



KSEMA WEALTH MANAGEMENT PVT LTD

Ksema Wealth- Alpha

CAGR 21.4%

Ksema Wealth-Multicap

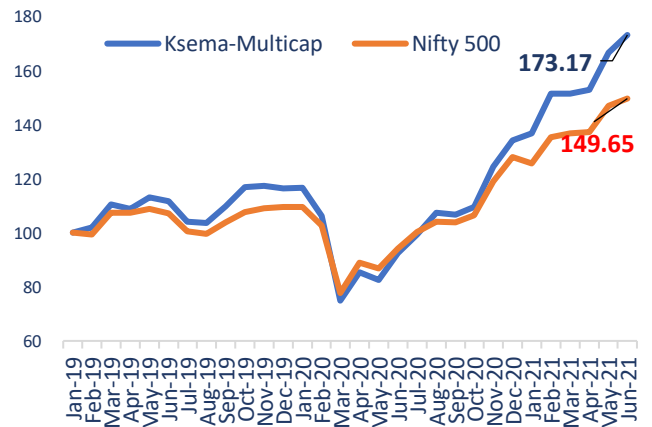
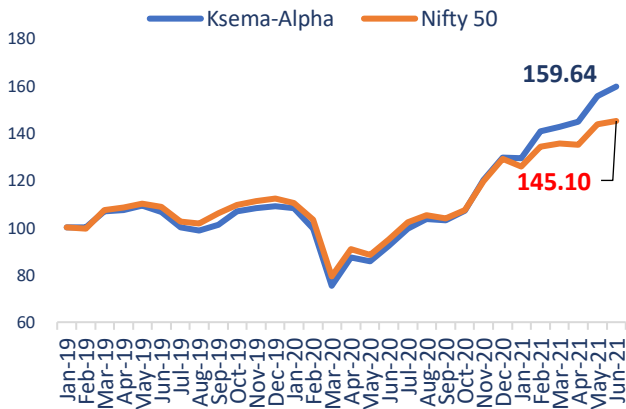
CAGR 25.5%

KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

June 2021	Alpha	Nifty 50
Average Monthly return	1.89%	1.53%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	21.4%	16.7%
Annualized Volatility	24.9%	23.5%
% of winning months (against benchmark)	62.1%	na
% of gained months	69%	62.1%
YTD	11.91%	7.01%
Sharpe (RF 5.8%)	0.62	0.46
Alpha	5.78%	na

KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

June 2021	Multicap	Nifty500
Average Monthly return	2.28%	1.65%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	25.5%	18.2%
Annualized Volatility	29.0%	24.1%
% of winning months (against benchmark)	67.9%	na
% of gained months	69%	65.5%
YTD	14.34%	9.42%
Sharpe (RF 5.8%)	0.68	0.51
Alpha	9.99%	na



KSEMA WEALTH MANAGEMENT PVT LTD

MARKET REVIEW & OUTLOOK

Global

The Delta variant of coronavirus has sparked many concerns. According to the WHO, Delta is the most transmissible of the variants identified so far, has been found in at least 85 countries and is spreading rapidly among unvaccinated populations. The impact of this variant is being felt worldwide. Considering this new variant, new lockdowns and restrictions have been imposed in countries such as Australia, New Zealand, Bangladesh, and select European countries. Though vaccination rates have improved, the impact Delta variant can have on the different regional economies is uncertain.

The International Monetary Fund raised its 2021 U.S. growth projection sharply to 7.0% due to a strong recovery from the COVID-19 pandemic and an assumption that President Joe Biden's infrastructure and social spending plans will be implemented. However, IMF also states that the high growth raises the risk of inflation. The Delta variant of coronavirus is taking a toll on U.K. The seven-day moving average of cases which was around 2,000 in May has now risen over 21,000. The government has stated it will be lifting lockdown on 19 July. However, the medical community has advised against this decision and suggested at least some restrictions. Other European countries face similar dilemma as well. Restrictions during the crucial summer months will affect economic activity and its scars will persist in the months to follow.

The Group of G20 economies saw their GDP return to pre-pandemic levels in the first quarter of 2021, but with large differences emerging between nations. Year-on-year GDP growth for the G20 rebounded to 3.4% in the first quarter of 2021, following a contraction of 0.7% in the previous quarter. China recorded the highest annual growth (18.3%), while the U.K. recorded the largest annual fall (minus 6.1%).

India, Turkey, and China (whose GDP was already above pre-pandemic levels in the previous quarter) continued to see a recovery in the first quarter of 2021 and Australia, South Korea and Brazil saw growth return to pre-pandemic level in the first quarter. Growth slowed in Indonesia, Canada, South Africa, and Mexico; and it turned negative in Germany, the UK, Japan, and Saudi Arabia.

India

In June, the Sensex closed at 52,483, registering a growth of 8% since February at 48,601. However, the past five months have not been smooth sailing for the index. It had to weather rough second wave of covid and the regional lockdown measures undertaken by various states to curtail another health crisis. The rolling monthly returns were predominantly in the negative territory from March to mid-May.

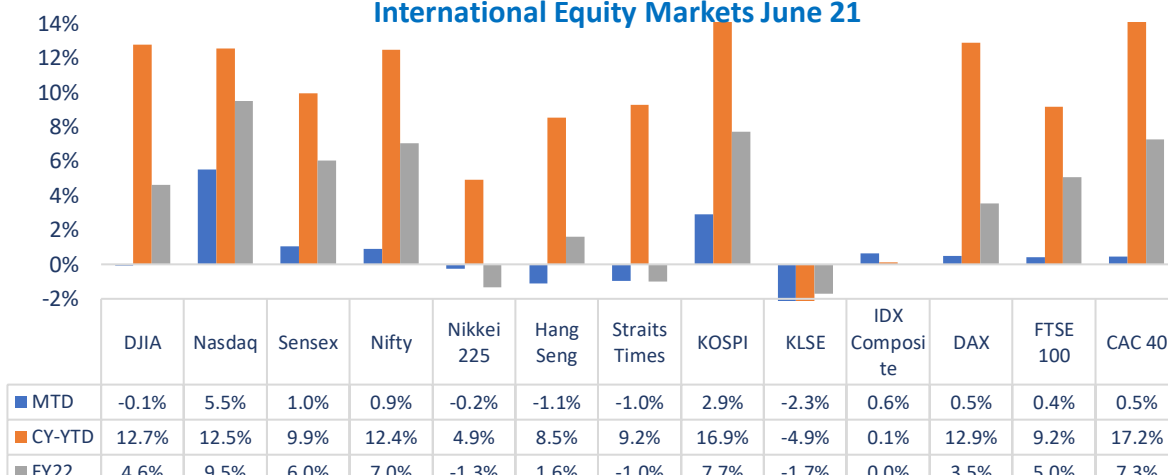
India's second covid wave, compared to the first wave, had a devastating impact on certain pockets of the country, but the blow to economy was softer. As most companies and the investment community knew how to address the situation, the stock market did not experience the volatility it did previously. As fear of covid continues to subside and lockdown restrictions are reversed, the economy is gaining momentum.

India Inc delivered a stellar performance in Q4 FY21 primarily due to the low base in Q4 FY20 and pent-up demand. The trend of revenue growth coupled with management optimism during the earnings call bode well for the investor sentiment. Few large corporate announced much awaited Capex plan which will accelerate the growth cycle.

India's retail inflation was 6.3% in May 2021, this is above the 2-6% band established by RBI. If inflation continues to trend above 6%, RBI would be forced to alter its stand. RBI's stance is that the recent surge in inflation is supply-side driven, and will only turn persistent when demand kicks in. Therefore, it is likely that RBI will continue its accommodative stance until demand sustains. This coupled with demand revival could start a new upcycle.

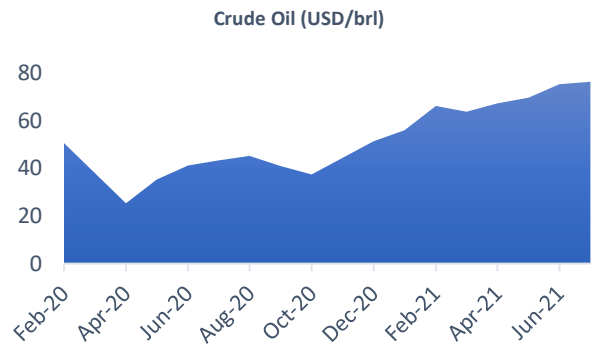
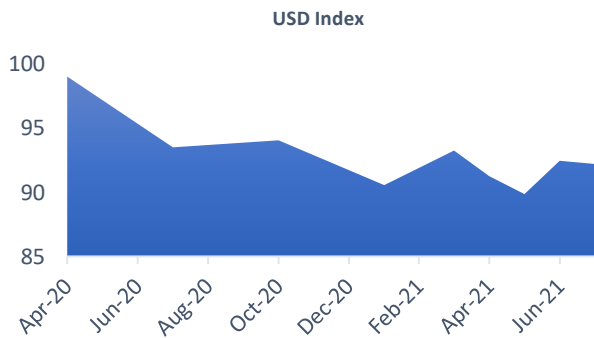
Corporate profits to GDP percent rose from 4.4% in FY04 to 7.2% in FY08 as inflation rose from 4% to 6.5-7%. The initial phase of inflation acts as a tailwind for the equities market as price hikes that can be absorbed by customers translates to higher revenues. The low base impact and higher commodity prices will augur well for metal segment in the near term. The early data shows less impact on the credit book in first quarter supporting the cyclicals including Banking.

International Equity Markets June 21

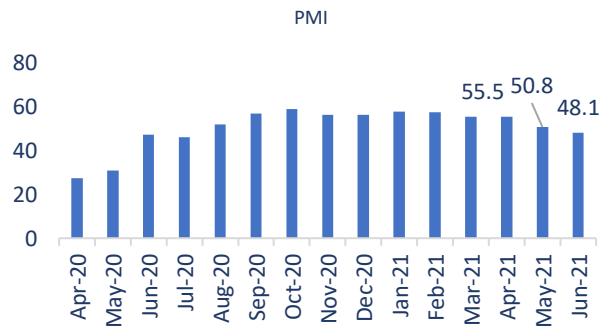
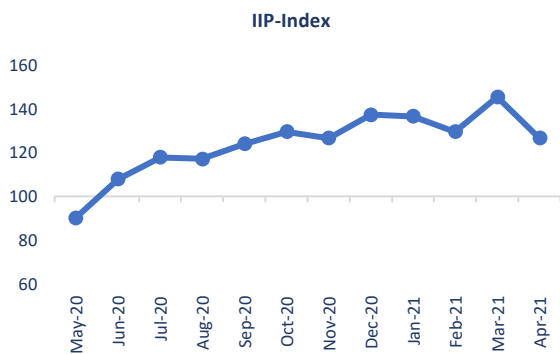


CHARTS OF THE MONTH

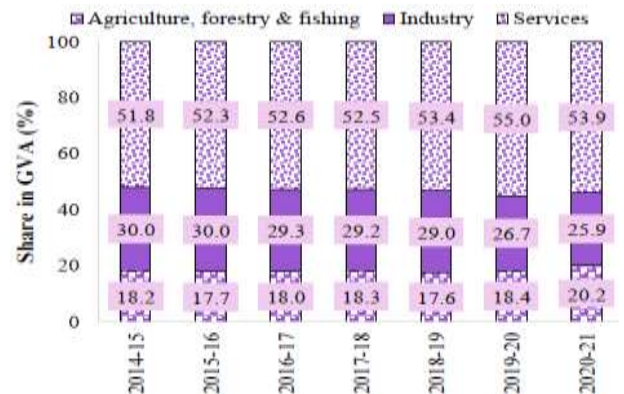
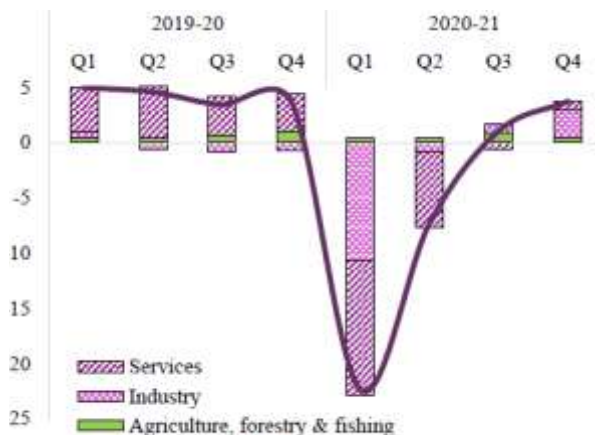
Drivers



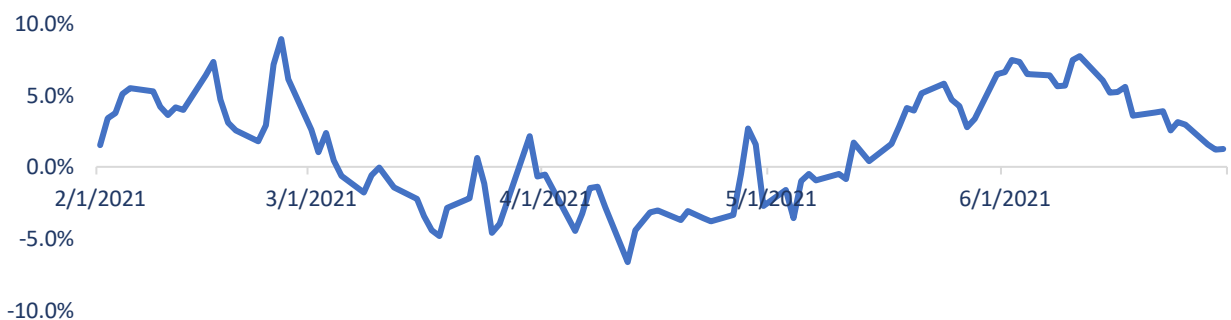
High Frequency



Gross Domestic Product



One Month Rolling Returns since February 2021



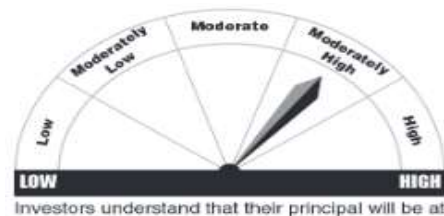
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

Jun 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.

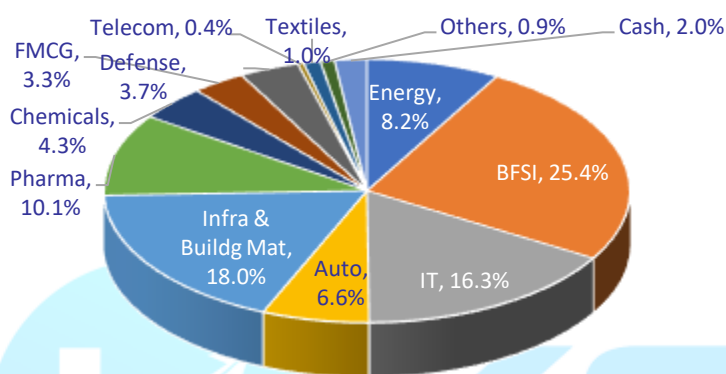
RISKOMETER



Moderately High Risk

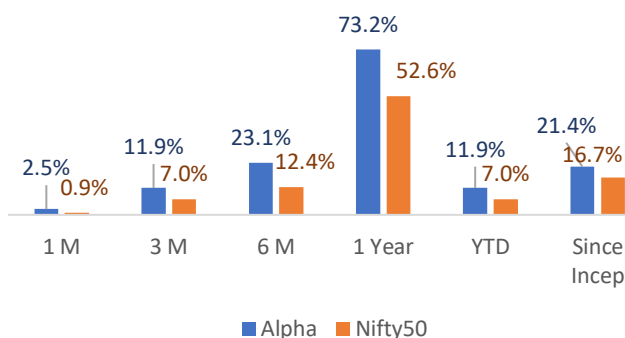
TOP HOLDINGS

SECTORAL ALLOCATION



Company Name	Holdings (%)
ICICI Bank Ltd	5.66%
State Bank of India	5.44%
Reliance Industries Ltd	5.16%
Larsen & Toubro Ltd	4.85%
Axis Bank Ltd	4.80%
Cash	1.98%

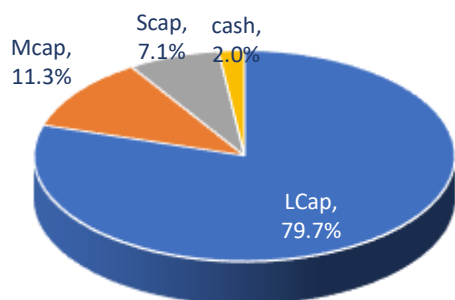
PERFORMANCE (%)



Performance Review

The Mid & small cap stocks continued to contribute to the outperformance of the portfolio. The export-oriented stocks including Pharma, Textiles and Chemicals were upbeat on the prospects of the current financial year that propelled fresh interest in these stocks. Our stock picks which were predominantly in these sectors did well leading to the widening of the gap against the benchmark.

MARKET CAPITALISATION (%)



OUTLOOK

The skewedness in the market performance shows the discounting impact of the second wave. The continued liquidity situation and improved business confidence, post covid, should renew investment case and expand the PE before the festive season. There will be sector rotation with Infra, Metals, Financials attracting more interest due to relatively cheaper valuation. Apart from this high dividend yield stocks will also see interest in the upcoming season.

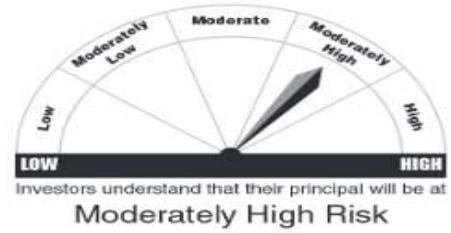
KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

Jun 2021

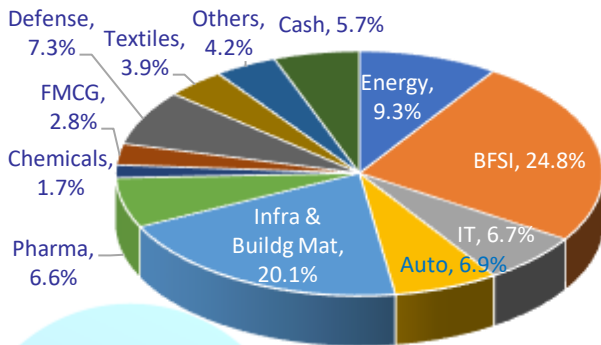
THEME

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

RISKOMETER



SECTORAL ALLOCATION



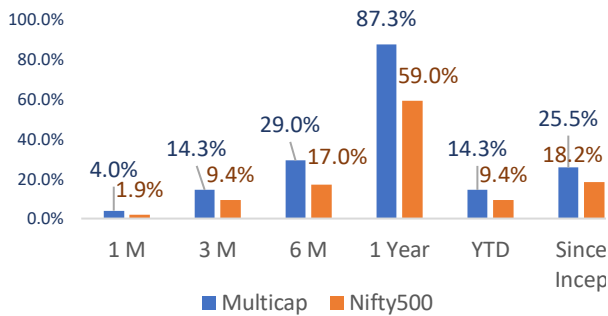
TOP HOLDINGS

Company Name	Holdings (%)
State Bank of India	4.88%
Larsen & Toubro Ltd	4.17%
Reliance Industries Ltd	3.96%
ICICI Bank Ltd	3.58%
Axis Bank Ltd	3.34%
Cash	5.69%



PERFORMANCE (%)

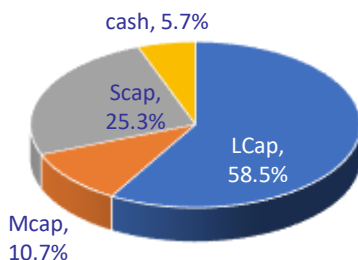
PERFORMANCE REVIEW



VAC

The portfolio performance was twice that of the benchmark owing to select picks that sharply did well on the back of impressive results. The small and mid cap companies showed renewed confidence despite the second wave as their order books were ringing well. Though the rural was impacted, the ongoing Rabi season has kicked up the economic activity amidst Government's aggressive MSP policy.

MARKET CAPITALISATION (%)



OUTLOOK

On a relative basis the broader market constituents have showed more confidence that the larger ones. In addition the RBI/Govt steps to leave easy money policy for this segment has boosted the participants to position themselves with aggressive plans. The macro effect of supply chain issue and global economic growth is spilling over to the mid tier companies and we will focus on adding from this segment.



KSEMA

WEALTH MANAGEMENT

KSEMA WEALTH MANAGEMENT PVT LTD

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