



1-Market Highlights:

Indian equity market ended with gains of 4% MoM in April-23, outperforming most of the global stock indices as key indices saw robust pick up in stock prices helped by a strong corporate earnings season, and the Reserve Bank of India pulling the plug on consecutive rate hikes. The positive sentiment was broad-based which is indicated by strong rise in mid cap (+6%) and small cap indices (+8%). Central bankers are anxious not to repeat mistakes, but fear and uncertainty hurts credit flow and adds to the concoction of stubborn inflation, rising rates and geopolitical concerns. Recent worries on debt serviceability among countries have found mention in the latest IMF World Economic Outlook, where global GDP has been trimmed yet again, and a 'hard landing' with a 'rocky recovery' is expected.

Market performance (%)

INDEX	1M	3M	6M	1Y
NIFTY 50	4.1	2.3	1.6	5.6
SENSEX 30	3.6	2.6	1.9	7.1
NIFTY MIDCAP 150	5.2	3.0	1.9	6.6
NIFTY SMALLCAP 250	6.9	1.4	0.6	-1.1

Source: Ace Equity

As of 28th April 2023

• FII/DII Activity

Overseas investors poured in funds during the month of April. Domestic institutions were also net buyers on the back of strong macroeconomic fundamentals.

INR cr.*	1M	3M	6M	1Y
FII	5,712	-3,381	-18,321	-1,34,065
DII	2,217	52,005	93,346	2,16,955

Source: NSE *FII Cash

As of 28th April 2023

• Global Market

Global equities marched higher in April despite volatility in the global banking sector induced by the SVB collapse in the US, followed by UBS's takeover of Credit Suisse in Europe. The sharp sell-off seen in early March more than reversed over on subsiding contagion fears. The rally was further fueled by strengthening expectations of a policy pivot amid easing inflation and a dovish Fed policy outcome. (Returns in %)

INDEX	1M	3M	6M	1Y
DOW JONES	2.5	0.0	4.2	3.4
FTSE	3.1	1.3	10.9	4.3
HANG SENG	-2.5	-8.9	35.5	-5.7
DAX	1.9	5.3	20.1	12.9
NASDAQ	0.0	5.5	11.3	-0.9

Source: Investing.com

As of 28th April 2023

• Sectoral Performance

On the sectoral front, as crude prices have fell nearly 35 per cent from the peak, it will help not only the oil industries but also other industries such as fast moving consumer goods (FMCG), chemicals, textiles, paints, tyres, and cement. The companies in these sectors can witness an improvement in their margins and volumes. The table shows the top 3 and bottom 3 sector performances in March 2023:

TOP 3 (%)	1M	3M	6M	1Y
S&P BSE Bank	9.5	7.1	3.4	16.6
S&P BSE Auto	9.4	1.4	1.9	19.3
S&P BSE Capital Goods	8.9	9.1	11.9	32.4

BOTTOM 3 (%)	1M	3M	6M	1Y
S&P BSE IT	-1.0	-7.0	-4.5	-14.9
S&P BSE Consumer Durables	2.5	3.8	-8.6	-11.0
S&P BSE Power	4.4	-7.6	-22.4	-23.1

Source: NSE

As of 28th April 2023

• Events to be watched out for

1- Inflation – The headline CPI inflation in March touched 15-month low at 5.7%. The base effects from 2022's streak of elevated prices helped in bringing retail inflation below the central bank's 6% tolerance limit for the first time in 2023. There has been a silent shift in the last couple of months. Till January 2023, it was rural inflation that had hit prices hard. This time around, urban inflation is growing faster. Core inflation (inflation excluding food and fuel), which had stayed elevated at 6.1% between December 2022 and February 2023, saw a 30 bps fall to 5.8% in March 2023.

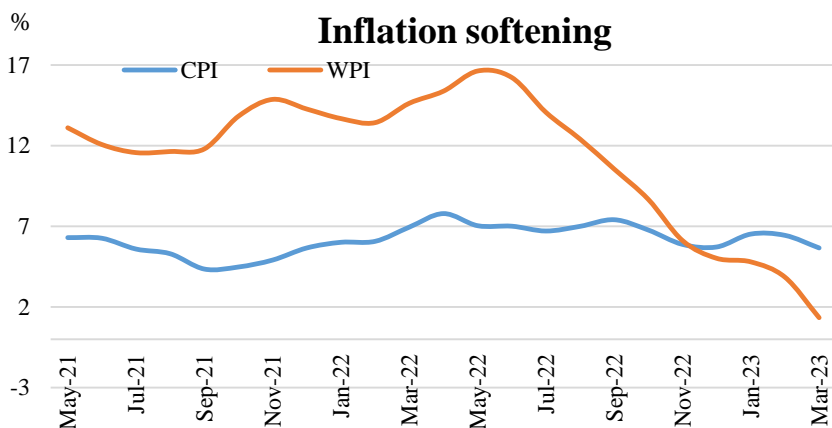
2- Domestic and Global Central Banks- Witnessing a surprisingly positive move, the Monetary Policy Committee of RBI unanimously decided to pause the key repo rate, and it thus remains unchanged at 6.5 per cent. GDP growth forecast for 2023-24 has been raised to 6.5% from 6.4% previously while FY24 inflation forecast was lowered to 5.2% from 5.3% earlier. While Governor Das made sure that it was a pause, but not a pivot, the challenges posed by a slowing economy (Growth in FY24 at 6.5% vs. 7.0% in FY23), and persistent inflation have not dissipated yet. The US Fed raised their policy rate by 25 bps. The hike and forecasts suggest that the policymakers remain firmly focused on bringing down inflation to their 2% goal, indicating they see rising prices (especially based on



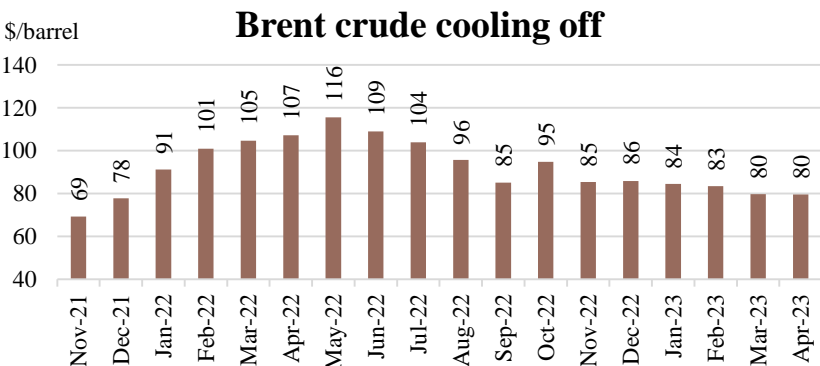
recent data) as a bigger growth threat than the bank turmoil.

3- Corporate Earnings Season – Most of the companies have declared their Q4FY23 and FY23 results. Earnings of the financial year 2022-23 (Q4FY23) have been in line so far led by BFSI and automobiles while metal has been a drag. 26 Nifty companies that have declared results so far have risen 10 per cent year-on-year (YoY) versus the estimated 7 per cent YoY, fueled by financials. IT sector has been a mixed bag with tier-2 companies outperforming tier-1 peers. Impacts from the turmoil in the banking system and softness in tech adversely affected earnings. Automobiles have also been encouraging with almost all the companies exceeding the estimates. Consumer companies have impressive revenue growth and profitability surpassing market expectations contributed by strategic hike in product prices during Q3FY23, which led to increased revenue coupled with sharp decline in commodity prices has enabled these companies to reduce input costs.

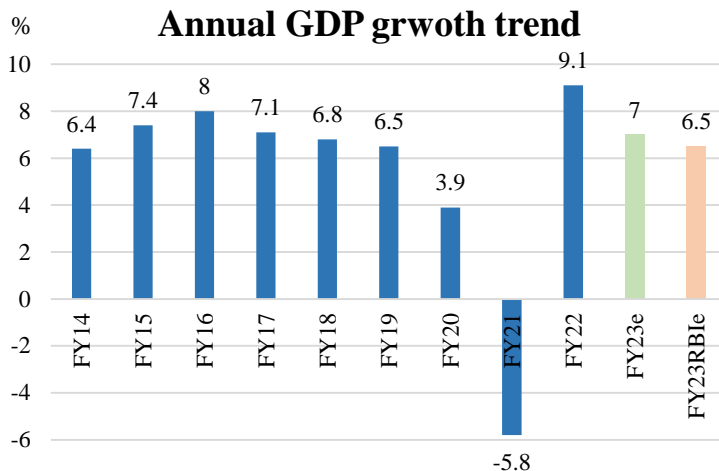
2-Major Economic Developments:



Source: Mospi



Source: Investing.com



Source: CMIE, RBIe- RBI estimate

- India's industrial output, as measured by the index of Industrial production or IIP, in February rose 5.6% year on year. The manufacturing sector growth at 5.3% indicates the activity in the economy.
- Merchandise exports registered highest ever annual exports of \$447.5 billion with 6% growth during FY23 surpassing the previous year record exports of \$422 billion. Services export lead the overall exports growth and projected to set a new record annual value of \$322 billion with growth rate at 26.8% during FY23 over FY22.
- India's Goods and Services Tax (GST) revenues grew 12% in April, to record the highest monthly collections of ₹1.87 lakh crore from the indirect tax. The revenues from domestic transactions (including import of services) were 16% higher than the revenues from these sources during the same month last year.
- India's unemployment rate inched up in April to 8.11% from 7.8% in March 2023 owing to a significant rise in the labour participation rate (LPR) which was the highest in the last three years,

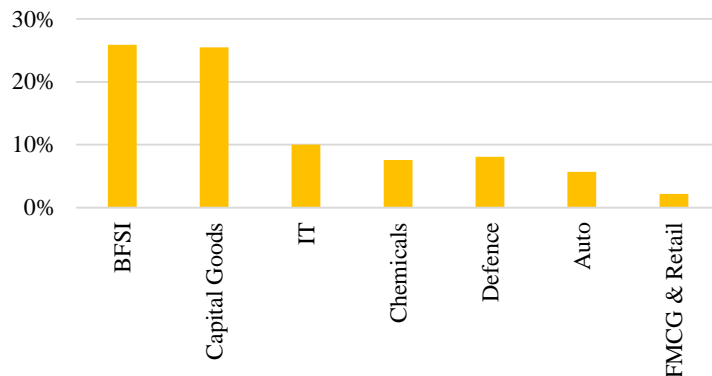
3-Market Outlook:

- Global as well as Indian equity markets have been quite volatile in the recent past, primarily tracking inflation led interest rate hike outlook by global central banks, geopolitical tensions and rise in crude prices.
- Indian equities have bounced back sharply from 16,800 levels to 18,400 levels on the back of strong economic fundamentals and inflows from both domestic and foreign investors.



- The biggest macro factors denting the markets still exist; from the shift in the power dynamics fuelled by China's aggression towards Taiwan, U.S.-China ongoing pseudo conflict for supremacy, the continuing Russia-Ukraine war, the U.S. banking crisis and a looming recession.
- Stock selection would play a meaningful role in determining returns in 2023 especially in selective small cap space.
- With the market sentiment seeing an uptick globally in April and a revival in FIIs buying in India, we expect future investments strengthening the home currency.

Sectoral Mix

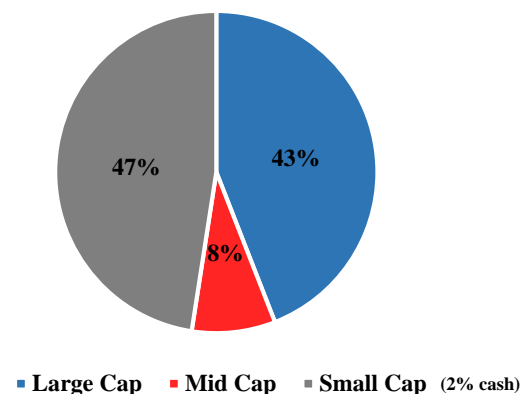


4-Our Portfolio Management Services:

Strategy 1: DREAM

- Investments in equities cash segment with a mix of stable and growth-oriented companies having strong fundamentals.
- Our Multi-cap strategy rests on two pillars- Steady picks for large cap for resilience, stability, and long-term wealth and Growth for Small & Mid-caps for capturing new opportunities & potential multi-baggers.
- In order to minimize concentration risks, we believe in sector diversification. This has also resulted in achieving outstanding results by outperforming the markets by capturing opportunities across the board.
- We make dedicated efforts to find attractively valued firms with sustainable business models to capture new and dynamic opportunities.

Market Capital Diversification



Performance as on 28th April 2023:

	1M	3M	6M	1Y	Since inception (CAGR)	Since Inception (Absolute)
HEM PMS	7.5%	3.8%	0.9%	4.1%	22.1%	87.9%
Nifty500	4.5%	1.8%	-1.6%	2.8%	16.9%	63.7%

Inception date: 4th March, 2020

Our Top 10 Holdings[#]

State Bank of India Ltd.	Share India Securities Ltd.
Agarwal Industrial Corporation Ltd.	HDFC Bank Ltd.
ICICI Bank Ltd.	Deepak Fertilisers and Petrochemicals Corp Ltd.
Gravita India Ltd.	Hindustan Aeronautics Ltd.
Raghav Productivity Enhancers Ltd.	Bajaj Finance Ltd.

As of 31st March 2023

Strategy 2: IRSS

- Niche SME & Small Cap based PMS launched in February 2022.
- We came No. 1 in India according to PMS Bazaar by delivering 34% returns in FY23.
- Exclusive selection of potential multibaggers from SME & Small cap space.
- It is a high risk & high return strategy and therefore suitable for investors having high risk appetite.

	1M	6M	1Y	Since inception (CAGR)
HEM IRSS	12.2%	8.4%	38.3%	39.9%
S&P BSE 250 SMALLCAP INDEX	4.5%	-1.6%	2.8%	2.5%



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