

# KSEMA WEALTH PVT LIMITED

## MARKET REVIEW & OUTLOOK - MAY 2024

**General Elections 2024:** On June 4, results showed the ruling BJP lead NDA won majority in the Lok Sabha elections paving the way for NDA's third term in office.

Assessing BJP's Election manifesto, efforts to grow India's footprint in global value chain, continued emphasis on physical and digital infrastructure and Energy transition and fiscal consolidation could be the key focus areas in the third term

**Rating outlook:** S&P raised India's country outlook to positive from stable after 14 years and it provides opportunity for sovereign rating upgrade for India. New government is likely to be in comfortable position to reach the FY25 fiscal deficit goal @ 5.1% of GDP it has set in interim budget because of strong economic growth, increasing tax collections, crude oil below \$80 and recent RBI dividend payout of Rs 2.11 trillion to the government.

**India GDP:** India's GDP for Q4FY24 came in at 7.8% YoY which pushed the growth rates for the FY24 to 8.2%. Key drivers for the growth were the **manufacturing, construction and mining sectors**. Another factor boosted GDP numbers were the strong tax collections and lower than budgeted subsidy payouts.

**GST Collections:** Gross GST collections in FY25 till date came in at Rs 3.83 trillion, implying **growth of 11.3% YoY** basis driven strong increase in **domestic transactions which was up by 14.2%**.

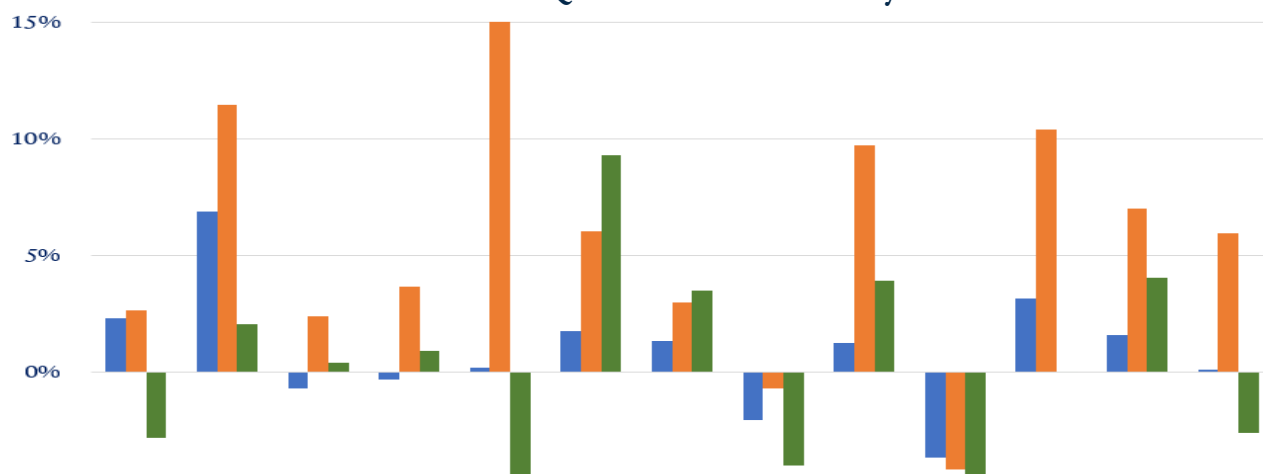
**Fund Flows:** In May, Indian equity markets experienced the highest outflows in Asia, with foreign institutional investors (FIIs) withdrawing a substantial \$2.89 billion. This marks the largest monthly FII outflow since January 2024. On the other hand, DII have invested close to \$5 Bn in May.

**Outlook:** With BJP coming for third term, key focus areas of the government and upcoming budget will be the key triggers for the Indian Market in near term. We opine that the development agenda will be intact despite the coalition Government. Market which witnessed high volatility will go back to basics mapping fundamentals.

### International Markets

- US fed leaves rates unchanged and expects inflation to trend towards 2% mark before cutting rates.
- IMF raised its forecast for China's GDP to 5% for 2024 and 4.5% in 2025, up 0.4% points from previous forecast

### INTERNATIONAL EQUITY MARKETS - May 2024



# KSEMA WEALTH PVT LIMITED

## KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES MAY 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.

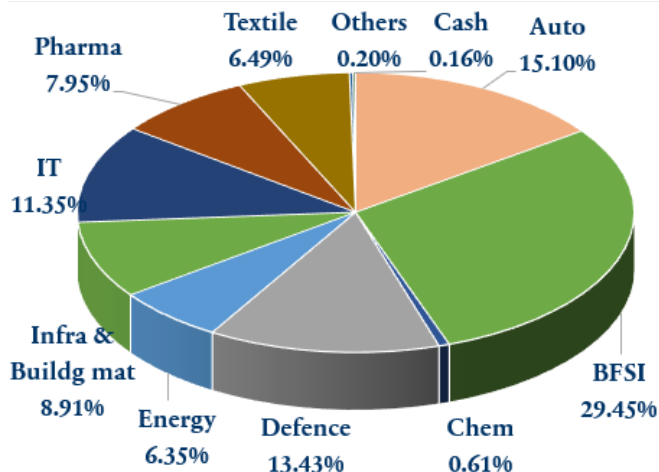
### RISKOMETER



Investors understand that their principal will be at

**Moderately High Risk**

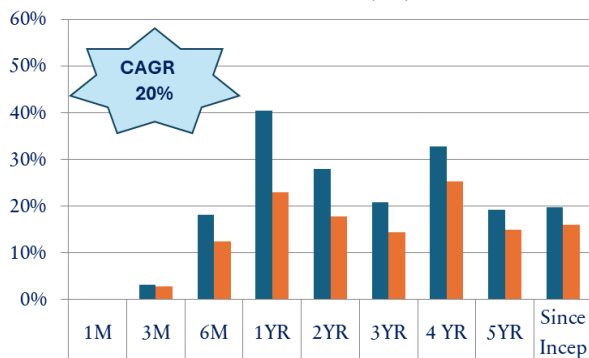
### SECTORAL ALLOCATION



### TOP HOLDINGS

COMPANY	HOLDINGS (%)
Hindustan Aeronautics Ltd	9.10%
State Bank Of India	6.82%
ICICI Bank Ltd	6.63%
Larsen & Toubro Ltd	5.57%
Canara Bank	5.32%
Mahindra & Mahindra Ltd	5.19%
Reliance Industries Ltd	4.89%
Axis Bank Ltd	4.41%
HDFC Bank Ltd	4.07%
Tata Consultancy Services Ltd	3.93%
Infosys Ltd	3.96%
Bharat Electronics Ltd	3.40%
Sun Pharmaceutical Industries Ltd	2.81%
Tata Motors Ltd - DVR	2.78%
NITIN SPINNERS LIMITED	2.73%
Tata Motors Ltd	2.71%
Bharat Forge Ltd	2.43%
Dishman Carbogen Amcis Ltd	2.34%
HCL Technologies Ltd	2.33%
Va Tech Wabag Ltd	1.67%

### PERFORMANCE (%)

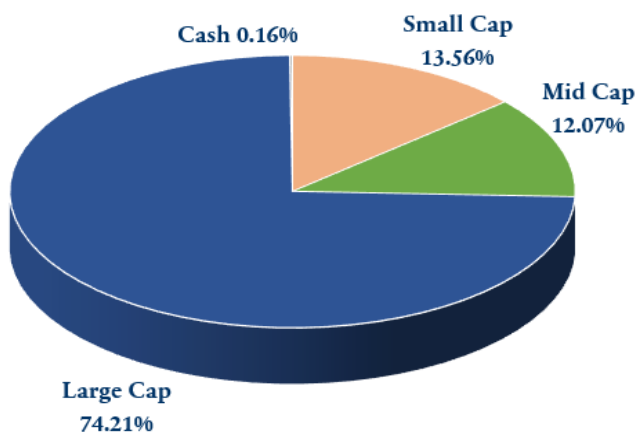


**CAGR 20%**

Period	Alpha (%)	Nifty 50 TRI (%)
1M	0.2%	0.0%
3M	3.2%	2.9%
6M	18.2%	12.5%
1YR	40.4%	23.0%
2YR	28.0%	17.9%
3YR	20.9%	14.5%
4 YR	32.7%	25.3%
5YR	19.2%	15.0%
Since Incep	19.7%	16.1%

\*All returns are net of fees and other expenses

### MARKET CAP ALLOCATION (%)



### REVIEW & OUTLOOK

The volatility due to election predictions hit the Indian markets, however our portfolio outperformed owing to exposure to defense companies that reported excellent results. Foreign selling was vehement during the month leading to pressure in the cyclical stocks.

Going forward, with the election behind, the market should march ahead driven by fundamentals. The budget is likely to be progressive as the coalition partners are too in sync with the economic reforms that the leading party undertakes. We remain positive on the prospects. However the excesses in the railways, certain business groups will be adjusted. Bottomup stock picking will be our strategy, particularly in sectors like infra, Banking, contract manufacturing & IT.

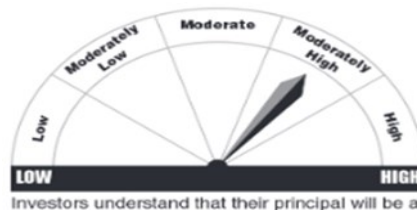
# KSEMA WEALTH PVT LIMITED

## KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES MAY 2024

### THEME

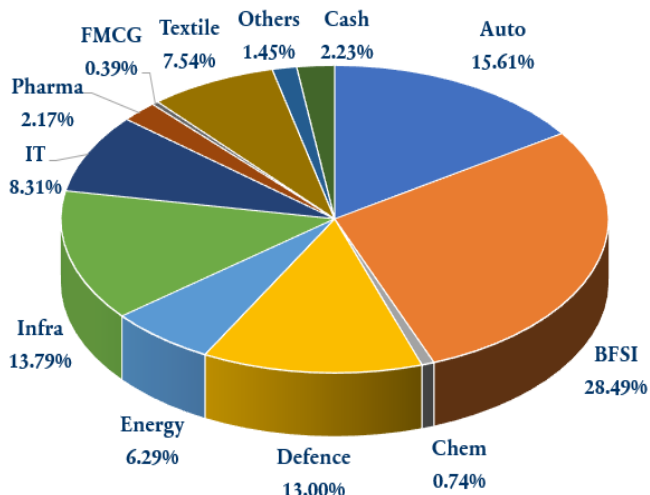
The fund seeks long-term capital appreciation by investing substantially in the equity securities of companies that are leaders in their industries/segment of industries, and which the managers believe are suitable for a buy-and-hold strategy.

### RISKOMETER



Moderately High Risk

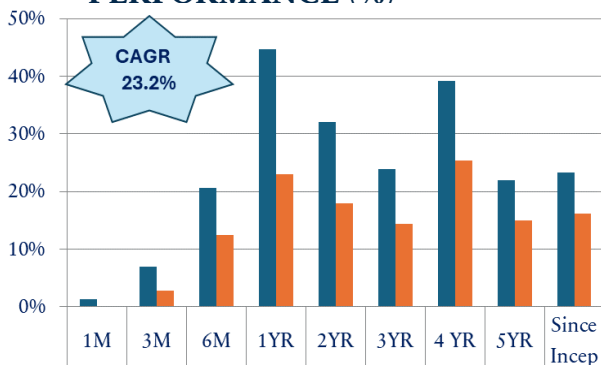
### SECTORAL ALLOCATION



### TOP HOLDINGS

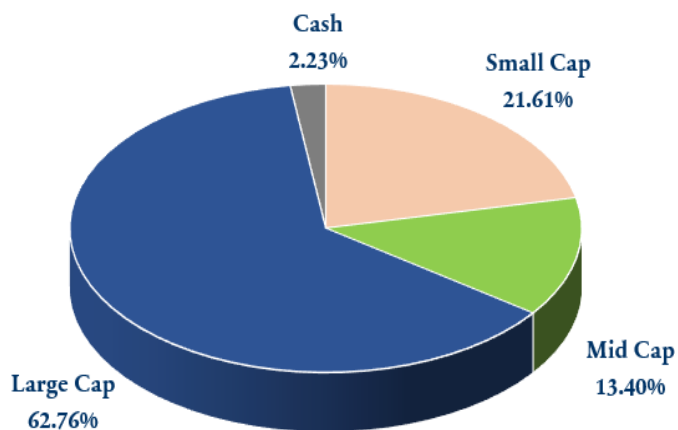
COMPANY	HOLDINGS (%)
ICICI Bank Ltd	6.12%
Hindustan Aeronautics Ltd	5.74%
State Bank Of India	5.28%
Canara Bank	4.76%
Reliance Industries Ltd	4.24%
Larsen & Toubro Ltd	4.13%
Bharat Electronics Ltd	3.83%
Tata Consultancy Services Ltd	3.76%
Axis Bank Ltd	3.66%
Infosys Ltd	3.60%
HDFC Bank Ltd	3.54%
Tata Power Co. Ltd	2.99%
Bharat Forge Ltd	2.90%
Bharat Dynamics Ltd	2.72%
Mahindra & Mahindra Ltd	2.67%
Tata Motors Ltd - DVR	2.55%
NITIN SPINNERS LIMITED	2.29%
Idfc First Bank Ltd	2.25%
PNC Infratech Limited	2.12%
Hero Motocorp Ltd	2.09%

### PERFORMANCE (%)



\*All returns are net of fees and other expenses

### MARKET CAP ALLOCATION (%)



### REVIEW & OUTLOOK

The volatility due to election predictions hit the Indian markets, however our portfolio outperformed owing to exposure to defense companies, select PSU Banking, Energy companies.

Going forward, with the election behind, the market should march ahead driven by fundamentals. The budget is likely to be progressive as the coalition partners are too in sync with the economic reforms that the leading party undertakes. We remain positive on the prospects. Bottomup stock picking will be our strategy, particularly in sectors like Niche Auto Ancillaries catering to EV, infra, Banking, contract manufacturing & IT.

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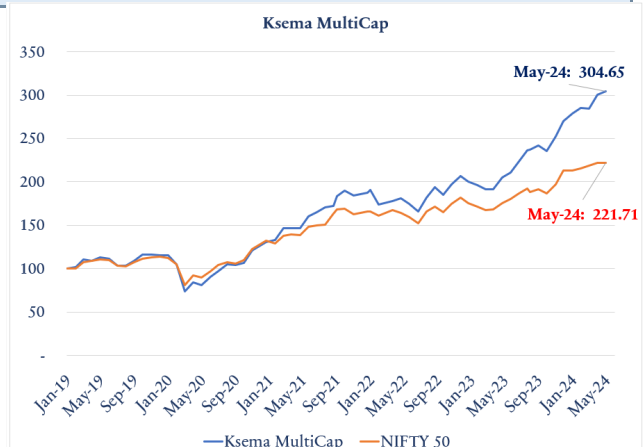
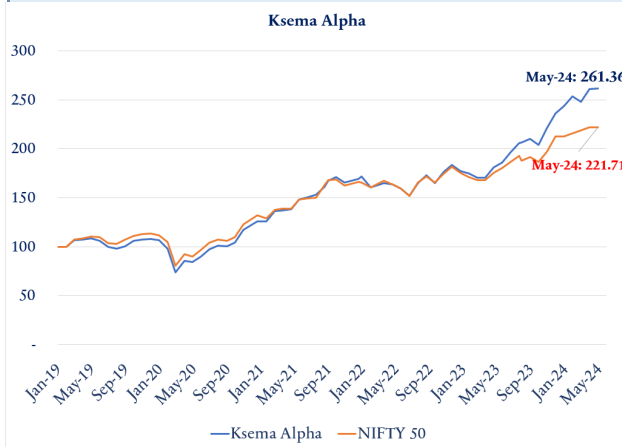
Ksema Wealth—Alpha  
CAGR 20%

Ksema Wealth—Multicap  
CAGR 23.23%

## KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK

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

	ALPHA	MULTICAP	NIFTY50 TRI
Average Monthly Return	1.68%	1.97%	1.39%
Monthly Maximum Loss	-24.7%	-29.9%	-23.0%
Month of Maximum Loss	Mar-20	Mar-20	Mar-20
Annualized return	19.7%	23.2%	16.1%
Annualized Volatility	19.54%	22.2%	18.2%
% of winning months (against bench-	57.81%	60.9%	na
% of gained months	67.19%	68.8%	64.1%
YTD (FY25)	5.28%	7.1%	1.3%
Sharpe (RF 7%)	0.63	0.71	0.47
Alpha	4.69%	9.41%	na



\*All returns are net of fees and other expenses

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