

KSEMA WEALTH PVT LIMITED

CELEBRATING 6TH ANNIVERSARY

MARKET REVIEW & OUTLOOK - JANUARY 2025

Global Economy

The Year 2025 started on a positive note for the global markets, particularly the European and US markets. The progress on the Middle East issue and potential Ukraine peace deal is driving the positive momentum. ECB too started the rate cut cycle and it has opened up the potential for many more cuts in the future. All the markets in the European region posted a sharp jump for the month.

The US witnessed the new regime taking charge and a series of announcements post the changeover left various nations including China, Canada, and Mexico puzzled by the implications. US the largest economy venturing into a tariff war has created chaos in the trade and its impact is likely to be felt in the months to come. More protectionist actions are going to bring about uncertainty and confusion.

Meanwhile, **China** retaliated with tariffs on US goods including a 15% border tax on imports of US coal and liquefied natural gas products. There is also a 10% tariff on American crude oil, agricultural machinery, and large-engine cars. China has also imposed export controls on 25 rare metals, some of which are key components for many electrical products and military equipment.

China's manufacturing sector expanded slightly as the year began in 2025 to 50.1. The rise in new orders stemmed mainly from improvements in domestic demand, however, export orders fell fractionally in January.

India

The economy is expected to grow by 6.4% in real terms and 10.1% in nominal terms for the FY 2025. The Budget for FY26 has been largely positive with more money being left in the hands of middle-income group through tax cuts.

India Manufacturing PMI: India's final manufacturing PMI reached a six-month high in January to 57.7 from 56.4 in December. The manufacturing sector witnessed a strong start to 2025, rebounding from a period of moderated growth in December. New orders rose at a fast pace driven by an increase in exports. Cost pressures eased to their lowest level in 11 months, yet selling prices continued to rise due to demand and strengthened business confidence.

GST Collections: India's Goods and Services Tax (GST) collection grew 12.3% year-on-year (YoY) to Rs 1.95 lakh crore in January 2025. The numbers indicate a steady growth in GST revenues but reflect a slowdown in consumption and a rise in refunds issued during the month. January's uptick in receipts lifted the overall growth in net GST revenues in 2024-25 to 8.7% from 8.6% as of December, with collections of almost Rs.16.17 lakh crore. The government had penned in a growth of 11% in its Budget estimates for 2024-25.

Fund Flows: FII sold ~Rs.87,375 Cr worth of Indian stocks in January, continuing the selloff in December month, driven by concerns of US Tariffs, slowing earnings growth. On the other hand, DIIs purchased close to ~Rs. 86,591 Cr of Indian stocks which mitigated the outflow from FII. However, this would provide us the opportunity to pick good quality stocks. Earnings seasons continued to be mixed with most of the companies reporting line or below estimates with commentary being that Q4 to be a strong quarter.

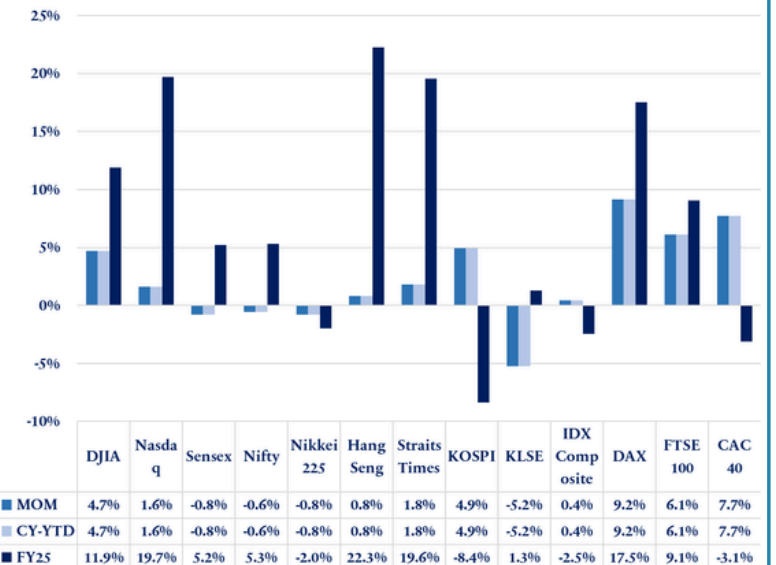
Outlook: Q3FY25 earnings will be in focus as most of the companies expect the growth to be better in Q4FY25 vs Q3FY25. We are entering into a high growth phase as recent tenders will see ground and lift private consumption. The rural economy is showing signs of recovery, which is positive, and good monsoons followed by Rabi output should aid the recovery.

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK

(For the period: Jan-2019 to Jan-2025—Post exp)

Since Jan 2019	ALPHA	MULTICAP	NIFTY50TRI
Average Monthly return	1.5%	1.7%	1.3%
Monthly maximum loss	-24.7%	-29.9%	-23.0%
Month of Maximum loss	Mar-20	Mar-20	Mar-20
Annualized Return	17.5%	20.1%	15.1%
Annualized Volatility	18.9%	21.4%	17.7%
% of winning months (against benchmark)	56.9%	58.3%	na
% of gained months	63.9%	65.3%	62.5%
YTD	6.2%	5.5%	6.5%
Sharpe (RF 6.8%)	0.57	0.62	0.47
Alpha	3.4%	7.0%	na

INTERNATIONAL EQUITY MARKETS - JANUARY 2025



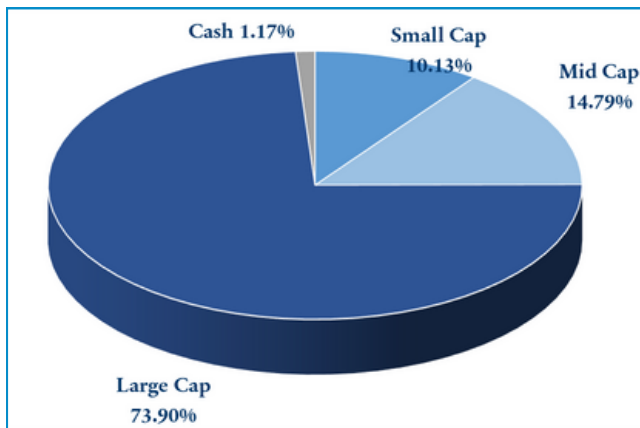
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KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES JANUARY 2025

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 (%)

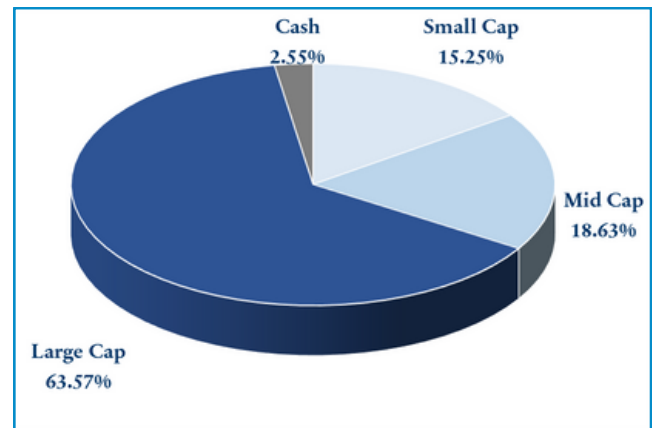


KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES JANUARY 2025

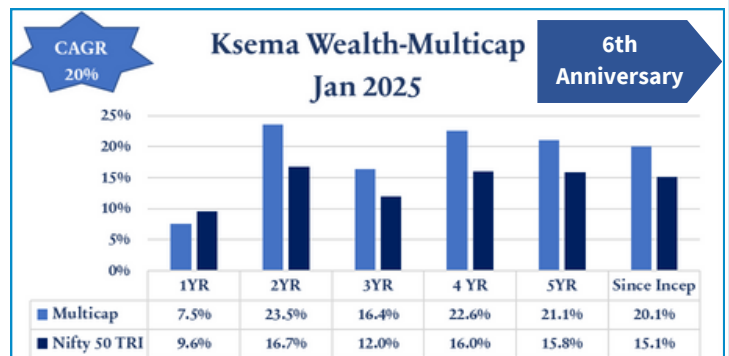
THEME

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

MARKET CAP ALLOCATION (%)

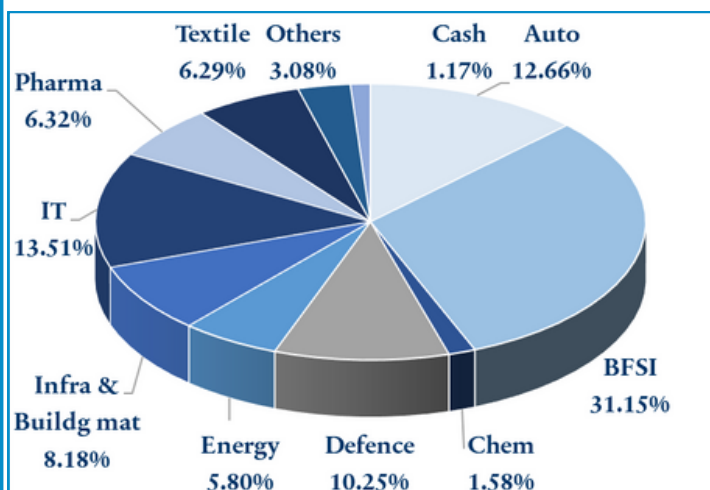


* Post expenses

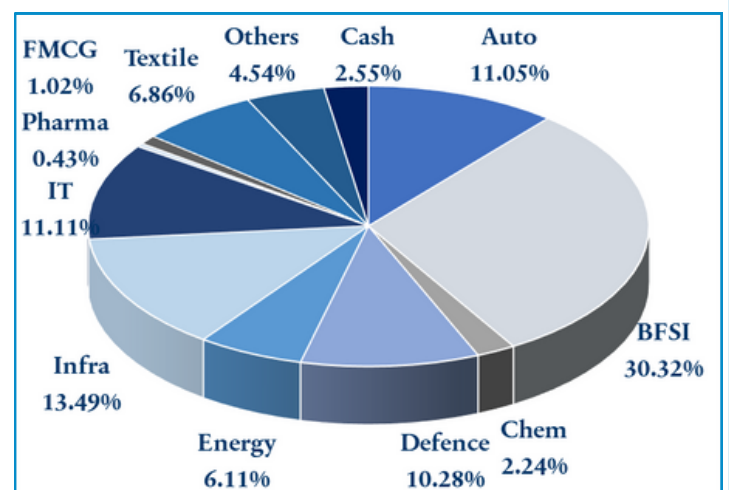


* Post expenses

SECTORAL ALLOCATION



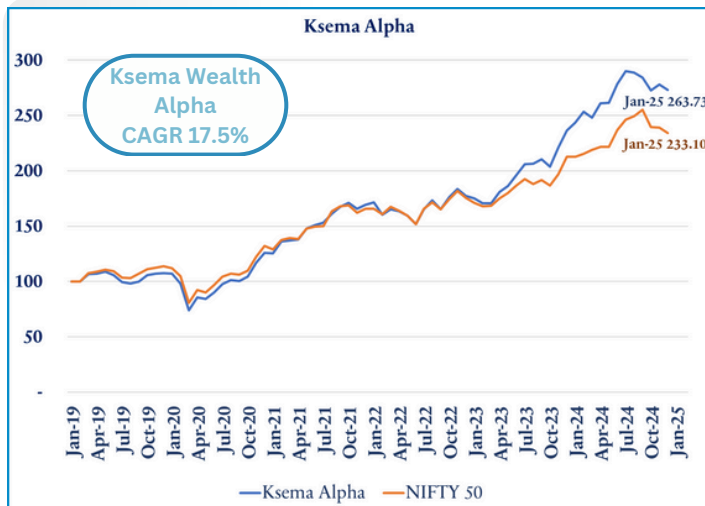
SECTORAL ALLOCATION



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ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.35%
Mahindra & Mahindra Ltd	6.17%
State Bank Of India	6.05%
Hindustan Aeronautics Ltd	5.73%
Larsen & Toubro Ltd	5.17%
Infosys Ltd	5.17%
Reliance Industries Ltd	5.16%
HDFC Bank Ltd	5.09%
Tata Consultancy Services Ltd	4.49%
Canara Bank	4.05%

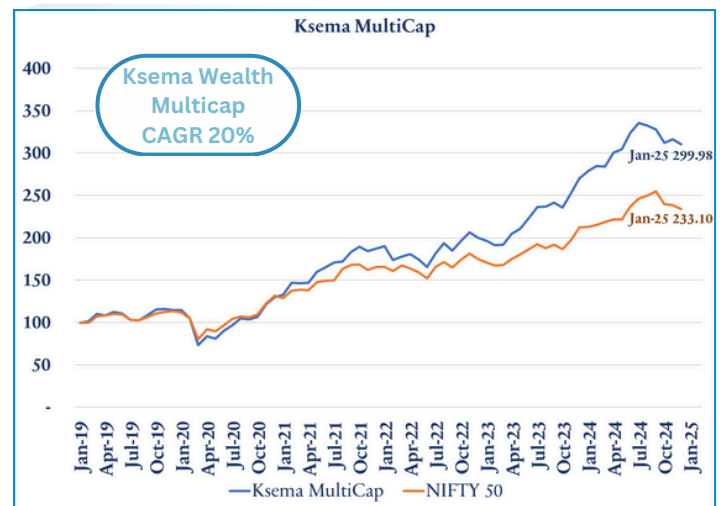


REVIEW & OUTLOOK

KSEMA-ALPHA India Opportunities completed six years by the end of January 2025. The theme has generated 17.5% CAGR despite witnessing Covid and the recent volatility. The bottom-up stock picking has been the mantra for the theme, which has augured well. Companies from varied sectors contributed to the positive alpha of 3.4%. The Auto ancillaries, textile, banks, specialty Chemicals and infra companies were the major contributors for the out performance. Going forward the budgetary impact and resurgence of Govt capex will drive the growth engine which was temporarily was on hold.

MULTICAP TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.23%
HDFC Bank Ltd	5.18%
Infosys Ltd	5.11%
State Bank Of India	5.08%
Reliance Industries Ltd	5.01%
Tata Consultancy Services Ltd	5.01%
Larsen & Toubro Ltd	4.61%
Hindustan Aeronautics Ltd	4.09%
Canara Bank	3.88%
Bharat Electronics Ltd	3.63%



REVIEW & OUTLOOK

KSEMA-Multicap India Opportunities completed six years by the end of January 2025. The theme has generated 20% CAGR despite witnessing Covid and the recent volatility. The core strength of Ksema has been bottom-up stock picking. Companies from varied sectors contributed to the positive alpha of 7%. The Auto ancillaries, textiles, defense and specialty Chemicals were the major contributors for the out performance. Going forward the lower interest rate and Government execution capabilities will woo private capex that will put the growth into its inherent trajectory.

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