



KSEMA WEALTH PVT LTD

Ksema Wealth- Alpha

CAGR 17.9%

Ksema Wealth-Multicap

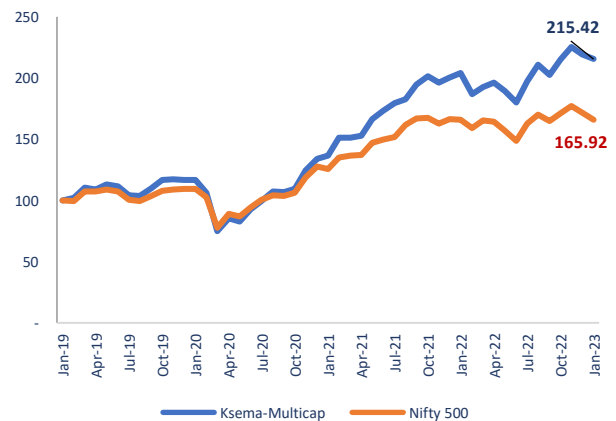
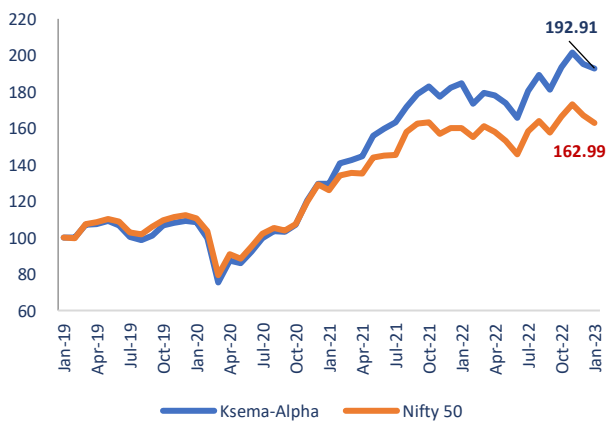
CAGR 21.1%

KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

	Alpha	Nifty 50
Average Monthly return	1.57%	1.20%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	17.9%	13.0%
Annualized Volatility	21.3%	20.3%
% of winning months (against benchmark)	68.8%	na
% of gained months	65%	58.3%
YTD	7.54%	1.13%
Sharpe (RF 7.5%)	0.49	0.27
Alpha	5.33%	na

KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

	Multicap	Nifty500
Average Monthly return	1.88%	1.24%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	21.1%	13.5%
Annualized Volatility	24.6%	20.7%
% of winning months (against benchmark)	68.8%	na
% of gained months	67%	60.4%
YTD	11.86%	0.29%
Sharpe (RF 7.5%)	0.55	0.29
Alpha	8.90%	na





MARKET REVIEW & OUTLOOK

Global

The U.S. economy powered through high inflation, rising interest rates and an energy shock to register GDP growth of 2.1% in 2022. The increase in real GDP in 2022 primarily reflected increases in consumer spending, exports, private inventory investment, and non-residential fixed investment. The first two quarters GDP decline in 2022 had prompted fears of a recession year amongst many but growth in H2 2022 had calmed the nerves. A major boost to the US economy has been the consistently tight labour market that's allowed U.S. consumers to continue spending.

The Federal Reserve in February raised its benchmark interest rate by a quarter percentage point and gave little indication it is nearing the end of this hiking cycle. In January, the total nonfarm payroll employment rose by 517,000 led by gains in leisure and hospitality, professional and business services, and health care. The positive jobs growth numbers are keeping recessionary fears at bay.

UK inflation stood at 10.5% in December, compared to 10.7% in November. This can be attributed to the easing fuel prices that helped to ease price pressures. However, high food and energy prices continue to squeeze UK households and drive widespread industrial action across the country. The Bank of England in February hiked interest rates by 50 basis points and dialled back some of its previous bleak economic forecasts. However, the International Monetary Fund has downgraded its projection for UK GDP growth in 2023 to -0.6%, making it the world's worst performing major economy, even behind Russia. Inflation in the EU stood at 8.5% in January, compared to 9.2% in December. Though energy prices have softened, they continue to be the biggest cost driver. The newly released data provide evidence of easing inflation.

In 2022, China's growth was impacted by widespread covid lockdowns and a historic downturn in the property market. China is ready for a rebound in 2023 with their pandemic controls lifted and Chinese shoppers are enjoying their freedom to spend. In addition, household savings at banks surged by a record high of 17.84 trillion yuan (\$2.6 trillion) in 2022, up 80% from 2021.

India

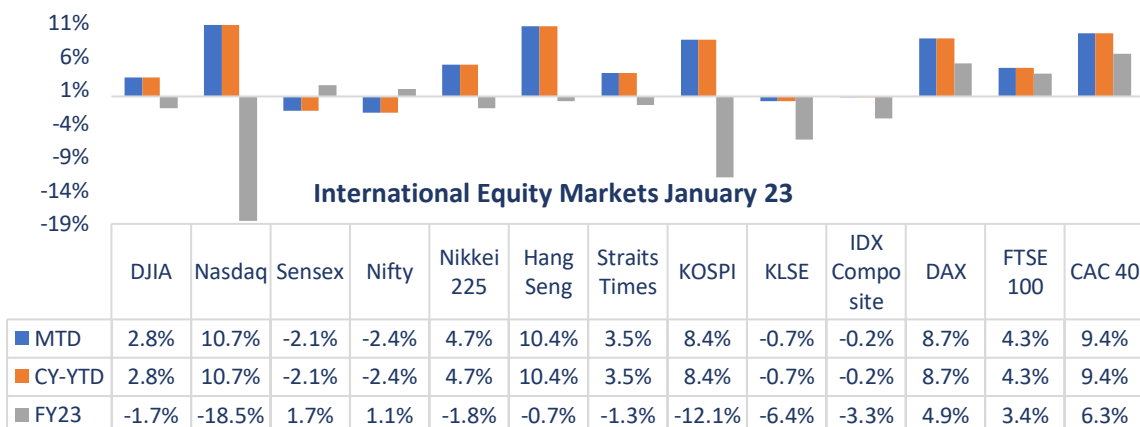
As weakness in major economies continue to be worrisome for investors, India has been seen as the global growth driver in 2023. The qualities of being credit positive and establishing a sustainable growth framework to achieve a macroeconomic stability are sought by global investors was delivered in the budget.

India's Budget FY24 solidifies the economic agenda of prudential macroeconomic reforms while balancing the growth. Fiscal deficit target of 6.4% was retained in the Revised Estimate for FY23; the same is reduced to 5.9% for FY24. The government intends to bring fiscal deficit below 4.5% of GDP by 2025-26. The 33% increase in capital expenditure to Rs 10 trillion is expected to boost the much-needed infrastructure in the nation; in addition to having a multiplier effect in terms of job creation and income generation for rural segment.

The growth of India Inc will falter if the MSMEs are not prepared to support them in the new geopolitical supply chain shift that India is aiming to dominate. The high interest rate environment imposes financial risks and working capital constraints on MSMEs. The budget addressed this concern by infusing Rs 90 bn in the corpus of credit guarantee scheme for MSMEs. This is expected to boost creditor's confidence, leading to higher loan disbursements and reduced cost of funds.

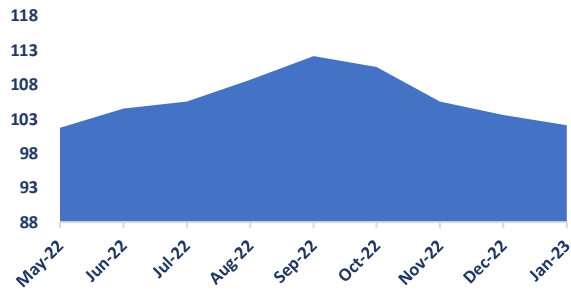
The last week of January witnessed the release of a US based research report claiming irregularities in Adani Group. This created havoc in the credit market as well as equity markets. The negative sentiments engulfed around Adani stocks impacted the animal spirits on the border markets mildly and have begun receding. Once the dust settles on the issue we will see return to normality.

The Reserve Bank of India slowed the pace of interest-rate increases and increased interest rate by 25 basis points as core inflation remained at upper end of the band. We opine that this raise will be the last of the current trajectory, however the rates will remain at these levels for longer period to come.

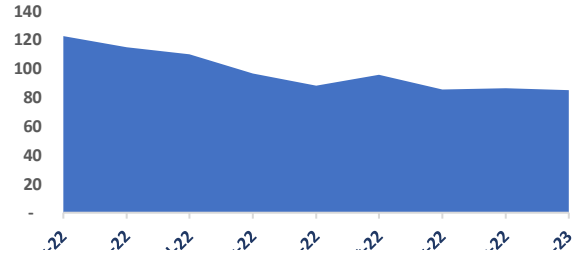


CHARTS OF THE MONTH

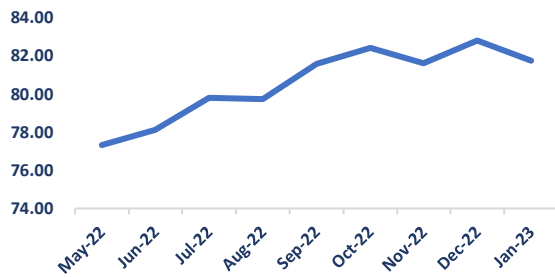
USD Index



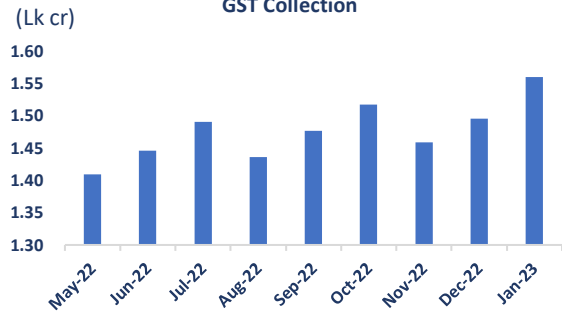
Crude Oil (USD/barrel)



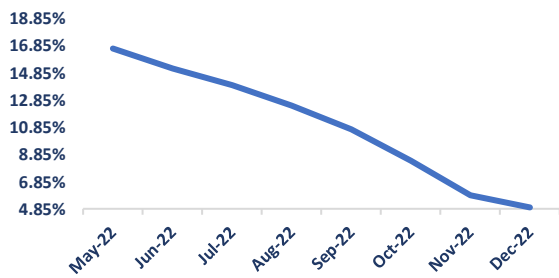
INR/USD



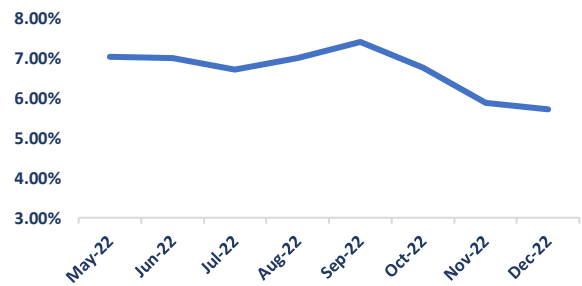
GST Collection



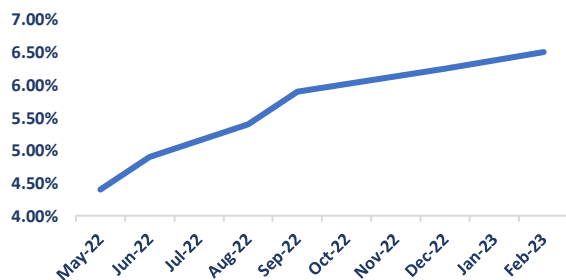
WPI



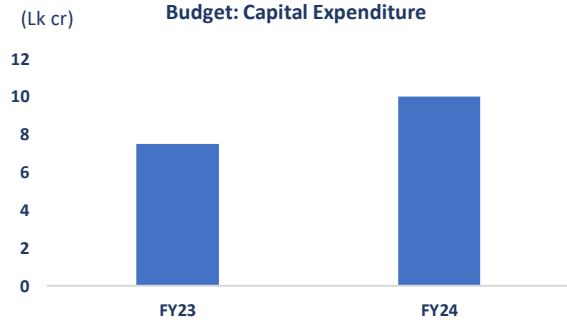
CPI



Repo Rate



Budget: Capital Expenditure



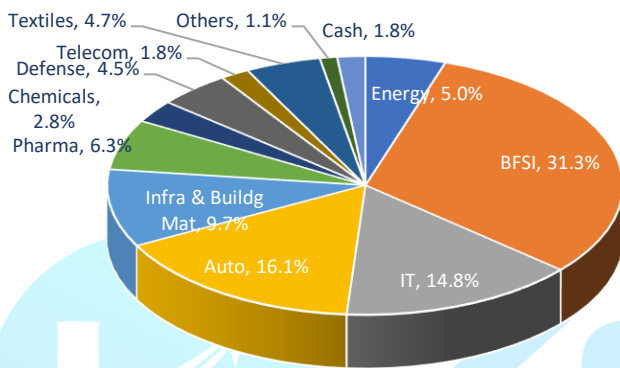
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

January 2023

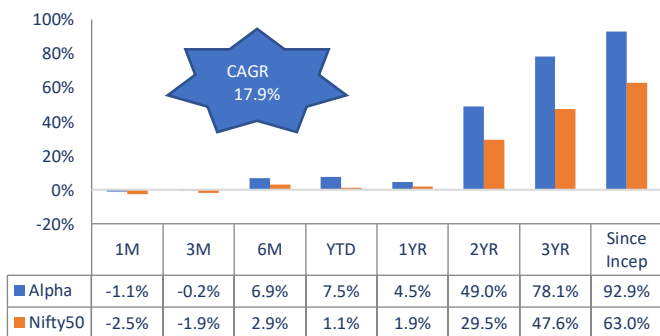
THEME

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.

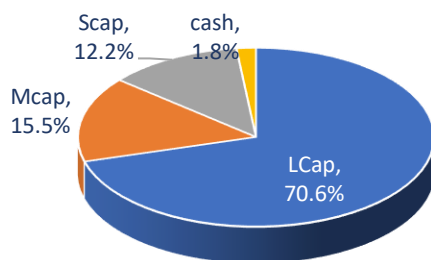
SECTORAL ALLOCATION



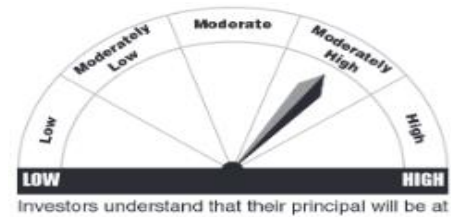
PERFORMANCE (%)



MARKET CAPITALISATION (%)



RISKOMETER



Investors understand that their principal will be at

Moderately High Risk

TOP HOLDINGS

Company Name	Holdings (%)
ICICI Bank Ltd	6.52%
State Bank of India	6.04%
Larsen & Toubro Ltd	5.70%
Axis Bank Ltd	4.96%
TCS Ltd	4.69%
Cash	1.76%

Performance Review

The portfolio continued to outperform the benchmark during the month. We do not hold any Adani group stocks and were hence protected to an extent. However with other stocks too dragging on the impact we had to face decline in our portfolios. We expect the same to recover much sooner than the market. The auto ancillary, textiles and banks have enabled the outperformance.

OUTLOOK

With an excellent budget, we expect the market to return to normalcy and price in the impact once the Adani issue dust settles down. The higher capex spending by the Government entities and private sector catching up as the aggregate capacity utilization improving to 74% implies that we will see significant push going ahead. We are deploying all the cash and waiting to reap the move going forward.

KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

January 2023

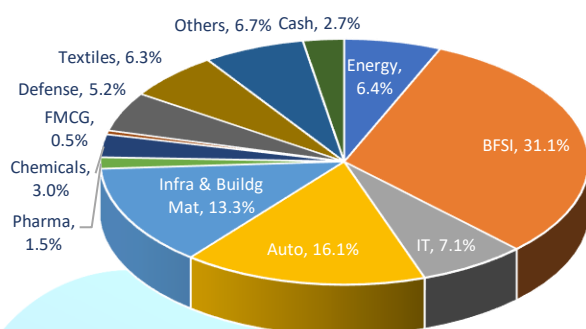
THEME

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

RISKOMETER



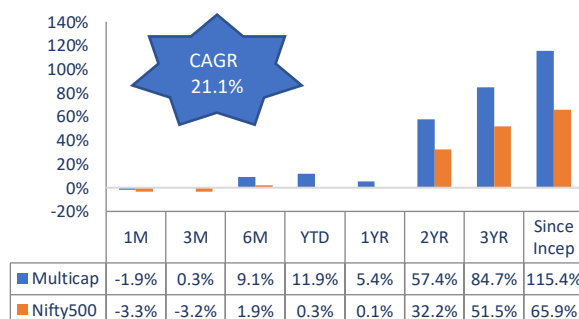
SECTORAL ALLOCATION



TOP HOLDINGS

Company Name	Holdings (%)
ICICI Bank Ltd	5.85%
State Bank of India	5.48%
Axis Bank Ltd	4.90%
Larsen & Toubro Ltd	4.83%
Canara Bank Ltd	4.53%
Cash	2.72%

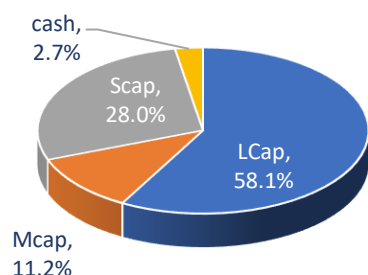
PERFORMANCE (%)



PERFORMANCE REVIEW

The portfolio outperformed the benchmark with a wide margin as our select stocks in the IT sector, Textiles, select Banks did well compared to the Market. Our absence in the Adani stocks enabled lower decline. Select OEM holdings too widened the margin as the auto sales were in the upswing in December as well as in January. We expect these sectors to continue to do well going forward as supply chain issues are resolved

MARKET CAPITALISATION (%)



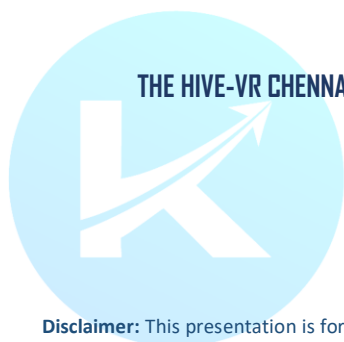
OUTLOOK

The Mid and small cap stocks were lying low since last 6 months as commodity prices and supply chain issues hurt this segment more than the large caps. With excellent budget and lowering commodity prices we expect this group of stocks to catch up and perform in the coming quarters. The valuations of these companies have also come to attractive levels. We are deploying the cash and taking advantage of the correction.

KSEMA WEALTH PVT LTD

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KSEMA

WEALTH MANAGEMENT

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