



# KSEMA WEALTH MANAGEMENT PVT LTD

Ksema Wealth- Alpha

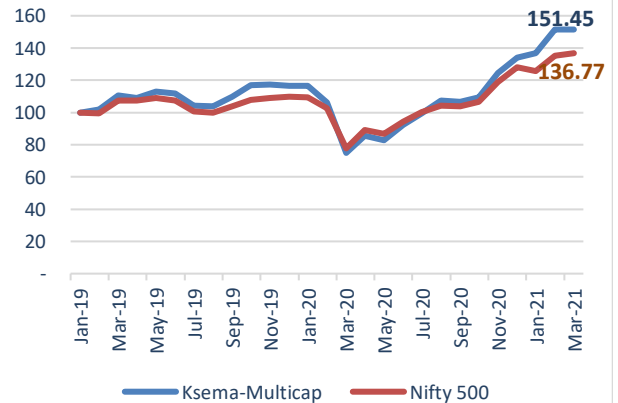
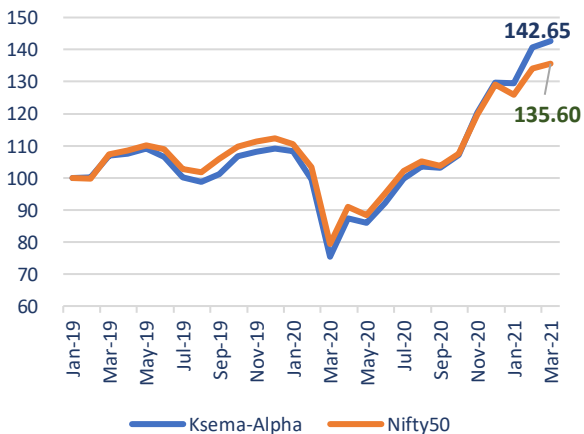
CAGR-17.8%

Ksema Wealth-Multicap

CAGR-21.1%

Since Inception (Jan2019)		
	Alpha	Nifty 50
Average Monthly return	1.67%	1.44%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	17.8%	15.1%
Annualized Volatility	26.0%	24.6%
% of winning months (against benchmark)	57.7%	na
% of gained months	65.0%	61.5%
YTD	89.25%	70.86%
Sharpe (RF 5.8%)	0.46	0.38
Alpha	3.66%	na

Since Inception (Jan2019)		
	Multicap	Nifty500
Average Monthly return	2.02%	1.48%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	21.2%	14.9%
Annualized Volatility	30.3%	25.2%
% of winning months (against benchmark)	61.5%	na
% of gained months	62.0%	57.7%
YTD	102.2%	76.01%
Sharpe (RF 6%)	0.50	0.36
Alpha	8.08%	na



## MARKET REVIEW FY 2021: OUTLOOK FY 2022

### Global

The past one year has been a tumultuous year as Covid19 overwhelmed the world and till date has taken more than 2.5 million precious lives. It still prevails over and keeps confronting the lives and livelihoods.

Amidst the uncertainty of the pandemic, a streak of light is visible as multiple vaccines have emerged in various countries that can control the longevity of the virus. The businesses too have adapted to new realities by conducting activities with less mobility. Most economies led by the USA have embarked upon unprecedented fiscal support complemented with monetary accommodation that boosts the economic outlook.

IMF in its recent report has upgraded its outlook for not only 2021 but also 2022 compared to its previous reports. The global growth is expected to be 6% in 2021 after a decline of 3.3% in 2020. With the growth of 4.4%, some of the economies are expected to surpass the 2019 GDP in the year 2022. However, most emerging economies are expected to take one additional year for the same. Unfortunately, the growth is divergent within the region and the sectors that contribute to the country. The tourism and hospitality reliant countries have lagged. The developed markets were out performer in the month of March as vaccination rate is much higher compared to the emerging or developing world.

### India

Indian GDP is expected to grow in the range of 10.5% to 12% in the coming year on the back of not only low base but also investment focused Government expenditure, higher rate of vaccination drive and the new normal favouring Indian services sector. The growth however is not going to be smooth as Covid hitting certain pockets sporadically is going to setback intermittently. Also, the First half of the coming year will have base support for growth, while the second half will see core demand drivers boosting the growth.

Indian markets have been upbeat in the past 12 months with the hopes of growth returning and Government reforms driving more private investment. Indian Market represented by Nifty50 gained 71% for the FY 2021 albeit on low base. Various factors played role in the market performance last year, some of it are as explained below.

### FII

In FY21, FII net investments stood at INR 2,67,101 cr. This is the second highest annual net investment received (FY15 was INR 2,77,461 cr). This year the net investments by FII in debt stood at INR (50,443) cr. Purely from an equity standpoint, the net investments were INR 2,74,032cr highest ever, surpassing the previous FY13 mark of INR 1,40,033 cr.

FII investments have been a major booster for the Indian equity markets in FY21. Despite the net outflows in April, May, and September; the heavy inflows during August, November, and December resulted in an average monthly inflow of INR 22,258 cr.

### IPO-Public Issues

The fund raising through public and rights issue during FY 2021 grew by 115% and 15% respectively. There were 55 IPOs that issued shares worth Rs 46K crs and 21 rights issue that raised Rs 64K crs. In the Debt market, more than 2000 issues were recorded amounting to Rs 782K crs. This is 13.5% higher than the previous year.

### Mutual Fund Industry

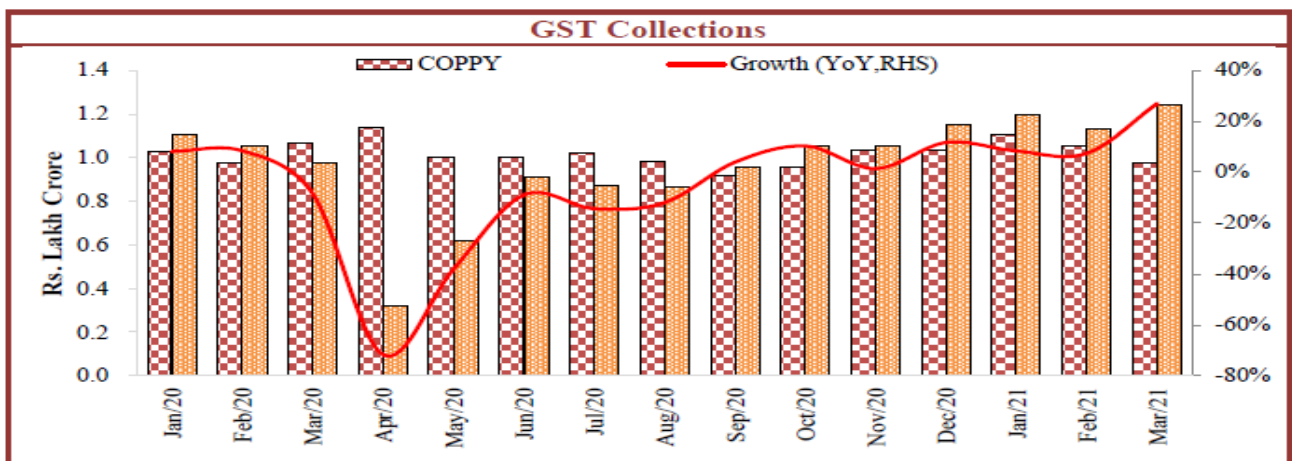
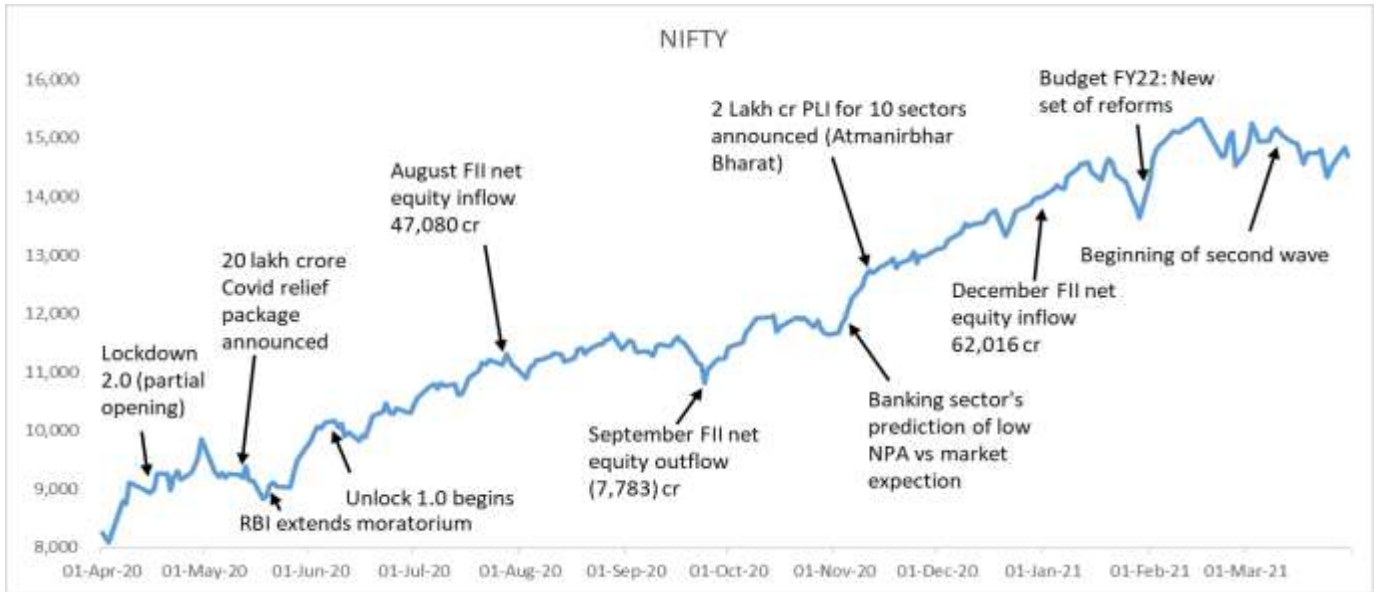
The upbeat stock market has boosted interest in the Mutual fund industry as assets under management (AUM) of the Mutual fund industry have grown to Rs 31.4 trillion compared to Rs 22.3 trillion a year back. The folios too have increased by 10% to 2.28 crs. Despite withdrawal from equity funds, the retail investors have increased their exposure to debt segment amidst low interest rates.

### Outlook FY 2022

The stock market generally reflects the economic situation 6 months to 1 year in advance. The sharp rise in the nominal GDP in FY 22 is already discounted in the indices which has returned 71%. The corporate revenue and profits which has grown by 14% apiece sequentially in Dec 2020 is likely to continue its momentum in the March quarter as well. Despite the decline in the Q1 figures the year-end figures are expected to be a moderate decline of 6% in revenue and 8% in bottom-line. The vigorous vaccination drive is expected to boost the sentiment in the ground and sequentially the revenue and profitability for the coming quarters are expected to grow. While the expectation is that of 16% increase in the topline, the profits are expected to be marginally above 20%. This is on the back of higher efficiency in the new normal scenario of WFH, cloud environment and less mobility.

As reflected in the GDP the corporate earnings are also likely to be uneven with Banking & Financial Services, Exports, commodities, consumer discretionary and Infra doing better than other sectors. The banks which were marred with NPA in the past 10 years are likely to see more cleaner book provided the second wave and subsequent waves of Covid does not prolong and impact the recovery.

While the past year had a secular move in the market, we are positioning ourselves for a stock driven move for the current year with focus on capacity driven stories, utilisation, efficiency and optimal allocation of capital. The low interest rate scenario enables the expansionary phase to be fruitful amidst the global stimuli in play. We may see intermittent scare in terms of Covid wave, which may be short lived owing to advent of more vaccines and rate at which inoculation is being carried out. New sectors are likely to emerge in the areas of digital economy in the coming year and it is likely to be exiting phase in the market



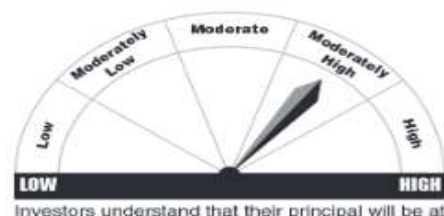
# KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

MARCH 2021

## THEME

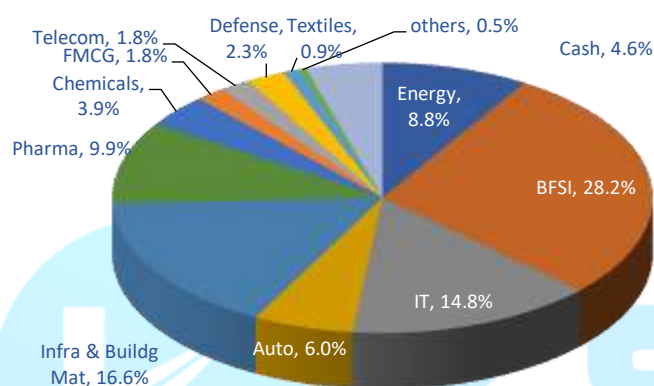
The fund seeks long-term capital appreciation by investing substantially in the equity securities of companies that are leaders in their industries/segment of industries, and which the managers believe are suitable for a buy-and-hold strategy.

## RISKOMETER



**Moderately High Risk**  
**TOP HOLDINGS**

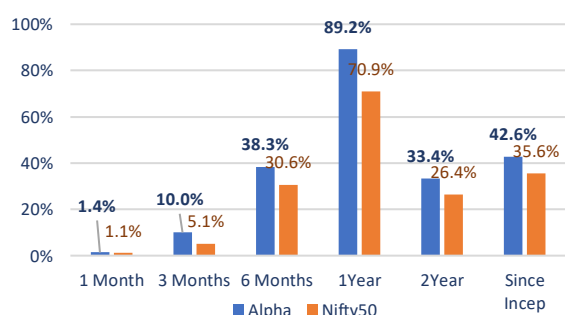
## SECTORAL ALLOCATION



Company Name	Holdings (%)
ICICI Bank Ltd	5.31%
State Bank of India	5.16%
Reliance Industries Ltd	4.65%
Larsen & Toubro Ltd	4.52%
Axis Bank Ltd	4.31%
Cash	13.21%

## Performance (%)

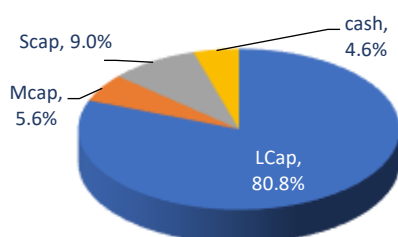
## Performance Review



Our portfolio outperformed the benchmark among all time frames during the year and since inception. The bottom fishing during the crisis and staying put during the volatility has enabled the portfolio to do well. The cycle play and the fund flows in the sectors where we were invested in boosted the returns. Certain emerging sectors we identified during the year was the contract manufacturing and defence which provided the alpha to the portfolio.

## MARKET CAPITALISATION (%)

## OUTLOOK



The coming year is likely to be a year of stock picks. There are going to be stocks that would outshine the broader market in every sector. The larger players will continue to keep the pressure on the mid segment, but the efficiency and margins will drive the bottomline. Size agnostic play will be key in terms of generating Alpha in the coming year. We will also see more companies seeking listing in the \$1 billion category in the digital economy, thereby lifting global investors interest in India



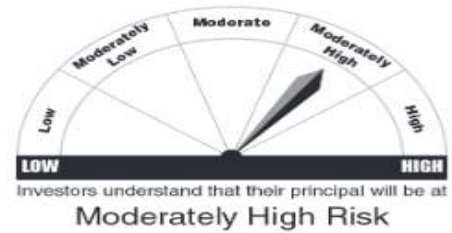
# KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

MARCH 2021

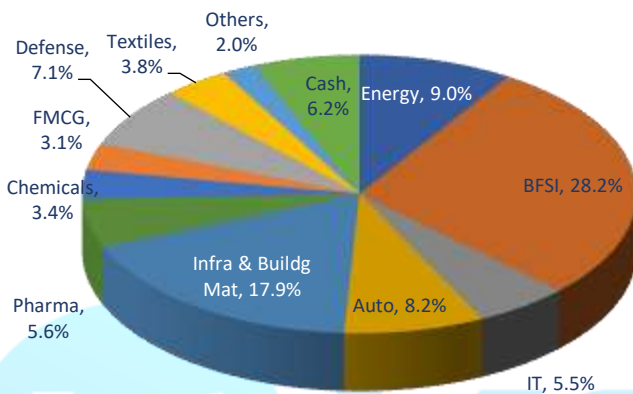
## THEME

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

## RISKOMETER



## SECTORAL ALLOCATION

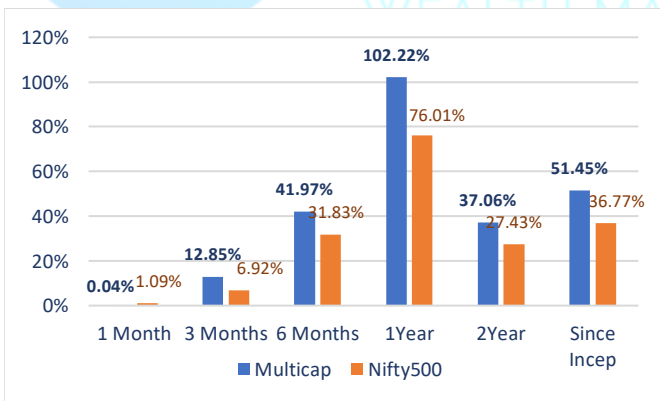


## TOP HOLDINGS

Company Name	Holdings (%)
State Bank of India	4.79%
Reliance Industries Ltd	3.98%
Larsen & Toubro Ltd	3.96%
ICICI Bank Ltd	3.68%
Axis Bank Ltd	3.41%
Cash	6.20%

## PERFORMANCE (%)

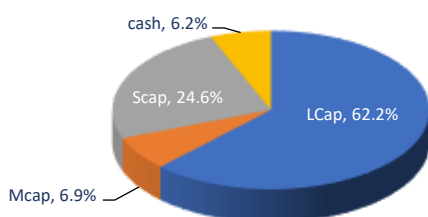
## PERFORMANCE REVIEW



The portfolio more than doubled in the past one year significantly outperforming the benchmark. The textiles, power and building material segments have enabled the outperformance. Identifying stocks with strong balance sheet and potential ROCE of 15% has enabled the core basket to do well. Trading bets in the intermediate terms with an opportunistic strategy too paid off.

## MARKET CAPITALISATION (%)

## OUTLOOK



The upcoming period is likely to be a year of Bottom-up stories. With the economy coming back to normalcy and the unevenness is likely to differentiate the winners and losers among the Mid & small caps. New Niche segment players are likely to see their market expand as more global opportunities are seen in the horizon. We will constantly look for ideas that would not only grow but also be efficient in capital allocation.



# KSEMA

WEALTH MANAGEMENT

**KSEMA WEALTH MANAGEMENT PVT LTD**

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