



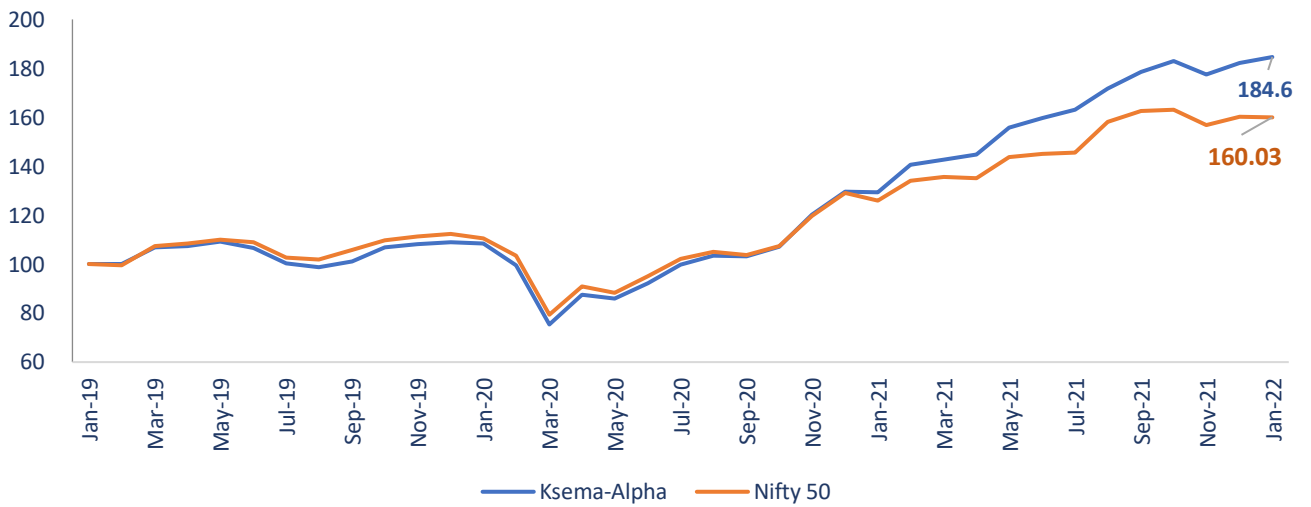
# KSEMA WEALTH PVT LTD

Ksema Wealth- Alpha

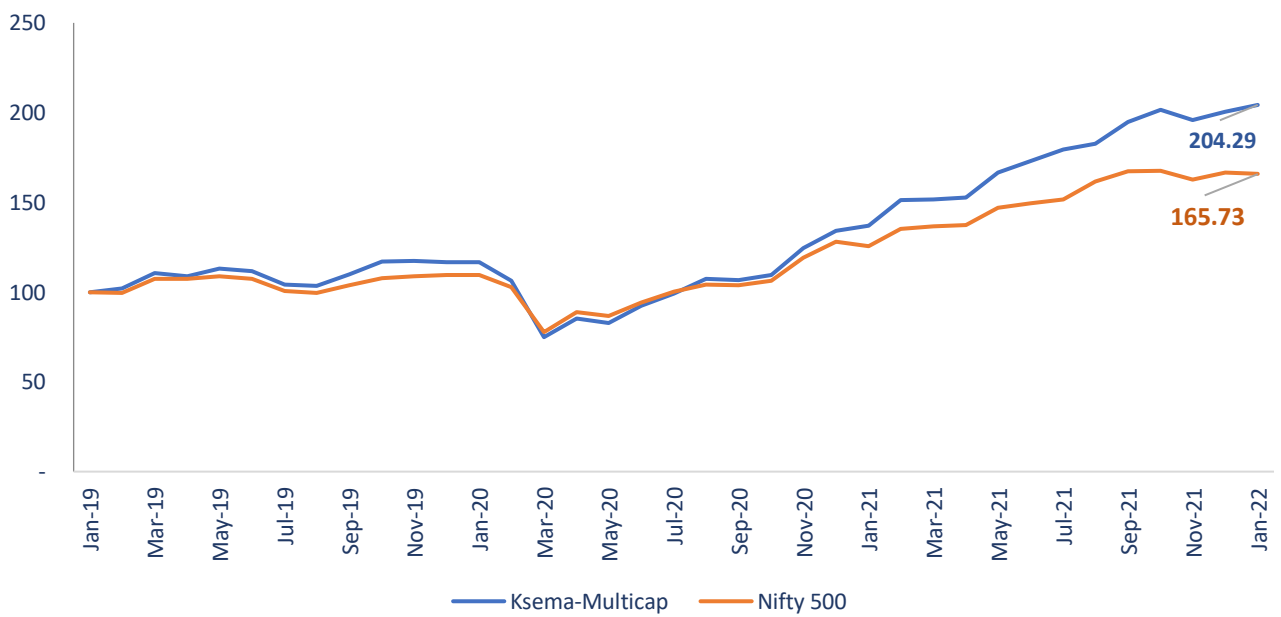
CAGR 22.7%

Ksema Wealth-Multicap

CAGR 26.9%



## WEALTH MANAGEMENT



# KSEMA WEALTH PVT LTD

## MARKET REVIEW & OUTLOOK

### Global

US inflation is at a 39 year high of 7%. This is prompting strict action by the central bank. The Fed has stated that it will raise interest rates in March and take a cautious approach going forward based on the inflation and pandemic data. However, some critics expect four rate hikes in 2022. In addition, the Fed will continue tapering its bond purchases. These developments are expected to result in capital flight from emerging countries.

Inflation in Eurozone was 5.1% in January but the ECB has kept key interest rates unchanged. ECB's justification was that higher inflation will fade throughout the year. However, Bank of England raised interest rates for the second time in three months. It increased its key rate to 0.5% from 0.25% and would begin reducing its holdings of U.K. government debt and corporate bonds. As fiscal measures have their limitations and political measures mount up, ECB might be forced to undertake aggressive interest rate hikes in 2022.

The central bank has finally decided to intervene in the Chinese real estate market which has been reeling under pressure for the past few months. In addition to the weak property market, new covid-19 outbreaks have hurt the domestic consumption. In response, the PBOC cut its five-year loan prime rate to 4.60% from 4.65%—the first such cut since April 2020 and lowered the one-year loan prime rate by 10 basis points to 3.70%, the second cut to that rate. The theme in China has changed to stability in 2022 compared to regulatory crackdown in 2021.

The trend of monetary policy tightening is emerging as new theme in 2022 across Asia. Singapore's central bank tightened its monetary policy settings in an out-of-cycle move, as global supply constraints and brisk economic demand elevate inflation pressures across the region. In a similar move, South Korea's central bank raised its benchmark rate back to pre-pandemic levels to stem inflation risks in the recovering economy and signalled it may tighten further as policy remains 'accommodative.' This resulted in most of the markets closing in red for the month of January with Nasdaq and South Korea reporting sharp losses.

### India

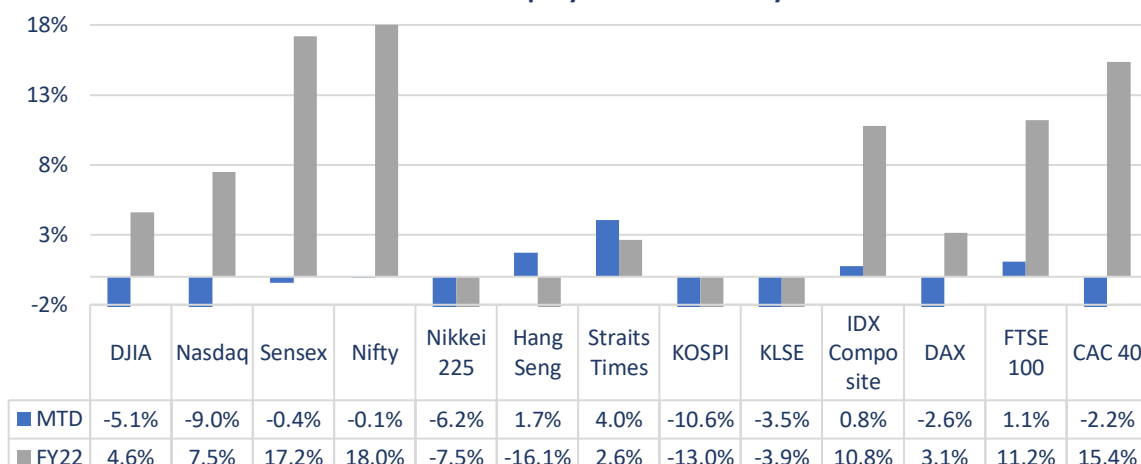
On 1 February 2022, the Sensex closed at 58,862 registering a 1.5% daily gain, this was interpreted as a thumbs up given to the budget by the market. The Union Budget 2022-23 has allocated one of the highest capital expenditures of INR 7.5 lakh crore in FY22-23, up more than 35% from FY21-22, when the budgeted expenditure stood at INR 5.5 lakh crore. This outlay is 2.9% of expected FY22-23 gross domestic product (GDP). The government expects the public investments made to crowd-in private investment and act as an automatic stabiliser. Revised tax revenues are projected to be higher by 14.2% than the budgeted figures for FY22 and is budgeted to further increase by 9.6% in FY23. The expected higher tax receipt will create the fiscal space to balance the twin objectives of sustaining growth and consolidating fiscal deficit.

The rising inflation has been like the sword of Damocles hanging over the citizens and corporations alike. Therefore, it is imperative for the government to achieve and sustain a higher economic growth rate.

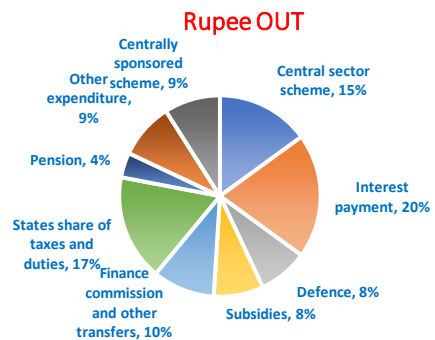
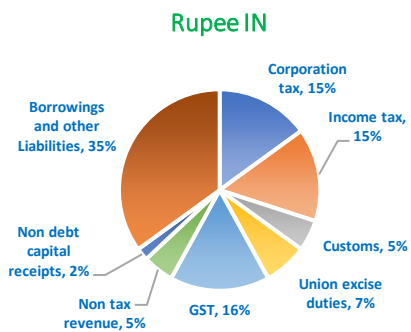
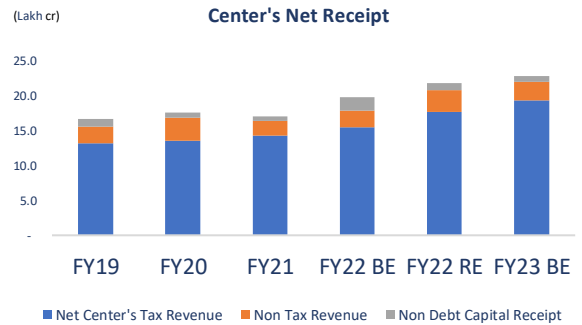
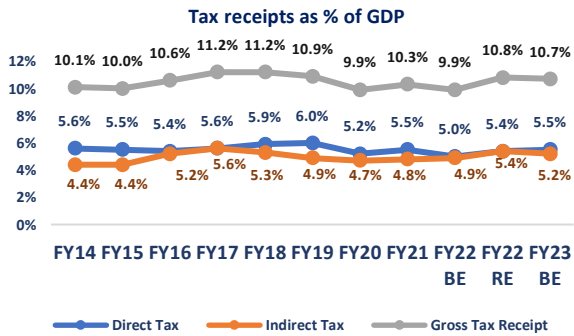
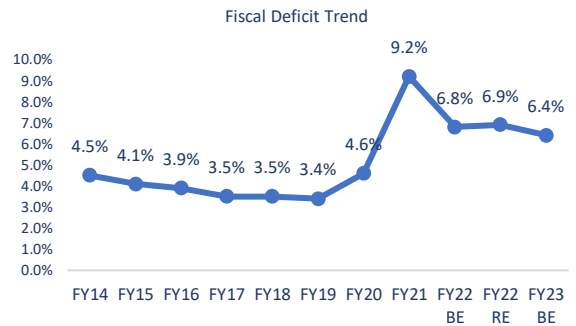
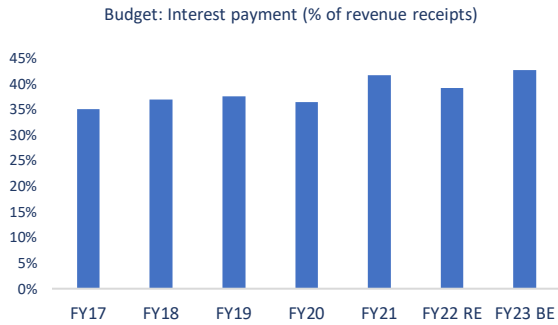
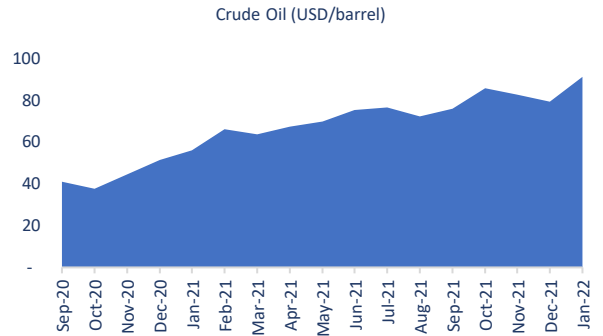
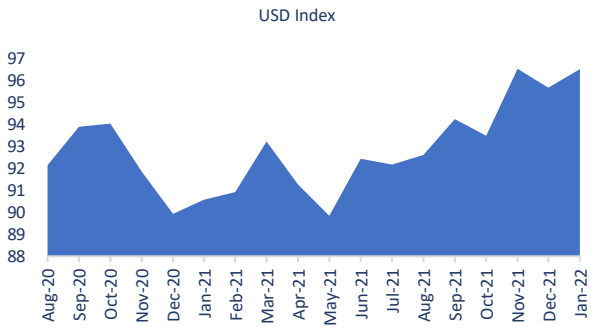
Q3FY22 results have been a mixed bag so far with moderate to high top-line growth coupled with increasing cost pressure. The top-line recovery indicated demand revival and companies expect the demand to sustain going forward. However, the continued cost pressure for various industries in the form of prolonged near high commodity prices, fuel prices, and logistics prices have dampened margins. In addition, the trend of rising crude oil prices, continued container shortages, and interest rate hikes are expected to be margin dilutive.

The trend of FIIs being net sellers in equity was intensified in January. The monthly net investments by FIIs in January stood at INR -33,303 cr. This continued selling has played a strong hand in capping the Sensex below 60,000 and yielding negative short-term return on the index. This month was led by banking and auto while pharma and IT were the laggards.

International Equity Markets January 2022



## CHARTS OF THE MONTH



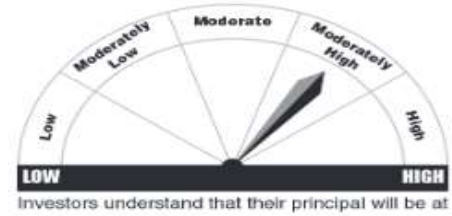
# KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

January 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.

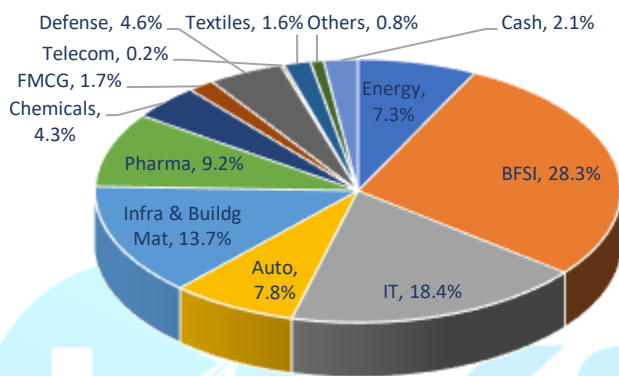
## RISKOMETER



**Moderately High Risk**

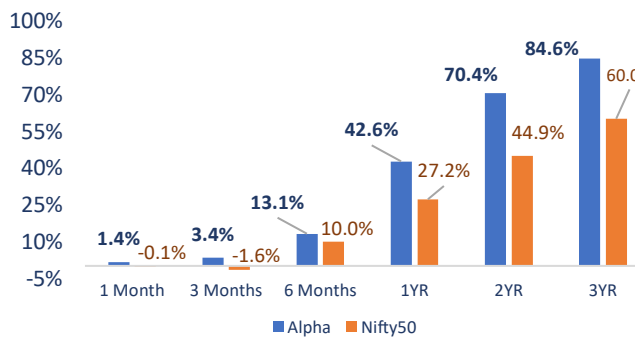
## TOP HOLDINGS

## SECTORAL ALLOCATION



Company Name	Holdings (%)
State Bank of India	6.58%
ICICI Bank Ltd	6.13%
Larsen & Toubro Ltd	5.28%
Reliance Industries Ltd	5.26%
Infosys Ltd	4.59%
Cash	2.10%

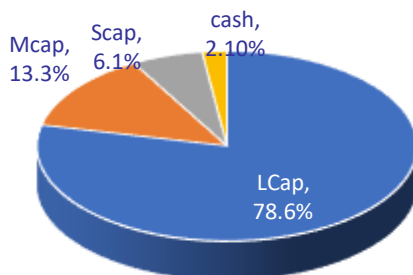
## PERFORMANCE (%)



## Performance Review

The portfolio outperformed significantly despite negative returns in the benchmark owing to positioning. Apart from the Large cap stocks, the broader market consisting of mid and small cap stocks did well. The auto ancillary, textiles and BFSI segments have enabled the outperformance. Despite FPIs pullout our stocks did well. Our stocks were relatively less impacted on the Omicron spread and are expected to report good growth.

## MARKET CAPITALISATION (%)



## OUTLOOK

As the worst of the third wave is showing signs of receding, the market is likely to record renewed activity. Though the passive money will dictate large cap sector, there are bright spots in mid and small caps. The stronger results of the 3<sup>rd</sup> quarter including banks are auguring well for our portfolios. We are optimistic that growth in 4<sup>th</sup> quarter are going to exceed not only market expectations but is going to be historic. We will stay invested.

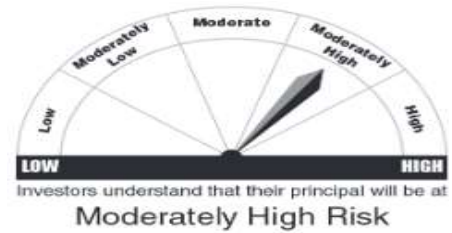
# KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

January 2022

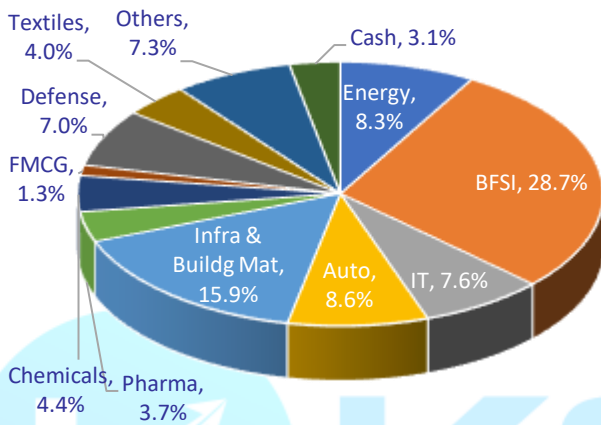
## THEME

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

## RISKOMETER



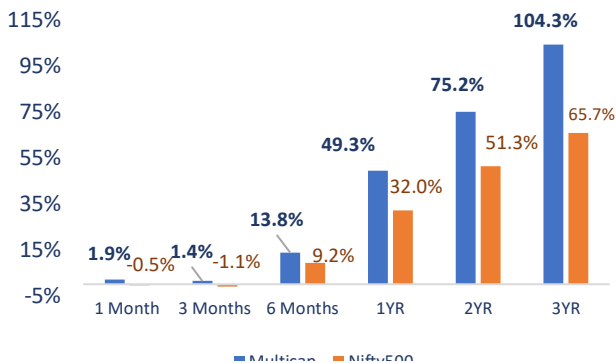
## SECTORAL ALLOCATION



## TOP HOLDINGS

Company Name	Holdings (%)
State Bank of India	5.69%
ICICI Bank Ltd	5.17%
Larsen & Toubro Ltd	4.83%
Axis Bank Ltd	4.61%
Canara Bank	4.17%
Cash	3.13%

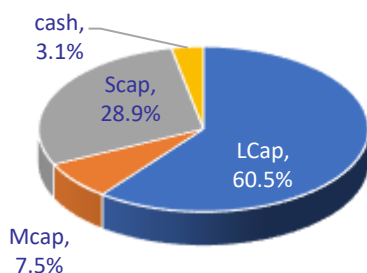
## PERFORMANCE (%)



## PERFORMANCE REVIEW

The portfolio outperformed the benchmark with a wide margin as our select stocks in textiles and banking beat the expectations. Defense stocks too did well with upsurge in orders and execution. Energy stocks were enthused with increased capacity utilization and better performance. Our strategy of expanding in cyclicals is benefiting and believe the trend will continue.

## MARKET CAPITALISATION (%)



## OUTLOOK

The persistent selling in the Indian stocks owing of Chinese real estate issue is coming to an end. This will see not only selling coming to an end but also renewed interest in Indian stocks after a growth-oriented Budget pronouncement. We will increase our weight in the large cap stocks particularly Banking where fresh buying will be seen and also selected stocks in Defense, Textiles and Chemicals which are likely to do well.

KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES		
	Alpha	Nifty 50
Average Monthly return	1.94%	1.52%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	22.7%	17.0%
Annualized Volatility	22.6%	21.7%
% of winning months (against benchmark)	66.7%	na
% of gained months	72.2%	63.9%
YTD	29.43%	18.01%
Sharpe (RF 6%)	0.72	0.48
Alpha	6.59%	na

KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES		
	Multicap	Nifty500
Average Monthly return	2.31%	1.62%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	26.9%	18.3%
Annualized Volatility	26.2%	22.0%
% of winning months (against benchmark)	66.7%	na
% of gained months	72.2%	66.7%
YTD	34.89%	21.17%
Sharpe (RF 6%)	0.78	0.54
Alpha	11.07%	na



**KSEMA WEALTH PVT LTD**

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**[www.ksemawealth.com](http://www.ksemawealth.com)**

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