchanged. Commodity dependent conversion companies continued to face margin pressure like previous quarter.

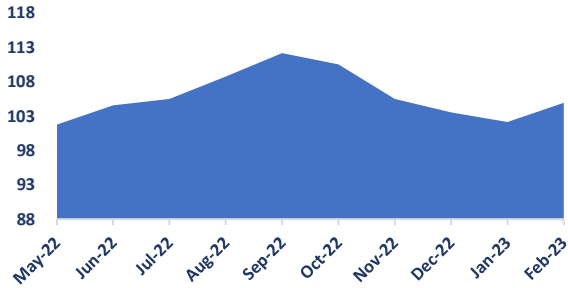
Though WPI continued to decline attributed to crude petroleum and natural gas, chemicals, and food products, CPI increased to 6.52%. This was viewed negatively on Dalal Street. The trend reversal in CPI rises concerns around RBI's ability to reduce interest rates, given that advanced economies will continue to hike rates. The potential of an expansionary fiscal policy could be unrealised if RBI is forced to implement a restrictive monetary policy.

International Equity Markets February 23

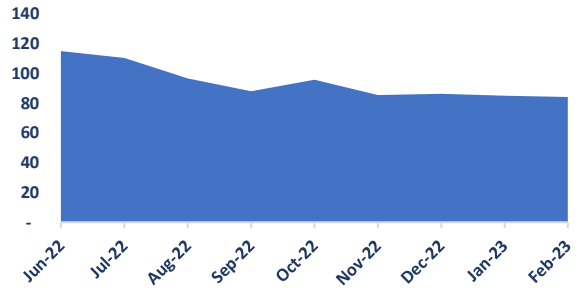


CHARTS OF THE MONTH

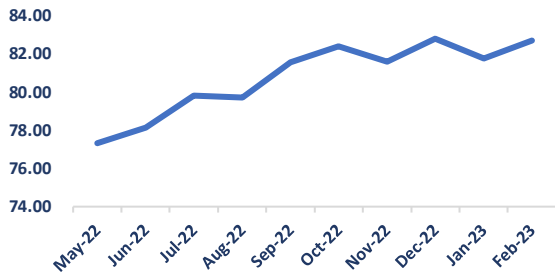
USD Index



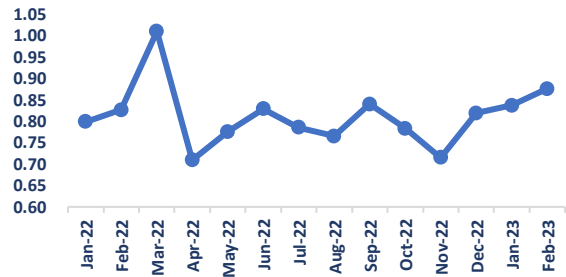
Crude Oil (USD/barrel)



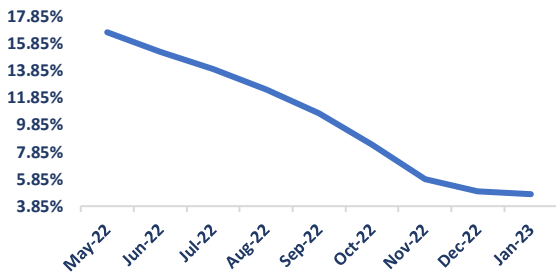
INR/USD



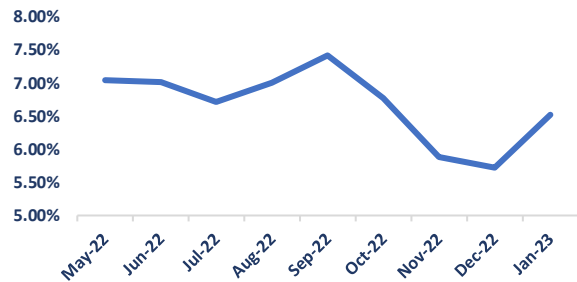
Ksema CV Volume Index



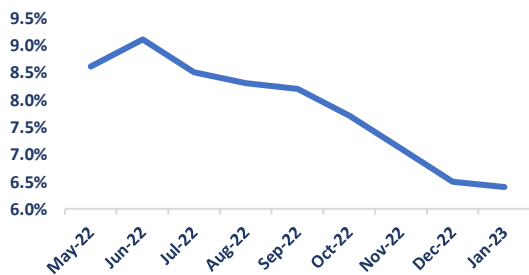
WPI



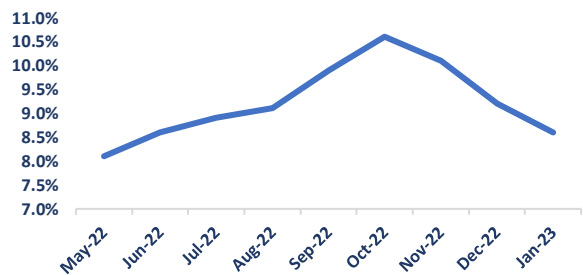
CPI



US CPI



EU CPI



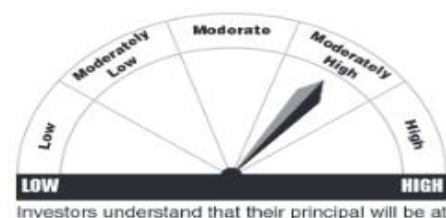
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

February 2023

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.

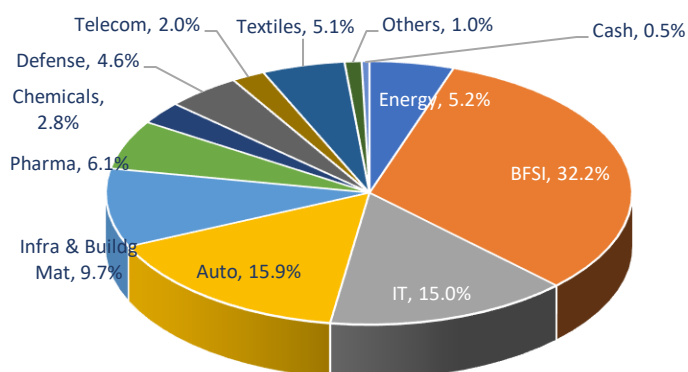
RISKOMETER



Moderately High Risk

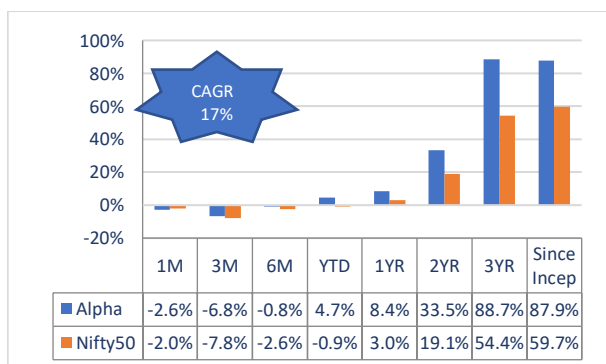
TOP HOLDINGS

SECTORAL ALLOCATION



Company Name	Holdings (%)
ICICI Bank Ltd	7.09%
State Bank of India	5.88%
Larsen & Toubro Ltd	5.70%
Axis Bank Ltd	4.92%
Reliance Industries Ltd	4.79%
Cash	0.48%

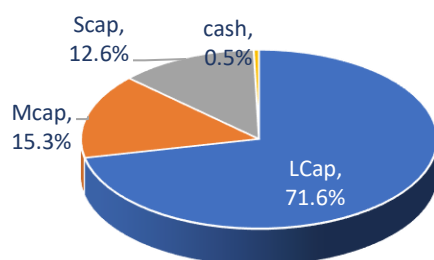
PERFORMANCE (%)



Performance Review

The portfolio underperformed the benchmark as BFSI segment stocks were hit heavily owing to Adani issue. The fear of extended borrowing and their ability to service debt dented sentiment towards Banking stocks. Also the inordinate selling by FPIs in Indian market, possibility of swapping Indian position with Chinese stocks continued to drag the market and so our portfolio. We believe it to be temporary blip and sentiment will recover in short span of time.

MARKET CAPITALISATION (%)



OUTLOOK

As the Q3 results shows, the cyclicals led by banking has outperformed the other sectors and continues to lead in profitability. Infrastructure focused spending will drive the building material and construction firms to do well in the next 2 quarters as order flow is expected to exceed last 2 years by a wide margin. With supply chain easing Auto and ancillaries are also likely to do well. Next one year will be stock pickers market and we are charged for one.

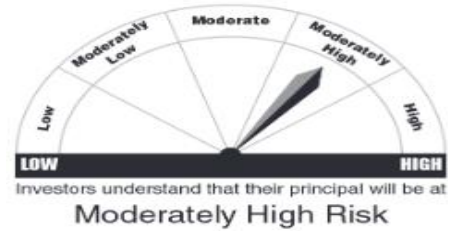
KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

February 2023

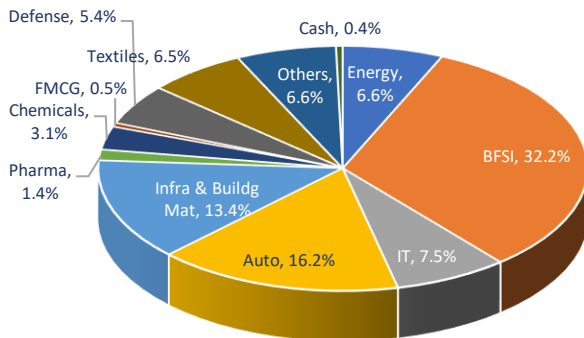
THEME

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

RISKOMETER



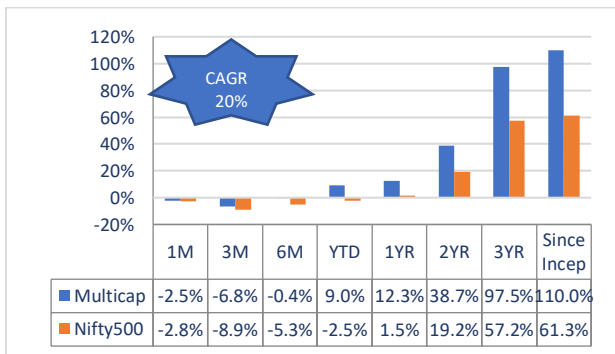
SECTORAL ALLOCATION



TOP HOLDINGS

Company Name	Holdings (%)
ICICI Bank Ltd	6.65%
State Bank of India	5.45%
Larsen & Toubro Ltd	5.08%
Axis Bank Ltd	4.87%
Reliance Industries Ltd	4.44%
Cash	0.44%

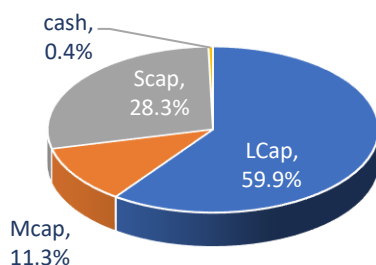
PERFORMANCE (%)



PERFORMANCE REVIEW

The portfolio outperformed the benchmark albeit returned losses for the month. It has outperformed with wide margin in the 1 year category as our stock picks have weathered the storm. The results of the textile sector we had invested in has come out better despite the volatile cotton prices. Also Defense stocks continues to march ahead with more order flow. Portfolio is well structured currently and it should do well to close the financial year.

MARKET CAPITALISATION (%)



OUTLOOK

While FY 2023 return is heading towards a muted one for the index, the prospects of FY 2024 is looking bright. The Governments capex spending, followed by private capex amidst moderate inflation compared to last year augurs well for the market. Given a stable interest environment, the spending will drive growth exceeding 6%. With Export market being uncertain, stock picks in domestic focus, with edge in scalability should do well for the portfolio in the coming year.

KSEMA WEALTH PVT LTD

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