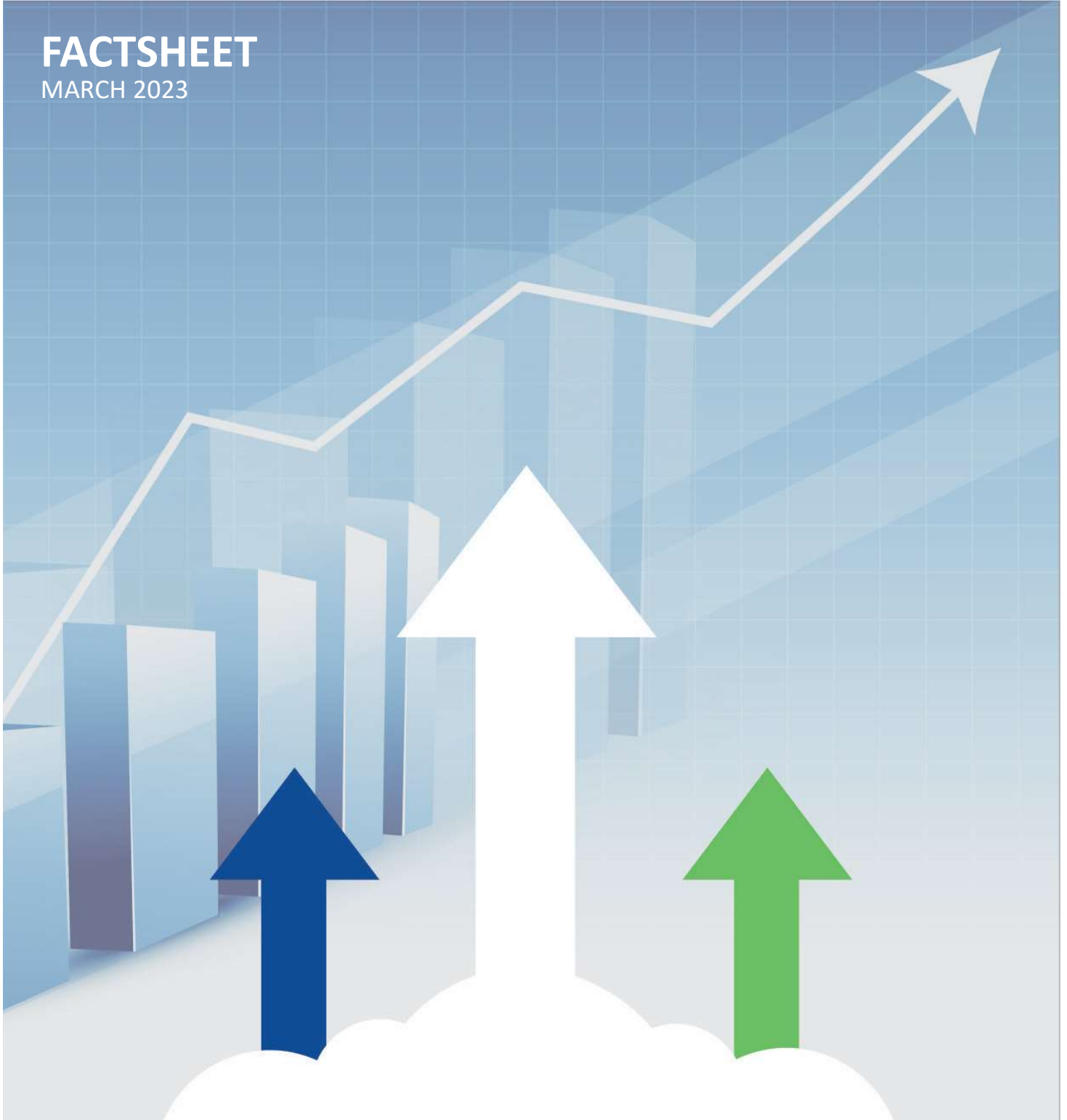


# FACTSHEET

MARCH 2023



## Renaissance Investment Managers

Dear investors,

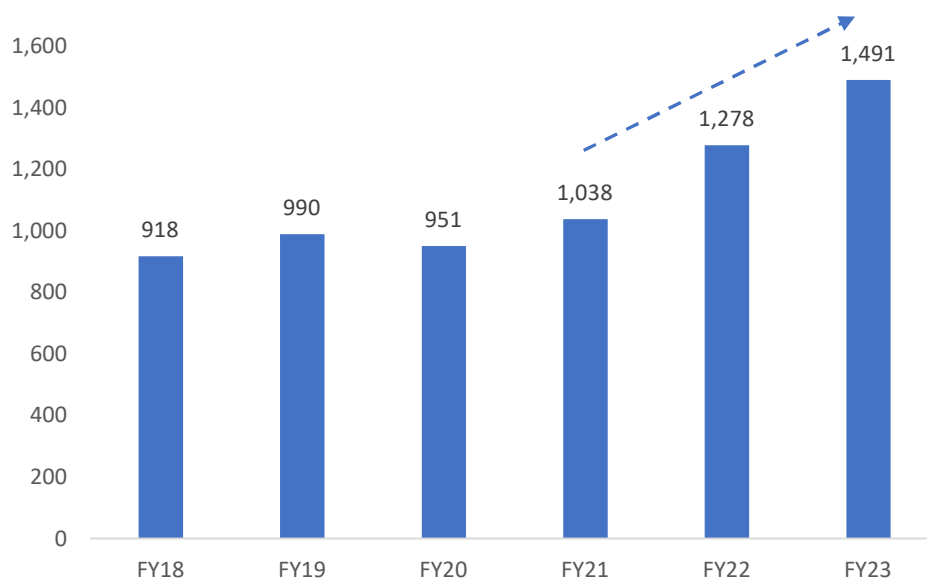
### Another volatile JFM quarter

Over the last 3-4 years, JFM (Jan-Feb-Mar) quarter has turned out to be a bad omen for the equity markets. After Covid (multiple waves) and Russia-Ukraine war, JFM in 2023 was jolted by an unexpected banking crisis in the western world. While the world was still fighting a battle against stubborn inflationary pressures, SVB Bank followed by Credit Suisse fallouts drove further uncertainty for the equity markets across the globe. However, the weird part of this story is the 360 degree reversal in the US FED's policy which has moved from quantitative tightening to quantitative easing. After a doom's day scenario getting built in JFM quarter, the rest of the calendar year has been marked by a smart recovery for equity markets in the last 3 years. While we hate to blindly extrapolate historical trends, but a move from quantitative tightening to quantitative easing could potentially be a good reason for equity markets to rally from hereon.

Global banking crisis is unlikely to have any meaningful impact on Indian banking system or the economy. Foreign banks account for less than 1% of the country's total branch network and in terms of banking assets the contribution is ~7%. More importantly, for all foreign banks, contribution from Indian operations is inconsequential in their overall scheme of things. On the other hand, Indian banks have a paltry presence in international geographies and have no dependence on foreign banks for raising deposits/ borrowings. Whichever way one looks, Indian banks are largely immune from the global turmoil. On the contrary, Indian banking system is going through its strongest phase ever in multiple decades. We have spoken about this multiple times in our notes earlier.

The Indian economy is not completely immune global upheaval; however, it certainly remains in a far better position than the world. Gross GST collection for the FY22-23 stood at Rs 18tn, which implies a very strong 22% YoY growth. While the high growth is also partly due to inflation and higher compliance, but ex of these two factors also, the collections are quite robust and reassuring.

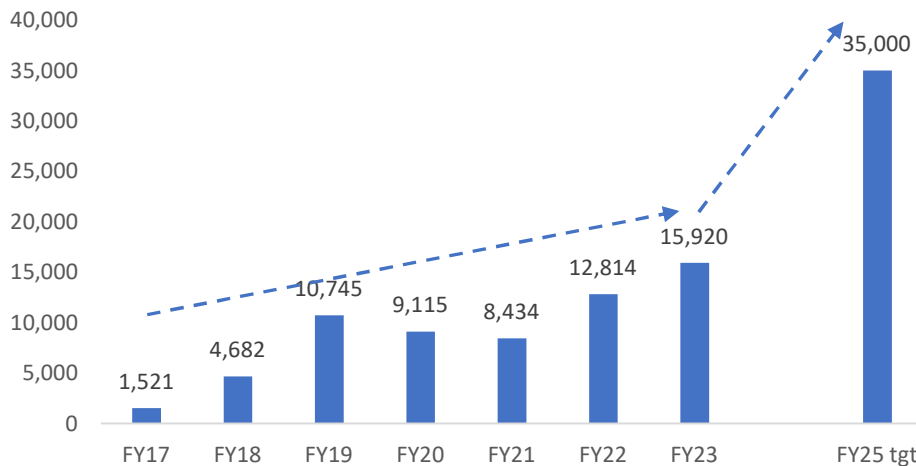
### Average monthly GST collections (Rs bn)



Source: Broker notes

Despite the initial setback to the Make in India programme, the Govt of India persisted with its drive to increase the manufacturing footprint in the Indian economy. PLI scheme has undoubtedly been a success. Another green shoot is also visible in the defence manufacturing and exports of the country. Since FY16-17, defense exports have increased 10 times (chart below) to Rs 15,920crs in FY22-23. Given our historical track record, this is massive and really encouraging. More importantly, the Govt has set a target of Rs 35,000cr of defence exports for FY25. This implies more than doubling of exports in just two years. If India can pull this off, this will certainly be a game changing moment for defence industry. Its noteworthy to highlight that defence orders to the tune of Rs 45,000cr were placed in the last week of Mar23. This clearly shows the intent of the government to drive defence manufacturing/ exports in a big way.

### India Defence Exports (Rs crs)



Equity markets are amidst a tug-of-war with global uncertainties on one side and domestic opportunities on the other. We believe there are structural tailwinds for the Indian economy emanating from PLI scheme, Make in India, China+1 and capex cycle recovery amongst others. These are structural drivers for the economy which are unlikely to be bogged down by intermittent slowdown in demand or EL-Nino kind of events. Consequently, we continue to remain sanguine on the long-term growth prospects of the Indian economy.

Happy investing!

**Pawan Parakh**

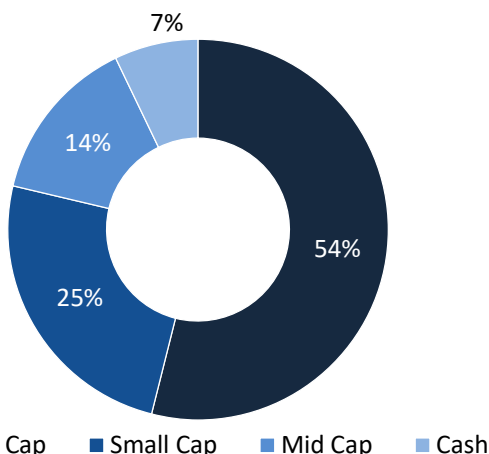
Portfolio Manager

### Portfolio – Returns Attributes

(As on 31<sup>st</sup> March 2022)

Fund / Index	1 Year	2 Years	3 Years
CRISIL AIF Index – Long Only Equity Funds (INR)	24.5%	46.1%	17.2%
INDIA NEXT FUND	16.8%	61.8%	18.8%
INDIA NEXT FUND II	N/A	N/A	N/A

### Portfolio Capitalization



### Portfolio Highlights

Portfolio Date: 31/03/2023

Particulars	FY23E	FY24E
PAT growth (%)	28.8%	30.5%
ROE (%)	14.4%	15.20%
P/E	20.5	19.6

### Top Holdings

Portfolio Date: 31/03/2023

Company	Weight(%)
ICICI Bank	8.75%
ITC	8.12%
Aptech	7.39%
Sun Pharmaceuticals	5.95%
Bharti Airtel	5.44%

### Renaissance India Next Fund - Risk

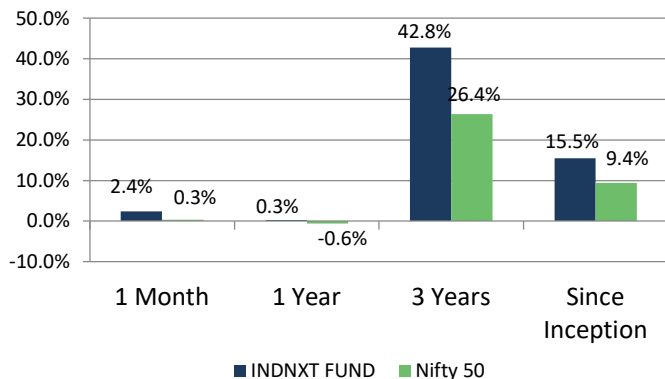
Time Period: 13/08/2018 to 31/03/2023

Calculation Benchmark: IISL Nifty 50

	Portfolio	Index
Return (Annualised)	15.53	9.44
Std Dev (Annualised)	28.52	19.47
Excess Return (Annualised)	6.09	0.0
Sharpe Ratio	0.67	0.55
R2	0.65	1.0
Beta	1.18	1.0

### Returns

Calculation Benchmark: IISL Nifty 50



### Sectoral Weights

Portfolio Date: 31/03/2023

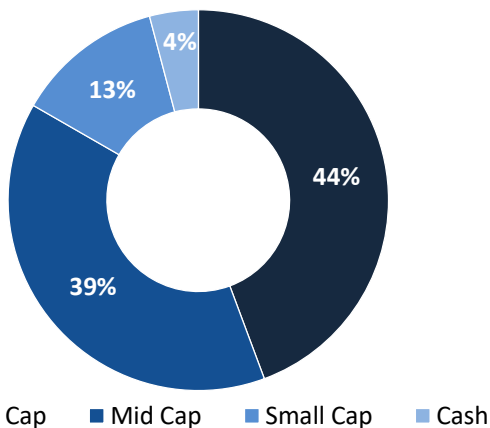
Sector	Weight(%)
Banks & Finance	32.00%
FMCG	11.56%
Pharmaceuticals	10.44%
Automobiles & Logistics	10.39%
IT Consulting & Software	7.48%

**Funds Returns are after tax\*. And Benchmarks Returns are Pre Tax**

\*To the extent profit booked

**Theme: Brand, Internet, Technology & Science (BITS)**

**Portfolio Capitalization**



**Portfolio Highlights**

Portfolio Date: 31/03/2023

Particulars	FY23E	FY24E
PAT growth (%)	26.30%	20.80%
ROE (%)	10.70%	13.60%
P/E	39.7	28.7

**Top Holdings**

Portfolio Date: 31/03/2023

Company	Weight(%)
HDFC Bank	8.83%
Info Edge	7.21%
One 97 Communications	6.78%
Zydus Lifesciences	5.55%
Syngene International	5.28%

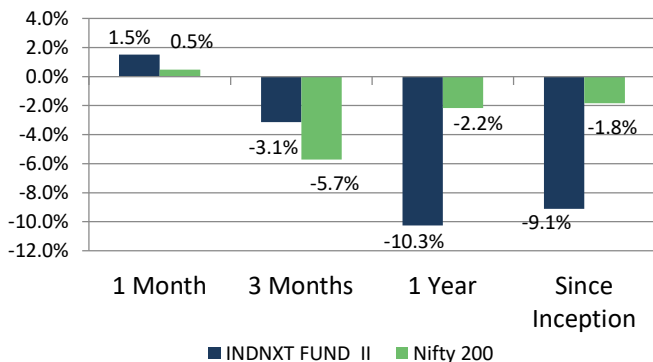
**Renaissance India Next Fund - Risk**

Time Period: 01/01/2022 to 31/03/2023  
Calculation Benchmark: IISL Nifty 200

	Portfolio	Index
Return	-9.12	-1.84
Std Dev	14.72	14.40
Excess Return	-7.28	0.0
Sharpe Ratio	-0.57	-0.06
R2	0.84	1.0
Beta	0.93	1.0

**Returns**

Calculation Benchmark: IISL Nifty 200



**Sectoral Weights**

Portfolio Date: 31/03/2023




Sector	Weight(%)
Banks & Finance	28.75%
IT Consulting & Software	20.18%
Pharmaceuticals	15.51%
FMCG	9.36%
Capital Goods & Engineering	9.34%

Funds Returns are after tax\*. And Benchmarks Returns are Pre Tax

\*To the extent profit booked

## Investment Philosophy

### Sustainable Quality Growth At Reasonable Price (SQGARP)

 <p><b>Sustainability</b></p>	<p>Companies with sustainable and durable business models.</p>
 <p><b>Quality</b></p>	<p>Superior quality businesses as demonstrated by Competitive edge, Pricing power, ROE, FCF. Good quality and competent management teams.</p>
 <p><b>Growth</b></p>	<p>Business that can deliver superior growth over medium term to long term.</p>
 <p><b>Price</b></p>	<p>Ability to invest at reasonable valuations. Fair value approach to valuations. Focus on economic value of business.</p>

**Statutory Details:** Renaissance Investment Mangers Private Limited (“RIMPL”) is registered under SEBI (Portfolio Managers) Regulations, 1993 as a Portfolio Manager vide Registration No. INP000005455. RIMPL is also an Investment Manager to Renaissance Alternate Investment Fund – Category III which is registered with SEBI as Alternate Investment Fund under SEBI (Alternative Investment Funds) Regulations, 2012 vide Registration No: IN/AIF3/18-19/0549.

**Disclaimer:** The Fund/strategy returns are of a Model Client. The performance related information provided herein is not verified by SEBI. The performance of the stock across Individual portfolios may vary significantly from the data depicted above. Returns of individual client may differ depending on timing of entry and exit, timing of additional flows and redemptions, individual client mandates, specific portfolio construction characteristics or structural parameters which may have a bearing on individual portfolio performance. No claims may be made or entertained for any variances between the above performance depictions and that of the stock within individual client portfolios. Neither RIMPL, nor the Fund/Asset Management Company, its Directors, employees or Sponsors shall in any way be liable for any variation noticed in the returns of individual portfolios.

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**Risk Factors:** Investing in securities involves certain risks and considerations associated generally with making investments in securities. The value of the portfolio investments may be affected generally by factors affecting financial markets, such as price and volume, volatility in interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws) or other political and economic developments. Consequently, there can be no assurance that the objective of the Portfolio would be achieved. Prospective investors are advised to review the Disclosure Document, PPM and/or, Client Agreement, and other related documents carefully and in its entirety and consult their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of investing under this Portfolio, before making an investment decision. RIMPL is not liable or responsible for any loss or shortfall resulting from the operation of the scheme. This document represents the views of Renaissance Investment Mangers Private Limited and must not be taken as the basis for an investment decision. Neither Renaissance Investment Mangers Private Limited nor its affiliates, its Directors or associates shall be liable for any damages including lost revenue or lost profits that may arise from the use of the information contained herein. No representation or warranty is made as to the accuracy, completeness or fairness of the information and opinions contained herein. RIMPL reserves the right to make modifications and alterations to this statement as may be required from time to time.