

# KSEMA WEALTH PVT LIMITED

## MORE THAN 6 YEARS PARTNERING IN WEALTH MANAGEMENT

### MARKET REVIEW & OUTLOOK - AUGUST 2025

#### Global

The month of August 2025 was marred with rising geopolitical tensions, economic deceleration, and a shift toward regionalism. Emerging economies like India, China, and Russia are deepening strategic partnerships, reducing reliance on the West, while the U.S. combines protectionist measures with monetary easing to manage internal economic challenges.

In **China**, the government's "involution" policy—aimed at curbing excessive competition and promoting structural economic reforms—slowed investment in low-productivity sectors while boosting strategic industries like infrastructure, energy, and high-end manufacturing. This shift, coupled with robust fiscal and monetary stimulus, contributed to higher demand for commodities, driving prices up, particularly for steel, which saw notable increases in August.

The **U.S.** markedly intensified its global tariff measures. Amid weaker economic data, the Federal Reserve shifted toward a more accommodative stance. The U.S. tightened global tariffs while economic data softened. Job growth slowed sharply, raising unemployment to 4.3%, and CPI eased to 3.1% YoY. Markets are anticipating a 25-50-basis-point Fed rate cut in mid-September.

Markets reacted positively to expectations of Federal Reserve rate cuts, supporting equities and commodities, though underlying concerns about global economic stability and trade tensions continue to persist.

In September 2025, markets will be shaped by the U.S. Fed's anticipated rate cut, China's involution policy and stimulus measures boosting

commodity demand (especially steel), trade tensions, and key macroeconomic data from the U.S., Eurozone, and China.

#### India

In August 2025, the US imposed a 50% tariff on Indian imports in two steps—25% on August 7 and an additional 25% on August 27, targeting sectors like textiles. The tariffs now cover about 55% of India's \$87 billion exports to the US, potentially impacting India's GDP growth. In response, India plans relief measures and supply chain diversification.

The Government announced a major GST reform, widely referred to as an early "Diwali gift" for consumers. The overhaul simplifies the tax structure from a four-tier system to a two-rate system: 5% for most essential and consumer goods and 18% for standard goods, while a special 40% rate applies to select luxury or sin items.

India's Q1 FY26 GDP grew 7.8% YoY, driven by strong performance in agriculture, construction, and services. Manufacturing segments like automotive and pharmaceuticals also grew, while mining and some export-oriented sectors declined due to weak industrial demand and rising U.S. tariffs. Domestic consumption and government spending underpinned resilience, though external trade pressures remain a risk.

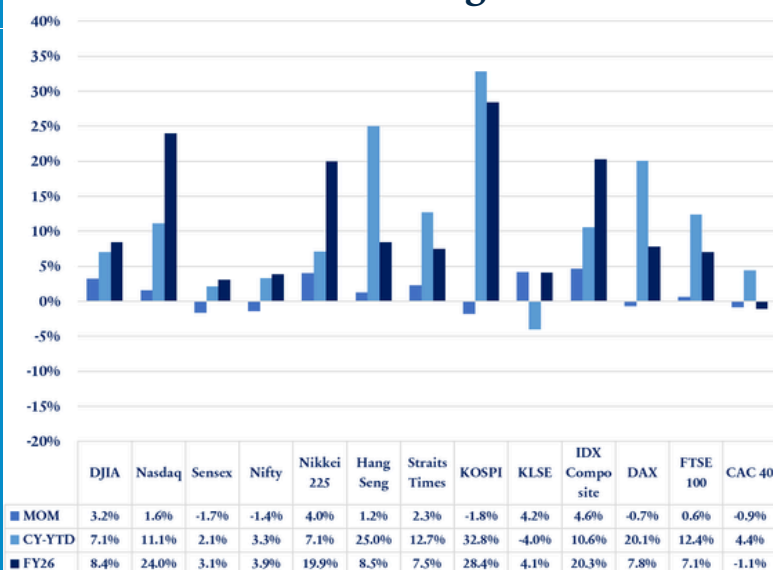
**Outlook:** H2 FY26 remains positive, supported by several tailwinds. The recent GST cuts are expected to boost consumption, while a good monsoon will strengthen rural demand and agricultural output. Additionally, any relaxation or moderation in U.S. tariffs could ease pressures on export-oriented sectors. Together, these factors are likely to support corporate earnings, sustain domestic growth momentum, and reinforce resilience against external uncertainties.

#### KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK

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

Since Jan 2019	ALPHA	MULTICAP	NIFTY50TRI
Average Monthly return	1.4%	1.6%	1.3%
Monthly maximum loss	-24.7%	-29.9%	-23.0%
Month of Maximum loss	Mar-20	Mar-20	Mar-20
Annualized Return	16.2%	18.6%	14.5%
Annualized Volatility	19.3%	21.6%	17.3%
% of winning months (against benchmark)	55.7%	57.0%	na
% of gained months	63.3%	64.6%	62.0%
YTD	5.6%	5.9%	4.7%
Sharpe (RF 6.5%)	0.50	0.56	0.46
Alpha	2.9%	6.2%	na

#### INTERNATIONAL EQUITY MARKETS - Aug 2025



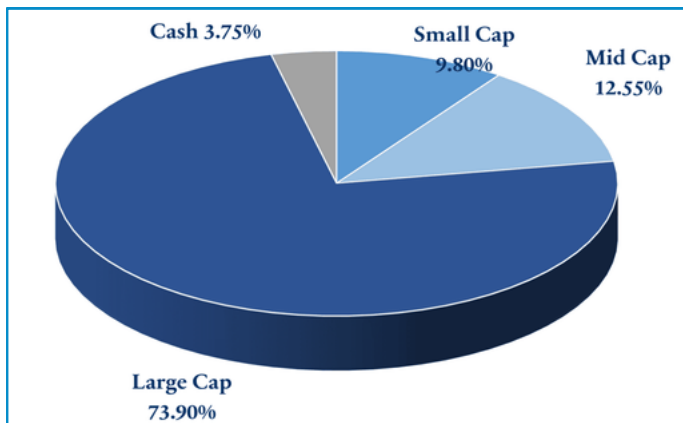
# KSEMA WEALTH PVT LIMITED

## KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES AUGUST 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 (%)

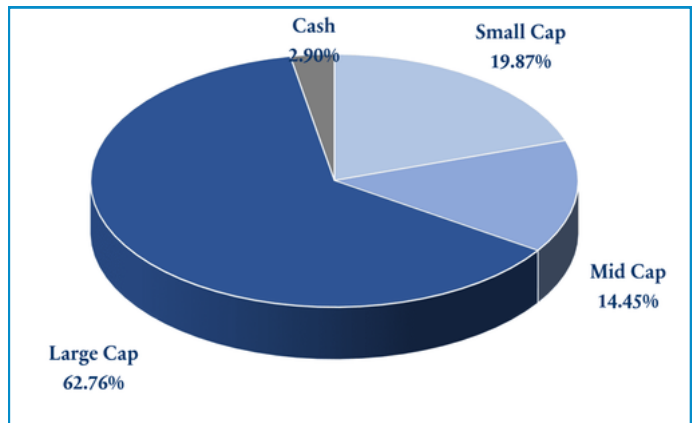


## KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES AUGUST 2025

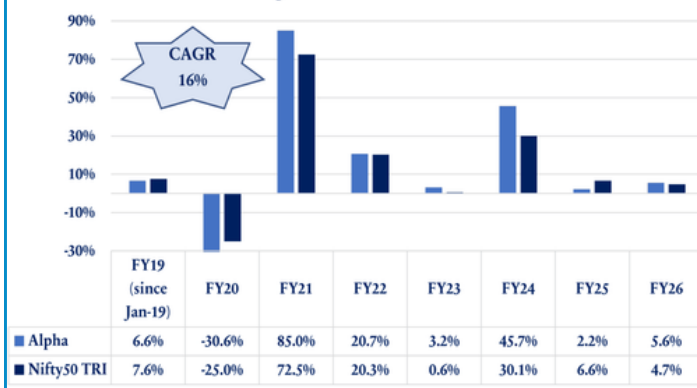
### THEME

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

### MARKET CAP ALLOCATION (%)

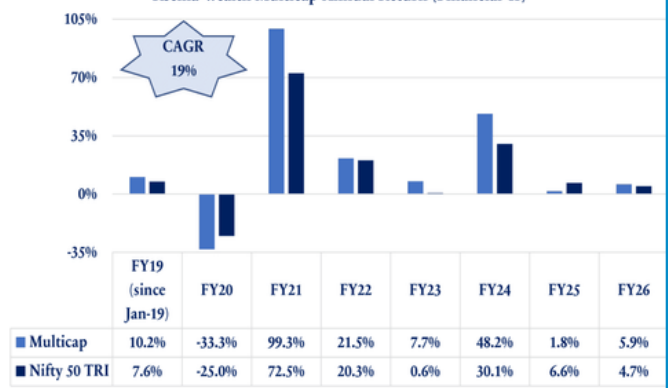


### Ksema Wealth-Alpha Annual Return (Financial Yr)



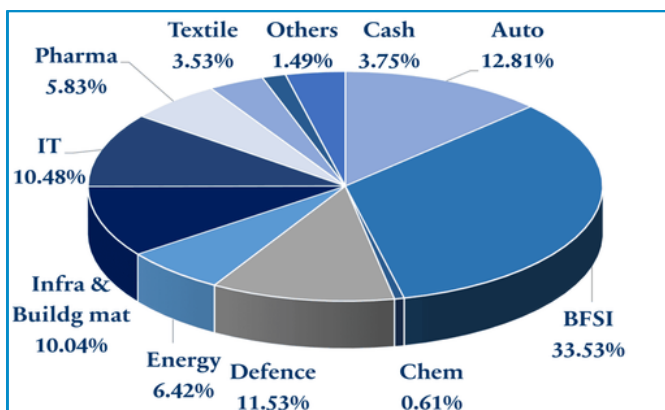
\* Post expenses

### Ksema Wealth-Multicap Annual Return (Financial Yr)

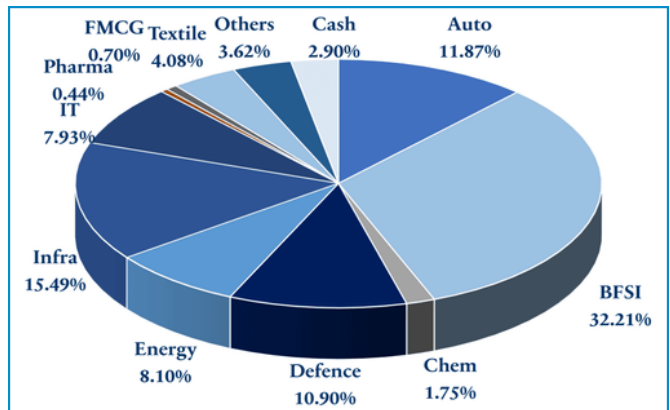


\* Post expenses

### SECTORAL ALLOCATION



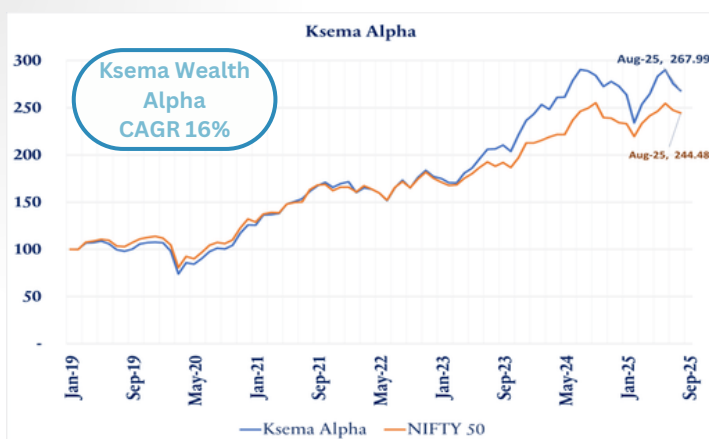
### SECTORAL ALLOCATION



# KSEMA WEALTH PVT LIMITED

## ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.84%
Hindustan Aeronautics Ltd	6.13%
Mahindra AND Mahindra Ltd	6.01%
State Bank Of India	5.97%
HDFC Bank Ltd	5.43%
Reliance Industries Ltd	5.43%
Larsen and Toubro Ltd	5.20%
Canara Bank	4.35%
Infosys Ltd	3.93%
Bharat Electronics Ltd	3.73%

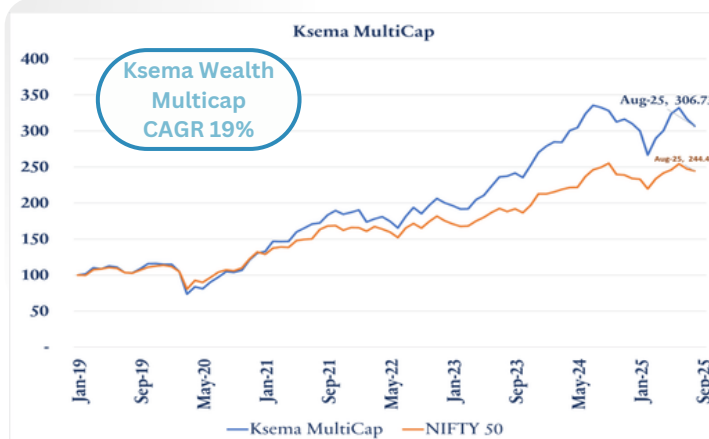


## REVIEW & OUTLOOK

**KSEMA-ALPHA India Opportunities** In August, the fund delivered a steady performance, reflecting our strategic positioning across sectors. While there was some profit-taking in defence, our selective exposure allowed us to maintain portfolio stability. The auto sector is expected to continue outperforming in the coming months. Notably, our renewable energy holdings, where we initiated fresh positions, outperformed the sector benchmark. Additionally, our higher exposure to the financial services sector, which performed strongly, further supported portfolio performance. Overall, our disciplined, selective approach helped capture opportunities while managing volatility effectively. Looking ahead, we expect H2 FY26 to gain from a cyclical recovery, supported by company outlooks and sectoral tailwinds. The likely GST cuts are likely to provide a boost to consumer durables, auto, and financial sector, enhancing consumption and demand visibility. We remain actively positioned and opportunity-focused, rebalancing the portfolio to navigate global uncertainties while capturing emerging opportunities across sectors with strong fundamentals and growth potential.

## MULTICAP TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.59%
HDFC Bank Ltd	5.62%
Reliance Industries Ltd	5.30%
State Bank Of India	5.05%
Bharat Electronics Ltd	4.23%
Hindustan Aeronautics Ltd	4.22%
Larsen and Toubro Ltd	4.17%
Canara Bank	3.86%
Infosys Ltd	3.69%
Tata Consultancy Services Ltd	3.45%



## REVIEW & OUTLOOK

**KSEMA-Multicap India Opportunities** Fund performance in the month was driven by renewable energy, complemented by gains in BFSI, while profit-taking in defence moderated returns. Our sector positioning allowed us to capture these opportunities while managing volatility effectively. Revenue growth is showing early signs of acceleration amid supportive macro conditions. With inflation moderating, the RBI may have room for further rate cuts, which could strengthen rural demand and provide an added tailwind for consumption-oriented sectors. Looking ahead, we anticipate corporate earnings momentum to strengthen from H2 onwards. We continue to follow a bottom-up, opportunity-focused stock selection approach, guided by agnostic thinking and active positioning, enabling us to capture emerging opportunities while remaining mindful of 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

parivithra@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.