

FACTSHEET

MARCH 2024



Renaissance Investment Managers

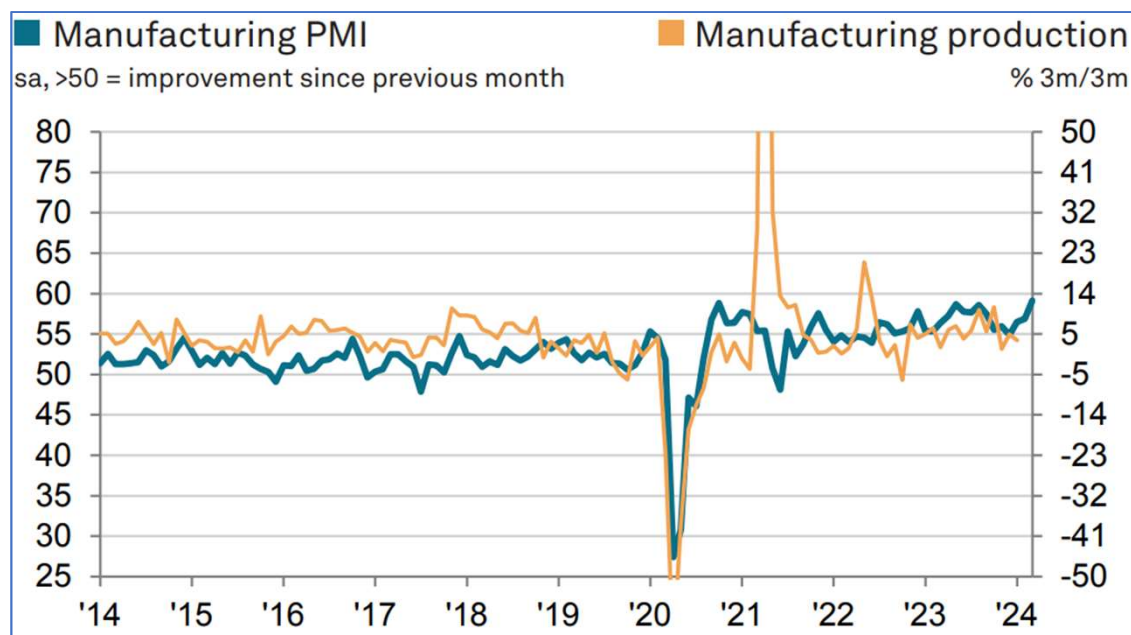
Dear Investors,

Capex front loaded

The central government's capital expenditure continued to be on track and was up by 36.5% YoY in April-February FY24 and at 84.8% of FY24RE versus 81.1% of RE in FY23. Among the key ministries, capex for Road and Highways rose 21.1% YoY and the same for Railways rose 47% YoY. On the other hand, revenue expenditure saw a muted growth of ~1.3% YoY for the same period. Over the last 2-3 years, Govt has shown heightened focus in driving capital expenditure across both public and private sector. The drive towards higher capex is also well supported by strong growth in tax collections. We believe the Govt is on track to meet its overall fiscal deficit target of 5.8% for FY24E, which lends more credibility to the 5.1% target set for FY25E.

Indian economy continues to chart a steady growth path. The manufacturing PMI for the last month of the financial year ended on a strong note with a reading of 59.1 vs. 56.9 in the previous month. India's manufacturing output rose for the 33rd consecutive month in Mar-24 as growth quickened across consumer, intermediate and investment goods sectors. While there exist some cost inflation pressures for businesses (with rise in price crude and other agricultural commodities), most companies have opted to absorb the same rather than passing it on to consumers. This to some extent has ensured that there is no disruption in demand.

India PMI for Manufacturing sector



Source: HSBC, S&P Global

Apart from Manufacturing, Digital India has been a key growth initiative of the government. Within the digital theme, UPI has been a runaway success so far and continues to be the same. UPI transactions in India posted a record 57%/ 44% rise in volume/ value FY24. This was for the first time that UPI transactions crossed 100 bn in volumes and closed at 131bn in a financial year (vs. 84bn in FY23). There has been a strong inverse correlation of UPI with Average Ticket Size (ATS) reducing steadily, signalling that UPI is now being for small ticket items of daily needs. This implies that UPI has now become an integral part of a wide genre of our huge population. This would go a long way in formalising the Indian economy.

In terms of Index returns, Mar-24 was quite a flattish month across both large and midcap indices. However, there was reasonable amount of volatility during the month. We have been highlighting that there is some sort of froth in valuation of select mid/small cap companies and investors should be cautious of such sectors/companies. While we continue to be positive on the India's growth opportunity, we still advice investors to exercise caution while selecting the stocks, as bulk of the stocks now trade above their long term averages. We are invested in companies which have high earnings certainty thereby protecting our portfolio in the event of an intermittent correction. We continue to maintain our disciplined stock selection process to ensure long term sustained returns for investors.

Happy Investing.

Pawan Parakh
Portfolio Manager

Renaissance Opportunities Portfolio

Inception Date: 1st JANUARY, 2018

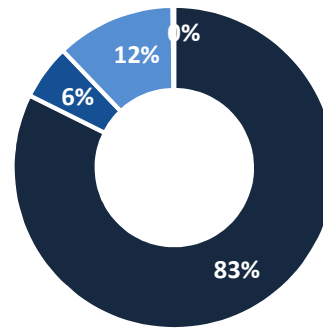
Data as on 31st MARCH 2024



Investment Strategy

- **Large Cap Strategy**
- **Blend of Growth & Quality**
- **Focused portfolio of 20 - 25 stocks**
- **High Conviction Ideas**
- **Investing across businesses which are at different stages of their business lifecycle**

Portfolio Capitalization



■ Large Cap ■ Mid Cap ■ Small Cap ■ Cash

Top Holdings

Company	Weight (%)
State Bank of India	6.96%
Bharti Airtel Ltd	6.79%
Sun Pharmaceutical Industries Ltd	6.25%
Tech Mahindra Ltd	5.93%
HDFC Bank Ltd	5.77%

Top Sectorial Weights

Sector	Weight (%)
BFSI	25.92%
IT & Tech	19.81%
Pharma & Chemicals	15.33%
Industrials	12.92%
Auto & Logistics	9.14%

Portfolio – Fundamental Attributes

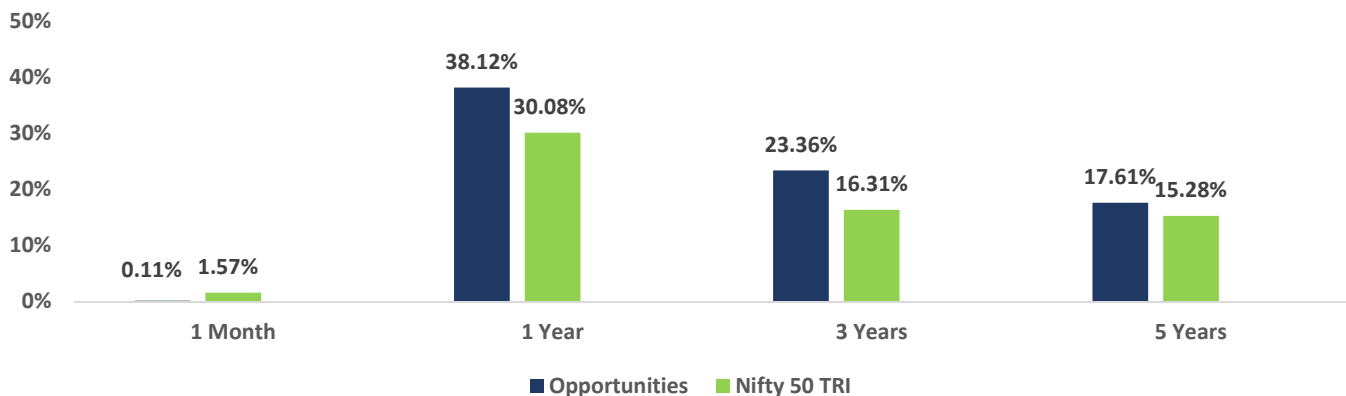
Particulars	FY24	FY25E	FY26E
PAT growth (%)	27.8%	23.2%	16.4%
ROE (%)	18.7	19.3	19.7
P/E	51.2	38.1	30.6

Portfolio – Risk Attributes

(Last 12 Months)

	Portfolio	Index
Std Dev	10.36%	9.66%
Information Ratio	1.29	0.00
Sharpe Ratio	3.00	2.39
Beta	0.87	1.00
Treynors Ratio	0.36	0.00
Up/Down Capture	113%/62%	

Returns



* Returns are for all clients on TWRR basis

Renaissance Mid Cap Portfolio

Inception Date: 1st JANUARY, 2018

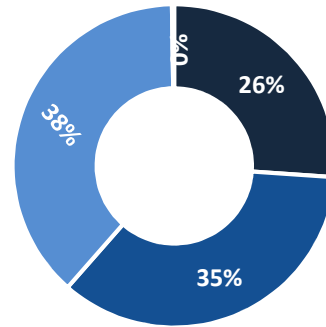
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Investment Strategy

- **Mid Cap & Small Cap Strategy**
- Identify Mid Cap / Small Cap ideas which can become tomorrow's Large Cap / Mid Cap respectively
- Long term approach to realise the full potential. Remain invested during the high growth phase of the business.
- Focused approach – Around 25 stocks
- Small Caps max 50% of portfolio to manage risk

Portfolio Capitalization



■ Large Cap ■ Mid Cap ■ Small Cap ■ Cash

Top Holdings

Company	Weight (%)
Hindustan Petroleum Corporation Ltd	5.52%
Cummins India Ltd	5.21%
Power Finance Corporation Ltd	5.15%
Zydus Lifesciences Ltd	4.31%
Nuvama Wealth Management Ltd	4.16%

Top Sectorial Weights

Sector	Weight (%)
BFSI	30.08%
Pharma & Chemicals	16.58%
Industrials	12.21%
IT & Tech	11.77%
Auto & Logistics	10.70%

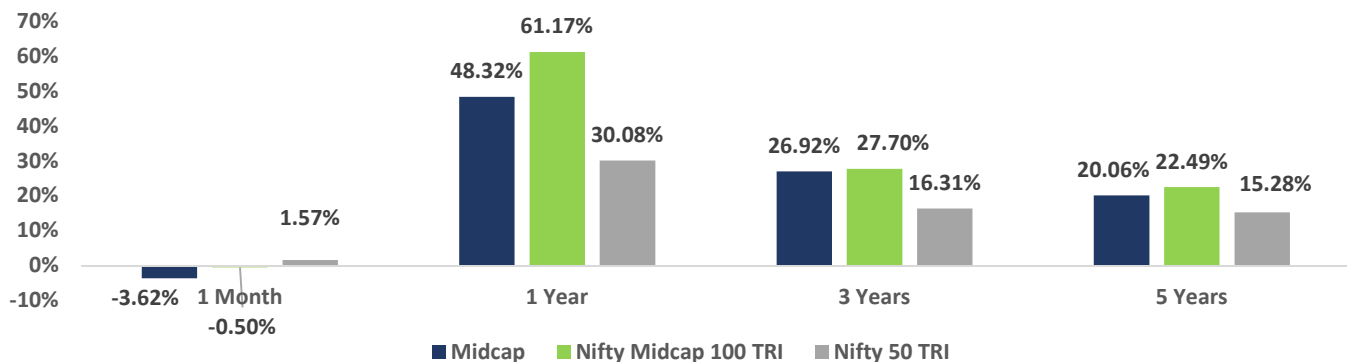
Portfolio – Fundamental Attributes

Particulars	FY24	FY25E	FY26E
PAT growth (%)	26.7%	29.7%	27.3%
ROE (%)	14.6	17.7	19.4
P/E	33.9	31.7	24.0

Portfolio – Risk Attributes (Last 12 Months)

	Portfolio	Index
Std Dev	14.29%	13.46%
Information Ratio	-1.98	0.00
Sharpe Ratio	2.89	4.02
Beta	0.95	1.00
Treynors Ratio	0.44	0.00
Up/Down Capture	88%/142%	

Returns



* Returns are for all clients on TWRR basis

Renaissance India Next Portfolio - PMS

Inception Date: 19th April, 2018

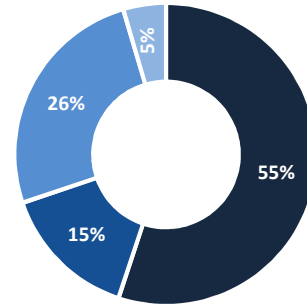
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Investment Strategy

- **Flexi Cap Strategy**
- Allocation across different market caps, considering the current economic cycle, with an objective to maximise return
- Targeting superior risk adjusted returns.
- Blend of Top-down and Bottoms up approach
- Focused portfolio of 20-25 stocks.

Portfolio Capitalization



■ Large Cap ■ Mid Cap ■ Small Cap ■ Cash

Top Holdings

Company	Weight (%)
Motilal Oswal Financial Services Ltd	6.74%
Infosys Ltd	5.76%
Hindustan Petroleum Corporation Ltd	5.10%
HDFC AMC Ltd	4.99%
State Bank of India	4.99%

Sectoral Weights

Sector	Weight (%)
BFSI	26.49%
IT & Tech	20.57%
Pharma & Chemicals	14.81%
Industrials	12.49%
Oil & Gas	5.10%

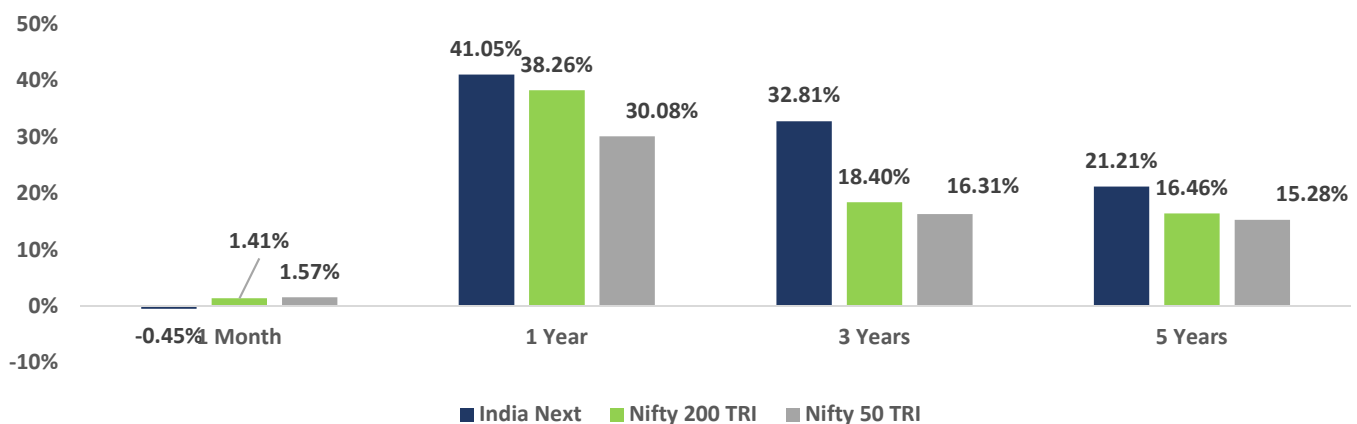
Portfolio – Fundamental Attributes

Particulars	FY24	FY25E	FY26E
PAT growth (%)	37.0%	24.6%	19.0%
ROE (%)	17.2	18.2	19.2
P/E	43.5	32.0	26.6

Portfolio – Risk Attributes (Last 12 Months)

	Portfolio	Index
Std Dev	11.30%	9.93%
Information Ratio	0.49	0.00
Sharpe Ratio	3.01	3.14
Beta	0.99	1.00
Treynors Ratio	0.34	0.00
Up/ Down Capture	113%/80%	

Returns



* Returns are for all clients on TWRR basis

Investment Philosophy

Sustainable Quality Growth At Reasonable Price (SQGARP)

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

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.

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