



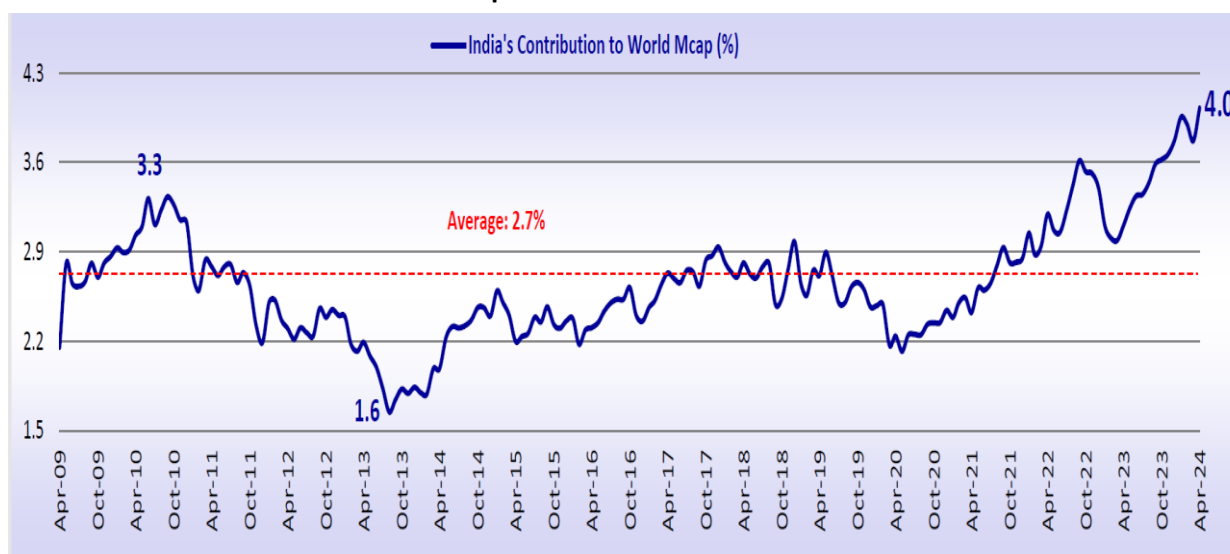
**Renaissance Investment Managers**

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**

Renaissance Opportunities Portfolio

Inception Date: 1<sup>st</sup> JANUARY, 2018

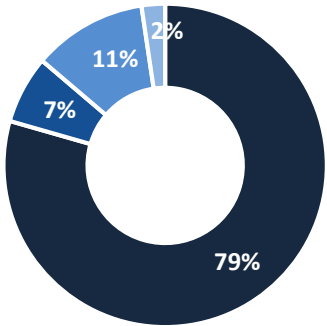
Data as on 30<sup>th</sup> APRIL 2024



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	7.41%
Bharti Airtel Ltd	6.09%
HDFC Bank Ltd	5.87%
Tech Mahindra Ltd	5.82%
HDFC AMC Ltd	5.37%

Top Sectorial Weights

Sector	Weight (%)
BFSI	26.34%
IT & Tech	18.86%
Industrials	12.81%
Pharma & Chemicals	12.52%
Auto & Logistics	10.59%

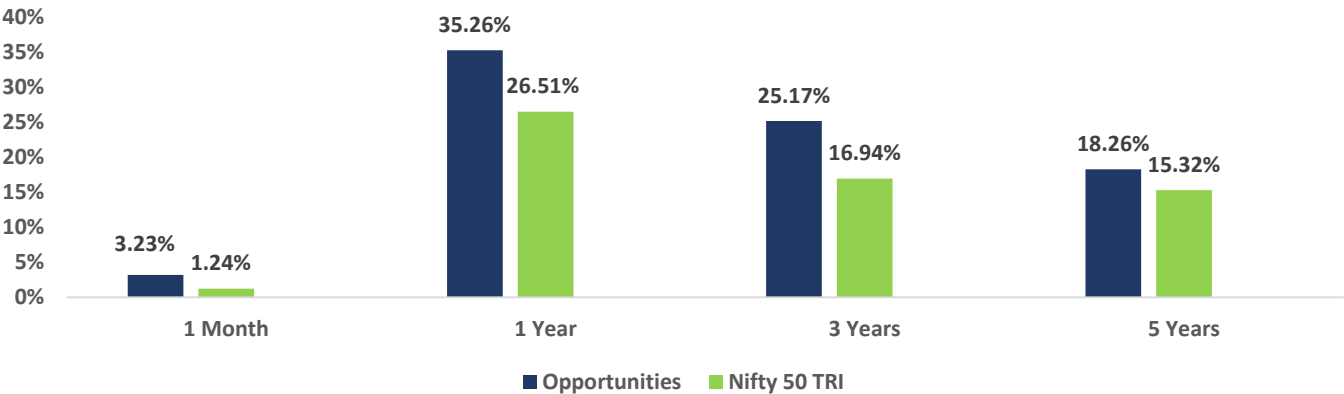
Portfolio – Fundamental Attributes

Particulars	FY25E	FY26E
PAT growth (%)	23.2	16.4
ROE (%)	19.2	19.6
P/E	39.6	31.8

Portfolio – Risk Attributes (Last 12 Months)

	Portfolio	Index
Std Dev	10.59%	9.88%
Information Ratio	1.37	0.00
Sharpe Ratio	2.66	1.97
Beta	0.86	1.00
Treynors Ratio	0.33	0.00
Up/Down Capture	117%/62%	

Returns



\* Returns are for all clients on TWRR basis

Renaissance Mid Cap Portfolio

Inception Date: 1<sup>st</sup> JANUARY, 2018

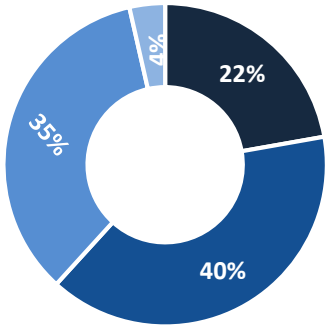
Data as on 30<sup>th</sup> APRIL 2024



Investment Strategy

- Mid Cap & Small Cap Strategy
- Identify Mid Cap / Small Cap ideas which can become tomorrow's Large Cap / Mid Cap respectively
- Good Quality Companies
- Long term approach to realise the full potential. Remain invested during the high growth phase of the business.
- Focused approach – Around 25 stocks

Portfolio Capitalization



■ Large Cap ■ Mid Cap ■ Small Cap ■ Cash

Top Holdings

Company	Weight (%)
Power Finance Corporation Ltd	5.45%
Hindustan Petroleum Corporation Ltd	5.37%
Cummins India Ltd	5.31%
Aditya Birla Fashion & Retail Ltd	5.10%
Inox Wind Ltd	4.42%

Top Sectorial Weights

Sector	Weight (%)
BFSI	30.62%
Pharma & Chemicals	13.07%
Industrials	13.00%
IT & Tech	11.28%
Auto & Logistics	10.45%

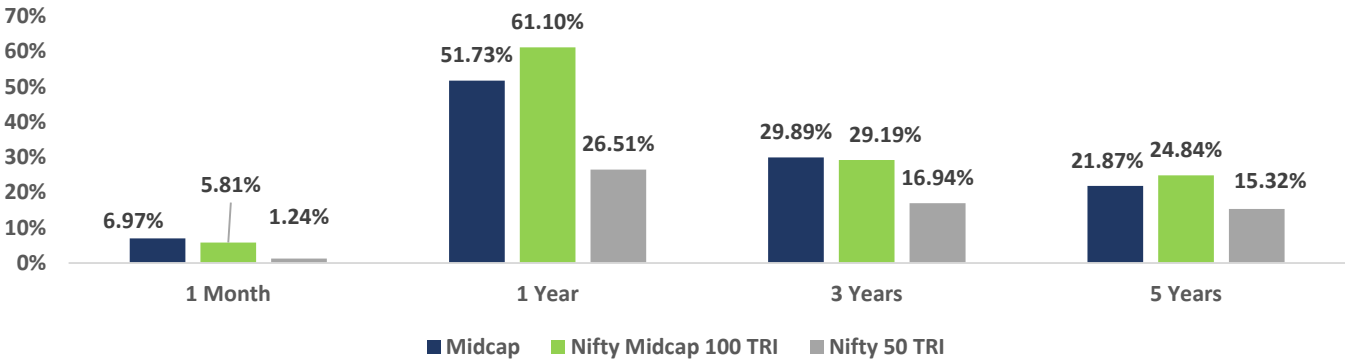
Portfolio – Fundamental Attributes

Particulars	FY25E	FY26E
PAT growth (%)	22.9	18.8
ROE (%)	17.0	18.8
P/E	30.9	24.2

Portfolio – Risk Attributes (Last 12 Months)

	Portfolio	Index
Std Dev	14.60%	13.76%
Information Ratio	-1.43	0.00
Sharpe Ratio	3.06	3.92
Beta	0.95	1.00
Treynors Ratio	0.47	0.00
Up/Down Capture	92%/139%	

Returns

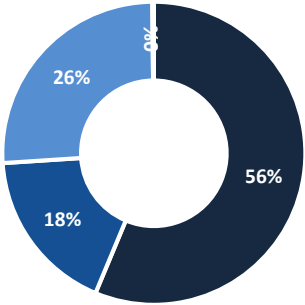


\* Returns are for all clients on TWRR basis

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	9.00%
State Bank of India	5.13%
Infosys Ltd	5.11%
Hindustan Petroleum Corporation Ltd	4.97%
HDFC AMC Ltd	4.85%

Sectoral Weights

Sector	Weight (%)
BFSI	33.11%
IT & Tech	19.36%
Pharma & Chemicals	13.68%
Industrials	11.98%
Auto & Logistics	5.49%

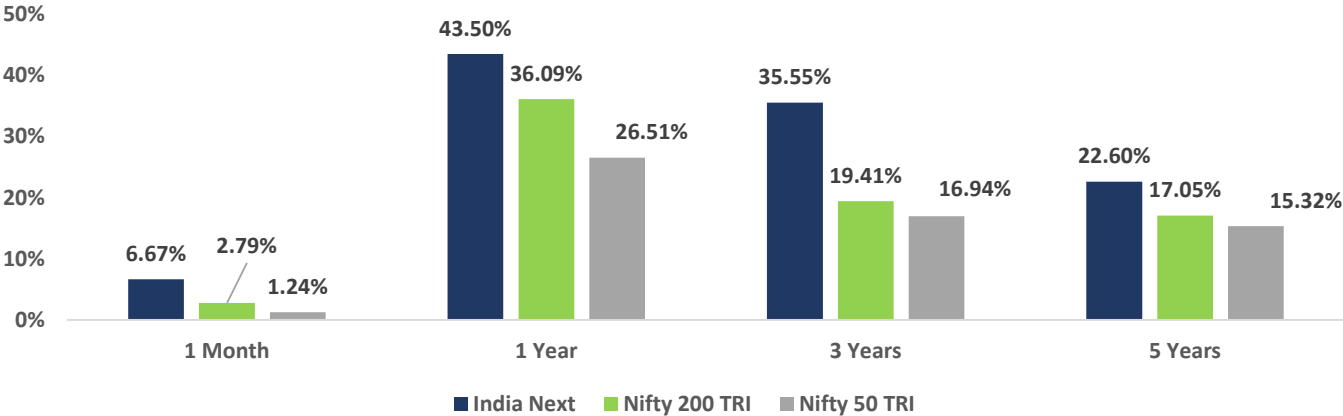
Portfolio – Fundamental Attributes

Particulars	FY25E	FY26E
PAT growth (%)	24.4	18.7
ROE (%)	17.7	18.8
P/E	35.3	29.5

Portfolio – Risk Attributes (Last 12 Months)

	Portfolio	Index
Std Dev	11.69%	10.14%
Information Ratio	1.23	0.00
Sharpe Ratio	3.12	2.86
Beta	0.99	1.00
Treynors Ratio	0.37	0.00
Up/ Down Capture	111%/64%	

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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