KSEMA WEALTH PVT LTD

MORE THAN 6 YEARS PARTNERING IN WEALTH MANAGEMENT

SEBI LICENSED PORTFOLIO MANAGER CONSISTENT OUTPERFORMER WITH CAGR OF MORE THAN 19%

MARKET REVIEW & OUTLOOK - DECEMBER 2025

Global

2025 proved to be a constructive year for global markets, with most major asset classes delivering positive returns. Emerging markets led the performance table, rising 34% over the year. A defining feature of the cycle was the convergence between value and growth styles, which generated positive returns. The first half of the year was marked by volatility as markets reacted to announcements of higher US tariffs. Sentiment improved materially in the second half as trade negotiations advanced and bilateral deals were announced, pushing global equities into a clear risk-on phase.

Artificial Intelligence remained the dominant structural theme. The Nasdaq, up 23%, was a key beneficiary of AI-led optimism. Countries embedded in the AI hardware and supply-chain ecosystem significantly outperformed, with Korea delivering 76% returns and Taiwan rising 30%.

Japan gained 25%, supported by reflation expectations following Prime Minister Takaichi's election and prospects of higher fiscal spending. European equities attracted steady inflows on the back of attractive valuations, Germany's €500 billion infrastructure programme, rising defence expenditure, and an ECB rate cut.

China advanced over 30% on strength in AI-linked technology stocks and policy support, while India lagged with around 5% returns in USD terms.

Looking ahead, global equity valuations are above historical averages, and positioning in AI-linked stocks is increasingly crowded. This raises concentration risk, making diversification away from over-owned themes important for risk management. The impact of **US** tariffs is still playing out, and shifting geopolitical dynamics will remain key drivers in the next phase of the cycle.

India

Indian equity markets delivered about 10% returns in calendar year 2025 but underperformed other emerging markets. The underperformance was driven by sustained foreign institutional selling and global capital flows favouring markets offering stronger near-term earnings visibility and thematic exposure, particularly in AI and EMS-related sectors. The imposition of 50% US tariffs on Indian goods hurt export-oriented sectors, while a depreciating rupee added further pressure during 2025. However, the second half of FY26 has begun to show an earnings recovery, supported by GST cuts, especially in sectors like automobiles and consumer durables.

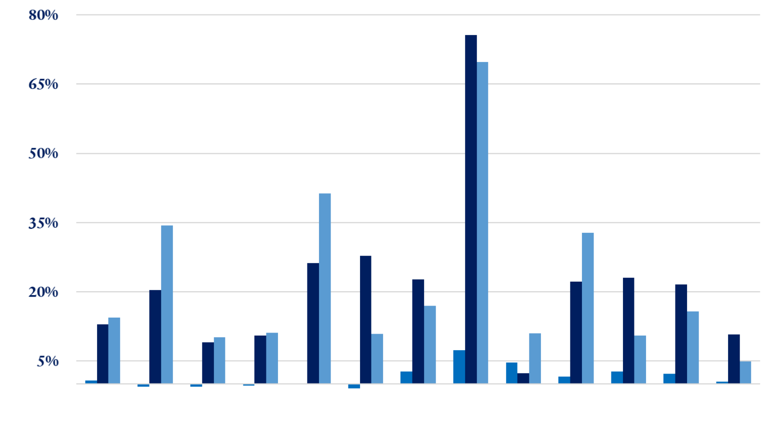
Macroeconomic indicators remain supportive. December GST collections rose 6.1% year-on-year to about ₹1.75 lakh crore. For FY26 (April–December), collections grew 8.6% to around ₹16.5 lakh crore. FY25 was a record year, with GST collections of ₹22.08 lakh crore, up 9.4% year-on-year, and a monthly average of ₹1.84 lakh crore—the highest since GST was introduced.Looking ahead, any moderation in US tariffs would ease pressure on export-oriented sectors. Combined with improving earnings and strong domestic indicators, these factors should support growth momentum and enhance resilience against global uncertainties.

Outlook: India's corporate earnings are poised for a meaningful rebound, with H2 FY26 growth expected to accelerate to 10–12%. The shift of GST-linked purchases into Q3 and a strong festive cycle should lift demand across consumption. Add to that, expected rate cuts by the RBI and Fed Reserve could ease borrowing costs globally — helping corporate margins and boosting investor sentiment. H2 FY26 remains positive, supported by several tailwinds. Strong GST collections signal robust formal sector activity and sustained momentum in discretionary consumption—key positives for banking, FMCG, auto, and retail sectors.

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK
(For the period: Jan-2019 to Dec-2025—Post exp)

Since Jan 2019	ALPHA	MULTICAP	NIFTY50TRI
Average Monthly return	1.5%	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	16.8%	18.8%	14.9%
Annualized Volatility	18.9%	21.1%	17.0%
% of winning months (against benchmark)	55.4%	56.6%	na
% of gained months	63.9%	66.3%	62.7%
YTD	15.1%	13.9%	12.2%
Sharpe (RF 6.5%)	0.54	0.59	0.50
Alpha	3.2%	6.2%	na

INTERNATIONAL EQUITY MARKETS - Dec 2025



	DJIA	Nasdaq	Sensex	Nifty	Nikkei 225	Hang Seng	Straits Times	KOSPI	KLSE	IDX Composite	DAX	FTSE 100	CAC 40
MOM	0.7%	-0.5%	-0.6%	-0.3%	0.2%	-0.9%	2.7%	7.3%	4.7%	1.6%	2.7%	2.2%	0.6%
CY-YTD	13.0%	20.4%	9.1%	10.5%	26.2%	27.8%	22.7%	75.7%	2.3%	22.2%	23.0%	21.5%	10.7%
FY26	14.4%	34.3%	10.1%	11.1%	41.3%	10.9%	17.0%	69.8%	11.0%	32.8%	10.5%	15.7%	4.9%

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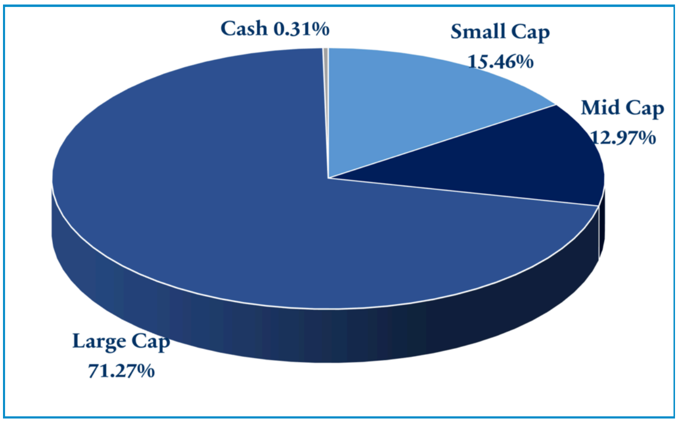
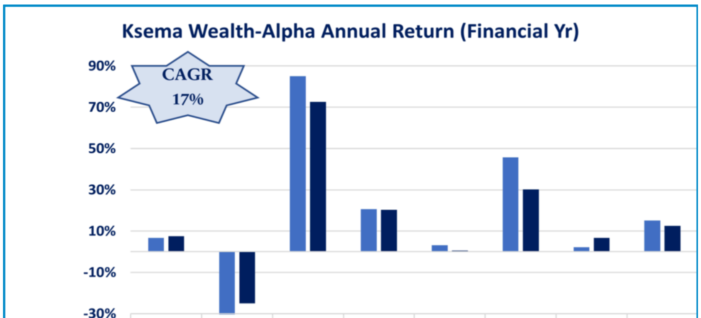
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES DECEMBER 2025

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 (%)

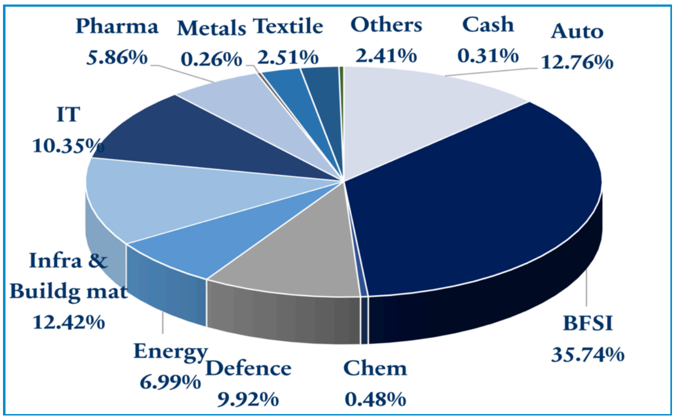




	FY19 (since Jan-19)	FY20	FY21	FY22	FY23	FY24	FY25	FY26 (Apr-Dec25)
Alpha	6.6%	-30.6%	85.0%	20.7%	3.2%	45.7%	2.2%	15.1%
Nifty50 TRI	7.6%	-25.0%	72.5%	20.3%	0.6%	30.1%	6.6%	12.5%

* Post expenses

SECTORAL ALLOCATION

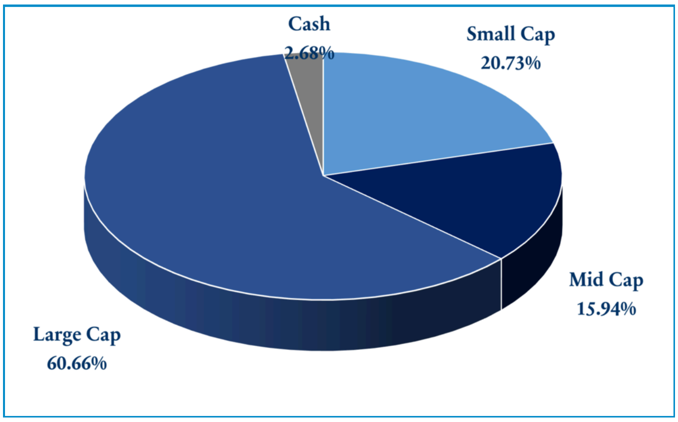


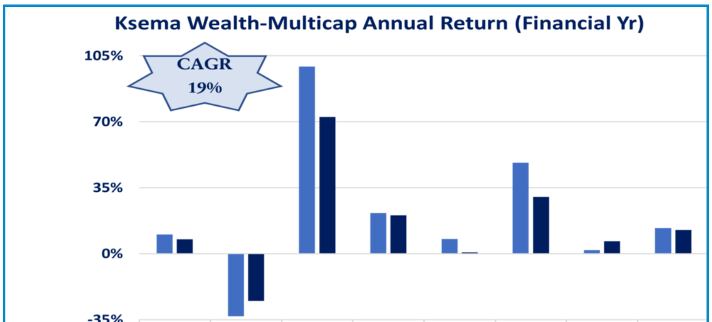
KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES DECEMBER 2025

THEME

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

MARKET CAP ALLOCATION (%)

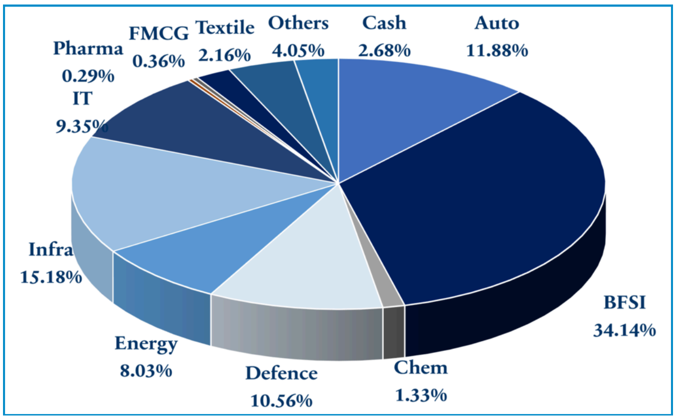




	FY19 (since Jan-19)	FY20	FY21	FY22	FY23	FY24	FY25	FY26 (Apr-Dec25)
Multicap	10.2%	-33.3%	99.3%	21.5%	7.7%	48.2%	1.8%	13.6%
Nifty 50 TRI	7.6%	-25.0%	72.5%	20.3%	0.6%	30.1%	6.6%	12.5%

* Post expenses

SECTORAL ALLOCATION



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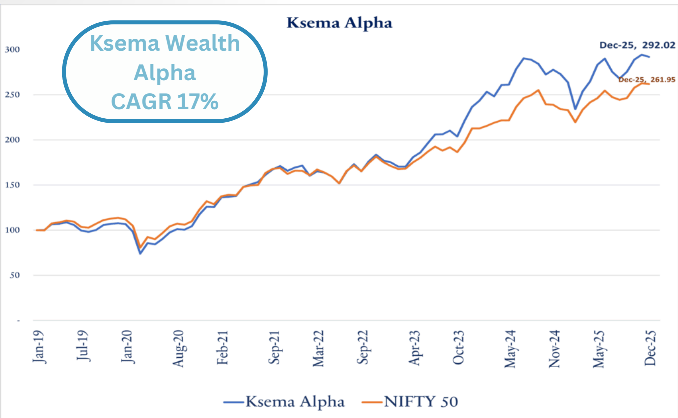
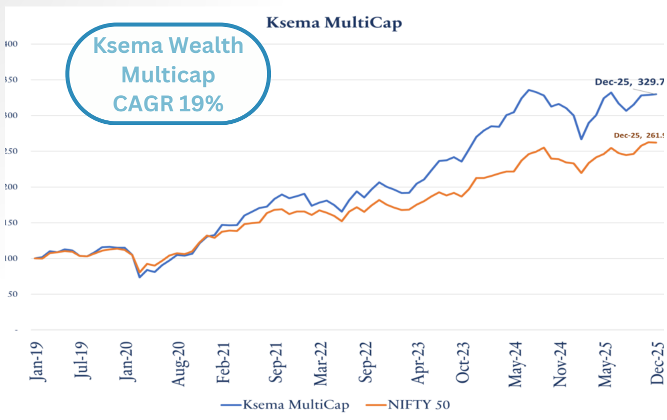
ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.12%
State Bank Of India	6.26%
Reliance Industries Ltd	5.91%
Canara Bank	5.42%
Larsen and Toubro Ltd	5.38%
Mahindra AND Mahindra Ltd	5.24%
HDFC Bank Ltd	5.13%
Hindustan Aeronautics Ltd	4.24%
Infosys Ltd	3.66%
Axis Bank Ltd	3.56%

MULTICAP TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	6.61%
Reliance Industries Ltd	5.63%
State Bank Of India	5.51%
HDFC Bank Ltd	5.34%
Canara Bank	4.99%
Larsen and Toubro Ltd	4.23%
Bharat Electronics Ltd	3.88%
Hindustan Aeronautics Ltd	3.64%
Infosys Ltd	3.63%
Axis Bank Ltd	3.39%





REVIEW & OUTLOOK

KSEMA-ALPHA India Opportunities In December, the fund lagged the benchmark during the period, by EMS sector; however, alpha was supported by sectors such as Capital Goods and BFSI, driven by our selective approach within Financial Services, which continued to show steady growth and resilient asset quality. Stock selection in IT added meaningful value and helped offset the relative drag from Textiles and Pharma. However, US India tariff deal should support to revive the sectors.

We stay actively positioned and opportunity-driven, rebalancing with a focus on bottom-up fundamentals, management quality, and balance-sheet strength. Even as global uncertainties persist, we continue to identify and participate in pockets of durable growth across sectors, aiming to deliver steady long-term value for our investors.

REVIEW & OUTLOOK

KSEMA-Multicap India Opportunities The fund outperformed its benchmark during the period, driven primarily by strong performance in defence. This was partly offset by weaker returns from EMS and select IT stocks. Gains in capital goods and BFSI provided additional support, and our sector allocation—particularly avoiding certain underperforming pockets—helped contain the downside. Despite near-term volatility, we remain confident in our core holdings, which are well-positioned to benefit from India's medium-term growth drivers.

As we move into the second half of the year, we expect earnings momentum to strengthen, driven by better operating leverage across key industries. Our approach remains bottom-up and research-led, focused on quality businesses, scalable models and strong management execution.

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 I 95000 69609 I 95000 40401

pavithra@ksemawealth.com I www.ksemawealth.com