

KSEMA WEALTH PVT LIMITED

MARKET REVIEW & OUTLOOK—FEB 2024

During the quarter ending Dec-23, India's GDP grew at 8.4% YoY, beating the RBI's estimate of 6.5%. The Ministry of Statistics also revised (2nd advance estimate) the full year GDP growth to 7.6% for FY24 from 7.3%. Third quarter GDP growth was fuelled by strong double-digit growth in the manufacturing sector and good growth in the construction sector, offset by 0.8% contraction in the agriculture sector adversely affected by the poor monsoon and El-Nino impact. The agriculture sector is expected to do better in 2024 supported by the expected healthy rabi harvesting (Apr-May) and the normal monsoon (Jun-24).

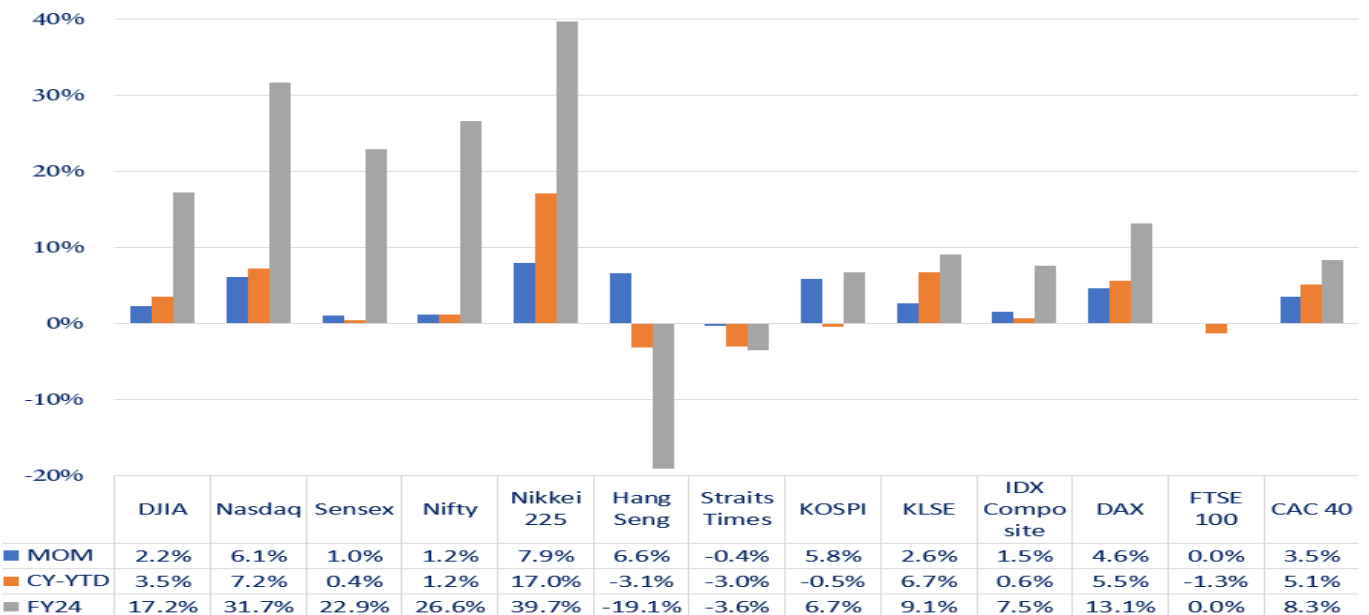
India's direct tax collection was up by 19.4% YoY to Rs 14.7 trillion by 10-Jan-2024, which is 80% of Government's FY24 target. GST collection for Feb-24 was Rs 1.68 Trillion, up by 2.5% YoY. The 11-month GST collection during the current financial year stands at Rs 18.4 Trillion, up by 11.7% YoY. Overall the robust direct tax collection and the GST numbers on the back of higher-than-estimated 3rd quarter GDP numbers demonstrate India's continued growth momentum.

India's merchandise trade deficit narrowed to USD 17.49 billion in January, the lowest in nine months as exports edged up by 3.1% YoY despite the ongoing Red Sea crisis. Central Government's fiscal deficit for the first 10 months of FY24 was reported as 11.03 trillion against the revised estimate of 17.35 trillion for the full year, indicating it can comfortably meet its fiscal deficit target.

GDP growth in the US for 2023 was revised down to 3.2% from the last month's estimate of 3.3%. China's CPI fell in January (-0.8% YoY), at its steepest pace in 14 years, forcing the policy makers to cut the interest rate. The Fall in CPI was mainly due to 5.9% fall in food prices and 2.4% fall in transportation prices while the non-food inflation increased by 0.4%YoY. China's PMI too likely fell to 49.1%. Fall in both CPI and PMI indicate the Chinese economy is still struggling to find growth tractions. As Japan registered its second straight quarterly contraction in Dec-23, its economy slipped into recession. Japan has now become the world's 4th largest economy from being the 3rd largest. Europe's economy avoided ending the year 2023 in a recession by the narrowest margins.

While the major global economies are struggling with either sluggish growth or recession, India's robust economic growth coupled with political stability continues to attract the global investors to Indian financial markets.

INTERNATIONAL EQUITY MARKETS - FEB 2024



KSEMA WEALTH PVT LIMITED

KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES FEB 2024

THEME

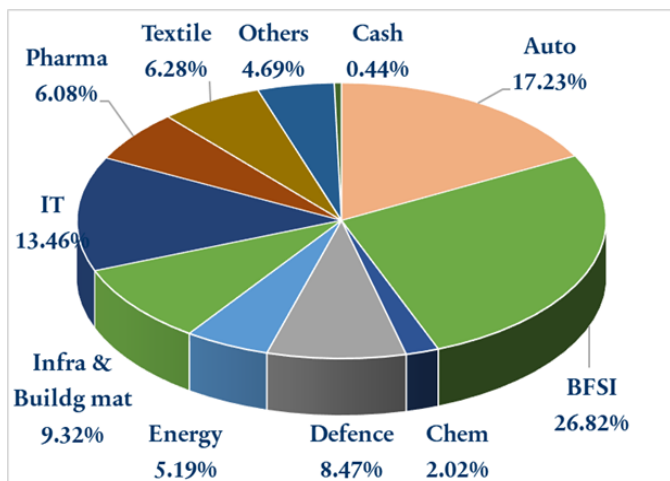
The fund seeks long-term capital appreciation by investing substantially in the equity securities of companies that are leaders in their industries/segment of industries, and which the managers believe are suitable for a buy-and-hold strategy.

RISKOMETER



Moderately High Risk

SECTORAL ALLOCATION

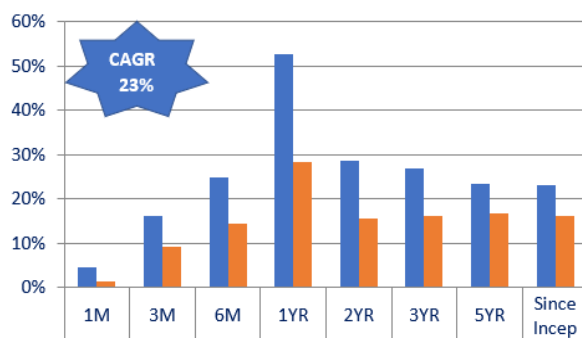


TOP HOLDINGS

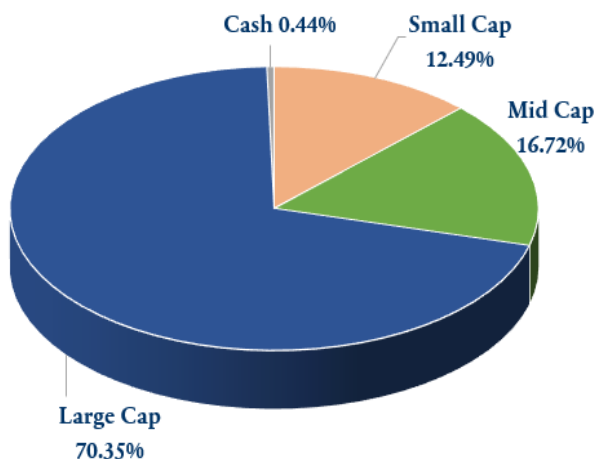
COMPANY	HOLDINGS (%)
ICICI Bank Ltd	6.40%
State Bank Of India	6.28%
Hindustan Aeronautics Ltd	6.02%
Canara Bank	5.61%
Larsen & Toubro Ltd	5.49%
Reliance Industries Ltd	5.19%
Infosys Ltd	4.64%
Tata Consultancy Services Ltd	4.28%
Mahindra & Mahindra Ltd	4.16%
Axis Bank Ltd	4.03%
Dishman Carbogen Amcis Ltd	3.85%
HDFC Bank Ltd	3.71%
Tata Motors Ltd	3.19%
Sun Pharmaceutical Industries Ltd	3.16%
Nitin Spinners Limited	3.13%
Tata Motors Ltd - DVR	3.07%
HCL Technologies Ltd	3.04%
Bharat Electronics Ltd	2.45%
Bharat Forge Ltd	2.14%
Dr.Reddys Laboratories Ltd	1.77%

PERFORMANCE (%)

Ksema Wealth-Alpha Feb 2024



MARKET CAP ALLOCATION (%)



REVIEW & OUTLOOK

The GDP numbers propped the sentiment of the market despite the mixed corporate results. Selective stocks in the Energy, Defense enabled the portfolio to outperform the benchmark. Also few stock picks in the pharma saw reenergized interest boosting our portfolio.

Going forward, with the budget being in lines of expectations including reforms and progressive, the momentum is likely to be positive. The announcement of general Elections will bring in volatility, however the outcome is foregone conclusion of continuity and stability. The foreign flow which was on selling mode is likely to turn positive. We will rebalance the portfolio to reduce the volatility.

KSEMA WEALTH PVT LIMITED

KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES FEB 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-

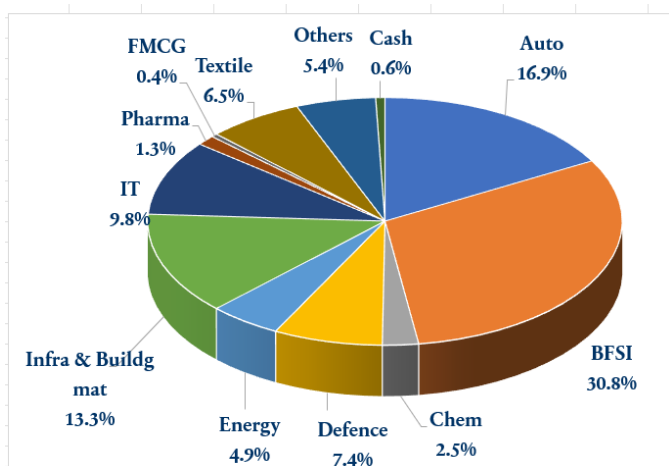
RISKOMETER



Investors understand that their principal will be at

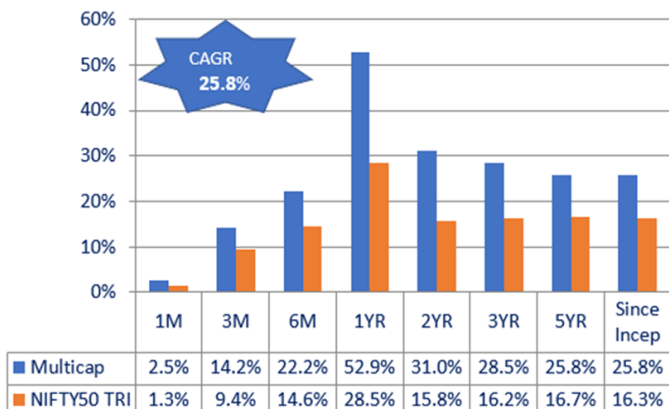
Moderately High Risk

SECTORAL ALLOCATION

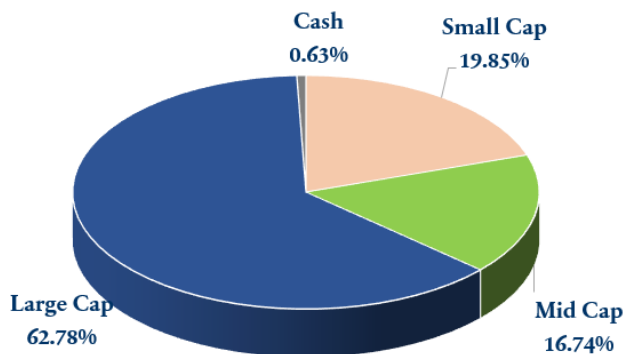


PERFORMANCE (%)

Ksema Wealth-Multicap Feb 2024



MARKET CAP ALLOCATION (%)



TOP HOLDINGS

COMPANY	HOLDINGS (%)
ICICI Bank Ltd	6.27%
Canara Bank	5.58%
State Bank Of India	5.54%
Reliance Industries Ltd	4.94%
Larsen & Toubro Ltd	4.62%
Infosys Ltd	4.57%
Hindustan Aeronautics Ltd	4.37%
Tata Consultancy Services Ltd	4.23%
Axis Bank Ltd	3.84%
HDFC Bank Ltd	3.54%
Tata Motors Ltd - DVR	3.30%
Bharat Electronics Ltd	3.06%
Tata Power Co. Ltd	3.04%
Bharat Forge Ltd	2.76%
NITIN SPINNERS LIMITED	2.49%
Dishman Carbogen Amcis Ltd	2.33%
Mahindra & Mahindra Ltd	2.30%
Hero Motocorp Ltd	2.28%
City Union Bank Ltd	2.21%
Va Tech Wabag Ltd	2.13%

REVIEW & OUTLOOK

The portfolio outperformed during the month with double the index return. This widened the 1 year return to 53%. The large caps were the main driver during the month as interests flowed into large banks like SBI, HDFC Bank. Also Energy and Defense witnessed renewed interest where we are invested.

Going forward, the strong fundamentals of the Economy in contrary to the western markets will attract more inflows from FPIs who were otherwise sellers. Also the investment driven GDP growth triggers the consumption growth with a lag. This should see a robust revenue in the FY25 particularly Capital goods, Banking and Minerals. We will reshuffle the portfolio to benefit out of it.

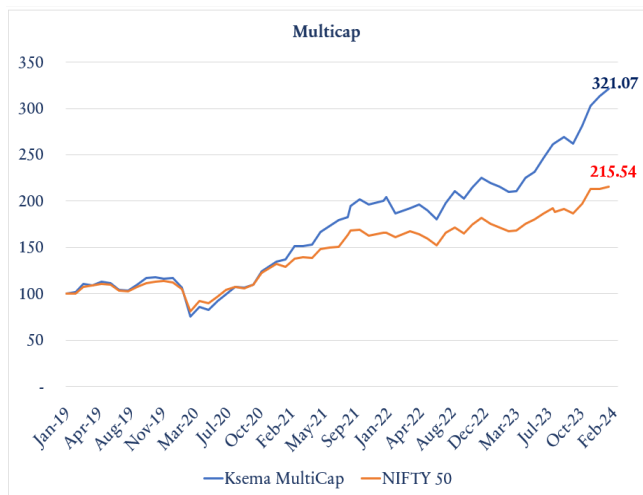
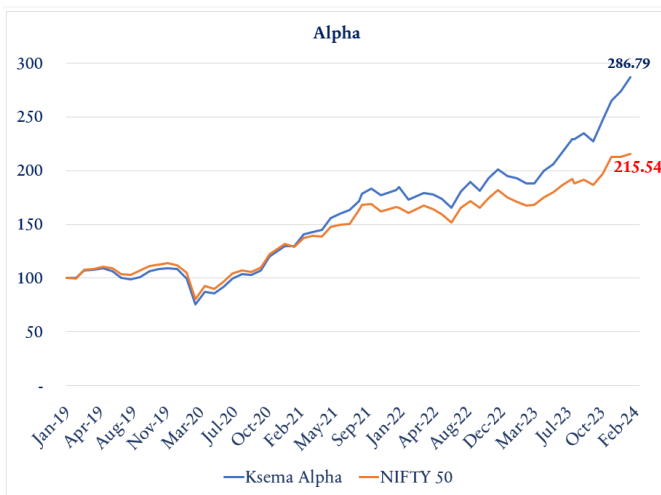
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Ksema Wealth—Alpha
CAGR 23.0%

Ksema Wealth—Multicap
CAGR 25.8%

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK FEB 2024 (Since Jan 2019)

	ALPHA	MULTICAP	NIFTY50 TRI
Average Monthly Return	1.91%	2.16%	1.41%
Monthly Maximum Loss	-24.3%	-29.6%	-23.0%
Month of Maximum Loss	Mar-20	Mar-20	Mar-20
Annualized return	23.03%	25.79%	16.31%
Annualized Volatility	19.82%	22.56%	18.63%
% of winning months (against benchmark)	63.93%	67.21%	na
% of gained months	68.9%	70.5%	62.3%
YTD	52.22%	52.20%	28.08%
Sharpe (RF 7.5%)	0.78	0.81	0.47
Alpha	7.6%	11.6%	na



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