



# KSEMA WEALTH MANAGEMENT PVT LTD

Ksema Wealth- Alpha

CAGR-20.9%

Ksema Wealth-Multicap

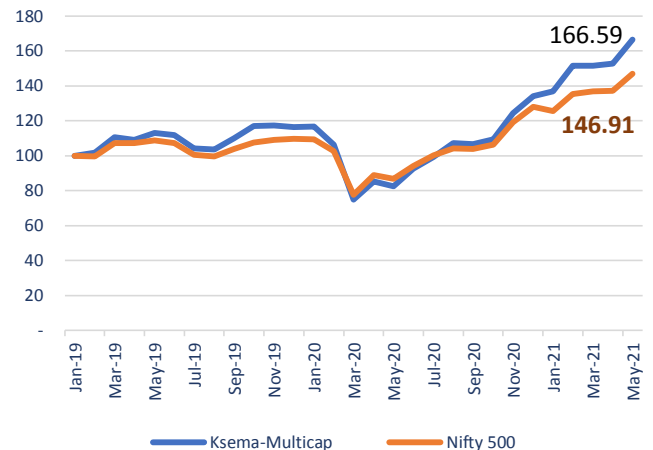
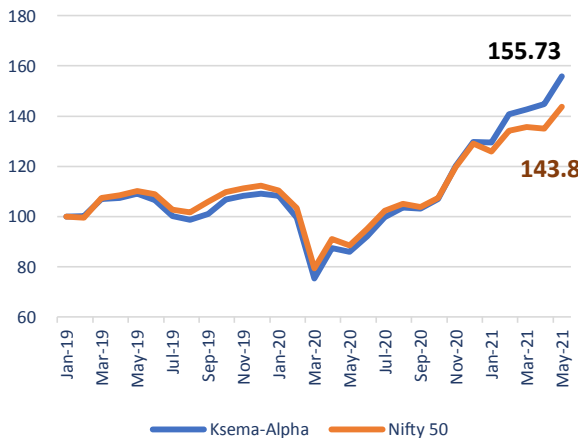
CAGR-24.4%

## KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

	Alpha	Nifty 50
Average Monthly return	1.87%	1.55%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	20.9%	16.9%
Annualized Volatility	25.4%	23.9%
% of winning months (against benchmark)	60.7%	na
% of gained months	68%	60.7%
YTD	9.17%	6.06%
Sharpe (RF 5.8%)	0.60	0.46
Alpha	5.16%	na

## KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

	Multicap	Nifty500
Average Monthly return	2.23%	1.64%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	24.4%	17.9%
Annualized Volatility	29.5%	24.5%
% of winning months (against benchmark)	64.3%	na
% of gained months	68%	64.3%
YTD	9.99%	7.41%
Sharpe (RF 5.8%)	0.63	0.49
Alpha	9.11%	na



# KSEMA WEALTH MANAGEMENT PVT LTD

## MARKET REVIEW & OUTLOOK

### Global

The Global markets were mixed during the month of May despite strong economic signals. In US, PMI for both Manufacturing and Services beat expectations to reach record levels of 60 Plus. The details also showed the buoyancy in the consumer demand situation amidst rising input costs. The corporate profits among the S&P 500 constituents for Q1'21 have risen by 52% over last year. However the headline inflation rose to 4.2% YOY basis and 0.8% MOM giving jitters to the markets as the expectation of early tapering increased. The market got comfort from Federal which views the inflation to be transitory. While the tech driven Nasdaq declined for the month, Dow reported a gain of about 2%.

In Europe the prospects of strong economic rebound has increased as the vaccination rate picked up. The inoculation is estimated to be going at the rate of 0.8% of the population per day. This provided confidence to the authorities to ease restrictions giving boost to the economic activity in the month of May. Spain allowed the six month old State of Alert to lapse. Germany, Italy and Greece eased restrictions, thereby allowing tourism related activities before summer. The European markets ended with gains ranging from 2% to 3%. UK too continued with the unlock policy in the month of May by allowing inhouse dining. UK recorded 9% increase in retail sales MOM including 70% rise on clothing sales over prior month. The MSCI EM too delivered a gain of 2.3% for the month of May as optimism spread on controlling the dreaded Virus.

The commodity markets represented by Bloomberg Commodity Index continued to be in upswing with a gain of 2.7% for the month lifting the YTD return to 18%. Oil further moved up by 3.5%.

The US treasury declined to 1.58% from 1.65% a month back as Federal was unmoved by the inflation and increased employment rate. As more countries step up efforts to vaccinate their population the economic recovery should broaden to more geography. As long as central bankers, particularly developed nations stick to wait and watch mode to tackle inflation, the financial markets will ride high and keep attracting investors' interest.

### India

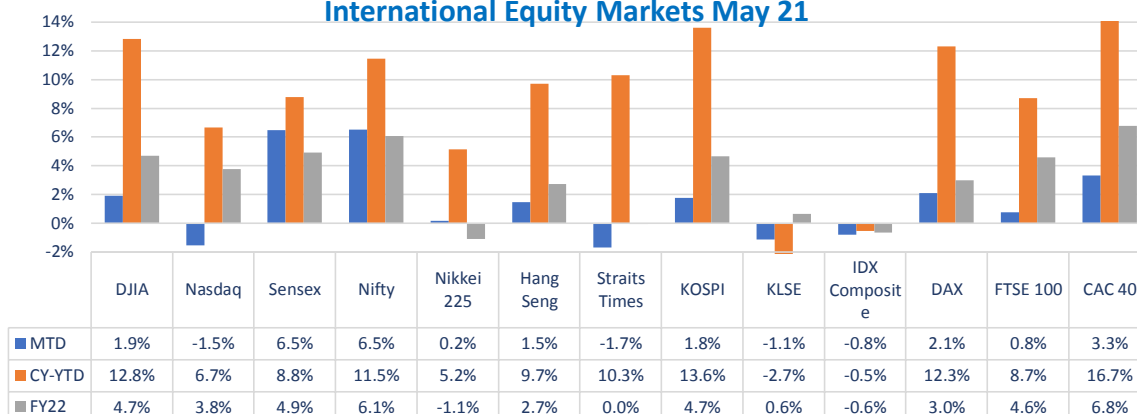
After a muted performance in April, the Indian markets regained its momentum as signs of second wave declining emerged. By the middle of the month the key cities of Mumbai and Delhi came out of the crisis as recovery exceeded new cases. It further improved in the beginning of June as positivity rate fell below 5%. The states have started unlocking though in varied proportions. In the entire crisis period the manufacturing sector was less impacted thereby building finished goods inventory. The expectation of pentup demand in the next two months as experienced in the western nation and previous year in India shows we should experience sharp recovery in Q2 and Q3.

The Q4 GDP figures showed less impact compared to the expectation. It grew by 1.6% over 0.5% in previous quarter. In terms of GVA it grew by 3.7% sharply higher. In addition the growth was broad based with industrial sector growing by 7.9%, Utilities grew 9.1%; Construction 14.5%. Though the current quarter (Q1-FY22) numbers will be sharply higher over previous year on low base, we might see a subdued absolute number as 4-5 weeks were lost due to restrictions.

The combined net profits of listed companies have gone up by 57.6% to Rs 5.3 trn in FY21. Its 10 year high of 2.63% of GDP; previous high was 3.7% in FY11. Corporate revenue to GDP ratio has inched up to 34.4% in FY21; Previous high was 41.9% in FY15. The combined revenue of the companies was Rs67 trn. Among the benchmark Nifty companies the sales have grown by 12% sequentially and 21% year on year owing to lower base. Also the profits have grown by 7% compared to previous quarter and 2.3 times of the previous year.

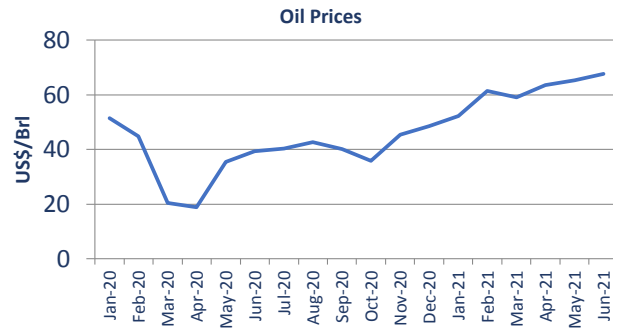
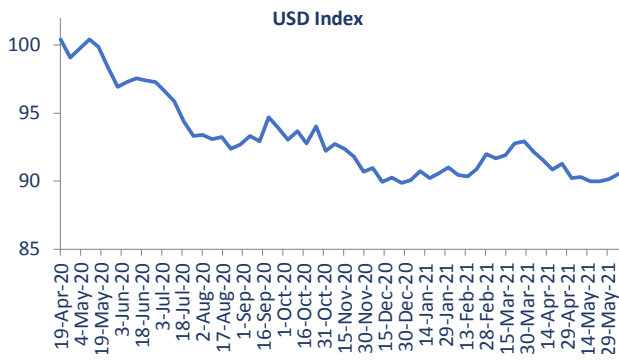
The markets are trading at a Mcap to GDP ratio of 110% on current GDP levels. If the GDP in nominal terms grow by 13%-15%, the ratio is estimated to fall to 90%. It is high time fiscal measures are taken with focus towards affected services sector and boost employment. This can broaden the upcoming cycle and sustain the growth post-Covid.

International Equity Markets May 21

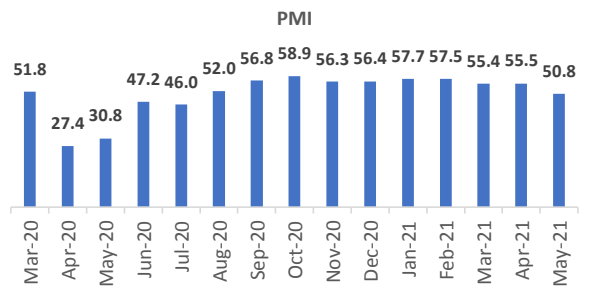
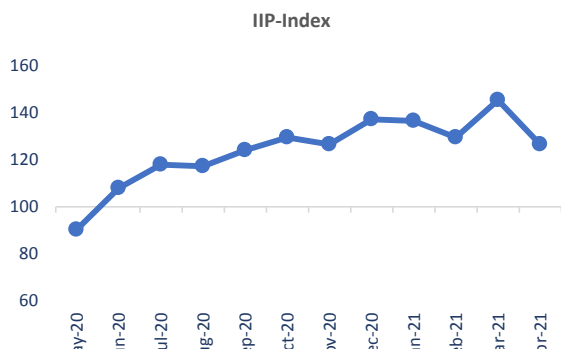


## CHARTS OF THE MONTH

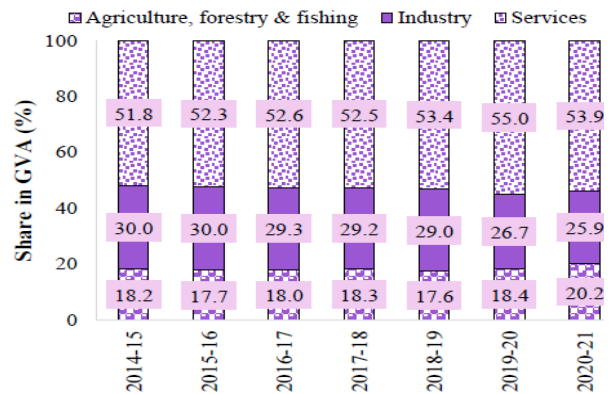
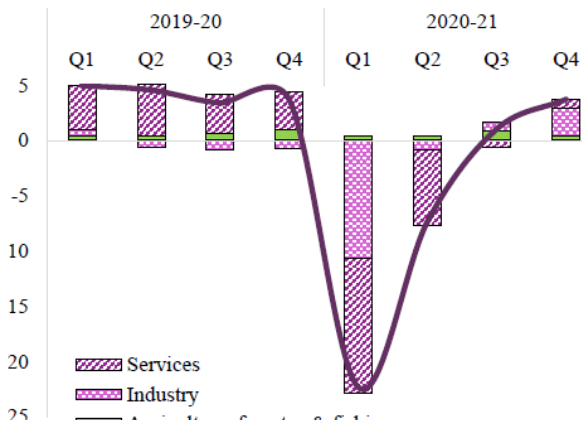
### Drivers



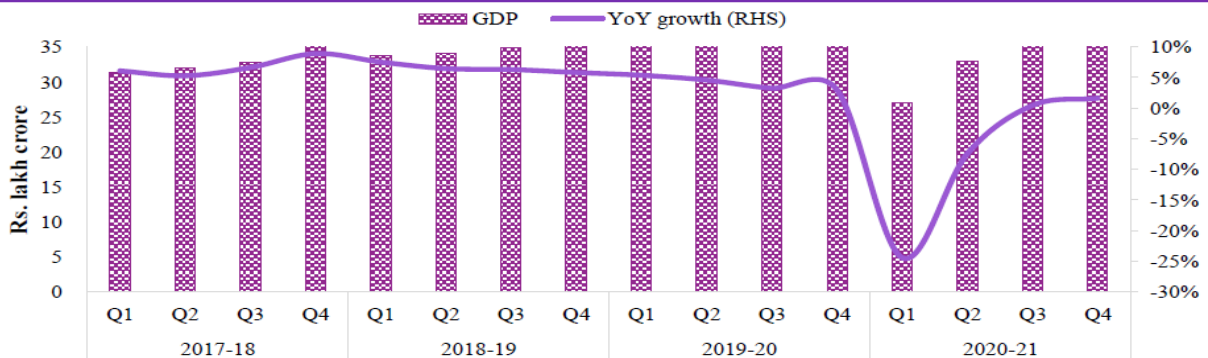
### High Frequency



### Gross Domestic Product



### India's GDP Growth: V-shaped recovery



Source: MOSPI

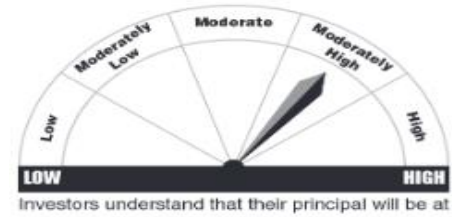
# KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

May 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.

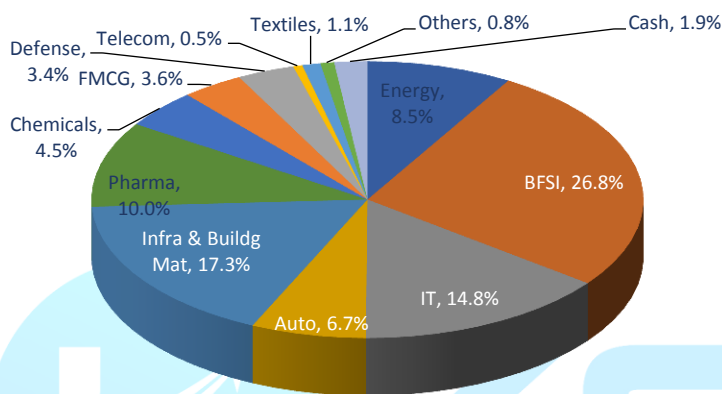
## RISKOMETER



Moderately High Risk

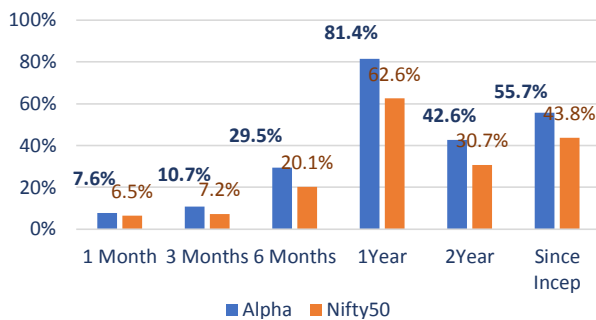
## TOP HOLDINGS

## SECTORAL ALLOCATION



Company Name	Holdings (%)
ICICI Bank Ltd	6.10%
State Bank of India	6.00%
Reliance Industries Ltd	5.22%
Larsen & Toubro Ltd	4.88%
Axis Bank Ltd	4.75%
Cash	1.93%

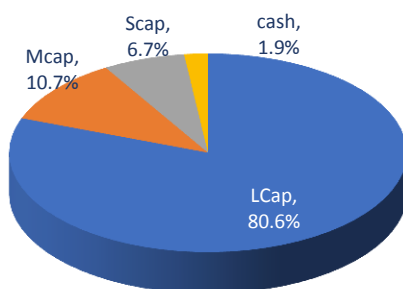
## PERFORMANCE (%)



## Performance Review

The portfolio continued to outperform the benchmark owing to better stock picks. Apart from the Large cap stocks, the broader market consisting of mid and small cap stocks did well. The auto ancillary, textiles, chemicals and BFSI segments have enabled the outperformance. The fresh FPI flows and relative valuation favored this segment of the market. The incremental benefit of Dividend boosted the overall return.

## MARKET CAPITALISATION (%)



## OUTLOOK

As the worst of the second wave is behind us, 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 balance sheet companies including banks are positioning themselves for the upcoming cycle. We are optimistic that growth will pickup and corporate will regain the lost momentum swiftly.

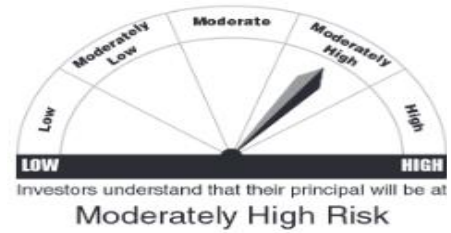
# KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

May 2021

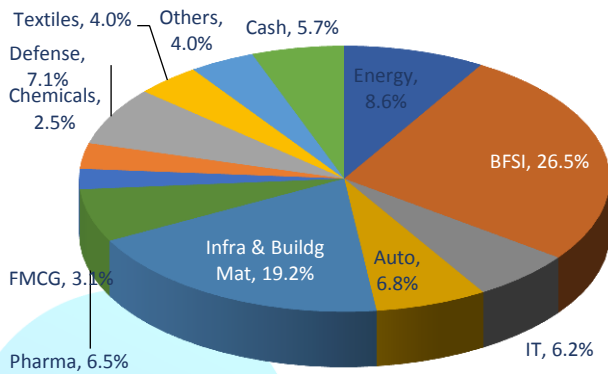
## THEME

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

## RISKOMETER



## SECTORAL ALLOCATION

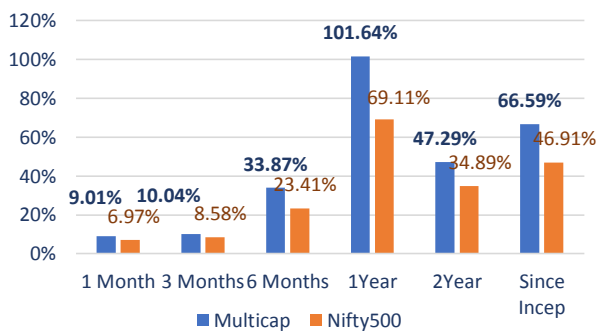


## TOP HOLDINGS

Company Name	Holdings (%)
State Bank of India	5.17%
Larsen & Toubro Ltd	4.16%
Reliance Industries Ltd	4.13%
ICICI Bank Ltd	3.83%
Axis Bank Ltd	3.41%
Cash	5.66%

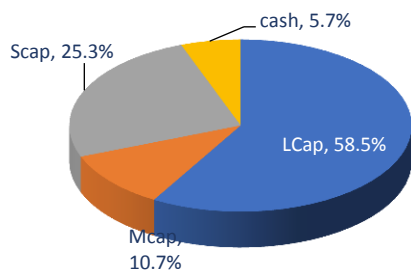
## PERFORMANCE (%)

## PERFORMANCE REVIEW



Inception-28<sup>th</sup> January 2019

## MARKET CAPITALISATION (%)



IAC

The portfolio outperformed the benchmark with a wide margin as our select stocks in the exports sector not only reported better results but also upped their guidance for the coming year either on the back of capacity addition or improved utilization. Our strategy of expanding our picks into this sector in the recent past has augured well.

## OUTLOOK

The year of 2021-22 is now strengthening to be a year of broader market performance than a skewed large cap driven market. The supply chain issue favoring India over China, Government backed - PLI scheme, Defense push and infrastructure will keep driving the balance part of the year. We will predominantly be invested in select stocks under this category to reap benefit.



# KSEMA

WEALTH MANAGEMENT

**KSEMA WEALTH MANAGEMENT PVT LTD**

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