

KSEMA WEALTH PVT LIMITED

MARKET REVIEW & OUTLOOK—JAN 2024

India's booming domestic demand prompted the IMF to revise its real economic growth estimate upwards for the FY24 to 6.7% from its earlier estimate of 6.3%. IMF also forecasted a steady 6.5% GDP growth for the FY25 and FY26, reassuring the domestic and global investor communities of India's robust economic growth while most major global economies are struggling to regain their growth momentum.

India is currently in the midst of its third quarter corporate earnings season, and 35 NIFTY-50 companies have already announced their quarterly earnings. Overall, the revenue and PAT grew YoY by 7.5% and 22.7% respectively. Profit margins for the banks have slightly moderated due to higher deposit costs. Non-BFSI companies reported 9% PAT margin for the Q3FY24 vs 7.7% in Q3FY23, on 5.3% YoY revenue growth.

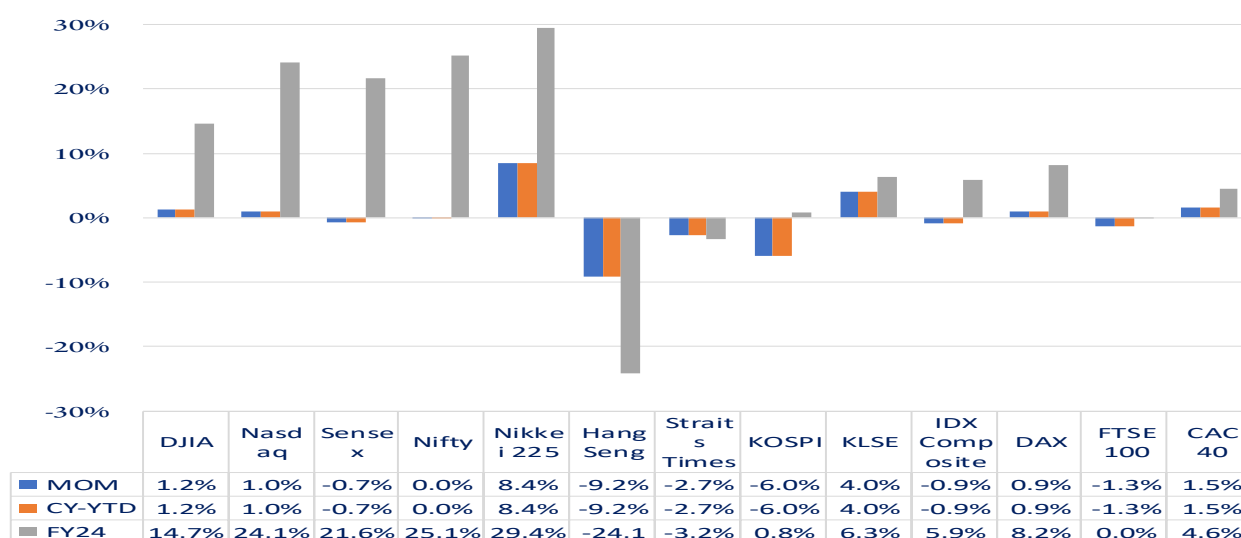
Monthly GST collection for Jan-24 was Rs 1.72 trillion (YoY growth of 10.4%), the second highest monthly collection, showcasing Indian economy's resilience.

Union Government presented its election-year interim budget (vote on account) without announcing any populist schemes but committing to policy continuity, fiscal prudence, continued infrastructure spending, support to economic growth and continuation of targeted welfare schemes. India's equity market indices (NIFTY-50 and BSE SENSEX) cheered the Government's resolve to reduce the budget deficit and bring the net borrowings down for the FY25, by hitting all-time highs during the month. Economists believe the Government's fiscal discipline and lower net borrowings will reduce the cost of funds for the corporates, which will accelerate the impending private capex and so the economic growth. All these augur well for the investors of India's financial markets.

US economy registered a strong 3.3% GDP growth during the fourth quarter (Dec-23) against the expected 2% growth. US Federal Reserve, in its Jan-24 meeting, kept its target fed fund rate (5.25% - 5.5%) unchanged for the 4th consecutive time. While endorsing the strength of the US Economy, the US Fed chairman indicated the fight against inflation is not yet over, and hinted the rate cut may not come through in this quarter belying hopes of market expectations.

Major investment banks expect China's economic growth will slow down in 2024 to 4.6% against the estimated GDP growth of 5.2% for 2023. Macro problem coupled with real-estate sector turmoil keeps check on Chinese economic recovery. Foreign investors are in dilemma to be in Chinese markets despite its relative cheap valuation. India still attracts owing to certainty and continuity of growth prospects.

INTERNATIONAL EQUITY MARKETS - JAN 2024



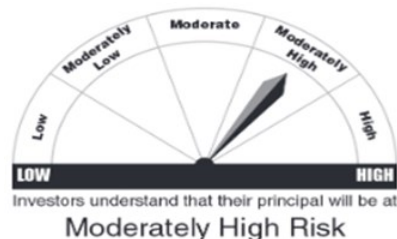
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KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES JAN 2024

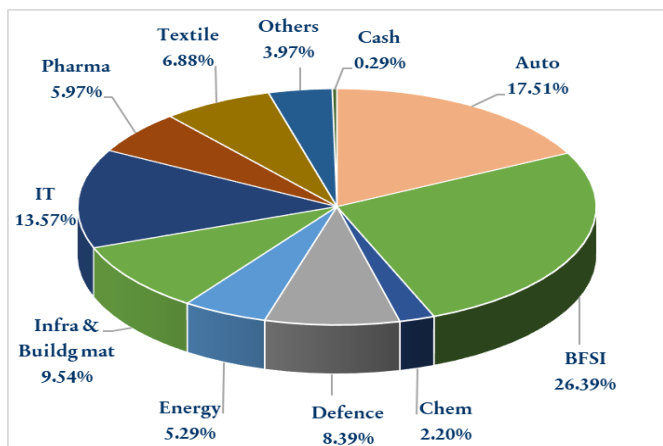
THEME

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



SECTORAL ALLOCATION



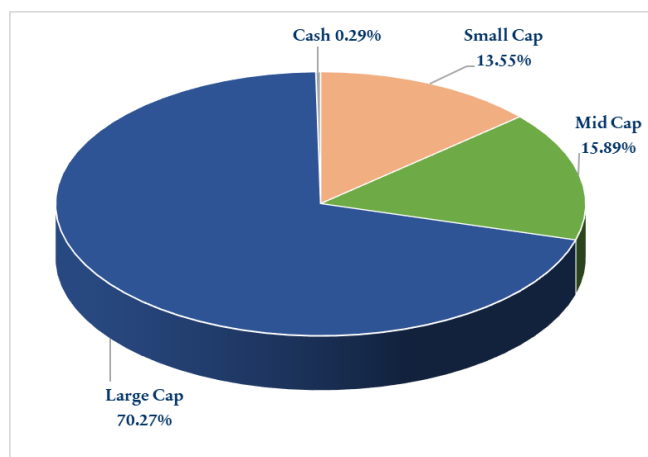
TOP HOLDINGS

COMPANY	HOLDINGS (%)
ICICI Bank Ltd	6.53%
Hindustan Aeronautics Ltd	6.07%
Larsen & Toubro Ltd	5.73%
State Bank Of India	5.61%
Reliance Industries Ltd	5.29%
Canara Bank	5.01%
Infosys Ltd	4.80%
HDFC Bank Ltd	4.19%
Axis Bank Ltd	4.18%
Tata Consultancy Services Ltd	4.19%
Mahindra & Mahindra Ltd	3.71%
NITIN SPINNERS LIMITED	3.33%
Tata Motors Ltd - DVR	3.20%
Tata Motors Ltd	3.10%
Dishman Carbogen Amcis Ltd	3.07%
HCL Technologies Ltd	3.00%
Sun Pharmaceutical Industries Ltd	2.96%
Bharat Forge Ltd	2.40%
Bharat Electronics Ltd	2.32%
Monte Carlo Fashions Ltd	2.04%

PERFORMANCE (%)



MARKET CAPITALIZATION (%)



REVIEW & OUTLOOK

Though the markets were volatile during the month owing to global factors, our portfolio did well on the back of good results. Also liquidity flow into PSU and defense stocks apart from energy lifted the portfolio.

Going forward, with RBI maintaining status quo and watching global developments, the imminent rate cuts can be deferred. Also with the elections on the cards the markets are likely to be volatile. We will remain stock specific and rebalance accordingly to reduce risk.

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KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES JAN 2024

THEME

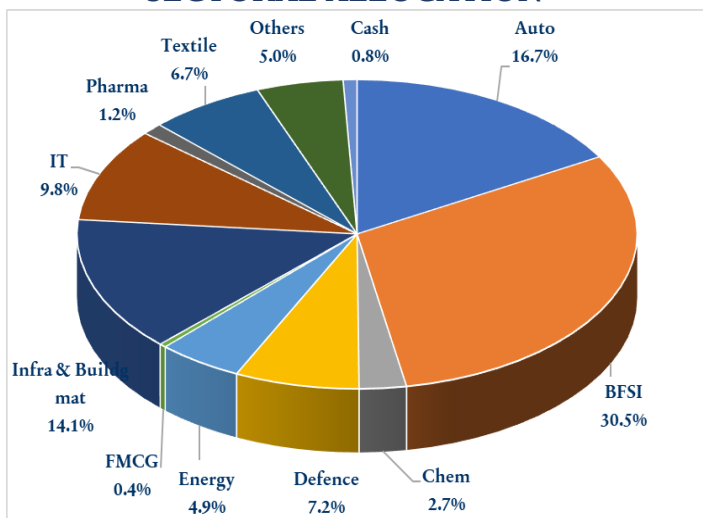
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RISKOMETER



Moderately High Risk

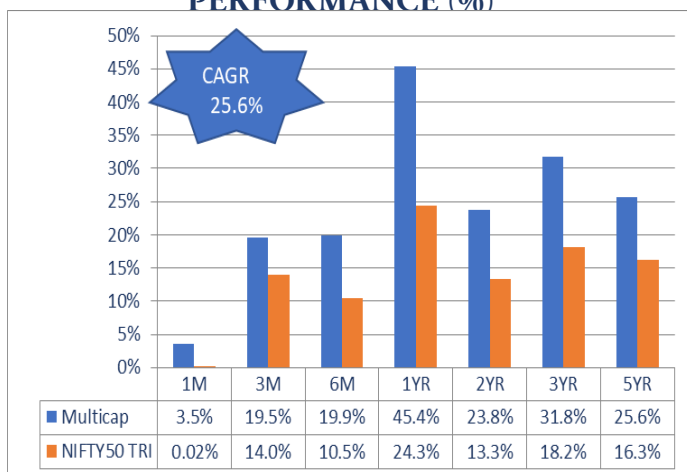
SECTORAL ALLOCATION



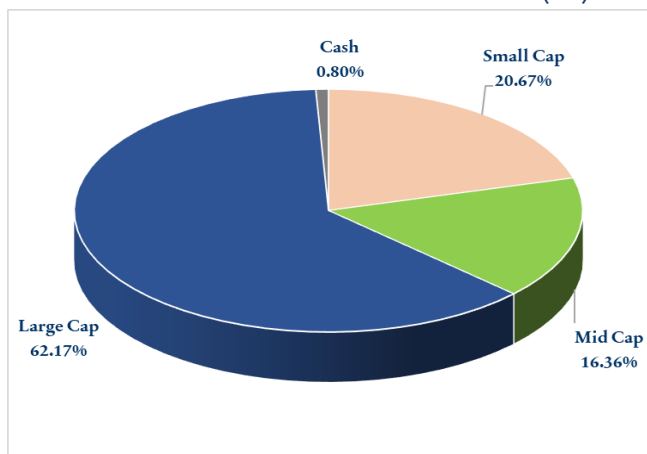
TOP HOLDINGS

COMPANY	HOLDINGS (%)
ICICI Bank Ltd	6.28%
Canara Bank	5.05%
Reliance Industries Ltd	4.92%
State Bank Of India	4.85%
Larsen & Toubro Ltd	4.76%
Infosys Ltd	4.65%
Hindustan Aeronautics Ltd	4.33%
Tata Consultancy Services Ltd	4.07%
Axis Bank Ltd	3.91%
HDFC Bank Ltd	3.79%
Tata Power Co. Ltd	3.28%
Tata Motors Ltd - DVR	3.18%
Bharat Forge Ltd	3.06%
Bharat Electronics Ltd	2.85%
NITIN SPINNERS LIMITED	2.62%
City Union Bank Ltd	2.53%
Hero Motocorp Ltd	2.42%
Monte Carlo Fashions Ltd	2.22%
Va Tech Wabag Ltd	2.07%
Mahindra & Mahindra Ltd	2.03%

PERFORMANCE (%)



MARKET CAPITALIZATION (%)



REVIEW & OUTLOOK

The portfolio outperformed the index with a wide margin on the back of performance from individual stocks in Energy, Defence and PSU banks. Contracting companies too reported handsome gain more than the index.

The outlook for the markets is looking promising despite rich valuations. The Government's emphasis on reforms continuity and capex focus shows the cyclicals will continue their momentum upward. In addition select sectors like Energy, IT and mining will do well as in the forthcoming quarters.

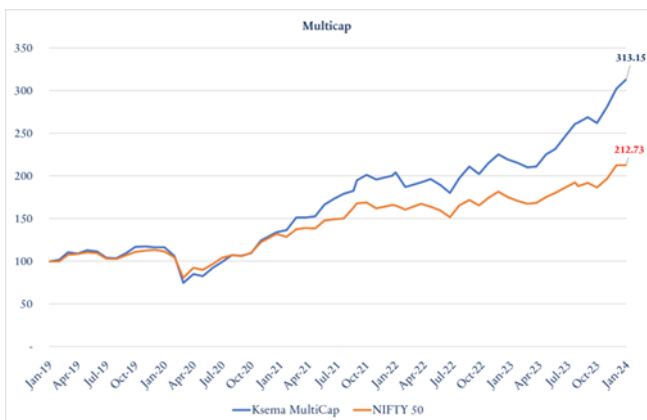
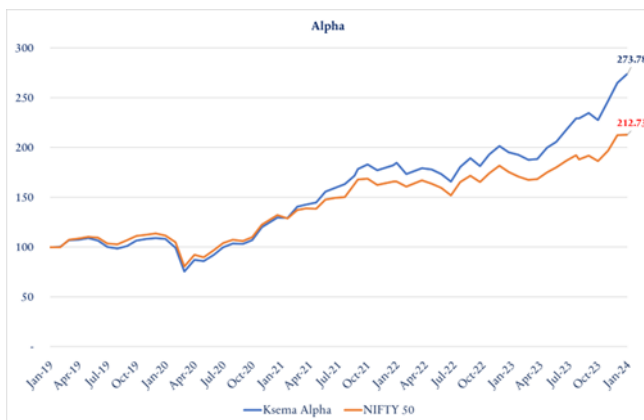
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Ksema Wealth—Alpha
CAGR 22.3%

Ksema Wealth—Multicap
CAGR 25.6%

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK (Since Jan 2019)

	ALPHA	MULTICAP	NIFTY50 TRI
Average Monthly Return	1.86%	2.15%	1.42%
Monthly Maximum Loss	-24.3%	-29.6%	-23.0%
Month of Maximum Loss	Mar-20	Mar-20	Mar-20
Annualized return	22.3%	25.6%	16.3%
Annualized Volatility	19.9%	22.7%	18.8%
% of winning months (against benchmark)	63.3%	66.7%	na
% of gained months	68.3%	70.0%	61.7%
YTD	45.3%	48.4%	26.4%
Sharpe (RF 7.5%)	0.74	0.80	0.47
Alpha	6.89%	11.46%	na



KSEMA WEALTH PVT LIMITED

The Hive-VR Chennai, 3rd Floor Jawaharlal Nehru Road, Thirumangalam, Anna Nagar, Chennai—600 040, Tamilnadu

India Phone: 9500069609

www.kseamawealth.com

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