



# KSEMA WEALTH PVT LTD

Ksema Wealth- Alpha

CAGR 19.2%

Ksema Wealth-Multicap

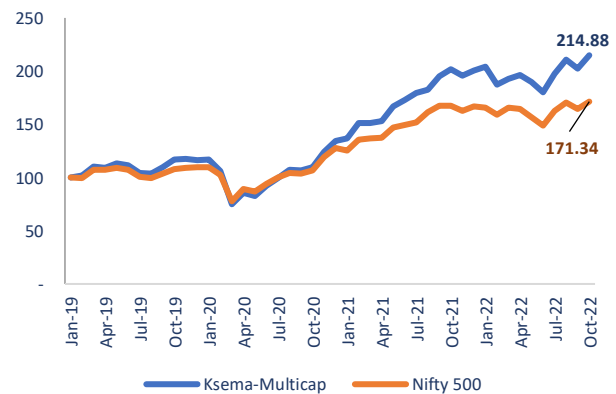
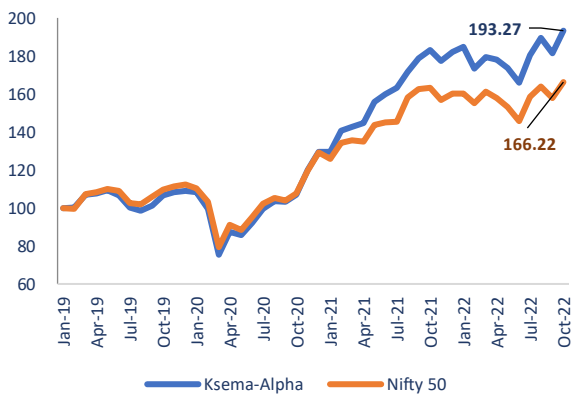
CAGR 22.6%

## KSEMA WEALTH ALPHA- INDIA OPPORTUNITIES

	Alpha	Nifty 50
Average Monthly return	1.68%	1.32%
Monthly maximum loss	-24.3%	-23.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	19.2%	14.5%
Annualized Volatility	21.8%	20.7%
% of winning months (against benchmark)	66.7%	na
% of gained months	67%	60.0%
YTD	7.74%	3.14%
Sharpe (RF 7.5%)	0.54	0.34
Alpha	5.33%	na

## KSEMA WEALTH MULTICAP- INDIA OPPORTUNITIES

	Multicap	Nifty500
Average Monthly return	2.00%	1.40%
Monthly maximum loss	-29.6%	-24.3%
Month of Maximum loss	Mar-20	Mar-20
Annualized Return	22.6%	15.4%
Annualized Volatility	25.2%	21.1%
% of winning months (against benchmark)	66.7%	na
% of gained months	69%	62.2%
YTD	11.58%	3.57%
Sharpe (RF 7.5%)	0.60	0.38
Alpha	8.87%	na





## MARKET REVIEW & OUTLOOK

### Global

The Q3 2022 US real GDP increased at an annual rate of 2.6%, attributed to increase in exports, consumer spending, and Government spending, partly offset by decreases in residential fixed investment and private inventory investment. The US GDP data brought to light that despite two negative quarters, the economy was not in a real sense of recession.

In early November, Fed raised its fund rate by 75 bps and hinted at reducing the pace of its hike whilst affirming that fighting inflation remains a priority. The slew of positive economic data, including the Q3 GDP data forces the Fed to remain hawkish without worrying about economic growth.

The ECB raised its deposit by 75 bps to 1.5% - the highest rate since 2009. ECB rates had been negative - below 0% - for eight years until it hiked in July. The ECB also cut a key subsidy to banks - an attempt to force them to repay early trillions of euros' worth of ECB loans - and said detailed discussions on winding down the ECB's huge holdings of mostly government bonds will begin in December. The euro dropped more than 1%, after the ECB raised interest rates and US GDP data came stronger than expected.

The political resistance to rate hikes continues to rise. Most of the central bank decisions are with certain amount of dissent. This is likely to reflect in the balance tilting within few meetings. However, for the short term the inflation fight will prevail.

The Asian economies continue to crouch with South Korea, Taiwan and Singapore growing by 0.3%, 4.1% and 4.4% respectively while Hongkong declining by 4.5%. HK's economy contracted for the third consecutive quarter, recording its worst performance since 2020.

While all markets smartly recovered during the month of October, Shanghai and Hang Seng reported decline owing to Xi re-election and tight Covid restrictions. The November'21 base impact will bring a relief for the inflation going forward and with the correction of the commodities, the expectation of rate rise will moderate leading to interest in risk assets.

### India

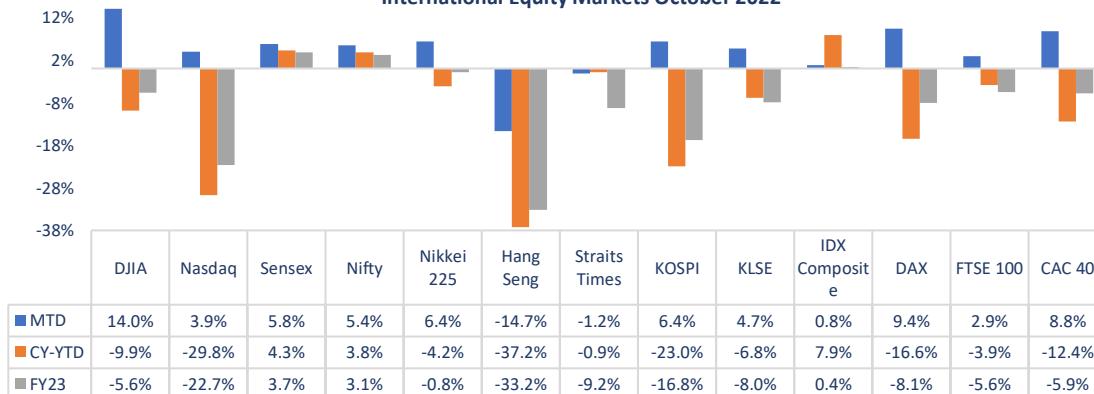
The global economic growth outlook has been a concern, with some of the major economies looming under recession. Contrary to the global outlook, the Indian economy presents itself as an oasis in the desert. All the international agencies including IMF have recognised the performance of the Indian economy in this difficult time despite the headwinds in the form of Ukraine war and inflation.

The analysis of Q2FY23 results of 386 companies has resulted in aggregate revenue of INR 7,72,311 cr and INR 1,01,250 cr of profits, registering 22.9% and 8.5% of YOY growth respectively. The divergence on the profitability frontier continued as higher input costs impinged the margins and profitability adversely. The steady demand outlook coupled with softening of commodity prices is expected to be margin accretive H2FY23 onwards.

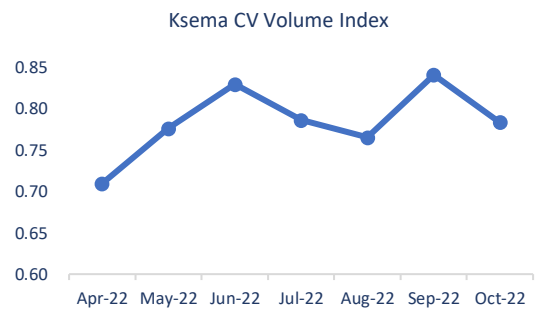
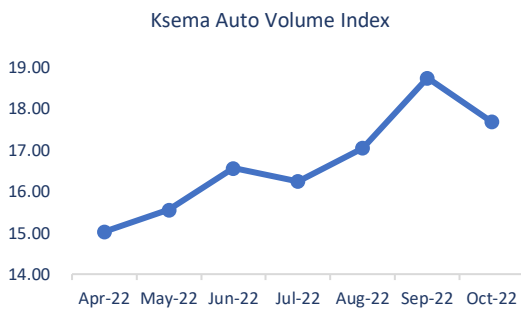
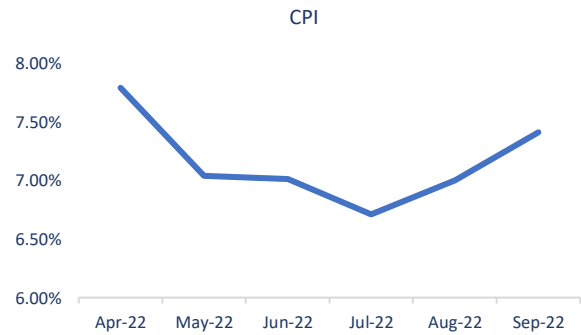
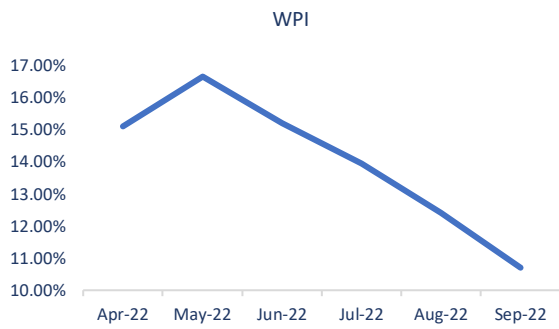
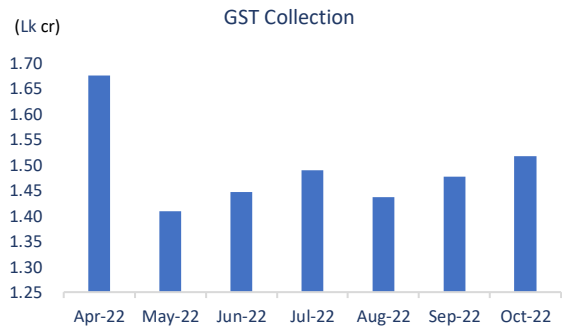
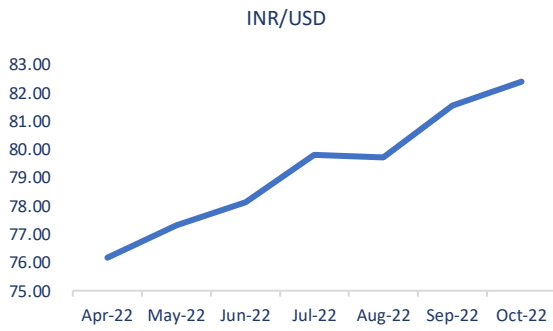
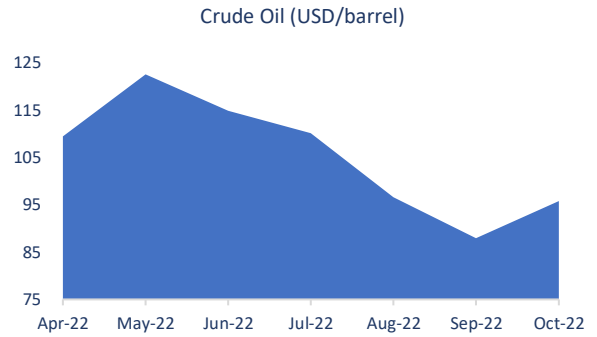
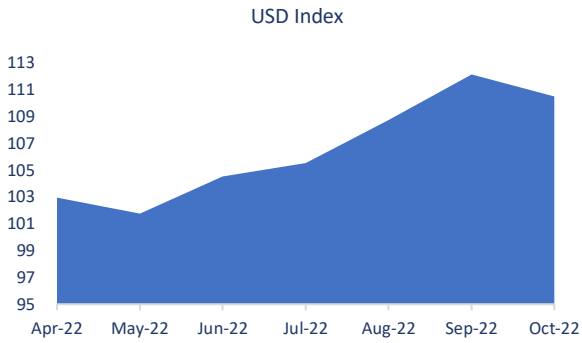
A slew of new age companies have their lock in period ending in November. The market expects over INR 1 lakh cr worth of shares to be unlocked. Nykaa, Paytm, PB Fintech, and Delivery are expected to hold INR 85,000 cr as non-promoter holdings. Despite the abysmal performance by these companies at the bourses, it is likely that the pre-IPO investors could have reached their target price. This might see significant switch in interest towards the old economy stocks.

A revival in rural demand and strong festive season are expected to be a positive in H2FY23. The monsoon rainfall from June to September was reported to be 6% higher than normal. The continued strong automobile volumes and new product launches indicates that strong market sentiments are likely to continue. The rural segment, which has lied low until now has started showing signs of recovery during the festive season. The sharp rise in two-wheeler and tractor sales are some of the initial signs of broad base growth. The Domestic strength of the economy will enable capacity building. Coupled with Government spending in Q3 2022, we will experience broad based growth in the period to come.

International Equity Markets October 2022



## CHARTS OF THE MONTH



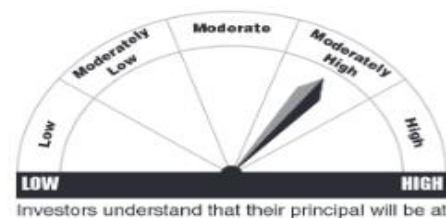
# KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

October 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.

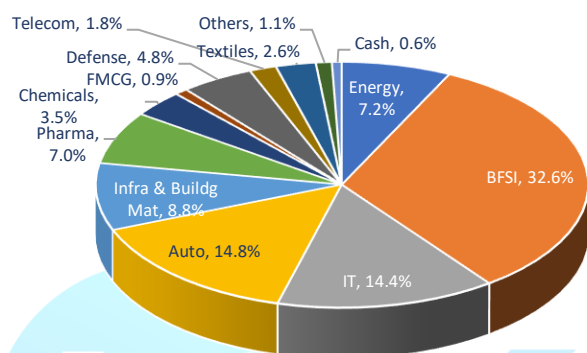
## RISKOMETER



Moderately High Risk

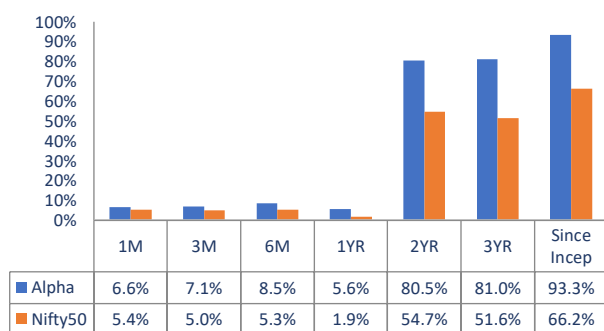
## TOP HOLDINGS

## SECTORAL ALLOCATION



Company Name	Holdings (%)
ICICI Bank Ltd	7.22%
State Bank of India	6.37%
Larsen & Toubro Ltd	5.69%
Reliance Industries Ltd	5.62%
Axis Bank Ltd	5.17%
Cash	0.64%

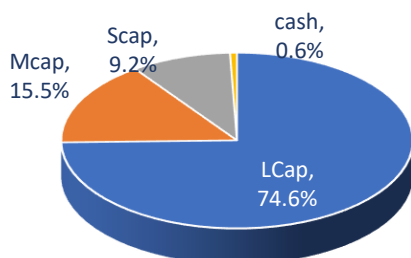
## PERFORMANCE (%)



## Performance Review

The portfolio outperformed the benchmark on the back of large cap banking stocks where we are overweight. Apart from the Large cap stocks, the Defense picks too continued their momentum upwards. Among the midcaps while the auto ancillary did well, textiles and chemicals dragged due to expectation of pressure in Q2 margins. The large cap IT sector too did well during the month after prolonged decline. IT index will map the international markets, which has started showing signs of uptrend

## MARKET CAPITALISATION (%)



## OUTLOOK

The forthcoming period will see more strength owing to FPIs return in the market. The year end positioning and India's -2023 relative prospects will fuel further allocation. The significant credit growth has primarily come from private sector so far during the year. The second half will see Government too joining the bandwagon. This will augur well for overall activity amidst declining global commodity prices. Macro play to continue!

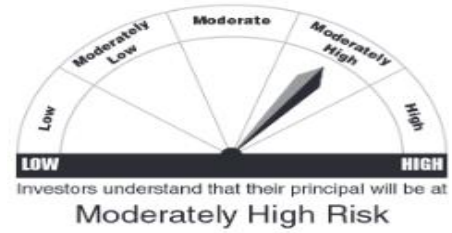
# KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

October 2022

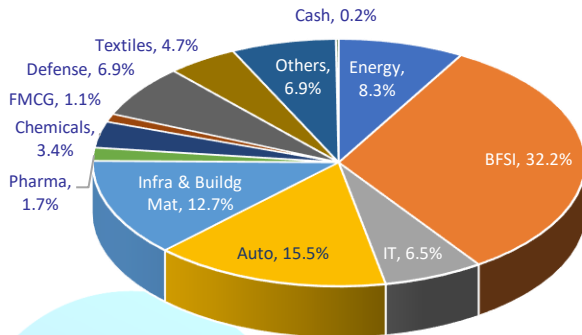
## THEME

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

## RISKOMETER



## SECTORAL ALLOCATION



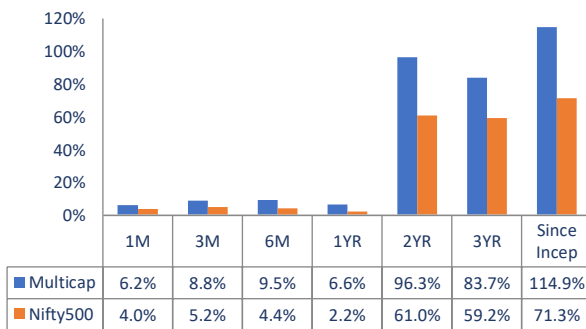
## TOP HOLDINGS

Company Name	Holdings (%)
ICICI Bank Ltd	6.20%
State Bank of India	5.90%
Axis Bank Ltd	5.29%
Larsen & Toubro Ltd	4.76%
Reliance Industries Ltd	4.49%
Cash	0.18%



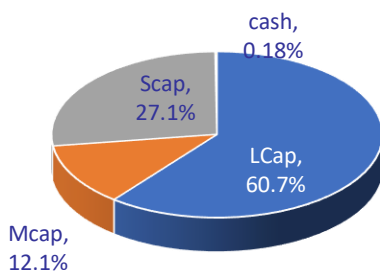
## PERFORMANCE (%)

## PERFORMANCE REVIEW



The portfolio outperformed the benchmark with a wide margin fueled by banking, Auto OEMs and Defense stocks. The underperformance of mid and small caps was compensated by Large cap. The FPI backed rally has enabled the blue chips to do well. The lead during the month has more than negated last month's underperformance. The strength of allocation is seen during these volatile times where stock recovery post selloff is sharper leading to outperformance.

## MARKET CAPITALISATION (%)



## OUTLOOK

The Inflationary scenario is likely to change in the upcoming month. This will prompt the central banks to moderate the rise. This will augur well for emerging markets which were deprived of fund flows owing to Dollar strength. The relative growth prospects will keep India in global investor radar and attract higher allocation in the year to come. Position to grab the fullest!



# KSEMA

WEALTH MANAGEMENT

**KSEMA WEALTH PVT LTD**

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