

KSEMA WEALTH PVT LTD

MORE THAN 7 YEARS PARTNERING IN WEALTH MANAGEMENT

SEBI LICENSED PORTFOLIO MANAGER CONSISTENT OUTPERFORMER WITH CAGR OF MORE THAN 18%

MARKET REVIEW & OUTLOOK - JANUARY 2026

Global

Calendar year 2026 began with heightened volatility across global equity markets, driven by elevated geopolitical risks. Key triggers included U.S. military operations in Venezuela, tariff threats against countries opposing President Trump's Greenland-related initiatives, and rising tensions between the U.S. and Iran. These developments led to a flight toward safe-haven assets, with strong inflows into gold and silver, while crude oil prices firmed up on concerns over potential supply disruptions.

As the month progressed, geopolitical tensions eased following discussions at the Davos forum, resulting in a partial understanding between the U.S. and the EU on the Greenland issue. Concurrently, moderating inflation and improving macroeconomic indicators supported a recovery in risk assets. Manufacturing activity surprised positively across both the U.S. and Europe, while Eurozone Q4 GDP growth came in at 0.3%, exceeding market expectations and reinforcing a gradually improving growth outlook.

On the monetary policy front, the European Central Bank and the U.S. Federal Reserve kept policy rates unchanged. In contrast, the Bank of England reduced its policy rate to 3.75% and is expected to deliver another rate cut by March 2026.

In China, GDP expanded by 4.5% year-on-year in Q4 2025. Industrial production rose 5.2% in December, and PMIs remained in mild expansionary territory. However, structural challenges—particularly in the property and credit sectors—persist. The recent easing of regulations for property developers is expected to provide some relief and support economic activity.

Overall, global equity markets ended January on a positive note, supported by easing geopolitical concerns and better-than-expected earnings from U.S. corporates. Looking ahead, corporate earnings trends, forward guidance for calendar year 2026, and the evolving geopolitical landscape are expected to be key drivers for market direction in February.

India

Indian equity markets declined ~3% in January, weighed down by persistent FII outflows and uncertainty around the U.S.–India trade negotiations. Some of the pressure was mitigated by positive developments on the EU–India FTA, which provided incremental support to sentiment. The Indian rupee depreciated 2.3% during the month to 91.98/USD, driven by strong dollar demand and continued foreign portfolio outflows. Market underperformance was largely attributable to global capital rotation toward markets offering stronger near-term earnings visibility and thematic exposure, particularly in AI and EMS-related segments.

Domestic macro fundamentals remain resilient. GST collections in January grew 6.2% YoY to ₹1.93 lakh crore, while collections for FY26 (April–January) rose 8.3% to ₹18.4 lakh crore. FY25 marked a record year for GST, underscoring sustained formalisation of the economy and steady consumption momentum.

The Union Budget reiterated the government's pro-growth agenda, with sustained emphasis on capital expenditure, infrastructure development, and domestic manufacturing, while maintaining a focus on fiscal discipline. This policy stance remains supportive for Indian equities, especially capex-linked, defence, and manufacturing sectors.

Outlook:

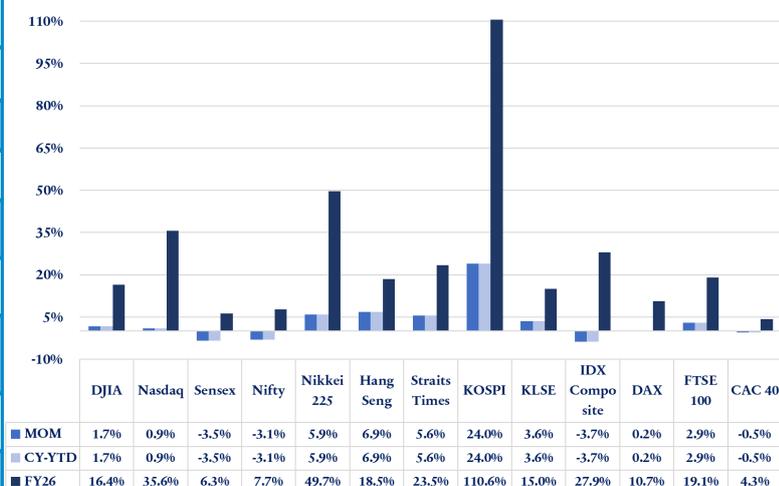
We remain constructive on the medium-term outlook for Indian equities. Corporate earnings are expected to rebound meaningfully, with Q4 FY26 growth projected at 10–12%, supported by strong GST momentum, and policy rate cuts by the RBI in December 2025. A moderation in U.S. tariff would further support export-oriented sectors. Overall, robust domestic indicators, improving earnings visibility, and supportive policy measures should help Indian markets navigate global uncertainties.

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK

(For the period: Jan-2019 to Jan-2026—Post exp)

Since Jan 2019	ALPHA	MULTICAP	NIFTY50TRI
Average Monthly return	1.4%	1.6%	1.2%
Monthly maximum loss	-24.7%	-29.9%	-23.0%
Month of Maximum loss	Mar-20	Mar-20	Mar-20
Annualized Return	16.4%	18.5%	14.2%
Annualized Volatility	18.8%	21.0%	17.0%
% of winning months (against benchmark)	56.0%	57.1%	na
% of gained months	63.1%	65.5%	61.9%
YTD	13.8%	13.1%	8.8%
Sharpe (RF 6.5%)	0.52	0.57	0.46
Alpha	3.3%	6.3%	na

INTERNATIONAL EQUITY MARKETS - Jan 2026



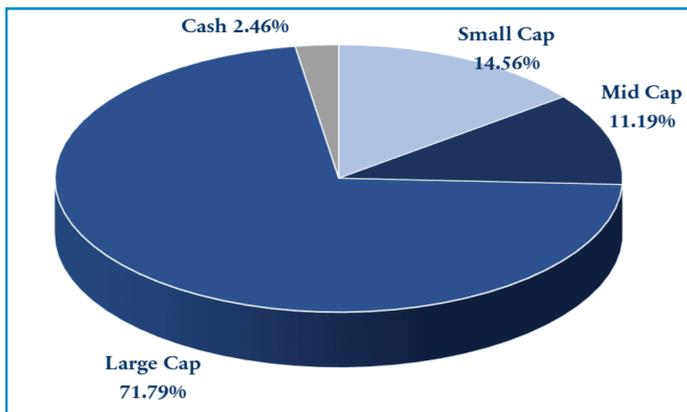
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KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES JANUARY 2026

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 (%)

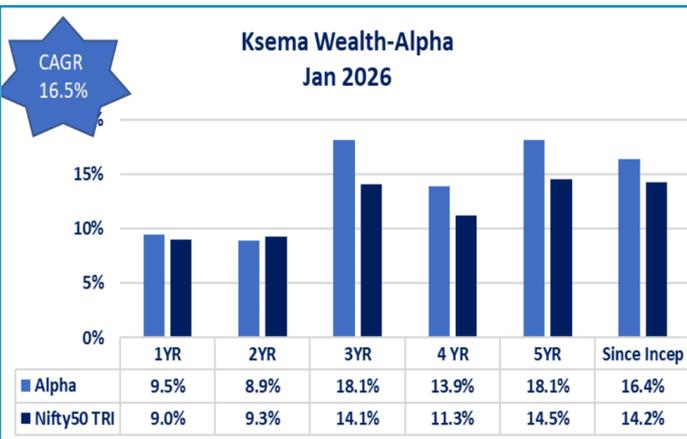
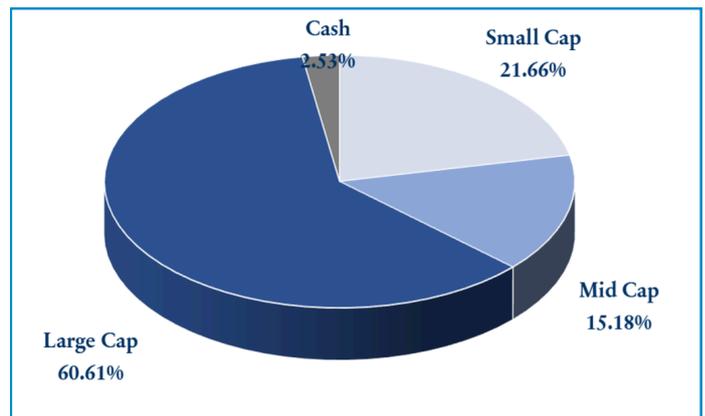


KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES JANUARY 2026

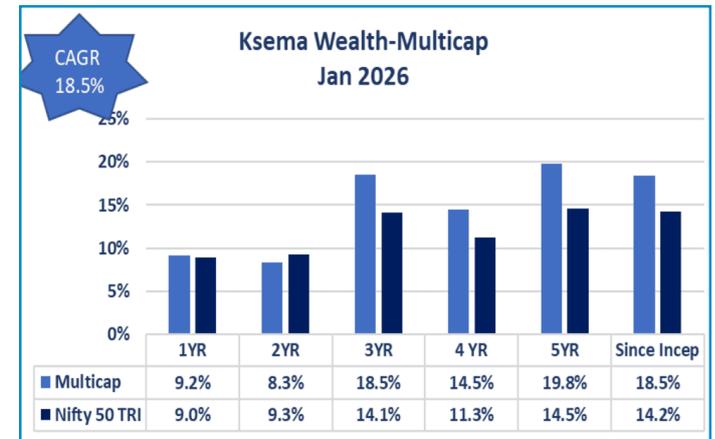
THEME

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

MARKET CAP ALLOCATION (%)

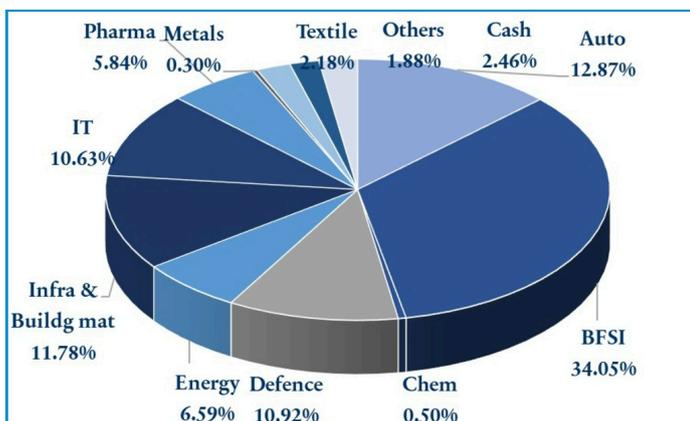


* Post expenses

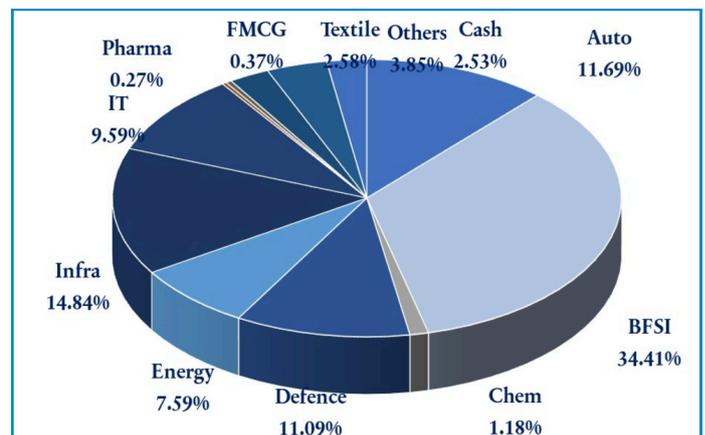


* Post expenses

SECTORAL ALLOCATION



SECTORAL ALLOCATION



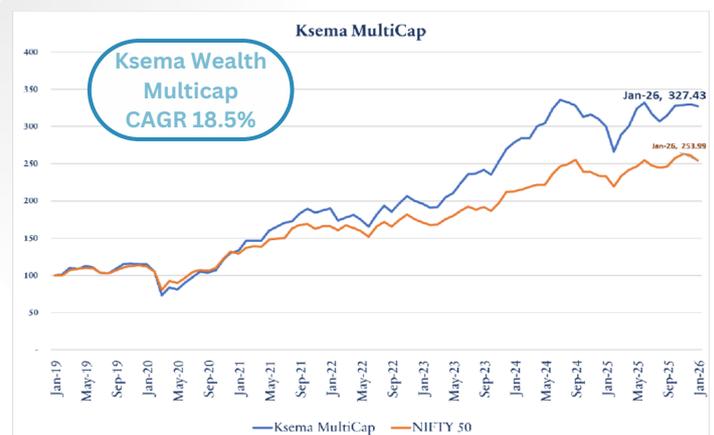
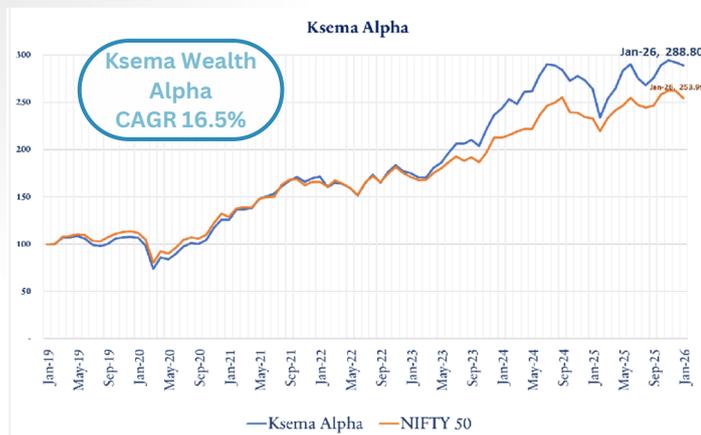
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ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.25%
State Bank Of India	7.05%
Reliance Industries Ltd	5.52%
Larsen and Toubro Ltd	5.10%
HDFC Bank Ltd	5.03%
Mahindra and Mahindra Ltd	5.02%
Hindustan Aeronautics Ltd	4.73%
Canara Bank	4.07%
Infosys Ltd	3.83%
Bharat Electronics Ltd	3.43%

MULTICAP TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	6.78%
State Bank Of India	6.04%
Reliance Industries Ltd	5.14%
HDFC Bank Ltd	5.10%
Canara Bank	4.44%
Larsen and Toubro Ltd	4.12%
Bharat Electronics Ltd	4.08%
Hindustan Aeronautics Ltd	3.74%
Infosys Ltd	3.73%
Axis Bank Ltd	3.39%



REVIEW & OUTLOOK

KSEMA-ALPHA India Opportunities January, the fund delivered strong outperformance versus the benchmark, led by BFSI and Defence, with effective stock selection across key holdings contributing meaningfully to alpha generation. Select Auto exposures also aided relative performance. Within Financial Services, our selective positioning continued to benefit from steady earnings growth and resilient asset quality. Select capital goods holdings were a modest drag during the period; however, we remain constructive on these stocks given their long-term potential and a healthy demand outlook. A prospective U.S.-India tariff agreement could further support a revival in sector momentum. Looking ahead to the second half of FY26, we remain constructive as a cyclical recovery gradually takes shape, supported by improving corporate commentary and sector-specific tailwinds. The recent Union Budget, with its reform-oriented and long-term growth focus, along with GST-related measures, is expected to revive demand across consumer durables, autos, and financials, setting the stage for a healthier consumption environment. Execution challenges seen in Q2 FY26 are expected to normalize from Q3 onwards, with a seasonally strong Q4 providing additional earnings support.

KSEMA-Multicap India Opportunities The fund delivered strong outperformance against its benchmark during the period, led by robust performance from the defence and BFSI sectors. This was partially offset by weaker returns from Metals and select capital goods holdings. Our sector allocation, particularly the avoidance of certain underperforming segments, contributed meaningfully to relative performance. Despite near-term market volatility, we remain confident in our core holdings, which are well positioned to benefit from India's medium-term structural growth drivers. Early signs of revenue recovery are visible, supported by a stable macroeconomic environment and improving sentiment across consumption-linked sectors. The recent Union Budget, with its focus on long-term growth, GST-related measures, and rural support, is expected to aid demand recovery, while evolving trade agreements could provide incremental support to export-oriented sectors. Our investment approach remains bottom-up and research-driven, with a focus on quality businesses, scalable models, and strong management execution. We continue to remain agile amid global uncertainties while positioning the portfolio to capture opportunities arising from India's strengthening economic landscape.

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