



KSEMA WEALTH MANAGEMENT PVT LTD

Ksema Wealth- Alpha

CAGR22.4%

Ksema Wealth-Multicap

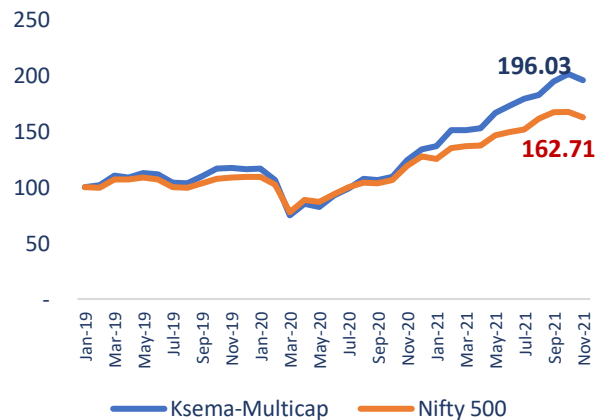
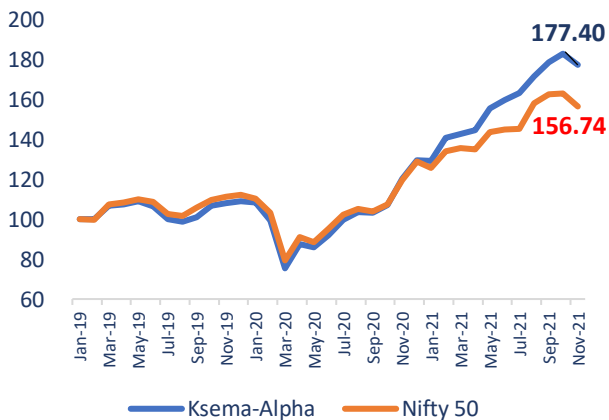
CAGR26.8%

KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

	Alpha	Nifty 50
Average Monthly return	1.93%	1.54%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	22.4%	17.2%
Annualized Volatility	23.3%	22.4%
% of winning months (against benchmark)	64.7%	na
% of gained months	71%	64.7%
YTD	24.36%	15.59%
Sharpe (RF 6%)	0.70	0.49
Alpha	6.17%	na

KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

	Multicap	Nifty500
Average Monthly return	2.32%	1.66%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	26.8%	18.7%
Annualized Volatility	27.0%	22.6%
% of winning months (against benchmark)	67.6%	na
% of gained months	71%	67.6%
YTD	29.43%	18.96%
Sharpe (RF6%)	0.76	0.56
Alpha	10.77%	na



KSEMA WEALTH MANAGEMENT PVT LTD

MARKET REVIEW& OUTLOOK

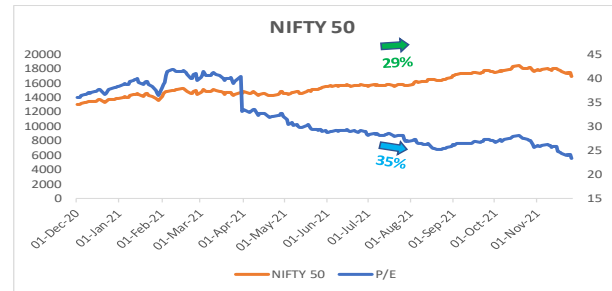
Global

The Second Quarter earnings were impressive justifying the valuations in the market backed by sharp recovery in demand situation post opening up of the economy. The emergence of the new variant, Omicron put the spokes on the momentum. Our understanding of expert opinions, doesn't give us a cause for concern, primarily based on the lower health impact of the current mutation & increased vaccination rates across the globe. As expected, the possibility for an increase in pace of tapering by the US Fed has come about. The Federal, cornered by persistent inflation, accepted the new reality and acknowledged inflation persistence by dropping the word 'Transitory' and decided to pull-back easy money with a view to hike rates as early as H1CY22. The combined impact of the above events caused global markets to correct, with the DJIA shedding 5% and the S&P500, NASDAQ shedding about 2% apiece during the month. Looking at the Trailing PE Ratios, the DJIA has dropped from 29.41 a year ago to 21.11, the S&P 500 from 41.34 to 28.81 and the tech heavy NASDAQ 100 from 37.92 to 35.92. While the European markets too mirrored similar performance, the Emerging markets took the brunt of the fed action with a fall of 3% to 7% during the month.

The stage is set for an inflection point, where the choice between a bearish market and a bargain market, could make substantial difference to portfolio performance over the coming year. The prices are correcting due to higher interest rates, increase the time value of money, causing downward revision of securities. The more important trend, however, is the rebound in corporate earnings. 85% of the US companies have beaten the consensus earnings expectations.

Looking at the parallel timeline, between April 2004 to Aug 2006 Fed interest rate rose from 1% to 5.25%. During the same time frame the S&P 500 was up 17%. The key difference is that we are emerging from a pandemic, and earnings have bottomed out decisively. Revenge demand, pre-pandemic supply levels, and falling cheaper equities leads only value investor to bottom fish during this period.

India



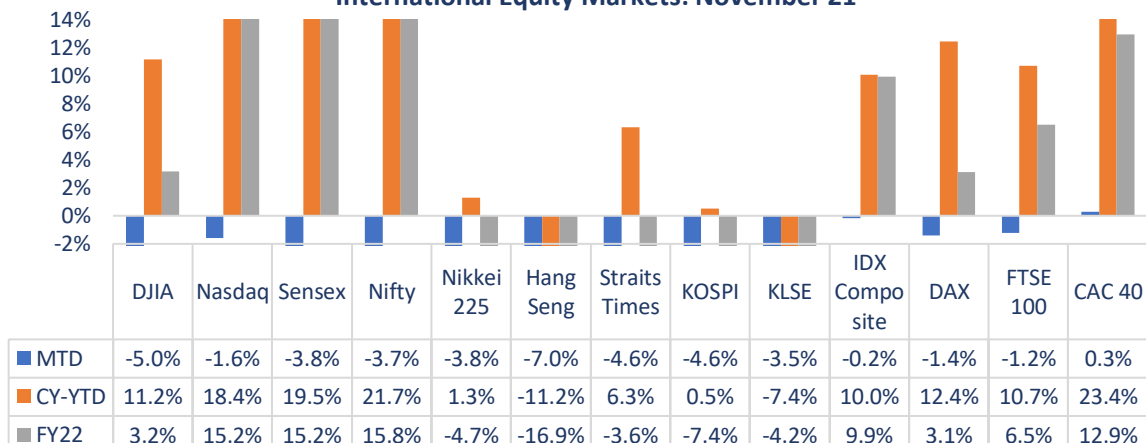
The Indian market is up 29% over a 1 Year period while the trailing Price to Earnings ratio is down by 35%. Earnings growth outpaced price growth. The signs have persisted all along, in each of our previous factsheets, we highlighted growing consensus GDP growth estimates, our expectation of GDP growth achieving pre-pandemic levels by end of FY22 which seems to be materialising. Current estimates go so far as to expect double digit growth for FY22.

Examining the GDP figures, in nominal terms Q2FY22 GDP was Rs 55.5 Lakh Crs, which was 17.5% higher than the Q2FY21. Not surprisingly, Q2FY22 GDP in real terms, Rs 35.7 Lakh Crs has surpassed the pre-pandemic Q2FY20 figure of Rs 35.6 Lakh Crs. The Fixed Capital Formation has returned to pre-pandemic levels in the 30% range. Manufacturing PMI has hit a 10-month high of 57.6. The writing is on the wall for growth and firms see it.

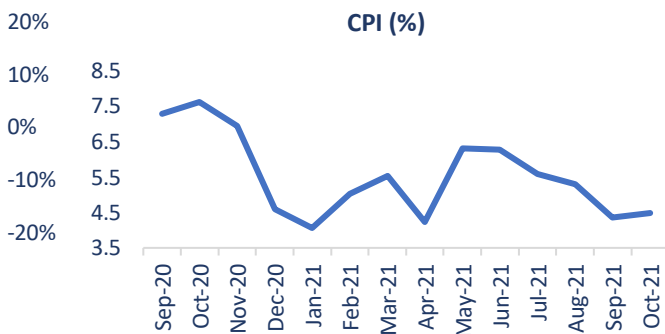
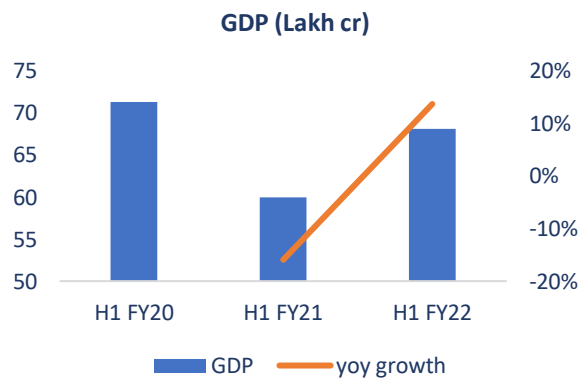
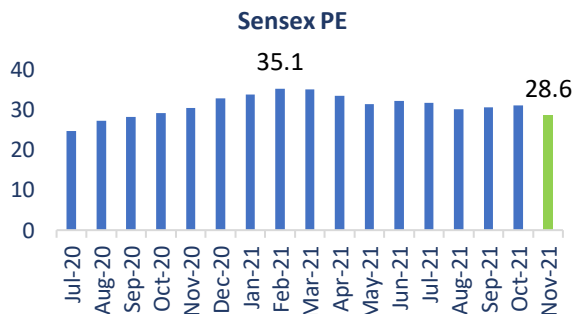
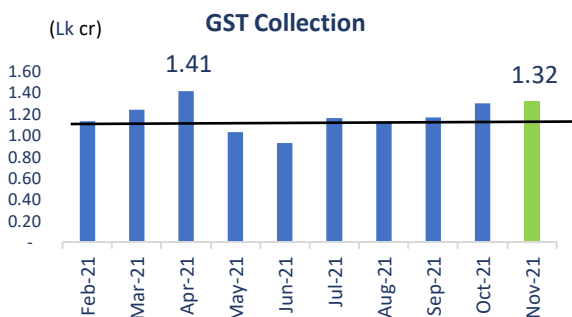
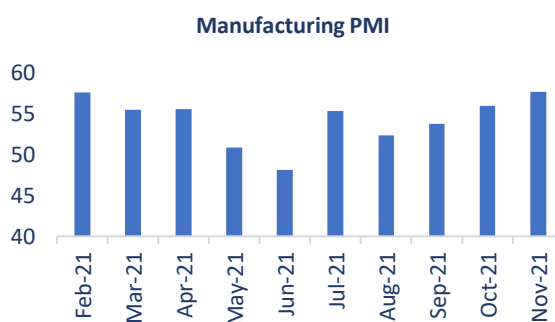
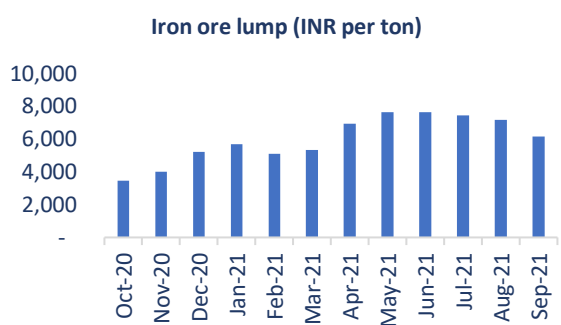
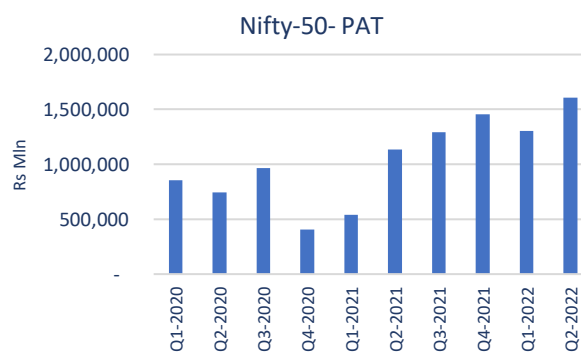
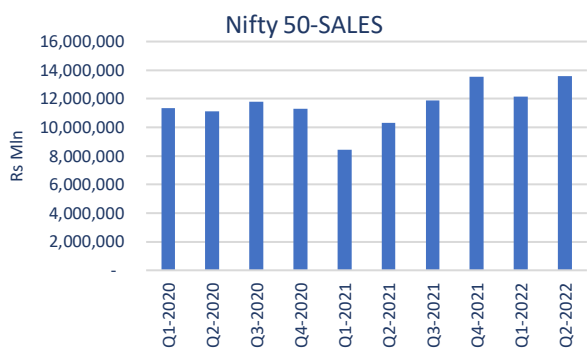
The aggregate topline growth of Nifty 50 companies has grown by 12% sequentially and 31% YOY. Similarly, the profitability have grown by 23% QOQ and 42% YOY. Driven by the confidence in their businesses, the percentage holding of private promoters in companies listed on NSE has increased by nearly 50 basis points.

For the month benchmark indices have declined by 3.7%, a healthy correction after persistent run up. Foreign investors have withdrawn from the secondary market and redirected it to the primary market where most of the issues were subscribed multiple times. In the upcoming month markets are likely to see mixed trend, as participants position themselves prior to the new allocation that we will witness in the early part of next year. Value stocks that have corrected will see additional interest, while speculative stocks will be discarded by the market.

International Equity Markets: November 21



CHARTS OF THE MONTH



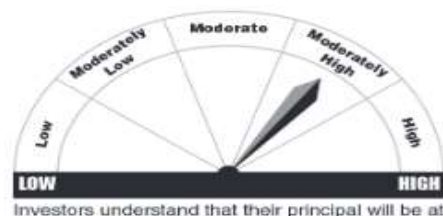
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

November 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.

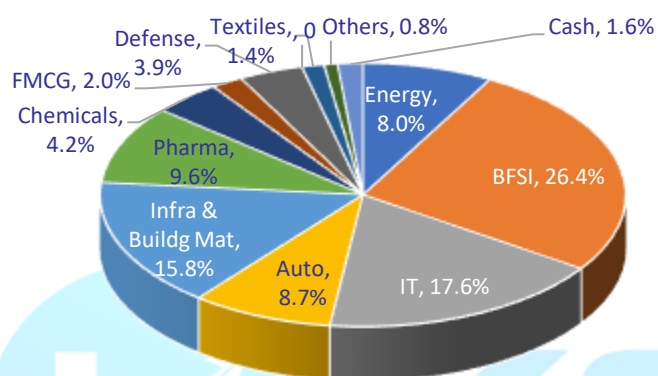
RISKOMETER



Moderately High Risk

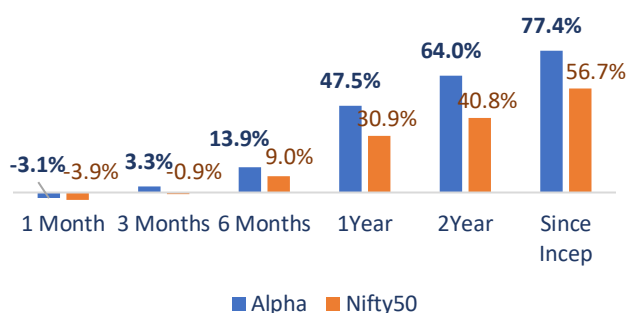
TOP HOLDINGS

SECTORAL ALLOCATION



Company Name	Holdings (%)
State Bank of India	5.89%
ICICI Bank Ltd	5.77%
Reliance Industries Ltd	5.54%
Larsen & Toubro Ltd	5.10%
Infosys Ltd	4.43%
Cash	1.55%

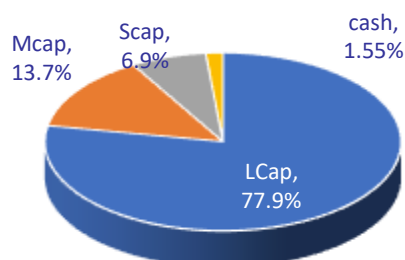
PERFORMANCE (%)



Performance Review

The portfolio continued to outperform the benchmark though reported a loss for the month. The large cap stocks were impacted owing to selling from foreign investors. Also some of the commodity oriented companies saw margin squeeze resulting in investors deserting those counters. The supply chain issue troubled the Auto and ancillaries. IT and select Pharma cos provided counterbalance to our portfolio though we are overweight in the Financials that dragged.

MARKET CAPITALISATION (%)



OUTLOOK

As the market moves away from the Omicron scare, the participants are expected to gather themselves and reposition to ride the growth prospects. The Government and Corporate are optimistic about the growth trajectory in the coming year. India is expected to be the best performing economy in 2022 and we expect more allocation at the FPI desk amidst the potential rate rise. We have deployed the cash generated in the past few months to ride the momentum.

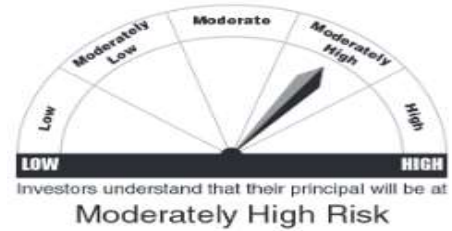
KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

November 2021

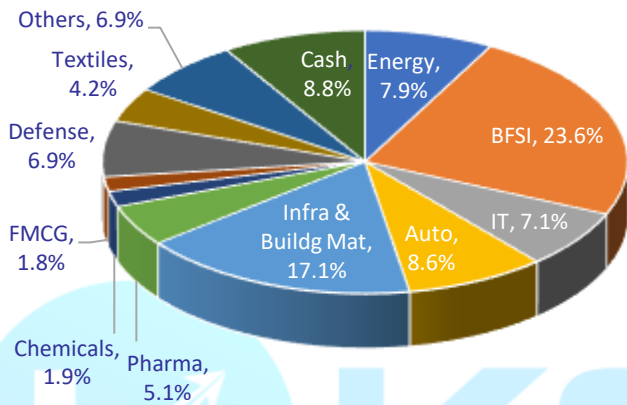
THEME

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

RISKOMETER



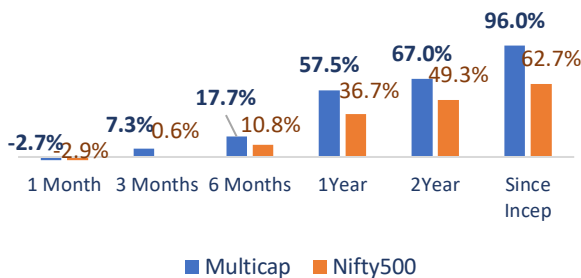
SECTORAL ALLOCATION



TOP HOLDINGS

Company Name	Holdings (%)
State Bank of India	4.69%
Larsen & Toubro Ltd	4.42%
Reliance Industries Ltd	4.06%
ICICI Bank Ltd	4.05%
Axis Bank Ltd	3.50%
Cash	8.8%

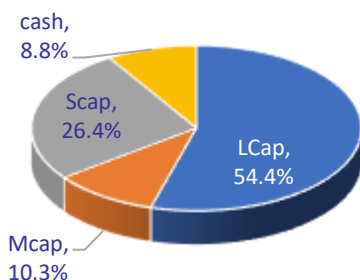
PERFORMANCE (%)



PERFORMANCE REVIEW

The portfolio outperformed the benchmark albeit a loss for the month. The cash, textile, defense companies enabled the out beat despite the portfolio weight tilting towards financials. We used the opportunity to buy into the value stocks that corrected during this period. The outperformance of our portfolio has been more than 50% over different time periods as seen in the adjoining charts.

MARKET CAPITALISATION (%)



OUTLOOK

With the fundamentals improving and virus scare subsiding due to vaccination coverage we are positive on the market. The upcoming year will see GDP growth of more than 8% and corporate profit growth of 15%. If the cost of capital doesn't increase substantially, the Indian equity market will attract more liquidity compared to current year. The market dynamics have also slowly changed as expected, with more digi-economy representation. This will keep multiple high compared to the historical average as well as other markets.



KSEMA
WEALTH MANAGEMENT

KSEMA WEALTH MANAGEMENT PVT LTD

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