

KSEMA WEALTH PVT LIMITED

MORE THAN 6 YEARS PARTNERING IN WEALTH MANAGEMENT

MARKET REVIEW & OUTLOOK - May 2025

Global

After the 10% baseline tariffs came into effect in April, May brought some encouraging signs on the trade front. The U.S. and China got back to the negotiating table for high-level talks, which eased a lot of the tension that had been building up. Plus, the U.S. managed to strike a solid trade deal with the UK, which helped calm the nerves in equity markets. This gave investors hope that similar agreements might soon happen with other big economies, making the outlook a bit brighter.

U.S. companies reported strong earnings for the first quarter of 2025, with profits up 13% compared to last year. That was a positive surprise for many. However, despite this good news, many businesses were still cautious when talking about the rest of the year.

Looking closer at the numbers in May, some warning signs appeared that the U.S. economy might be slowing down. All these factors suggested that things could get a bit tougher in the months ahead.

Meanwhile, the Chinese markets stayed fairly steady. They were supported by ongoing trade talks with the U.S. and some government stimulus efforts, like cutting interest rates, which helped keep growth on track.

All in all, global markets felt a bit more upbeat in May. President Trump took a softer tone on tariffs, hinting at the possibility of trade agreements with countries like Japan and India. That helped calm fears and boosted hopes that trade conflicts might ease, which was a big relief for markets worldwide.

India

The country witnessed strong Q4 GDP growth of 7.4%, driven by the construction and manufacturing sectors. Retail inflation came in at 3.16%, which is a six-year low, primarily driven by a decline in food prices, and provides room for further easing by the RBI. India's GST collection grew by 16% to about Rs. 2.01 lakh crore in May, driven by robust consumer demand and increased business activities. Overall, India's economic indicators represented strong growth, a pickup in consumer activity. RBI rate cuts, good monsoon, and income tax relief should support the economy going forward.

FII continued to be net buyers in the month of May and bought ~Rs.19,860 Cr worth of Indian stocks after huge selling in the first two months of the calendar year. On the other hand, DIIs continued to pump in close to ~Rs. 67,642 Cr compared to Rs.28,228 in April. Strong flows were influenced by easing global trade tensions and strong Q4 corporate earnings.

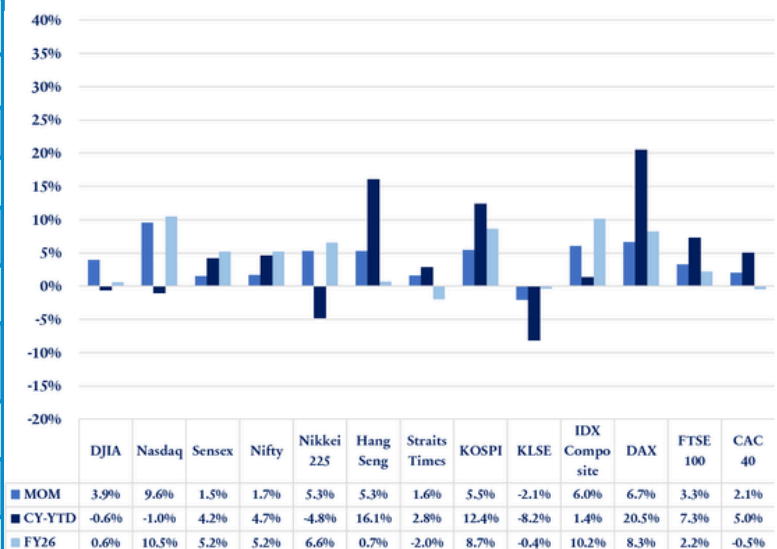
Outlook: Q4 FY25 earnings has been better than estimates and in BFSI most companies have performed better than Q3 FY25. The current situation in export markets, especially in the US, will be key to watch out for in the management commentary. We are entering into a high-growth phase for domestic-focused sectors, driven by recent tenders that will see ground and lift private consumption. The RBI's interest rate cut, and income tax exemptions are expected to revive consumption demand. 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 May-2025—Post exp)

Since Jan 2019	ALPHA	MULTICAP	NIFTY50TRI
Average Monthly return	1.5%	1.8%	1.3%
Monthly maximum loss	-24.7%	-29.9%	-23.0%
Month of Maximum loss	Mar-20	Mar-20	Mar-20
Annualized Return	17.9%	20.4%	15.3%
Annualized Volatility	19.5%	21.8%	17.6%
% of winning months (against benchmark)	57.9%	59.2%	na
% of gained months	64.5%	65.8%	63.2%
YTD	11.6%	11.9%	5.5%
Sharpe (RF 6.5%)	0.58	0.64	0.50
Alpha	3.9%	7.5%	na

INTERNATIONAL EQUITY MARKETS - May 2025



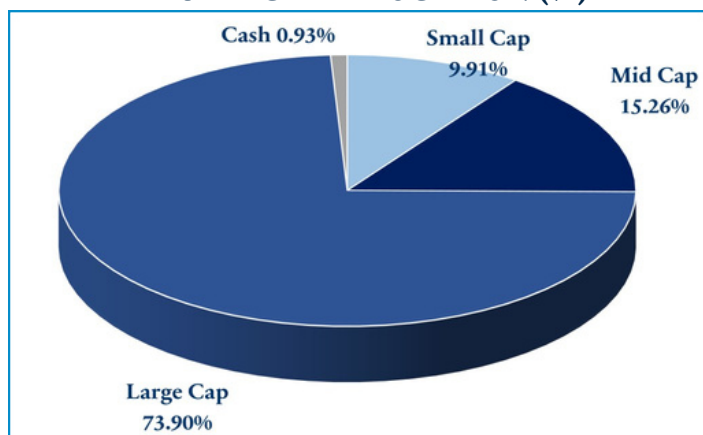
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KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES MAY 2025

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 (%)

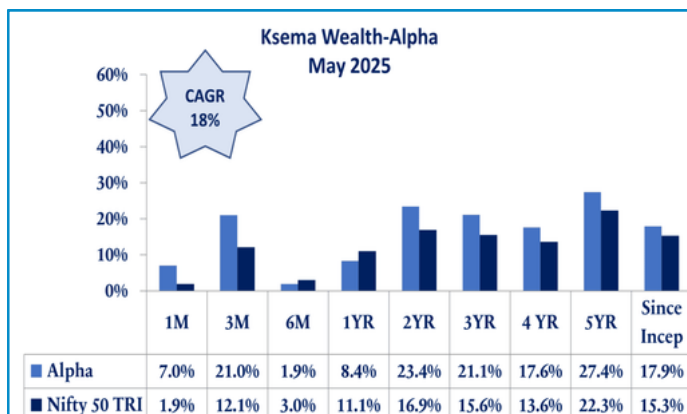
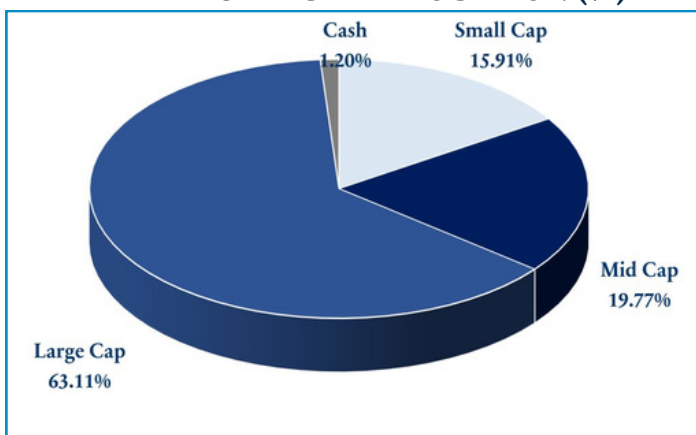


KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES MAY 2025

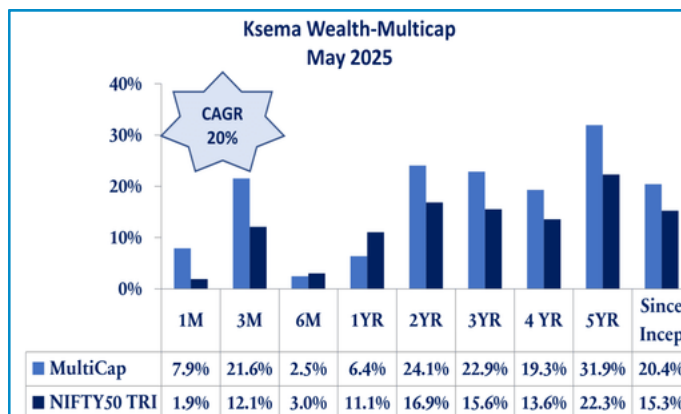
THEME

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

MARKET CAP ALLOCATION (%)

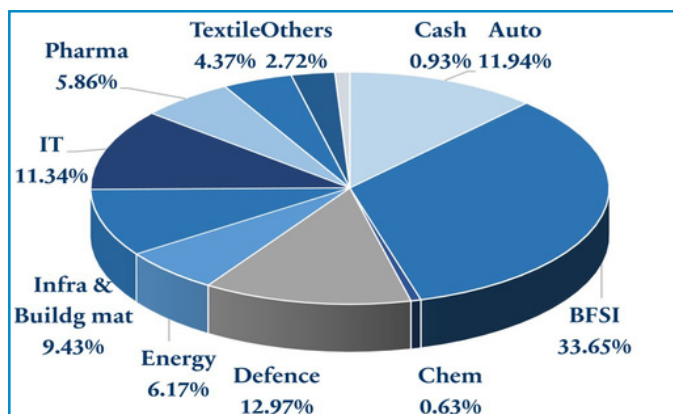


* Post expenses

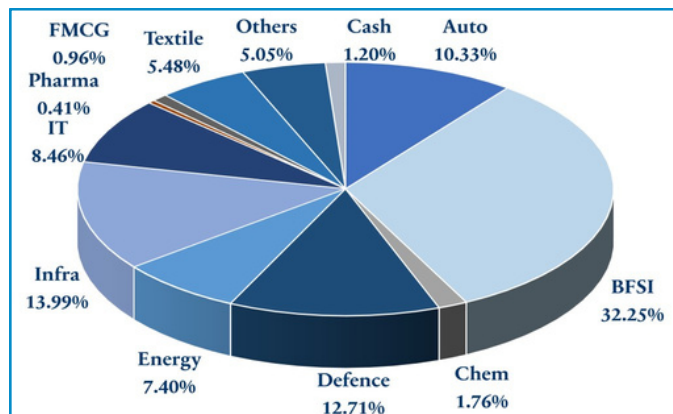


* Post expenses

SECTORAL ALLOCATION



SECTORAL ALLOCATION



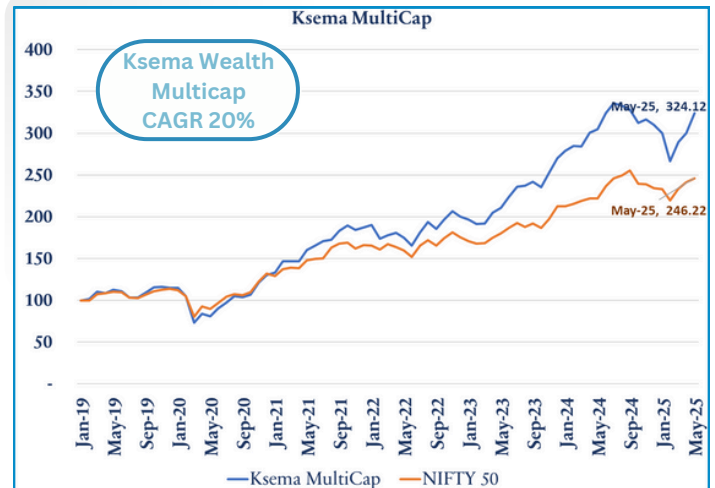
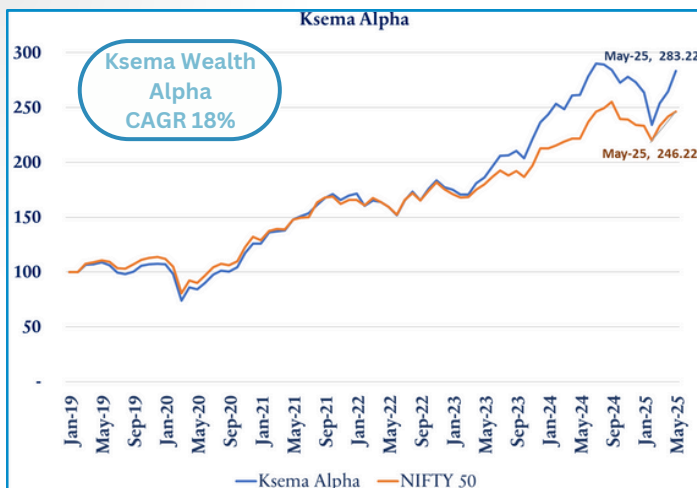
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ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.73%
Hindustan Aeronautics Ltd	6.87%
State Bank Of India	5.82%
Mahindra & Mahindra Ltd	5.55%
HDFC Bank Ltd	5.51%
Reliance Industries Ltd	5.41%
Larsen & Toubro Ltd	5.07%
Canara Bank	4.69%
Infosys Ltd	4.20%
Axis Bank Ltd	4.02%

MULTICAP TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.58%
HDFC Bank Ltd	5.53%
Reliance Industries Ltd	5.38%
State Bank Of India	4.99%
Hindustan Aeronautics Ltd	4.89%
Larsen & Toubro Ltd	4.28%
Canara Bank	4.26%
Bharat Electronics Ltd	4.22%
Infosys Ltd	3.87%
Tata Consultancy Services Ltd	3.73%



REVIEW & OUTLOOK

KSEMA-ALPHA India Opportunities continued widen its outperformance relative to the benchmark, led by strong contributions from Defence, BFSI, Auto, and Textiles. Defence stocks gained on heightened geopolitical tensions, while the UK-India FTA boosted textile sector sentiment. BFSI delivered better-than-expected Q4 results, supporting a positive FY26 outlook. Large-cap banks and defence names saw strong traction, while robust order flows in auto ancillaries and defence lifted mid- and small-cap segments. With Q4 earnings showing better than estimates, domestically focused companies are expected to outperform in the near term. We remain selective and will actively rebalance the portfolio in response to evolving market and geopolitical conditions.

REVIEW & OUTLOOK

KSEMA-Multicap India Opportunities continued its outperformance during the month filling the gap that opened up last year. Though the large caps contributed to the outperformance, select companies in the textile and auto ancillaries too performed well. We expect starting this quarter the corporate performance will be on a uptrend as the revenue growth is catching up backed by macro and soft commodity trends indicated margin expansion. The rural consumption is outdoing the urban so far and with the economy catching up we opine the urban also to follow suit. We will adopt bottom up in the coming period as the geopolitical situation is likely to disturb the cyclical in the near future.

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