

KSEMA WEALTH PVT LIMITED

MORE THAN 6 YEARS PARTNERING IN WEALTH MANAGEMENT

MARKET REVIEW & OUTLOOK - JULY 2025

Global

July was marked by active trade diplomacy, with President Trump securing agreements with key partners, including the EU, Vietnam, and Korea. While India and Brazil faced steep 50% tariffs, investor sentiment remained resilient, as the measures proved less severe than initially feared. Affected economies are now evaluating the potential drag on growth and formulating mitigation strategies. The **US Federal Reserve** kept rates unchanged with a cautiously dovish tone, signaling patience and leaving a Q4 cut possible if growth slows and inflation eases. US macro prints showed early fatigue —manufacturing PMI fell below 50, signaling contraction as new orders and exports softened. Job growth slowed to the weakest in over a year, with narrower hiring breadth and lower work hours—signs of easing labour resilience. Corporate earnings broadly beat subdued Q2 expectations, led by tech, AI, and financials, though tariff, inflation, and demand risks persist.

China maintained targeted policy support, funneling capital into advanced manufacturing, green tech, and strategic sectors, plus ¥300 bn in consumer subsidies. Weak loan demand dragged credit growth, partly offset by higher government and corporate bond issuance. The approach prioritizes structural upgrades with measured demand boosts, implying gradual easing in H2 2025. Heading into August, markets will weigh growth resilience against unresolved tariff talks and geopolitical risks. While the bias remains constructive, any breakdown in trade negotiations could quickly revive volatility and temper risk appetite.

India

The US raised tariffs on select Indian exports from 25% to 50%, citing Russian oil imports, marking a sharper trade

stance. While initial market reaction to the 25% levy was muted, the escalation triggered sector-specific weakness in textiles, gems & jewellery, shrimp, auto components, and chemicals. RBI kept the repo rate unchanged at **5.50%** with a neutral stance, citing cooling headline inflation (~2.1% in June) but steady core price pressures. Growth forecast for FY26 stays at **6.5%**. Liquidity is being actively managed, including a ₹1 trillion 7-day reverse repo auction in July.

Analysts see limited scope for near-term rate cuts, with policy focus now on stability amid tariff and global trade risks. The macro mix is supportive — robust PMI readings, buoyant GST flows, and easing inflation make for a sweet spot. The softer IIP and moderating employment growth keep expectations grounded, but the momentum in tax revenues and manufacturing points to sustained earnings tailwinds in consumption-linked and capex-driven sectors.

Outlook: Q1 FY26 earnings were mixed, with sectors such as power and consumer durables under pressure from an unusually short summer. Market expectations have now pivoted to **H2 FY26**, where the festive season will be the key driver for domestic-oriented names.

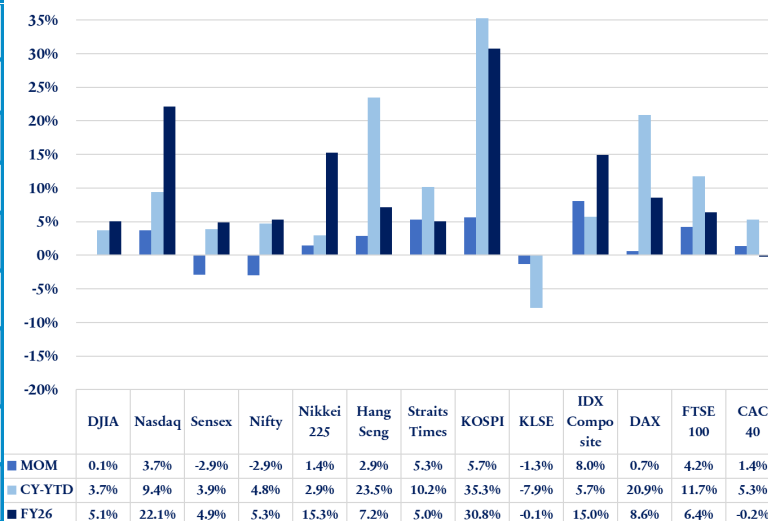
Export-focused companies adopted a cautious tone given escalating US tariff, though many are actively implementing measures to soften the impact. On the domestic side, we are entering a **high-growth phase**, supported by recent government tenders and an infrastructure push that should filter down to private consumption. The **RBI's rate cut**, and **income-tax reliefs** are set to bolster consumer sentiment, while the rural economy shows encouraging signs of recovery. A normal monsoon and healthy Rabi output should further strengthen rural demand, reinforcing the case for a consumption rebound into the latter half of the year.

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK

(For the period: Jan-2019 to Jul-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	16.9%	19.4%	15.0%
Annualized Volatility	19.4%	21.6%	17.4%
% of winning months (against benchmark)	56.4%	57.7%	na
% of gained months	64.1%	65.4%	62.8%
YTD	8.6%	9.5%	6.0%
Sharpe (RF 6.5%)	0.54	0.60	0.49
Alpha	3.3%	6.7%	na

INTERNATIONAL EQUITY MARKETS - Jul 2025



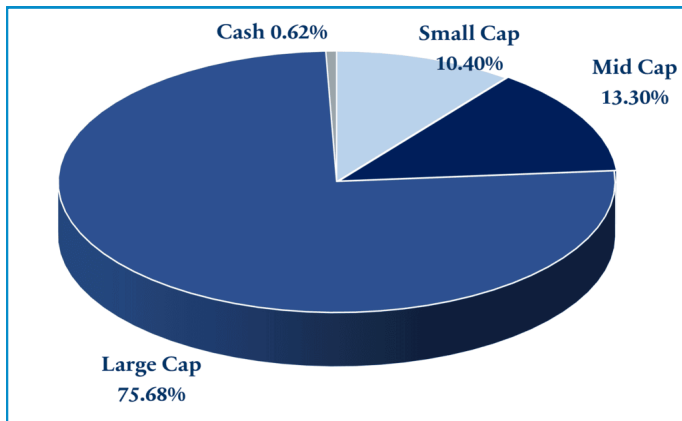
KSEMA WEALTH PVT LIMITED

KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES JULY 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 (%)

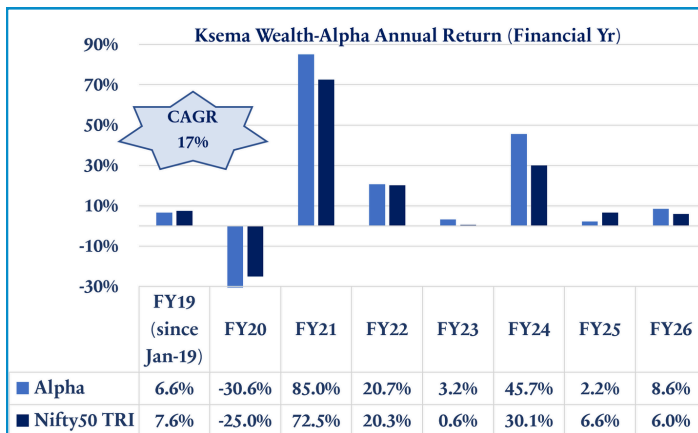
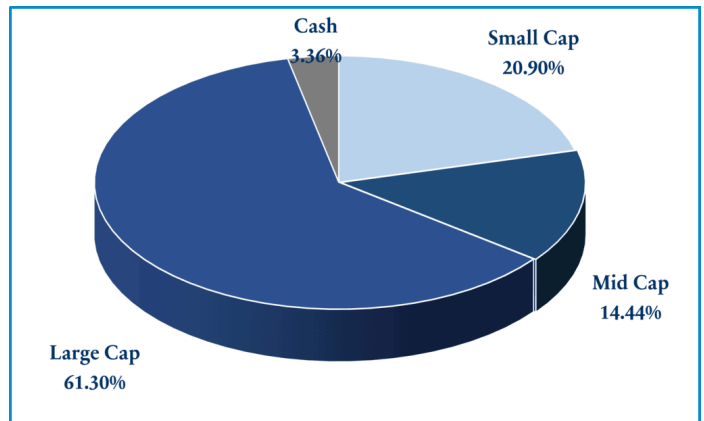


KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES JULY 2025

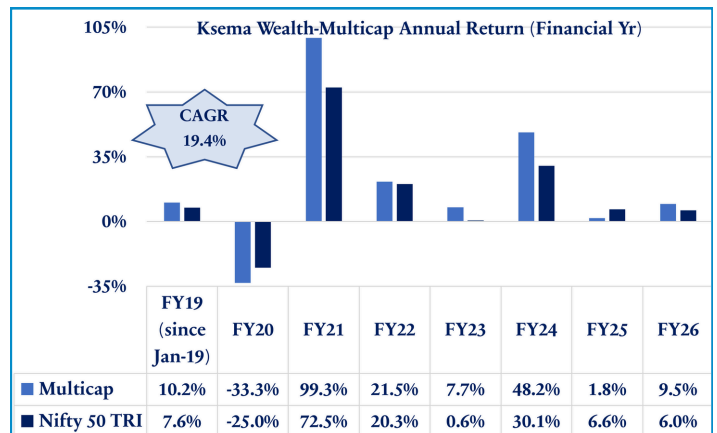
THEME

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

MARKET CAP ALLOCATION (%)

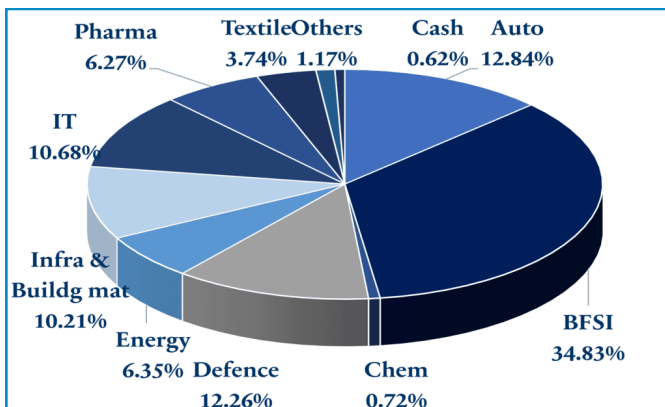


* Post expenses

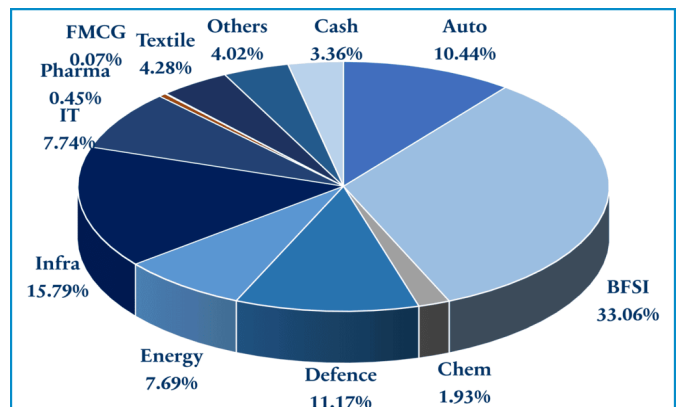


* Post expenses

SECTORAL ALLOCATION



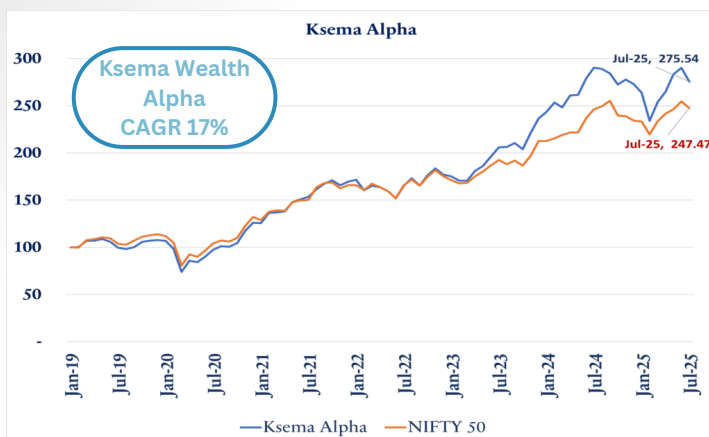
SECTORAL ALLOCATION



KSEMA WEALTH PVT LIMITED

ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	8.16%
Hindustan Aeronautics Ltd	6.45%
Mahindra AND Mahindra Ltd	6.20%
HDFC Bank Ltd	5.97%
State Bank Of India	5.88%
Reliance Industries Ltd	5.46%
Larsen and Toubro Ltd	5.17%
Canara Bank	4.52%
Infosys Ltd	4.12%
Bharat Electronics Ltd	3.95%

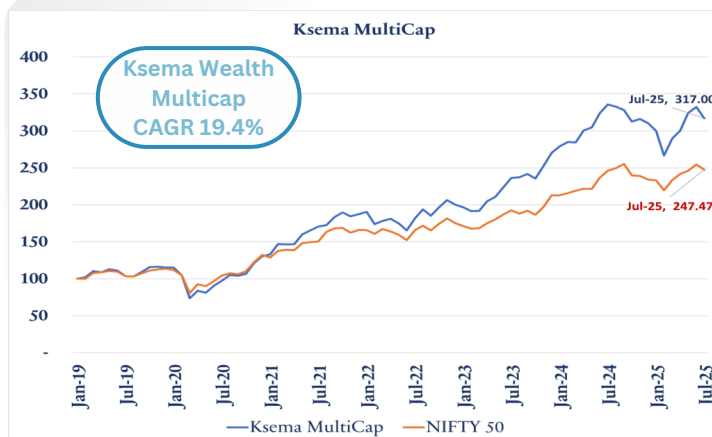


REVIEW & OUTLOOK

KSEMA-ALPHA India Opportunities The fund posted a relatively muted performance in July, driven by profit-taking in defence and financial services, where we had tactically pared exposure following robust gains. This was partly offset by positive alpha from our underweight stance in FMCG and an overweight allocation to healthcare. The imposition of 50% U.S. tariffs on India remains a key macro-overhang, with sector-specific impacts warranting close attention. Within banking, we see improving earnings visibility in well-capitalised, high-ROE franchises, supported by constructive management guidance. Looking ahead, we expect H2 to benefit from cyclical recovery, underpinned by company outlook commentary. We remain disciplined and selective, actively rebalancing to navigate global uncertainties while positioning to capture emerging opportunities.

MULTICAP TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.73%
HDFC Bank Ltd	5.84%
Reliance Industries Ltd	5.23%
State Bank Of India	4.86%
Hindustan Aeronautics Ltd	4.26%
Bharat Electronics Ltd	4.23%
Larsen and Toubro Ltd	4.08%
Canara Bank	3.86%
Infosys Ltd	3.67%
Tata Consultancy Services Ltd	3.30%



REVIEW & OUTLOOK

KSEMA-Multicap India Opportunities Fund performance in the month was driven by strong alpha generation in FMCG, complemented by gains in healthcare, though majorly offset by profit-taking in defence and financial services. With revenue growth showing early signs of acceleration and supportive macro conditions, we see scope for margin expansion ahead. The RBI's 50 bps rate cut should further bolster rural demand—already visible in Q1 corporate updates—and provide a tailwind for consumption-oriented sectors. We expect corporate earnings momentum to strengthen from this quarter onwards and maintain a disciplined, bottom-up stock selection strategy, while remaining alert to potential cyclical headwinds from evolving global geopolitical risks.

KSEMA WEALTH PVT LIMITED

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

Phone: +91 -95007 04686 | 95000 69609 | 95000 40401

pavithra@ksemawealth.com | www.ksemawealth.com

Disclaimer: This presentation is for information purposes only and is not an offer to sell or a solicitation to buy any Securities. Past performance of the portfolio manager does not indicate the future performance for any of the strategies. The recipient of this material should rely on their investigations and take their own professional advice. The views expressed herein are based on the basis of internal data, publicly available information & other sources believed to be reliable. Any calculations made are approximations meant as guidelines only, which need to be confirmed before relying on them. These views alone are not sufficient and should not be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. All opinions and estimates included here constitute our view as of this date and are subject to change without notice. Neither Ksema Wealth Private Limited nor any person connected with it accepts any liability arising from the use of this information. The recipients of this material should rely on their investigations and take their own professional advice.