

KSEMA WEALTH PVT LIMITED

MARKET REVIEW & OUTLOOK - AUGUST 2024

India Q1FY25 GDP: India GDP data came in at 6.7% for the quarter with manufacturing and electricity growing by 7% and 10% YoY respectively. Construction (11%), Public administration & defense (10%), Financing & real estate (7%), and Trade, hotels, and transportation (6%). Gross fixed capital formation (GFCF) growth came in at 7% while Private final consumption expenditure (PFCE) growth improved to 7%. Nominal growth was at 10% compared to 8% a year ago.

GVA came in at 6.8% led by strong performance in the manufacturing and construction sectors despite a high base in the previous year and election period

India Manufacturing PMI: India's manufacturing sector continued to expand strongly in August, though the pace of growth eased somewhat amid softer rises in new orders and output. Purchasing Managers' Index dropped to 57.5 in August from 58.1 in July. Nonetheless, a score above 50.0 indicates expansion.

GST Collections: Goods and Services Tax (GST) collections in August went up by 10 % from the same period last year to Rs 1,74,962 crore. In August 2024, domestic revenue grew 9.2 % to about Rs 1.25 lakh crore. Gross GST revenues from import of goods were up 12.1 % to Rs 49,976 crore.

Fund Flows: In August, FIIs exited the Indian market with outflows amounting to \$ 2.4 Bn as the Japanese carry yen trade triggered a sell-off across world markets. On the other hand, DII invested close to \$ 6 Bn.

Outlook: With the Q1FY25 earnings season behind, NIFTY EPS saw 7% growth YoY; Analysts did more downgrades than earnings upgrades. We are witnessing sector rotation with Sectors such as Industrials, Defence, PSU's underperforming compared to sectors such as IT, Pharma, FMCG which are defensive in nature and low beta. With Global economic data showing signs of weakening, especially from US and China, we can expect sector rotations in the market with a preference towards domestic-facing and rural-based sectors.

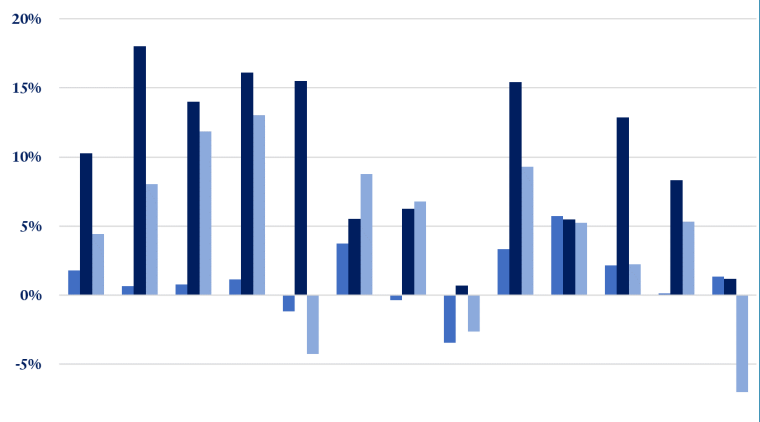
International Markets

United States manufacturing sector continued to contract in August, though at a slightly slower pace than in July. While employment showed some improvement, new orders declined further and inventories rose, suggesting that factory activity may remain weak for some time.

The ISM Manufacturing PMI rose to 47.2 in August from 46.8 in July. A reading below 50 indicates contraction in the sector. Five industries reported growth, including primary metals, furniture, and computer and electronic products. However, 12 industries reported contraction, including machinery, textile mills, transportation equipment, and electrical equipment.

China manufacturing contracted for a fourth consecutive month - last month, official data showed on Saturday, a worse-than-expected result. PMI stood at 49.1 points last month. This represents a stronger contraction than in July 49.4 points for the index. The non-manufacturing PMI, which includes services, was in positive territory in August at 50.3 points compared with 50.2 a month earlier.

INTERNATIONAL EQUITY MARKETS - AUGUST 2024



KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK (For the period: Jan-2019 to August-2024—Post exp)			
	ALPHA	MULTI CAP	NIFTY 50TRI
Average Monthly Return	1.76%	2.02%	1.51%
Monthly Maximum Loss	-24.7%	-29.9%	-23.0%
Month of Maximum Loss	Mar-20	Mar-20	Mar-20
Annualized return	20.9%	24.0%	17.8%
Annualized Volatility	19.25%	21.8%	17.9%
% of winning months (against benchmark)	56.72%	58.2%	NA
% of gained months	67.16%	68.7%	65.7%
YTD (FY25)	16.40%	17.0%	14.0%
Sharpe (RF 7%)	0.72	0.78	0.60
Alpha	4.36%	8.90%	NA

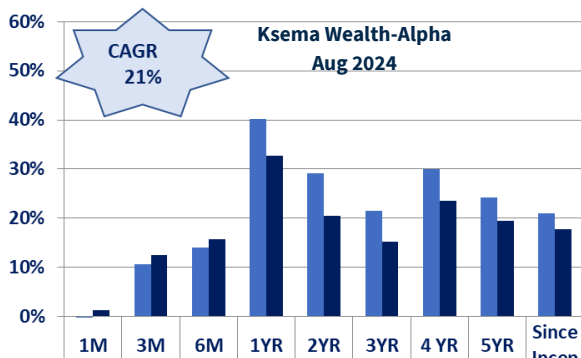
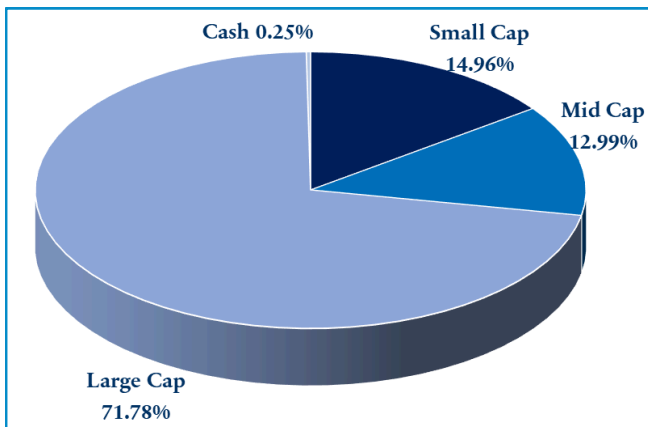
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KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES AUGUST 2024

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.

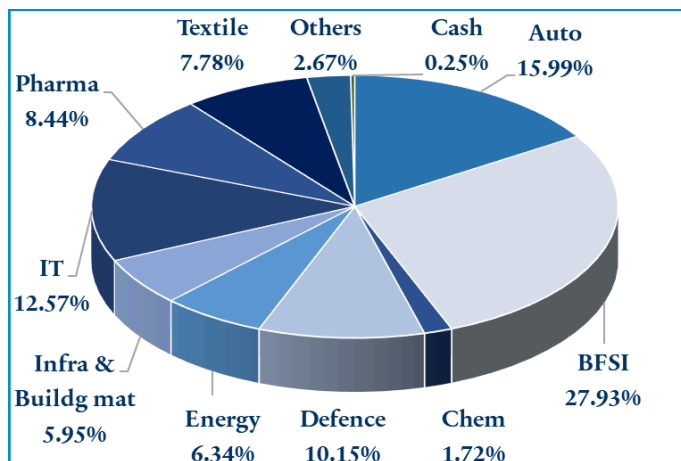
MARKET CAP ALLOCATION (%)



■ Alpha	-0.5%	10.6%	14.1%	40.1%	29.2%	21.4%	30.0%	24.1%	20.9%
■ Nifty 50 TRI	1.4%	12.6%	15.8%	32.7%	20.5%	15.2%	23.5%	19.4%	17.8%

*Returns are annualized beyond 1 yr ; Post expenses

SECTORAL ALLOCATION

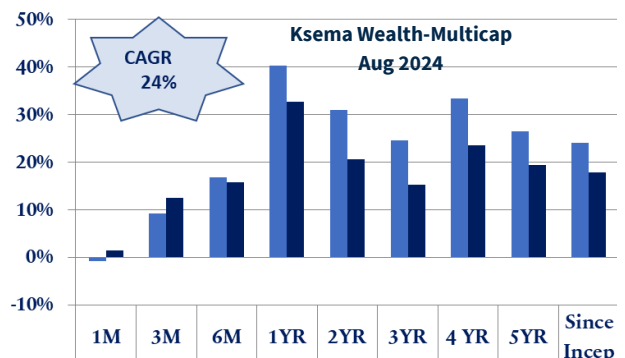
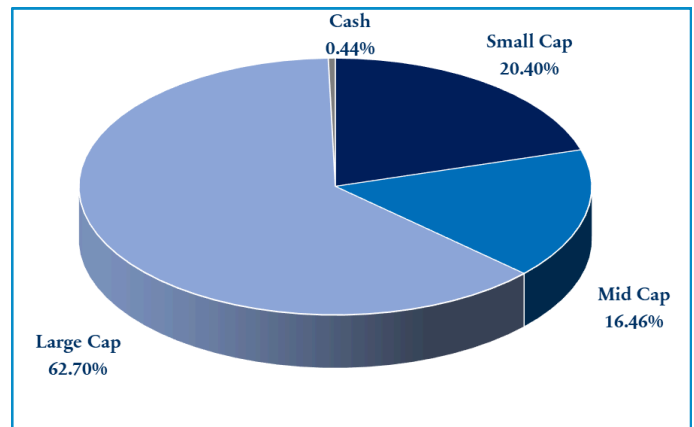


KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES AUGUST 2024

THEME

The fund seeks the superior returns over Long- term by investing in High Growth oriented stocks that are Sector agnostic

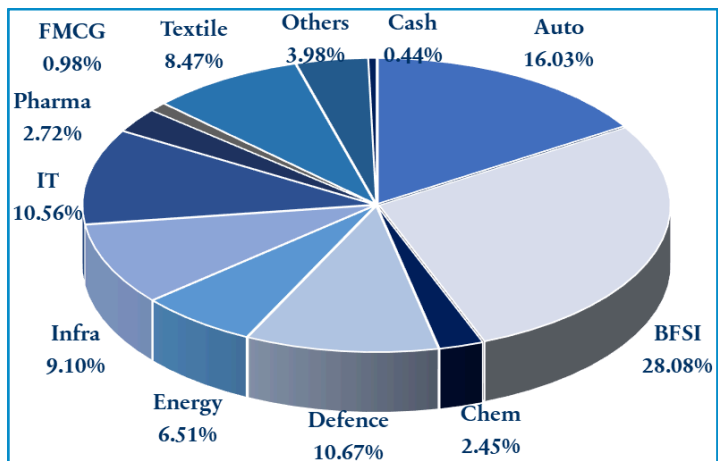
MARKET CAP ALLOCATION (%)



■ MultiCap	-0.9%	9.2%	16.8%	40.2%	31.0%	24.5%	33.4%	26.4%	24.0%
■ NIFTY50 TRI	1.4%	12.6%	15.8%	32.7%	20.5%	15.2%	23.5%	19.4%	17.8%

*Returns are annualized beyond 1 yr ; Post expenses

SECTORAL ALLOCATION



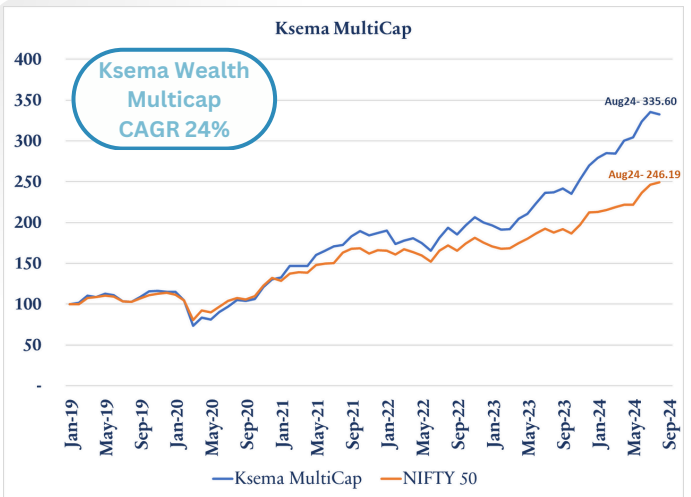
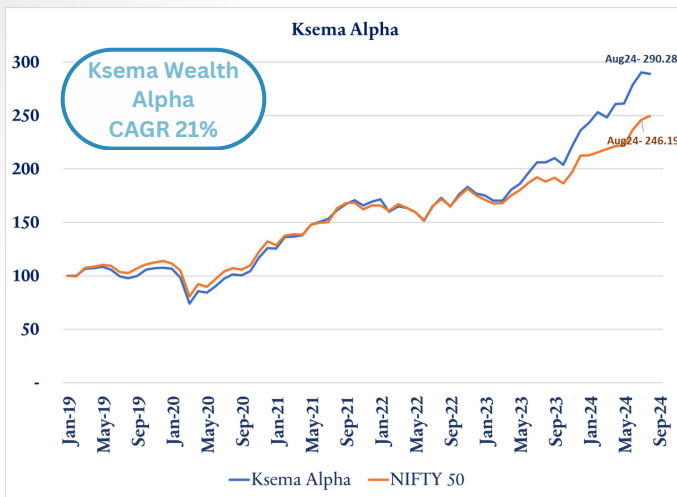
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ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	6.53%
Hindustan Aeronautics Ltd	6.40%
State Bank Of India	5.82%
Mahindra & Mahindra Ltd	5.18%
Larsen & Toubro Ltd	5.02%
Infosys Ltd	4.78%
Reliance Industries Ltd	4.70%
Canara Bank	4.48%
Tata Consultancy Services Ltd	4.31%
Axis Bank Ltd	3.98%

MULTICAP TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	6.64%
Infosys Ltd	4.96%
Hindustan Aeronautics Ltd	4.94%
State Bank Of India	4.82%
Tata Consultancy Services Ltd	4.79%
Reliance Industries Ltd	4.46%
Canara Bank	4.27%
Larsen & Toubro Ltd	4.14%
HDFC Bank Ltd	3.66%
Bharat Electronics Ltd	3.56%



REVIEW & OUTLOOK

August continued to see high volatility owing to carry trade issue. During the month while the large cap of the portfolio did well the mid/small cap stocks drifted the portfolio resulting in underperformance. We are rebalancing the portfolio to position for private capex and consumption play as we head to the festive season. Going forward, the following two quarters will see better corporate performance both sequentially and on an annual basis as the Rural segment has started catching up the growth trajectory.

REVIEW & OUTLOOK

The persistent volatility in the month of September owing to global factors like Interest rate decline and potential US recession dragged the sentiment. Indian market too was impacted. Though the headline index reported profits the sectoral and multicap indices fell for the month. Our portfolio too declined for the month resulting in underperformance. Going forward the second quarter has started witnessing huge tender awards in all segments. With the inflation being low and commodity prices correcting significantly, the private capex play will have multiplier benefit. We remain positive on the rural theme including FMCGs, infra, Banking & Auto ancillaries.

KSEMA WEALTH PVT LIMITED

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