KSEMA WEALTH PVT LTD

MORE THAN 7 YEARS PARTNERING IN WEALTH MANAGEMENT

SEBI LICENSED PORTFOLIO MANAGER CONSISTENT OUTPERFORMER WITH CAGR OF MORE THAN 14%

MARKET REVIEW & OUTLOOK - OCTOBER 2026

Macro Overview

Equities: Major markets across the globe declined in October after being mixed in Sept. Emerging markets saw a sharper decline, with tech-heavy stock markets such as Korea (16%), Taiwan(8%) and major tech-related companies in the U.S. seeing declines. Large investments committed to AI infrastructure and returns from the investments raised concerns about the ecosystem of AI-related companies, along with competition from Chinese companies.

U.S.: Remains the preferred developed-market story, supported by resilient earnings, technology profitability and AI investment. S&P 500 Q3 earnings growth came in better than estimates of 29% EPS growth; however, lower-than-expected cash flows are a cause of concern.

Fixed Income: Global bond yields fell in October on the back of safety after sharp selloffs in tech-heavy equity markets and risk of default in the AI ecosystem. However, French bonds continued to be in focus after rising yields on the back of a higher deficit.

Emerging Markets: It was a tale of two markets, where high-exposure markets to AI saw a sharp decline, while others, such as India, saw positive returns as fund flows shifted to value markets. Globally, value outperformed growth markets.

Key things to watch for: Elevated crude prices, U.S.–Iran tensions, higher-for-longer bond yields and fiscal concerns remain the key risks, while US midterm elections, AI/semiconductor earnings and hyperscaler capex will be critical watchpoints for global liquidity, earnings momentum and equity valuations.

Indian equities delivered positive returns in October, supported by a rotation in global fund flows towards value-oriented markets amid profit-taking in the crowded AI trade. However, elevated crude oil prices, higher global bond yields and concerns over deficient monsoon rainfall continue to pose risks to market sentiment.

Corporate Earnings:

Q2FY27 Nifty EPS is expected to grow ~20% YoY, marking the strongest growth in recent quarters, supported by the energy sector. FY27 EPS growth is estimated at ~13–16%, driven by financials, metals, telecom and domestic cyclicals. Broadening earnings upgrades indicate a gradual recovery in the corporate earnings cycle.

Macro Highlights

India's domestic macroeconomic indicators remained resilient, supported by robust tax collections and domestic liquidity.

GST Collections: Gross GST collections increased 23% YoY to ₹2.31 lakh crore in October, driven by strong domestic activity and imports. Collections from domestic sales rose 16% to ₹1.59 lakh crore, while import revenues surged 42% to ₹72,246 crore. Net GST collections grew 26% to ₹2.03 lakh crore. During April–October, gross GST collections increased 13.2% to ₹14.77 lakh crore, while net collections rose 13% to ₹12.69 lakh crore.

Institutional Flows: FII flows were negative in October, with net selling of ₹45,160 crore. However, robust DII inflows of ₹62,318 crore more than offset foreign outflows, providing a key liquidity cushion for domestic equities.

Outlook

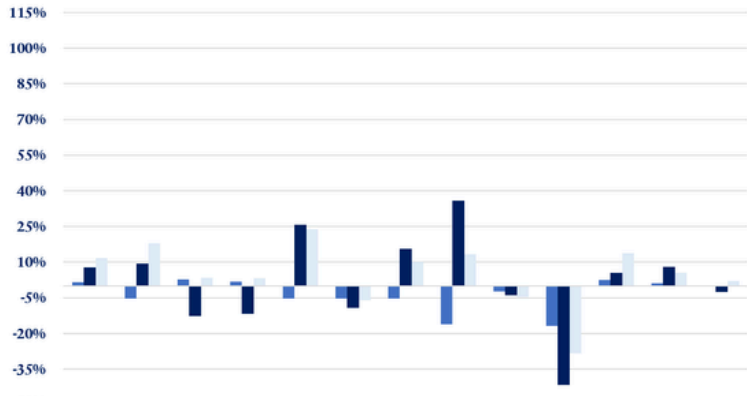
We remain constructive on Indian equities over the medium term, supported by resilient domestic macroeconomic fundamentals. Going forward, market direction will be shaped by the Q2FY27 earnings season, geopolitical developments, US mid-term elections and crude oil price movements. Continued earnings recovery and domestic institutional flows remain key supports, while global uncertainties warrant a selective, bottom-up investment approach.

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK

(For the period: Jan 2019 to Oct 2026_Post exp)

Since Jan 2019	ALPHA	MULTICAP	NIFTY50TRI
Average Monthly return	1.27%	1.45%	1.04%
Monthly maximum loss	-24.7%	-29.9%	-23.0%
Month of Maximum loss	Mar-20	Mar-20	Mar-20
Annualized Return	14.2%	16.1%	11.6%
Annualized Volatility	19.2%	21.0%	17.1%
% of winning months (against benchmark)	55.9%	58.1%	na
% of gained months	63.4%	64.5%	60.2%
YTD	10.1%	9.3%	4.1%
Sharpe (RF-7%)	0.37	0.43	0.27
Alpha	3.4%	5.7%	na

INTERNATIONAL EQUITY MARKETS - OCTOBER 2026



	DJIA	Nasdaq	Sensex	Nifty	Nikkei 225	Hang Seng	Straits Times	KOSPI	KLSE	IDX Composite	DAX	FTSE 100	CAC 40
MOM	1.7%	-5.3%	2.7%	1.9%	-5.2%	-5.4%	-5.3%	-16.2%	-2.2%	-16.7%	2.5%	1.2%	0.1%
CY-YTD	7.7%	9.4%	-12.6%	-11.8%	25.7%	-9.1%	15.7%	36.0%	-3.9%	-41.5%	5.4%	8.0%	-2.4%
FY27	11.7%	17.8%	3.5%	3.2%	23.9%	-6.0%	10.1%	13.4%	-4.5%	-28.3%	13.8%	5.4%	2.0%

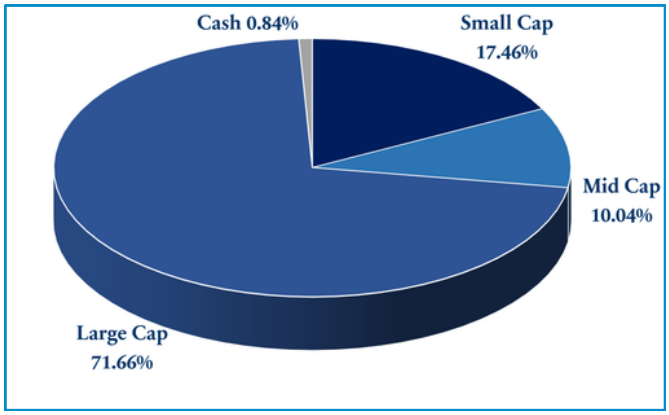
KSEMA WEALTH PVT LIMITED

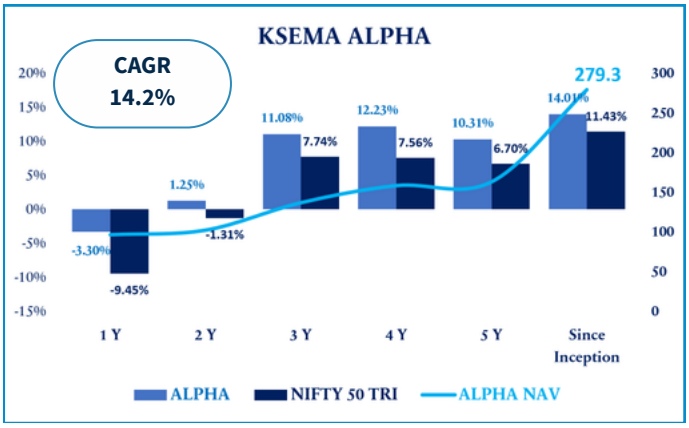
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES OCTOBER 2026

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.

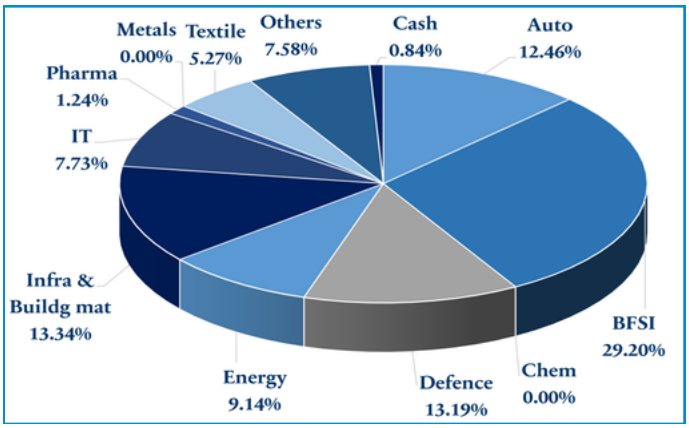
MARKET CAP ALLOCATION (%)





* Post expenses

SECTORAL ALLOCATION

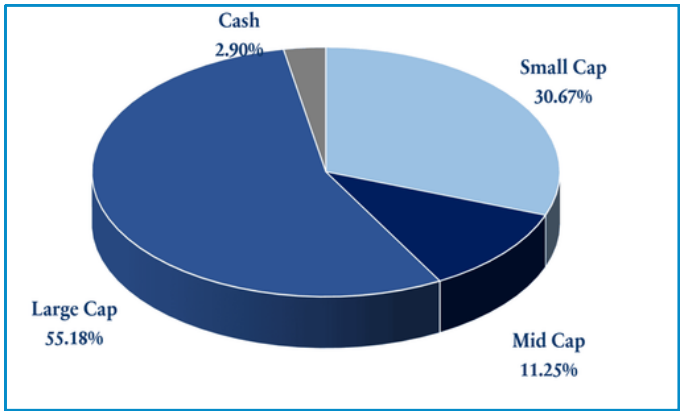


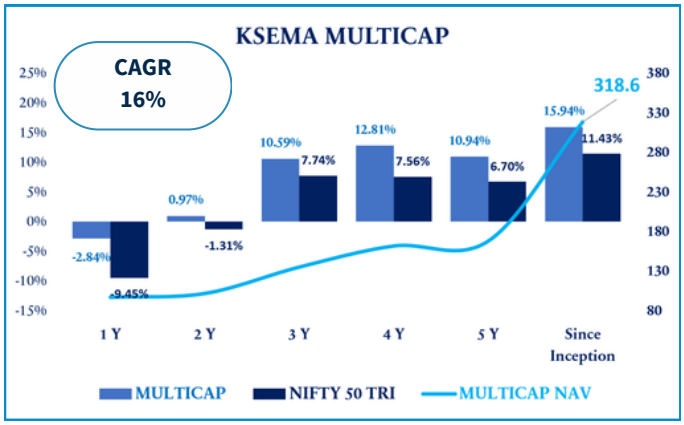
KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES OCTOBER 2026

THEME

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

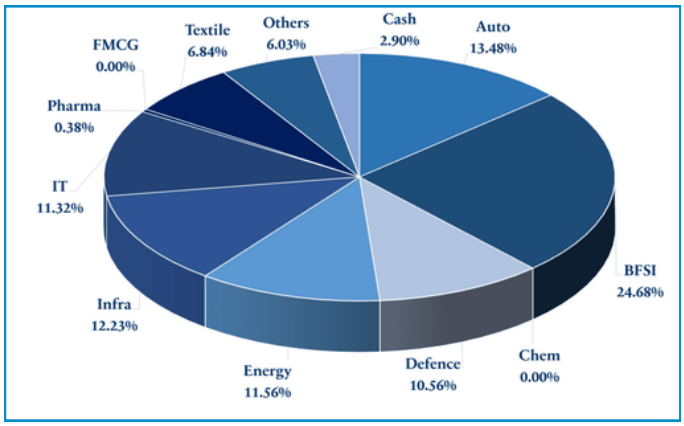
MARKET CAP ALLOCATION (%)





* Post expenses

SECTORAL ALLOCATION



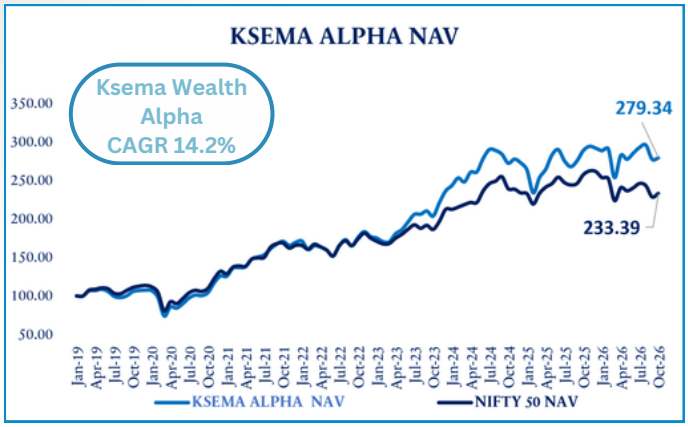
KSEMA WEALTH PVT LIMITED

ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	8.08%
HDFC Bank Ltd	5.60%
NITIN SPINNERS LIMITED	5.27%
Larsen and Toubro Ltd	5.16%
Reliance Industries Ltd	5.11%
Hindustan Aeronautics Ltd	5.06%
State Bank Of India	4.98%
Adani Ports And SEZ	4.16%
Bharat Electronics Ltd	3.97%
Bharti Airtel Ltd	3.15%

MULTICAP TOP HOLDINGS

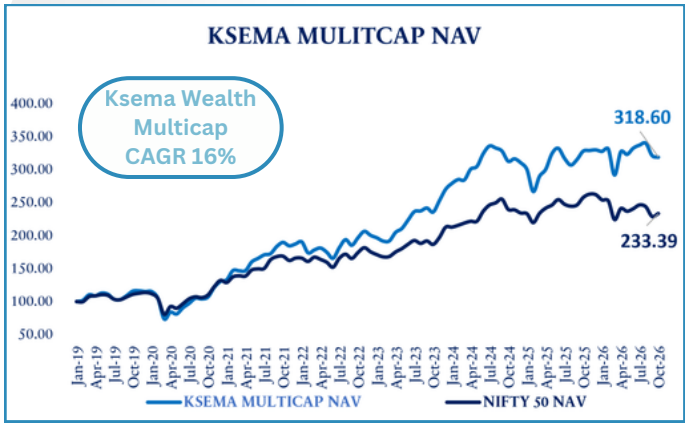
Company	Holdings %
ICICI Bank Ltd	7.35%
Nitin Spinners Limited	5.10%
State Bank Of India	5.05%
Reliance Industries Ltd	4.86%
HDFC Bank Ltd	4.80%
Larsen and Toubro Ltd	4.19%
Hindustan Aeronautics Ltd	4.14%
Bharat Electronics Ltd	3.49%
Adani Ports And SEZ	3.25%
Canara Bank	3.15%



REVIEW & OUTLOOK

KSEMA-ALPHA India Opportunities The fund marginally underperformed the benchmark during October, primarily due to weakness in the Auto and Defence sectors, where the fund maintained an overweight stance. While the sectors witnessed near-term volatility, we remain structurally positive on their long-term growth prospects. Software & IT Services delivered positive returns despite the fund's underweight positioning, with stock selection contributing positively to performance. Additionally, the fund's overweight exposure to Textiles and Telecom sectors and favourable stock selection generated alpha, partially offsetting the underperformance in Auto and Defence.

Going forward, geopolitical developments and Q2FY27 earnings will be key market drivers. We remain focused on high-quality businesses with strong management teams and robust balance sheets, while navigating near-term volatility and capturing long-term growth opportunities.



REVIEW & OUTLOOK

KSEMA-Multicap India Opportunities The fund underperformed the benchmark in October, primarily due to its overweight exposure to BFSI and Metals & Mining, which witnessed declines during the month. The IT sector contributed positively to performance, with favourable stock selection generating alpha despite the fund maintaining a benchmark-aligned exposure. Additionally, the fund's overweight positioning in Aerospace & Defence weighed on performance amid sectoral weakness.

Going forward, Q2FY27 earnings, crude oil prices, global bond yields and trade negotiations will remain key drivers of market performance. We continue to favour high-quality businesses with strong earnings visibility, supported by resilient domestic demand, an export recovery and sustained capex growth.

KSEMA WEALTH PVT LIMITED

KSEMA WEALTH – MULTI ASSET PORTFOLIO

THEME

The portfolio is designed as an all-weather, income-anchored multi-asset strategy that combines stable cash flows, equity income, real asset yields, and inflation hedging.

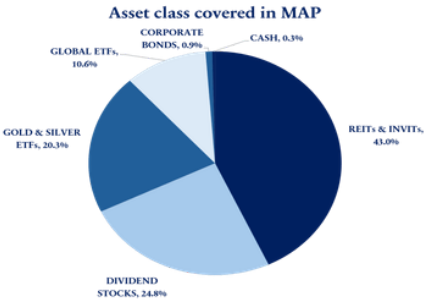
- High-quality corporate bonds rated A+ and above, providing stable and predictable income
- High-dividend equities with a dividend yield of 4% or higher, offering income with growth
- REITs and InvITs , delivering regular cash flows along with long-term capital appreciation
- Precious metals ETFs, serving as an effective hedge against inflation and macro uncertainty
- Global ETFs, enabling geographic diversification and participation in global growth opportunities

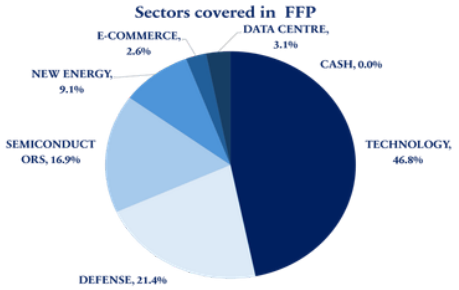
KSEMA WEALTH – FUTURE FRONTIER PORTFOLIO

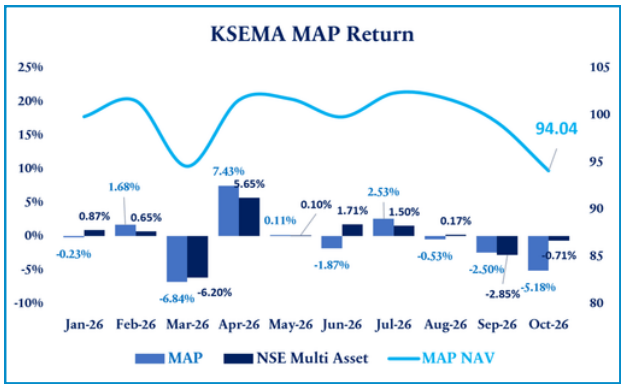
THEME

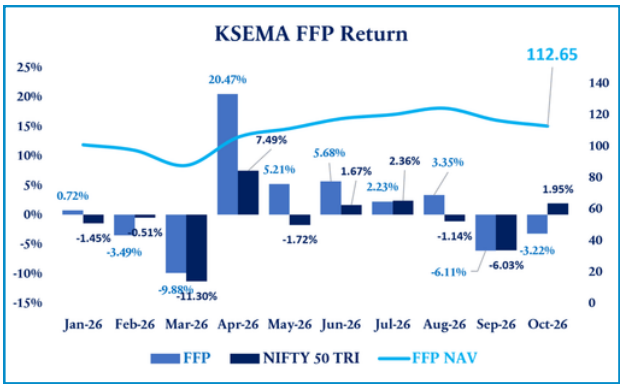
Early positioning in exponentially scaling industries, where structural growth is expected to remain relevant over multiple decades.

- Sustained revenue growth of 15%+ projected over the medium term (1.5x of Nominal GDP)
- RoCE expected to improve materially as scale efficiencies kick in
- Emerging players including innovators well-positioned to serve both global and domestic demand









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

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.

SEBI Regn No : INP000006299 | ARN: 168006