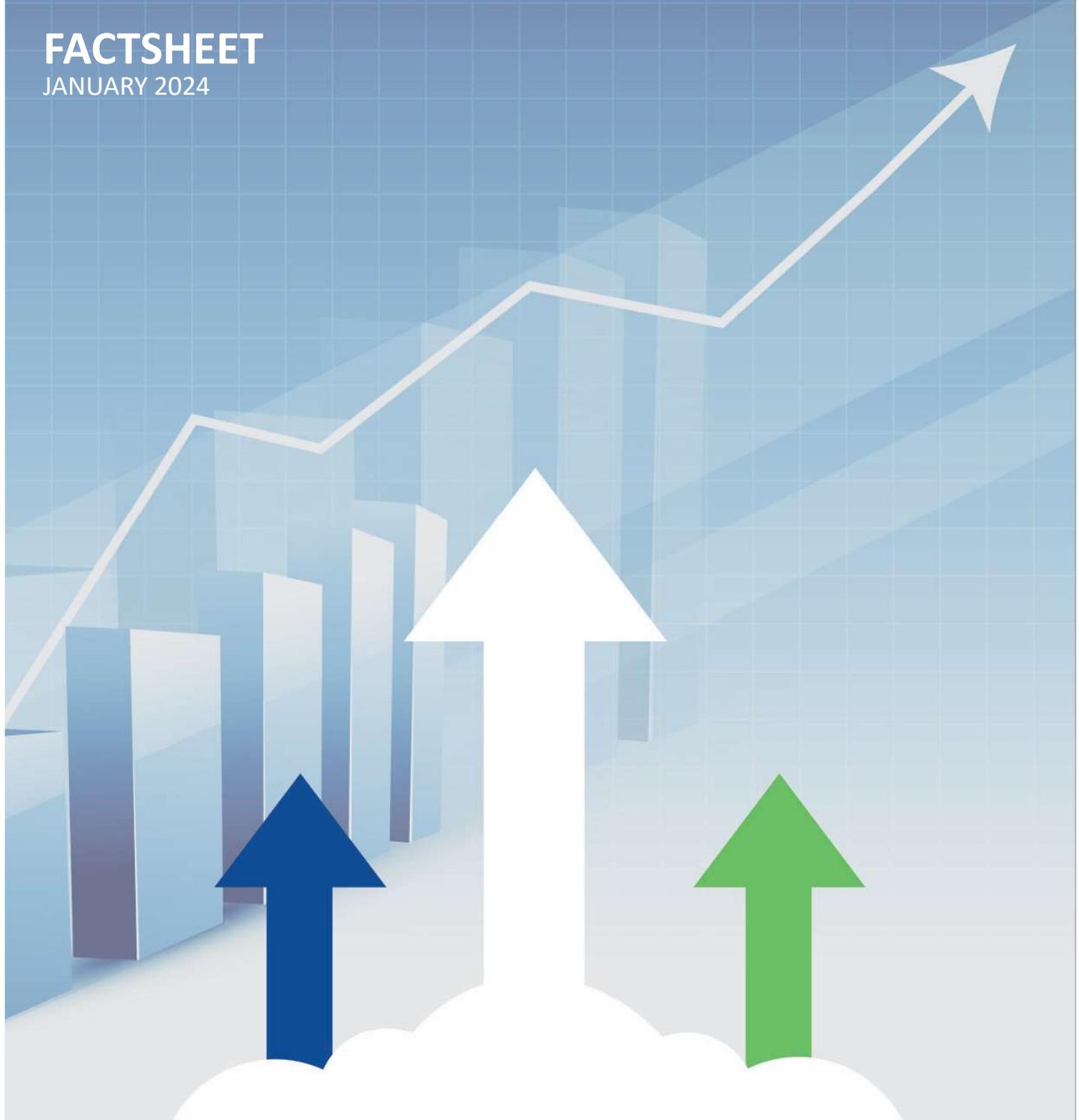


FACTSHEET

JANUARY 2024



Renaissance Investment Managers

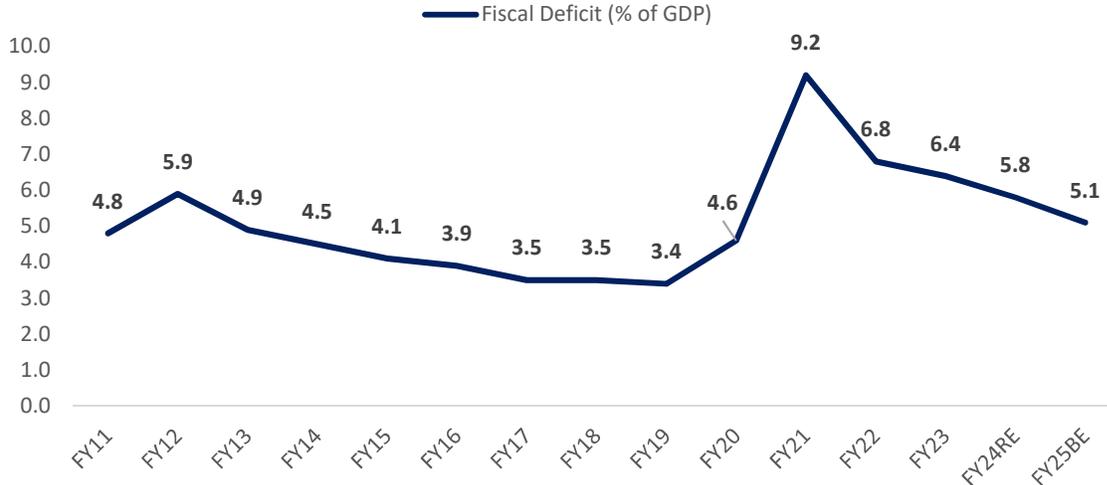
Dear Investors,

Thumbs up to Fiscal prudence

In the Interim budget 2024, the Finance Minister surprised the street with better than expected fiscal deficit target of 5.1% (consensus expectation of 5.3-5.4%). In fact, the fiscal deficit for FY23-24, in absolute terms, has also been revised downwards from Rs 17.35tn from the earlier budgeted number of Rs 17.87tn. In the last one year, India has surprised positively on the growth side (better than expected GDP growth), while keeping inflation and fiscal deficit under control. This makes a great recipe for a long and enduring bull market for Indian equities.

In the run-up to central elections, the government has abstained for announcing any populist budget. While most people observe that the budget had no big-bang announcements, we believe the contrary. Honestly, the current government hasn't been shy of making important announcements outside the budget. The intent of the government to drive growth capital expenditure (across infrastructure, renewables, R&D etc.) with fiscal consolidation itself is a big announcement, in our opinion. Importantly, these calculations are based out of a very conservative revenue estimates, which have a potential to surprise on the upside. The net market borrowing is targeted to be lower than last year. Post this announcement, 10yr GSEC yields corrected thereby implying an indirect rate cut. The fiscal consolidation will help the Indian government to make a stronger case for a higher sovereign credit rating in the future, which would further lower risk premiums/ interest rates for corporate India.

Gradual decline in fiscal deficit post covid



Source – NSE, BSE

In terms of quarterly earnings, Corporate India has generally done well. Lending businesses continue to witness strong growth and muted NPAs. There has been some challenge in terms of garnering CASA flows, but we believe the same should be addressed in next 2-3 quarters. IT services have surprised on the positive. While companies continue to witness decline in headcounts, most managements appear to be cautiously optimistic on the growth going ahead. Infrastructure companies continue to report strong order inflows. Consumer demand continues to be a mixed bag with Auto & Real estate performing well but several other categories remaining a little subdued. Overall, the earnings season has been in line with our expectations. Rural recovery is an elephant in the room for the India growth story. If the government can drive recovery in rural economy, we believe FY24-25 will be another year of better than expected GDP growth for the country.

From the fund perspective, we continue to remain optimistic about the growth in core sectors of the economy viz. Manufacturing, Infrastructure, Power and technology amongst others. These sectors have a long runway of growth. Overall, we believe Indian economy is in a good health and impending political outcomes are unlikely to surprise. A confluence of strong growth and stable political regime, sets the stage well for a promising CY25. Bull markets have a tendency to create bubble and we can see some bubble forming up in select stocks/ sectors. Investors need to resist the temptation in investing in those names. We continue to maintain our disciplined stock selection process to ensure long term sustained returns for investors.

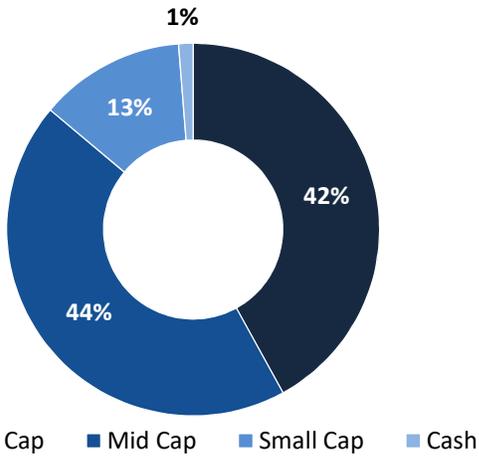
Happy Investing.

Pawan Parakh
Portfolio Manager

Returns		(As on 30 th September 2022)		
Fund / Index	1 Year	2 Years	3 Years	
CRISIL AIF Index – CAT III (INR)	-1.53%	23.63%	16.04%	
INDIA NEXT FUND	11.3%	48.77%	24.5%	
INDIA NEXT FUND II	N/A	N/A	N/A	

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

Portfolio Capitalization



Portfolio Highlights

Particulars	FY24E	FY25E
PAT growth (%)	25.0%	24.0%
ROE (%)	16.0	17.8
P/E	34.6	28.1

Top Holdings

Company	Weight(%)
Birlasoft Ltd	6.48%
Info Edge (India) Ltd	6.02%
Zydu Lifesciences Ltd	5.31%
One 97 Communications Ltd	5.24%
Motilal Oswal Financial Services Ltd	4.81%

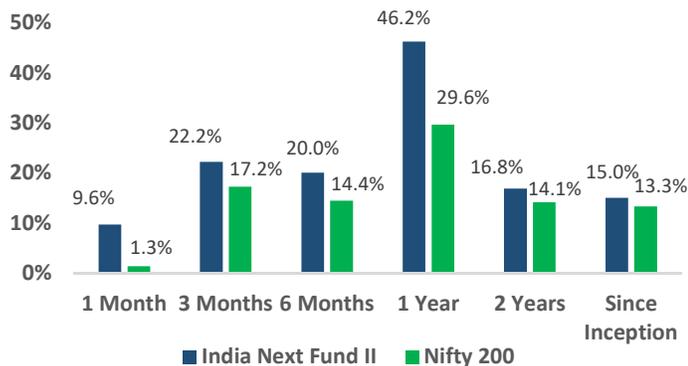
Renaissance India Next Fund II - Risk

Time Period: Last 12 Months
 Calculation Benchmark: IISL Nifty 200

	Portfolio	Index
Std Dev	11.98%	9.91%
Sharpe Ratio	3.26	2.27
Beta	0.97	1.00
Treynors Ratio	0.40	0.00
Information Ratio	2.33	0.00

Returns

Calculation Benchmark: IISL Nifty 200



Sectoral Weights

Sector	Weight(%)
IT & Tech	27.59%
BFSI	20.42%
Pharma & Chemicals	16.31%
Auto & Logistics	13.26%
Industrials	7.75%

Fund and Benchmarks returns are Pre-tax

Investment Philosophy

Sustainable Quality Growth At Reasonable Price (SQGARP)

 <p>Sustainability</p>	<p>Companies with sustainable and durable business models.</p>
 <p>Quality</p>	<p>Superior quality businesses as demonstrated by Competitive edge, Pricing power, ROE, FCF. Good quality and competent management teams.</p>
 <p>Growth</p>	<p>Business that can deliver superior growth over medium term to long term.</p>
 <p>Price</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.