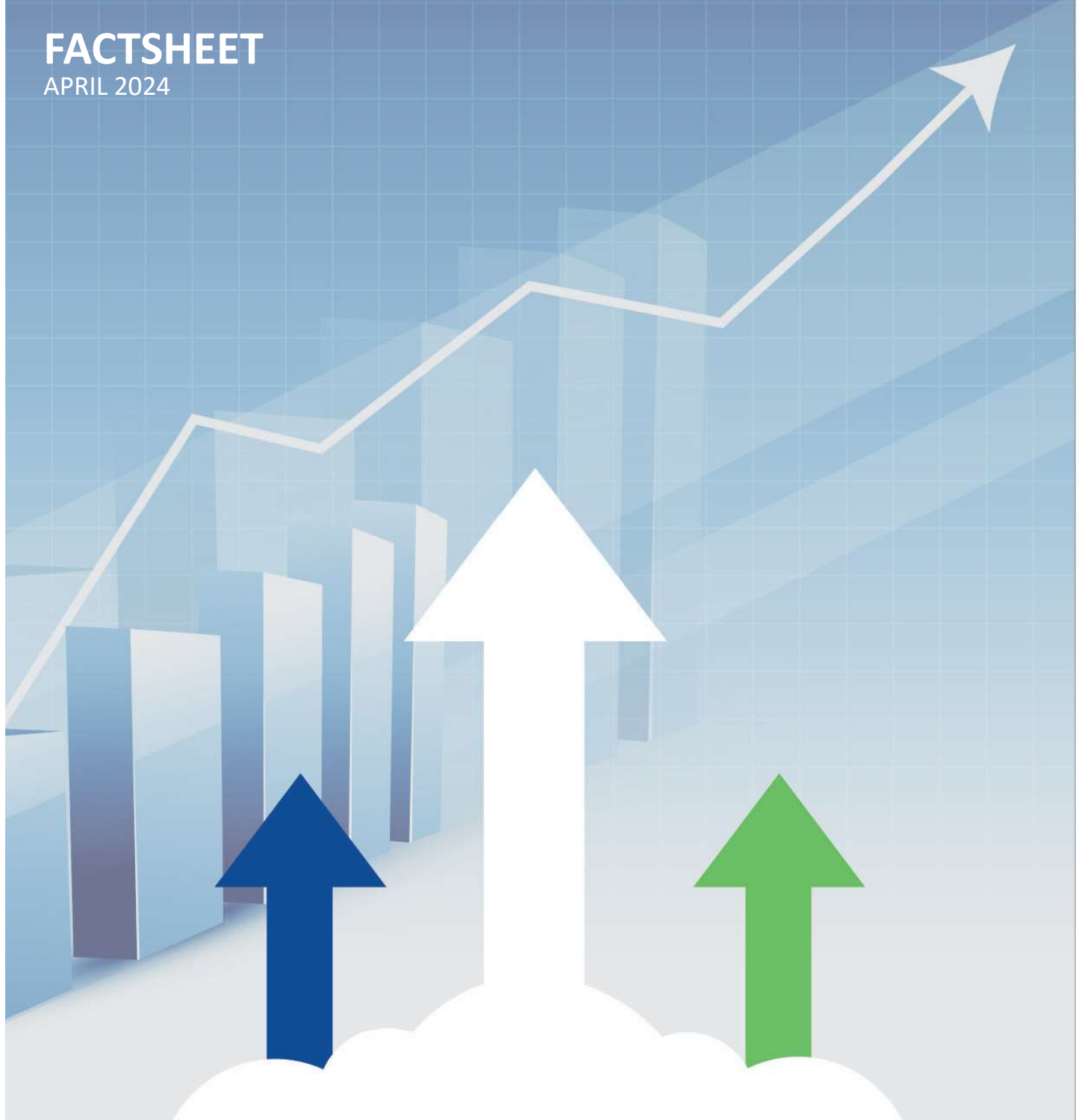


FACTSHEET

APRIL 2024



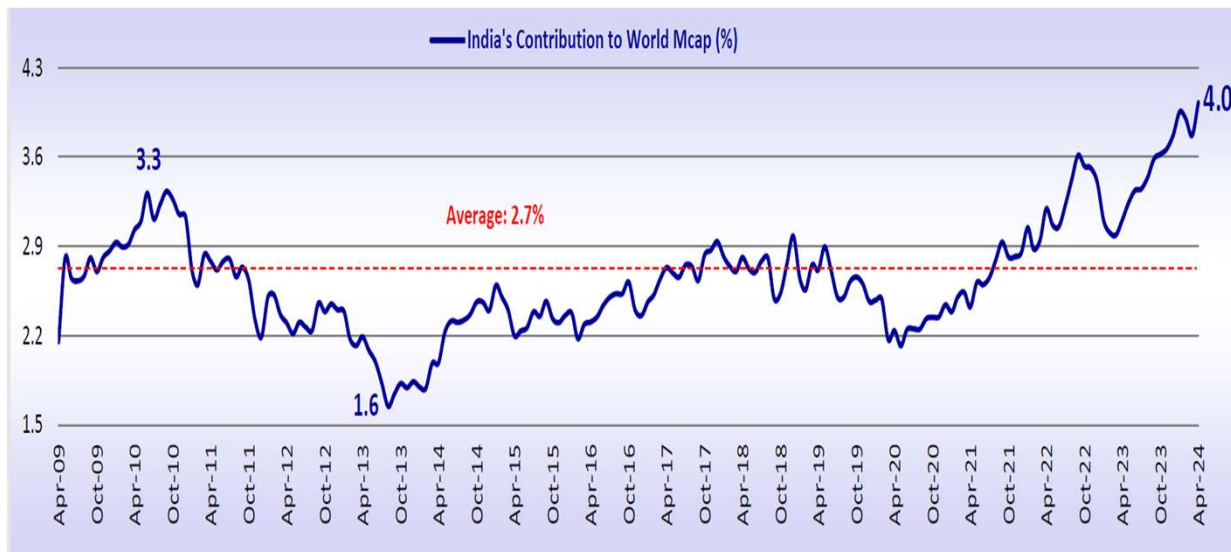
Renaissance Investment Managers

Dear Investors,

The cliché “Cautiously Optimistic” phase for Indian markets

Over the last the couple of years, Indian economy has surprised on the upside. GDP growth has fared better than expected. This comes along with relatively stable inflation scenario, strong tax collections and robust corporate earnings. More importantly a lot of these tailwinds will continue to support the economy in future as well. So obviously, there are all the reasons to be positive on Indian markets. Strong domestic macros have led to sharp jump in India’s contribution to world market cap (as highlighted below). However, the massive rally in the equity markets (more so in mid / small caps) have led to a scenario where valuations have little room for upside. On the other hand, there are irritants like fragile geopolitical situation and daily changing expectations on rate cuts by US FED. This brings markets to the classic scenario of being “Cautiously Optimistic”.

India’s contribution to World market capitalization



Source: broker reports

With Central elections underway, a lot of analysts are using empirical trends to find pre/post-election direction of the markets. Honestly, in our opinion, such analysis doesn’t work. Firstly, there is no unanimous trend that visible across all cycles. Secondly, there are always other variables influencing the markets at different point in time, which renders such analysis redundant. In the current scenario, one thing that’s important is a stable government and continuity in policy reforms. In the absence of these variables, there are genuine risks to India’s growth outlook and more importantly valuations, which are already somewhat demanding. For now, the poll pundits are projecting a 42-52% vote share for NDA as against a vote share of ~45% in 2019 elections. This should imply a similar or slightly better seats for the NDA alliance. A resounding victory for NDA, is undoubtedly sentimentally positive for the markets.

Corporate earnings so far have been in line with estimates, barring a few disappointments in the IT services spaces. We believe, the outlook on long term demand for IT services continues to be very positive. However, the mixed signals from the US economy (the largest market for IT services) has led to corporates going slow on some projects, which should come to fore once the economic scenario improves. On the positive side, most banking companies have fared well on deposits momentum which was the key concern for analysts. Apart from banking sectors, earnings across auto, consumer and cement companies have also been broadly in line with estimates.

Overall, we remain “Cautiously optimistic” on the equity markets. While at the index level, 2024 may not be as exciting, but a bottoms-up portfolio consisting of strong growth stories at reasonable valuations should deliver superior risk adjusted returns for investors. We once reiterate that the global situation is still uncertain and hence investors should be averse to investing in inferior business models & companies with poor managements. At Renaissance, we have further strengthened our risk guardrails to ensure our portfolios remain resilient going ahead. We continue to focus on companies which have inherent strengths to deliver superior growth.

Happy Investing.

Pre-Tax Returns

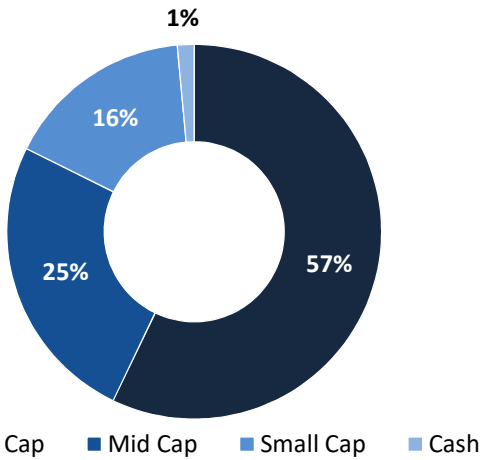
(As on 30th September 2023)

Fund / Index	1 Year	2 Years	3 Years	5 Years
CRISIL AIF Index – CAT III (INR)	15.5%	7.0%	20.6%	13.5%
INDIA NEXT FUND II	15.1%	N/A	N/A	N/A

N/A – As the fund has not completed 2yr, 3yr and 5yr as on 30th September 2023. Returns for more than one year are annualized.

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

Portfolio Capitalization



Portfolio Highlights

Particulars	FY25E	FY26E
PAT growth (%)	23.0%	21.0%
ROE (%)	17.0	18.3
P/E	40.8	36.5

Top Holdings

Company	Weight(%)
Info Edge (India) Ltd	6.82%
Motilal Oswal Financial Services Ltd	6.03%
Tech Mahindra Ltd	5.70%
ABB India Ltd	4.42%
Birlasoft Ltd	4.32%

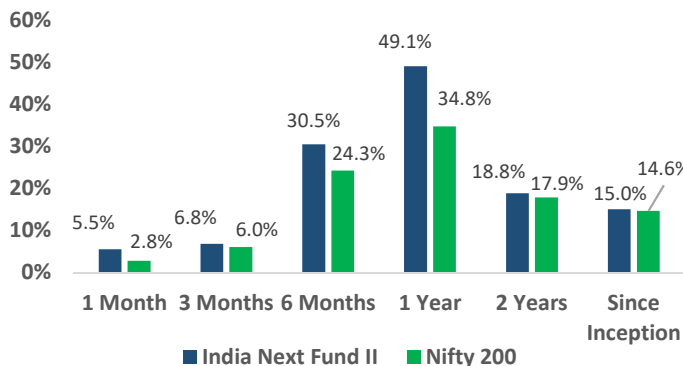
Renaissance India Next Fund II - Risk

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

	Portfolio	Index
Std Dev	12.95%	10.17%
Sharpe Ratio	3.24	2.72
Beta	1.03	1.00
Treynors Ratio	0.41	0.00
Information Ratio	1.88	0.00

Returns

Calculation Benchmark: IISL Nifty 200



Sectoral Weights

Sector	Weight(%)
IT & Tech	27.70%
BFSI	19.11%
Pharma & Chemicals	14.02%
Auto & Logistics	13.25%
Industrials	10.31%

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.