



# KSEMA WEALTH PVT LTD

Ksema Wealth- Alpha

CAGR 20.1%

Ksema Wealth-Multicap

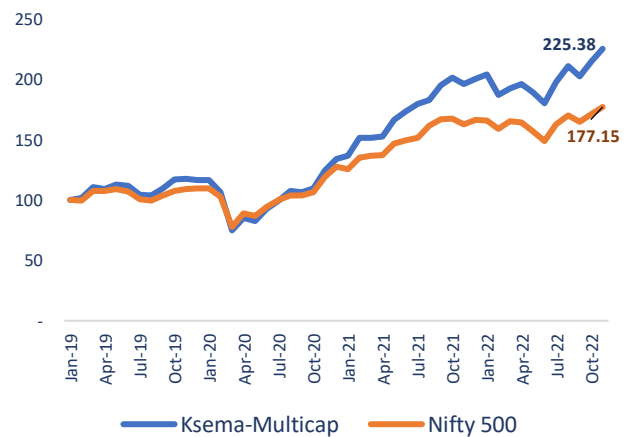
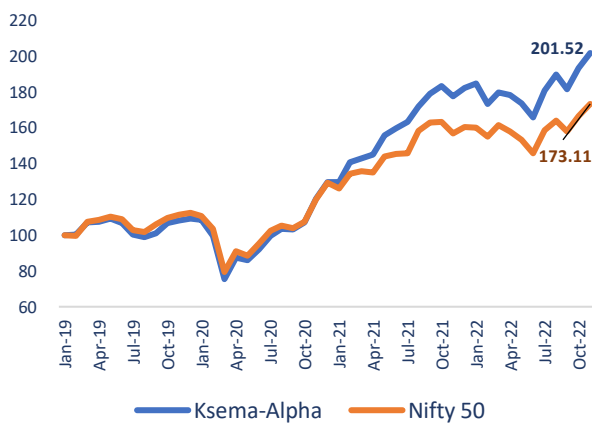
CAGR 23.6%

## KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

	Alpha	Nifty 50
Average Monthly return	1.74%	1.38%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	20.1%	15.4%
Annualized Volatility	21.6%	20.5%
% of winning months (against benchmark)	67.4%	na
% of gained months	67%	60.9%
YTD	12.34%	7.41%
Sharpe (RF 7.5%)	0.58	0.38
Alpha	5.37%	na

## KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

	Multicap	Nifty500
Average Monthly return	2.06%	1.44%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	23.6%	16.1%
Annualized Volatility	25.0%	20.9%
% of winning months (against benchmark)	67.4%	na
% of gained months	70%	63.0%
YTD	17.03%	7.08%
Sharpe (RF 7.5%)	0.64	0.41
Alpha	9.35%	na





## MARKET REVIEW & OUTLOOK

### Global

In Q3 2022, the US GDP increased 2.9% following two straight quarters of contraction. The increase in the third quarter primarily reflected increases in exports and consumer spending that were partly offset by a decrease in housing investment. The US economy has been resilient on the face of headwinds such as inflation, a strengthening dollar, supply-chain disruptions, and rising interest rates.

The market got a boost from the Federal Chair statement's intention of moderating the rate rise. The USA market posted returns of about 5% for the month. The housing market, however, did not share the same sentiments. The correction in the housing market is visible due to high mortgage prices, high inflation, and supply chain issues.

The managements of top S&P 500 companies have provided warning of imminent recession in the middle of 2023 and are cautious on their strategic initiatives. The ongoing Russia-Ukraine war, pandemic injuries, high inflation, and hawkish central banks have damped the growth outlook. Citi economists have predicted the Eurozone and UK to enter a recession by 2022 and the US to enter recession by mid-2023 as the full impact of higher interest rates from the Federal Reserve is felt on consumers and businesses.

The factory activity in Asia has been weak in November. China's manufacturing PMI was 49.4 in November, it has been below 50 for the fourth consecutive month. The lockdowns in China have affected production while weak global demand affected South Korea and Vietnam.

China has begun to ease restrictions after protest and reducing cases. Restrictions have been lifted in Guangzhou and Chongqing which are known to be manufacturing hubs. The easing of restrictions in China bodes well for global supply chain and demand. Despite the 26% return in November, the Hang Seng is yet to recover from its deep decline it has witnessed since the beginning of the year. While the valuation still is in favour of China, the prevailing uncertain environment of business continuity is a cause of concern.

### India

India's Q2FY23 GDP growth of 6.3% was in line with street expectations. Private consumption and investment expenditure were the major growth drivers that grew at 9.7% and 10.4% respectively. The decline in government consumption and increase in imports were a drag on the GDP. The robust GST collections, private capex picking up, and expected increase in government expenditure post monsoon augur well for GDP outlook.

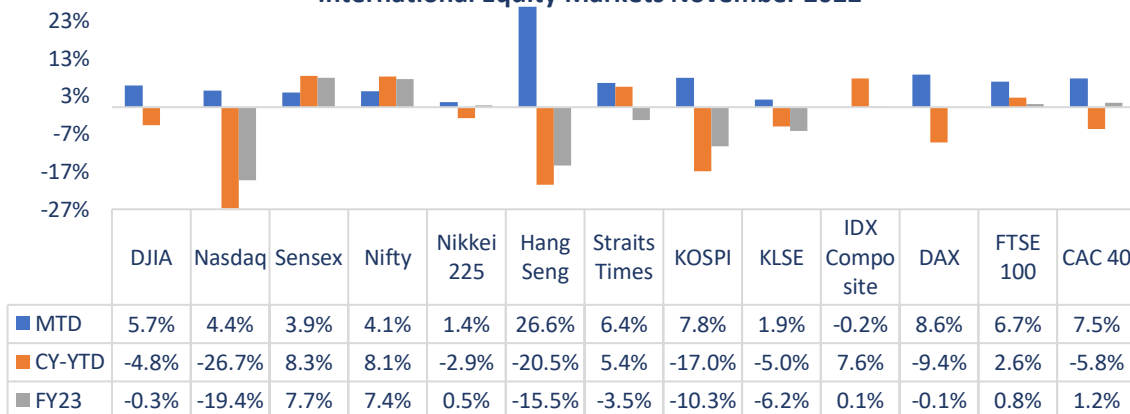
The Indian macroeconomic outlook is resilient but sensitive to global headwinds. The muted demand in export countries which are faced with high inflation and high energy costs has impacted the outlook for India Inc which have high exposure to exports. However, the trend of production shutdowns in Europe and global procurement companies embarking on "Europe +1" strategy bodes well for India Inc.

In November, the Sensex made new highs as it stayed consistently above the 60,000 mark throughout the month. On the sectoral indices monthly gains front, Nifty PSU banks (15.59%) and Nifty Metals (11.33%) led the pack. Though the Sensex has gained 8.3% annually, the BSE small cap gain at 0.2% and BSE midcap gain at 3.9%, this indicates that a midcap and small cap rally is impending.

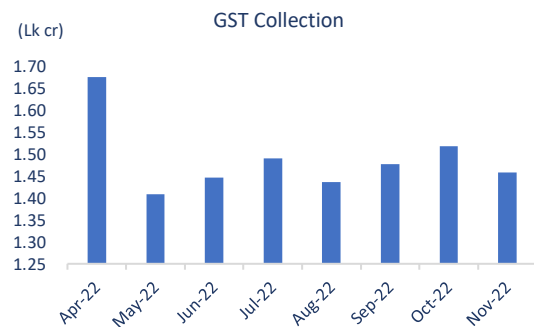
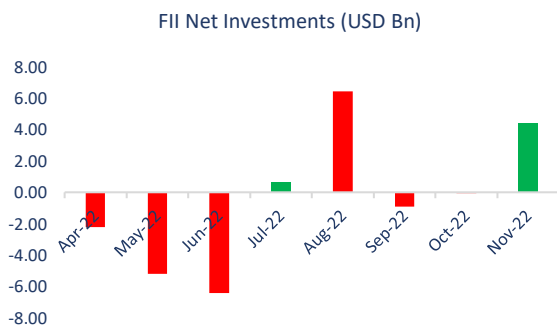
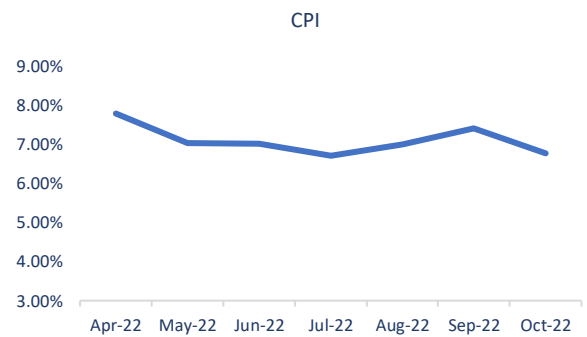
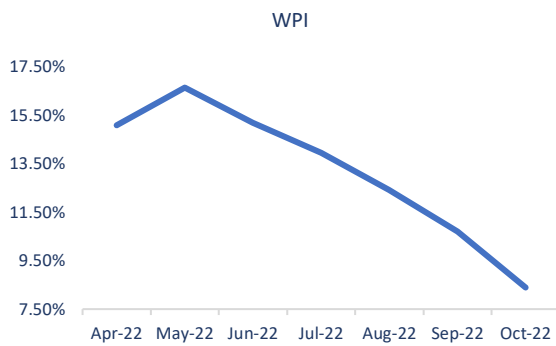
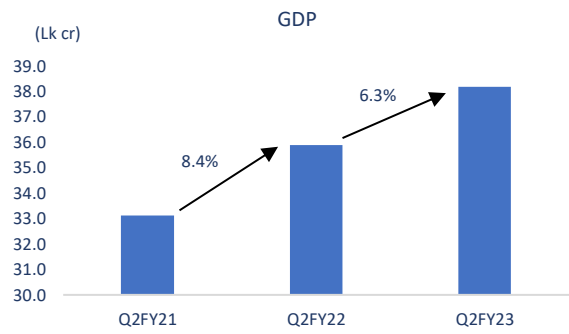
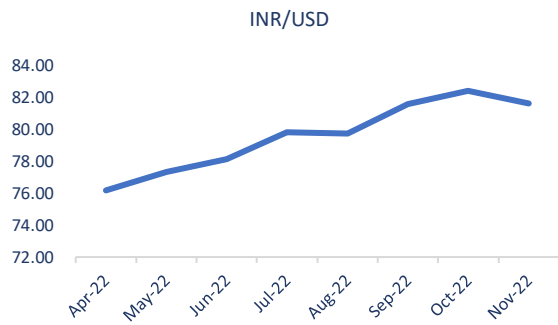
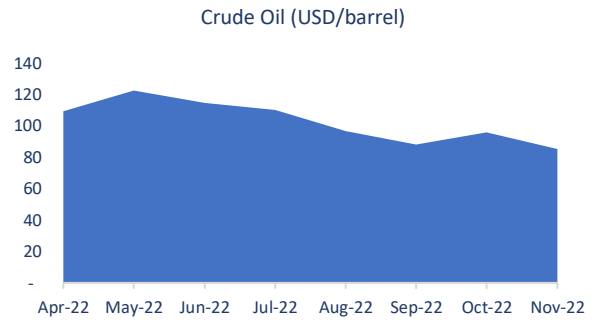
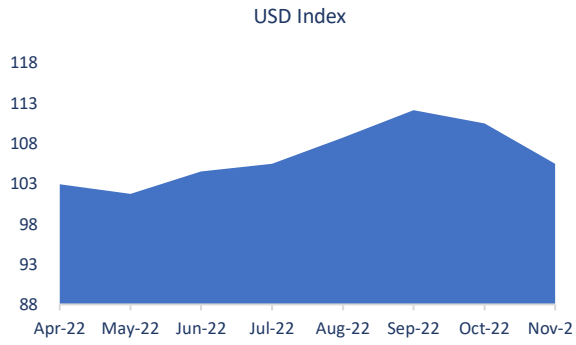
India has almost doubled its weight in the MSCI Emerging Market Index to 16% in the last two years to become the second-largest market in the index. After two consecutive months of outflows, the FII net equity investments have turned positive with inflows of USD 4.43 bn.

The October 2022 WPI dropped to 8.39% compared to 10.7% in September. The decline was attributed to price correction of basic metals, mineral oils, fabricated metal products. The October 2022 CPI dropped to 6.77% compared to 7.41% in September 2022. The sharp fall in WPI signals further decline in CPI, which will enable the RBI to reduce its hawkishness. On the backdrop of these favourable outlook, the street expects RBI to announce a soft rate hike of 35bps in December 2022.

International Equity Markets November 2022



## CHARTS OF THE MONTH



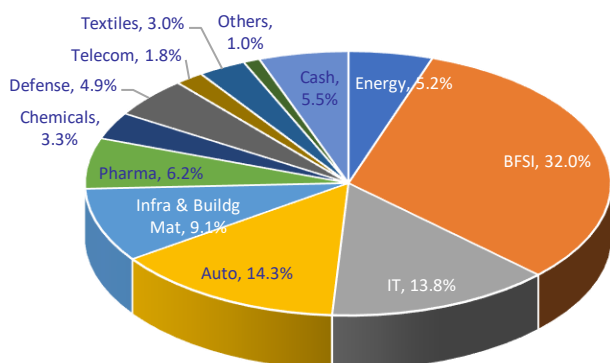
# KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

November 2022

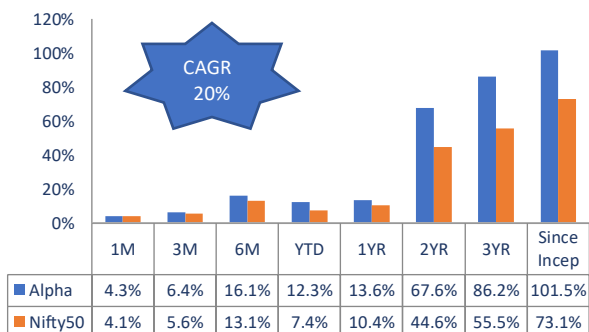
## THEME

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.

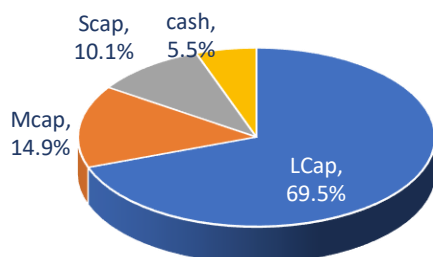
## SECTORAL ALLOCATION



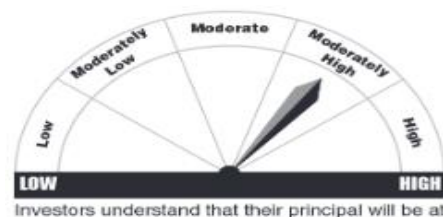
## PERFORMANCE (%)



## MARKET CAPITALISATION (%)



## RISKOMETER



Investors understand that their principal will be at

**Moderately High Risk**

## TOP HOLDINGS

Company Name	Holdings (%)
ICICI Bank Ltd	6.95%
State Bank of India	6.31%
Larsen & Toubro Ltd	5.34%
Reliance Industries Ltd	5.18%
Axis Bank Ltd	4.71%
Cash	5.50%

## Performance Review

The portfolio continued to outperform the benchmark backed by BFSI, Defense and contracting companies. While large cap stocks reported significant upside and contributed to the portfolio, the Mid-Small cap has just started to show signs of interest. The FPIs have largely focused on the BFSI stocks where we had already positioned. IT sector too has seen initial interest from FPIs, however its return was moderate compared to the Benchmark.

## OUTLOOK

Despite the net out flow of the FPIs during this financial year the Indian markets have provided decent return. With their late entry the flow for the near term is expected to be positive. Under the clouded uncertainty in the developed markets, the opportunity still lies in emerging markets like India and China. We feel the allocation for 2023 will be higher than the current year. This will keep the valuation richer compared to the global markets. Sectoral rotation and stock picks among the Mid-Small cap will be theme going forward.

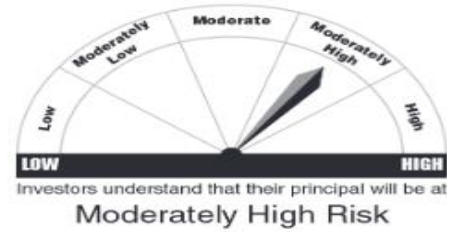
# KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

November 2022

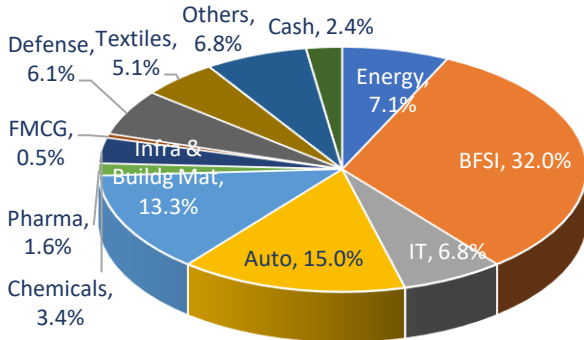
## THEME

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

## RISKOMETER



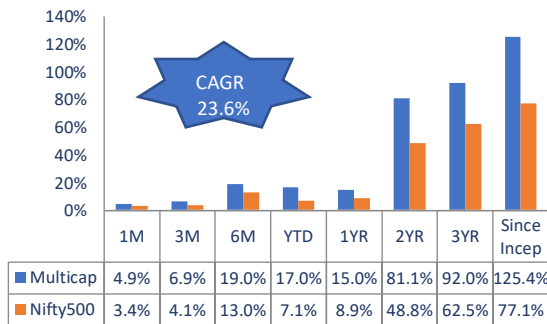
## SECTORAL ALLOCATION



## TOP HOLDINGS

Company Name	Holdings (%)
ICICI Bank Ltd	6.16%
State Bank of India	5.86%
Axis Bank Ltd	5.02%
Larsen & Toubro Ltd	4.63%
Reliance Industries Ltd	4.61%
Cash	2.38%

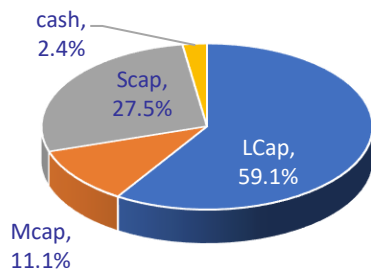
## PERFORMANCE (%)



## PERFORMANCE REVIEW

Our Multicap theme continued its outperformance thereby more than doubling the return since its inception. The exposure to BFSI segment including PSU banks, select specialty chemical companies, contracting and defense stocks were instrumental in the performance. The second quarter performance in the contracting companies were relatively better and attracted interest, that stacked the outperformance.

## MARKET CAPITALISATION (%)



## OUTLOOK

While the large cap stocks did well compared to the Mid-small cap stocks, interest is widening with the entry of FPIs. The market will see further sectoral rotation in Specialty chemicals, contract manufacturing, IT and Mid cap Banks. We will seek opportunities in these picks and also increase our allocation in textiles as cotton prices have corrected significantly. The Santa Claus rally has begun early in India and will see its momentum pick up in the coming month too.



KSEMA WEALTH PVT LTD

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