

KSEMA WEALTH PVT LIMITED

MARKET REVIEW & OUTLOOK - APR 2024

International Monetary Fund (IMF), in its ‘World Economic Outlook April 2024’, said the global economy remains resilient with steady growth and inflation returning to target, defying the earlier expectation of global recession. The IMF revised India’s FY25 economic growth forecast to 6.8%, a 0.3% uptick from its Jan-2024 estimates.

India’s 8 core sectors grew by 5.2% in Mar-24 (up by 1% YoY), mainly driven by more than 8% growth in coal, cement, and electricity. India registered its second strongest PMI (since the beginning of 2021) of 58.8 in Apr-24 largely supported by the domestic market though there was an increase in new export orders. GST collection for April hit a record Rs 2.1 Trillion, reflecting a robust economic growth coupled with increasing tax compliance.

India’s Mar-24 Wholesale Price Index (WPI) showed a 0.53% inflation rate, driven by increased prices in food, electricity, petroleum, machinery, and manufacturing. The CPI inflation decreased to 4.85% in Mar-24 from 5.1% in the preceding 2 months, while core CPI declined further by 10 bps to 3.25%.

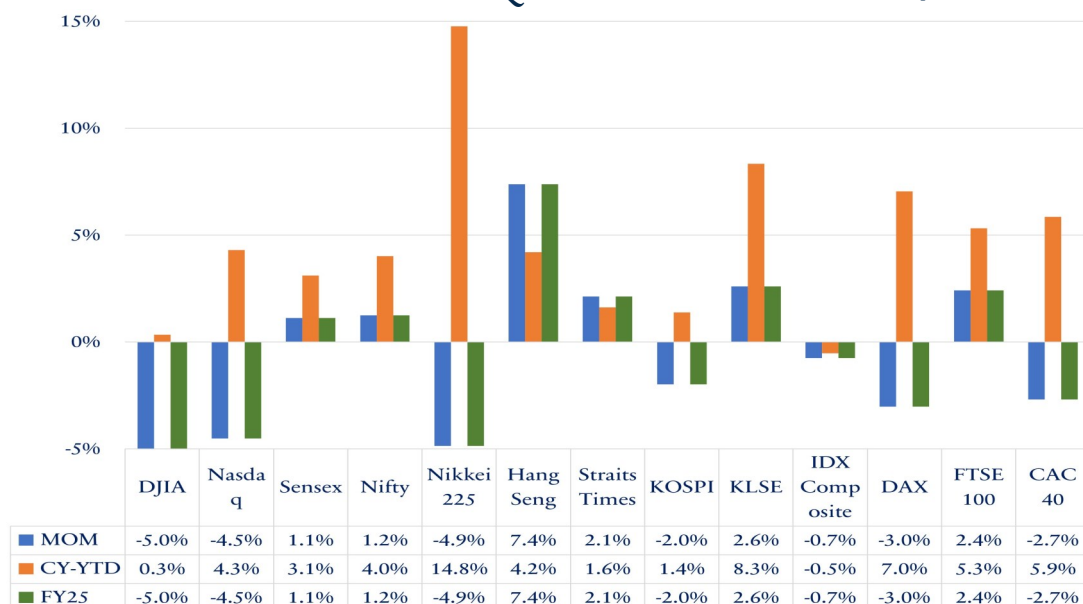
India’s merchandise trade deficit eased to an 11-month low of USD 15.6 billion in Mar-24 amid a halving of gold imports and a fall in non-oil non-gold imports.

Benchmark index NIFTY50 went up by 1.2% MoM in Apr-24 though the FPIs turned net sellers of Indian equities with net outflow of Rs 8,671 Cr in the month, after 2 straight months of net inflows, on the back of rising US bond yields and higher crude oil prices.

The US economy grew at 1.6% in the Q1CY24, the slowest pace in 2 years, against the expected 2.4% as consumer and Government spending cooled amid sharp pickup in inflation. The US Federal Reserve, in its April FOMC meeting, decided to keep the interest rates unchanged at its 23-yr high of 5.25% - 5.50% for the 6th straight meeting as the US CPI remained stronger than expected. The European Central Bank (ECB) too maintained its key refinancing rate unchanged at 4.5%. China’s manufacturing PMI stood at 50.4 in Apr-24, remaining in expansion territory for the 2nd straight month although pace of growth slowed slightly compared to the previous month’s PMI(50.8). Meanwhile, China’s non-manufacturing PMI stood at 51.2 in April compared to 53 in March, a fifth straight month of expansion.

India’s general election is progressing well as scheduled, which will end in the first week of Jun-24. It is widely expected that, post the elections, a stable government will be formed and the country will continue its brisk economic growth for many more years well supported by the growing private Capex.

INTERNATIONAL EQUITY MARKETS - APR 2024



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KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES APR 2024

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.

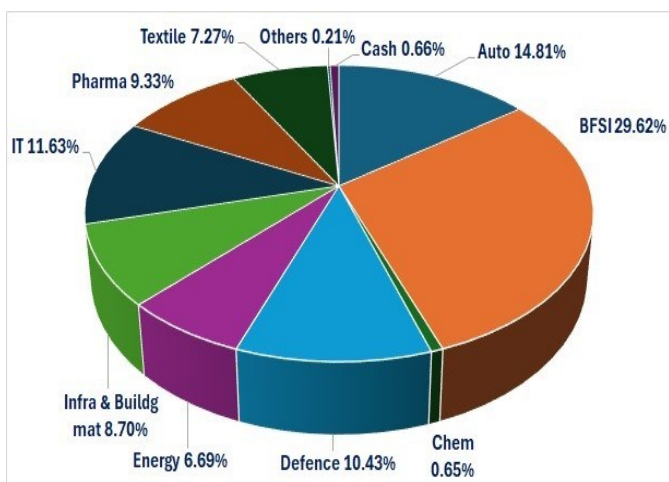
RISKOMETER



Investors understand that their principal will be at

Moderately High Risk

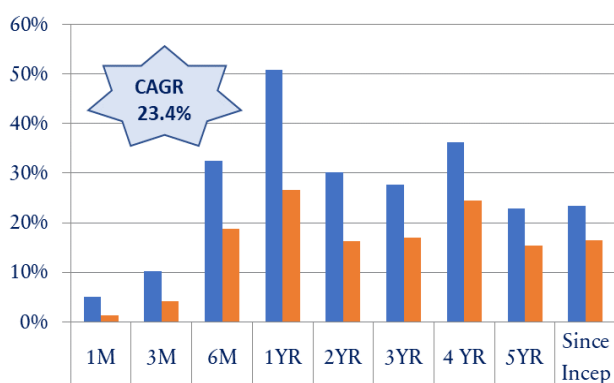
SECTORAL ALLOCATION



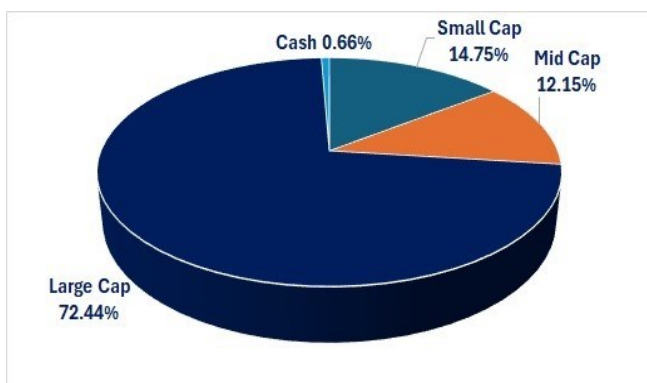
TOP HOLDINGS

COMPANY	HOLDINGS (%)
Hindustan Aeronautics Ltd	7.32%
State Bank Of India	6.79%
ICICI Bank Ltd	6.71%
Canara Bank	5.58%
Larsen & Toubro Ltd	5.55%
Reliance Industries Ltd	5.10%
Mahindra & Mahindra Ltd	4.54%
Axis Bank Ltd	4.46%
Infosys Ltd	3.99%
HDFC Bank Ltd	3.94%
Tata Consultancy Services Ltd	3.91%
Dishman Carbogen Amcis Ltd	3.43%
NITIN SPINNERS LIMITED	3.22%
Tata Motors Ltd - DVR	3.11%
Sun Pharmaceutical Industries Ltd	2.94%
Tata Motors Ltd	2.93%
Bharat Electronics Ltd	2.73%
HCL Technologies Ltd	2.44%
Bharat Forge Ltd	2.02%
Monte Carlo Fashions Ltd	1.88%

PERFORMANCE (%)



MARKET CAP ALLOCATION (%)



REVIEW & OUTLOOK

The market started facing volatility owing to the ongoing election and speculation of the results. However with the fundamental remaining strong the companies are venturing into capital expenditure to propel the growth in the coming years. Banking credit too has grown by more than 15% more than the nominal GDP.

While we may see high volatility in the month of May, post the election results the market will go back to fundamentals. We opine that the nifty 50 EPS growth to be in the region of 15%-18% auguring well for investment. The market after the run up is trading @ 21X of FY 2025 earning. Certain sectors in infra, banking, defense and contract manufacturing are expected to grow more than the Nifty. We will identify in these areas & invest in it.

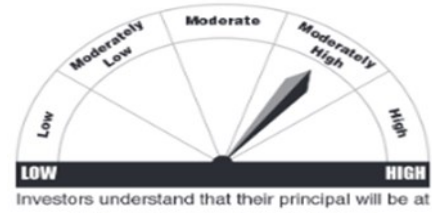
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KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES APR 2024

THEME

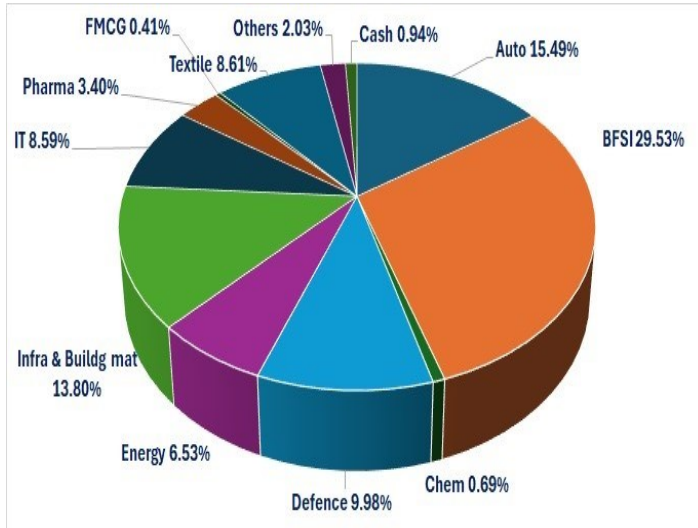
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RISKOMETER



Moderately High Risk

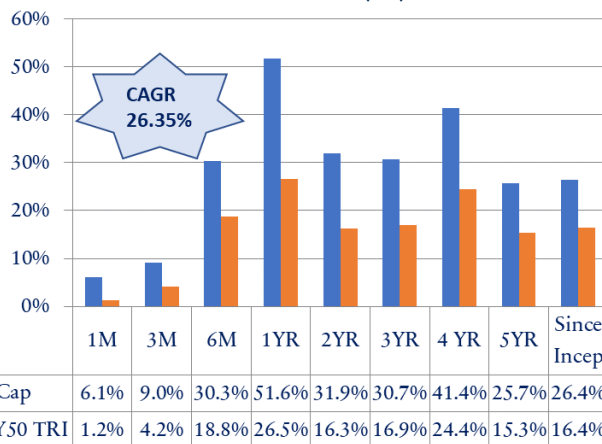
SECTORAL ALLOCATION



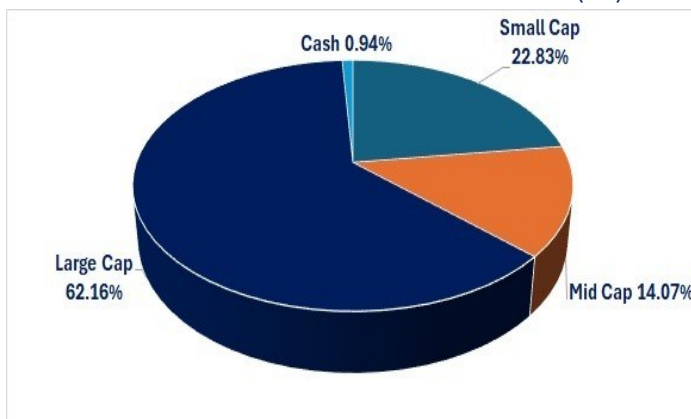
TOP HOLDINGS

COMPANY	HOLDINGS (%)
ICICI Bank Ltd	6.76%
State Bank Of India	5.59%
Canara Bank	5.31%
Hindustan Aeronautics Ltd	4.92%
Reliance Industries Ltd	4.62%
Larsen & Toubro Ltd	4.34%
Tata Consultancy Services Ltd	4.14%
Axis Bank Ltd	3.95%
Infosys Ltd	3.78%
HDFC Bank Ltd	3.72%
Tata Power Co. Ltd	3.30%
Bharat Electronics Ltd	3.29%
Tata Motors Ltd - DVR	3.09%
NITIN SPINNERS LIMITED	2.92%
Idfc First Bank Ltd	2.57%
Dishman Carbogen Amcis Ltd	2.57%
Bharat Forge Ltd	2.56%
Mahindra & Mahindra Ltd	2.49%
Welspun India Ltd	2.13%
Va Tech Wabag Ltd	2.10%

PERFORMANCE (%)



MARKET CAP ALLOCATION (%)



REVIEW & OUTLOOK

The market volatility increased as expected. However with the fundamentals remaining strong amidst the capex stories and new growth areas like defense and infra, market is likely to get back to basics after elections. Banking credit, capacity utilization, rural revival, port traffic are all showing signs of continued momentum.

The mid & small cap companies are vulnerable to volatility but expanding economies see spring out of new companies in niche areas of growth. Though the index earning growth is expected to be around 18%, this mid segment would outperform in the economic upcycle. We will identify companies in these areas & invest in it.

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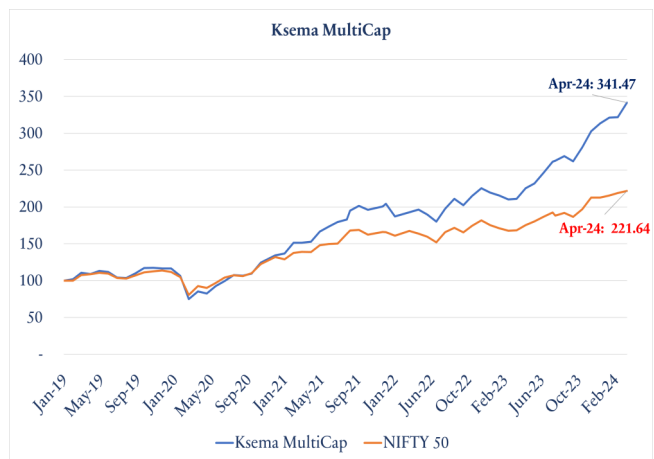
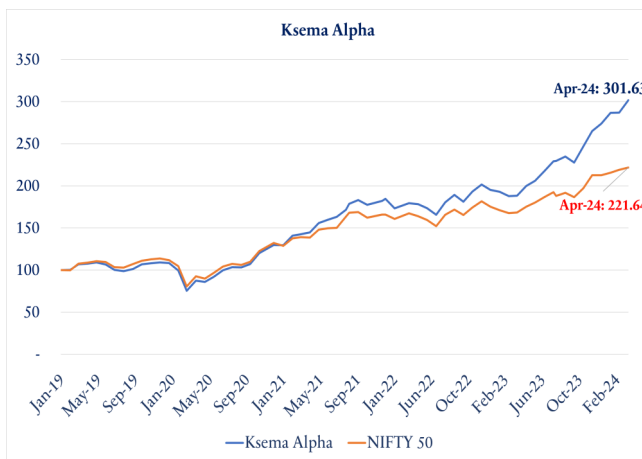
Ksema Wealth—Alpha
CAGR 23.40%

Ksema Wealth—Multicap
CAGR 26.35%

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK

(For the period: Jan-2019 to Apr-2024)

	ALPHA	MULTICAP	NIFTY50 TRI
Average Monthly Return	1.93%	2.19%	1.41%
Monthly Maximum Loss	-24.3%	-29.6%	-23.0%
Month of Maximum Loss	Mar-20	Mar-20	Mar-20
Annualized return	23.40%	26.35%	16.37%
Annualized Volatility	19.56%	22.27%	18.33%
% of winning months (against benchmark)	63.49%	66.67%	NA
% of gained months	69.84%	71.43%	63.49%
YTD (FY25)	5.1%	6.1%	1.24%
Sharpe (RF 7.5%)	0.81	0.85	0.48
Alpha	8.00%	12.17%	NA



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