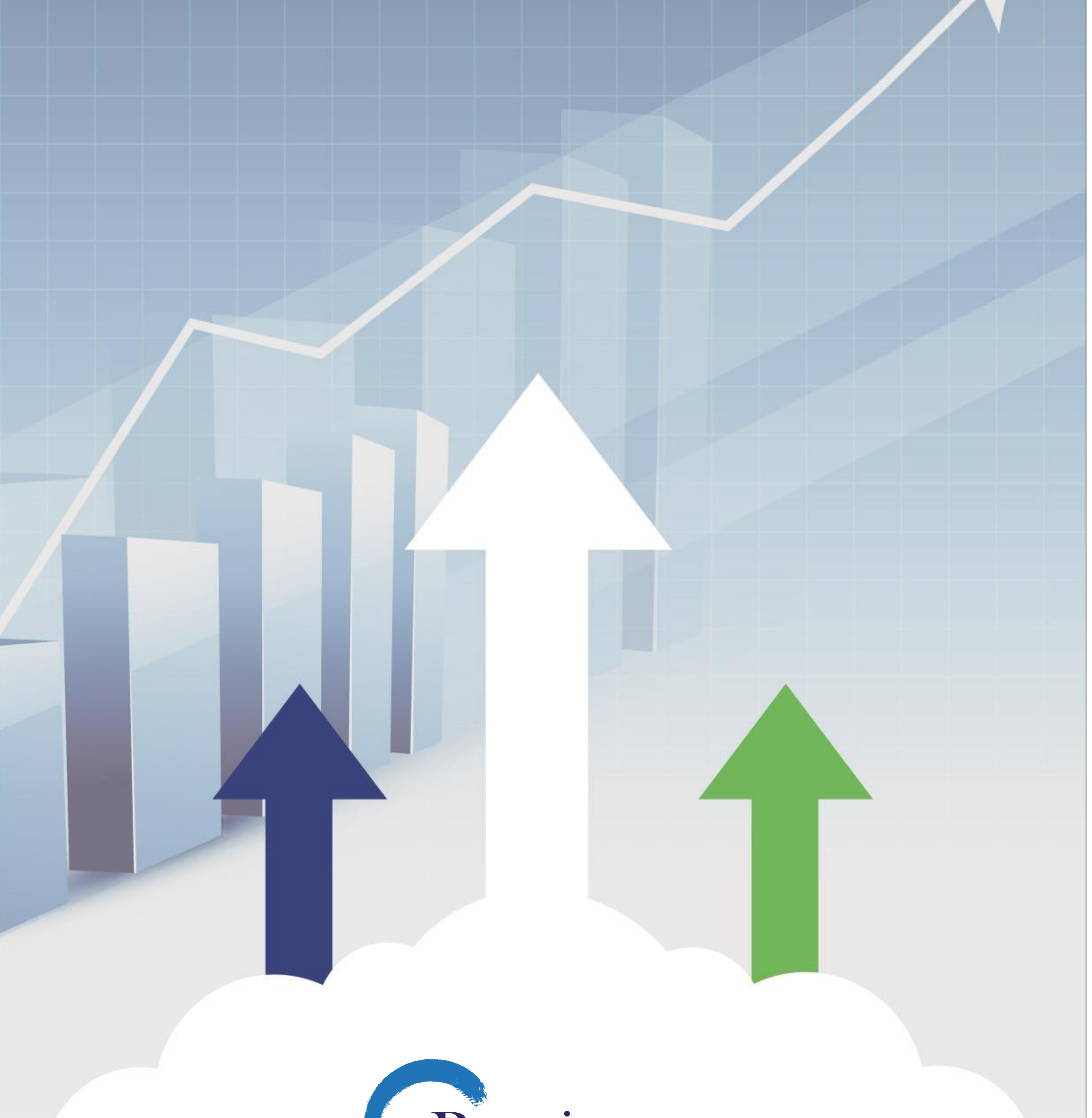
PMS FACTSHEET
AUGUST 2024



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Renaissance Investment Managers

Dear Investors,

Strong 1QFY25 GDP data, despite short-term headwinds

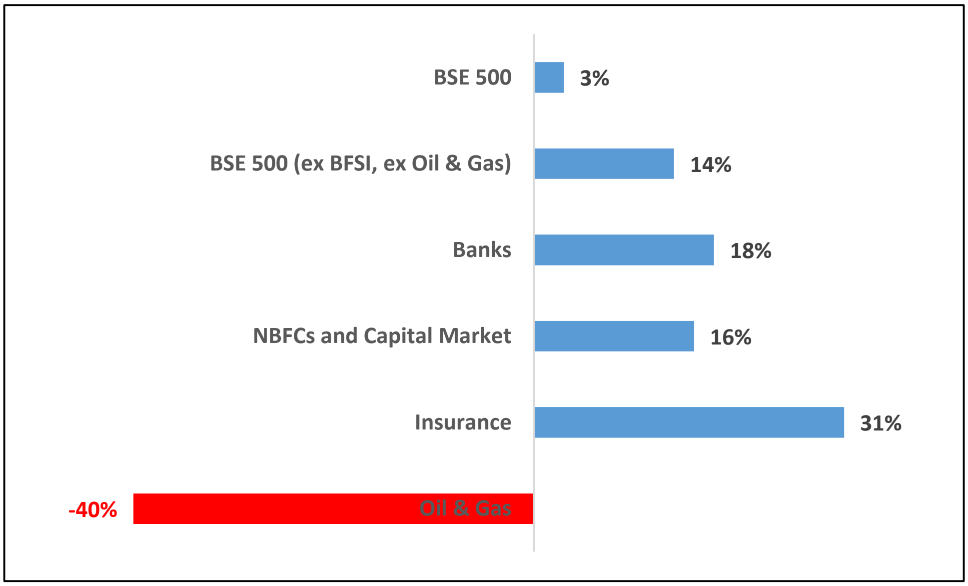
India's 1Q Real GDP growth was 6.7% yoy, slightly below the RBI's estimate. We believe 1Q GDP growth is commendable, in the context of: (1) Weak monsoons initially—cumulative rainfall was 11% below long-period-average till June 30, 2024; and (2) Election-related slowdown in government capex and consumption. Further, it is heartening to see Private Consumption growth reviving to 7.4% (highest in seven quarters), despite heatwaves amid surging summer temperatures. Growth in Investment or GFCF [Gross Fixed Capital Formation] was steady at 7.5%. India remains on track to achieve 7% or higher GDP growth rate in FY25.

Looking at the output or supply side, 1Q Real GVA (gross value added) growth at 6.8% was ahead of expectations, driven by a solid 8.3% growth in the Industrial sector output, thanks to: (1) Manufacturing—up 7.0% yoy vs 5.0% in the base quarter i.e. 1QFY24; (2) Electricity production—10.4% vs. 3.2%; and (3) Construction—10.5% vs 8.6%. Service sector growth was strong too, at 7.2%.

Corporate profit growth to pick up momentum in coming quarters

In 1QFY25, the combined Revenue of BSE-500 companies was up 8% yoy, while PAT growth was 3%. Aggregate PAT growth was impacted by a steep 40% profit decline in the Oil & Gas sector. Excluding BFSI and Oil & Gas, PAT growth was respectable at 14% in 1Q. Banks/NBFC/Insurance companies saw aggregate profit growth of 18%/16%/31%.

BSE-500 companies: 1Q FY25 PAT growth (yoy)



Source: Broker Report

We expect corporate profit growth to pick up in the coming quarters:

(1) Good monsoons: 4% rainfall surplus till 21st August.
(2) Pick up in government-spending: capex is likely to come back with a vengeance through the remainder of FY25.
(3) Signs of revival in private consumption, likely aided by RBI rate cuts expected by 4QFY25.
(4) Early green shoots of revival seen in private corporate capex.

Market valuations, outlook and portfolio positioning

At the 25,300 level, Nifty-50 is priced at 1-year forward P/E of 22x on consensus earnings estimates, which is about 10% ahead of the last 10-years average valuations (20x). We believe current market valuations are reasonable and well-supported by:

(1) Robust earnings growth outlook—low-teens growth for FY25 and mid-teens growth for FY26; this factors a modest cut of around 1% in FY25 consensus earnings post 1Q results.

(2) Expected further decline in the cost of capital in India, based on: (a) decline in risk free rate or the 10-yr G-sec yield from 7% level recently; and (b) decline in equity risk premium thanks to strong macro-stability amid a continued torrent of domestic equity flows; the latter have reduced market's dependence on FPI inflows and have mitigated the adverse impact of FPI outflows in recent years.

(3) Potential for pick up in FPI inflows, based on continued weakness in the USD based on expectations of FED rate-cuts in coming months.

Markets now offer primarily a compounding opportunity driven by earnings growth, for medium-to-long term investors.

We remain invested in quality companies, which enjoy significant growth-tailwinds and have high earnings certainty in sectors such as: industrial and capital goods, information technology, private sector financials, telecoms, select PSUs and select real estate stocks. This should protect our portfolio in the events of any intermittent corrections. We continue to maintain our disciplined stock selection process to ensure long term, sustainable returns for our investors.

Happy Investing

Pankaj Murarka
Founder & CIO

Renaissance Opportunities Portfolio (Large Cap PMS)

Inception Date: 1st JANUARY, 2018

Data as on 31st AUGUST, 2024

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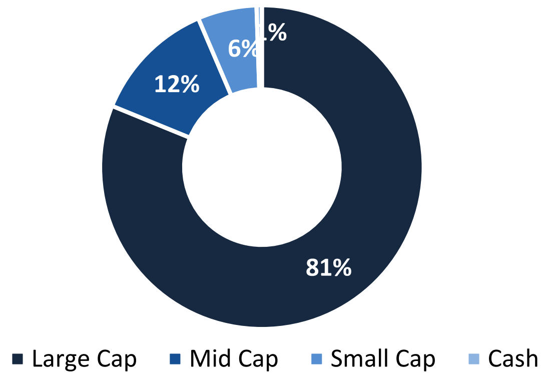
Investment Strategy

- **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



Top Holdings

Company	Weight (%)
HDFC Bank Ltd	7.20%
Tech Mahindra Ltd	6.46%
Bharti Airtel Ltd	6.27%
State Bank of India	6.27%
Infosys Ltd	5.94%

Top Sectorial Weights

Sector	Weight (%)
BFSI	23.61%
IT & Tech	20.38%
Pharma & Chemicals	13.20%
Industrials	11.64%
Consumer Discretionary	10.35%

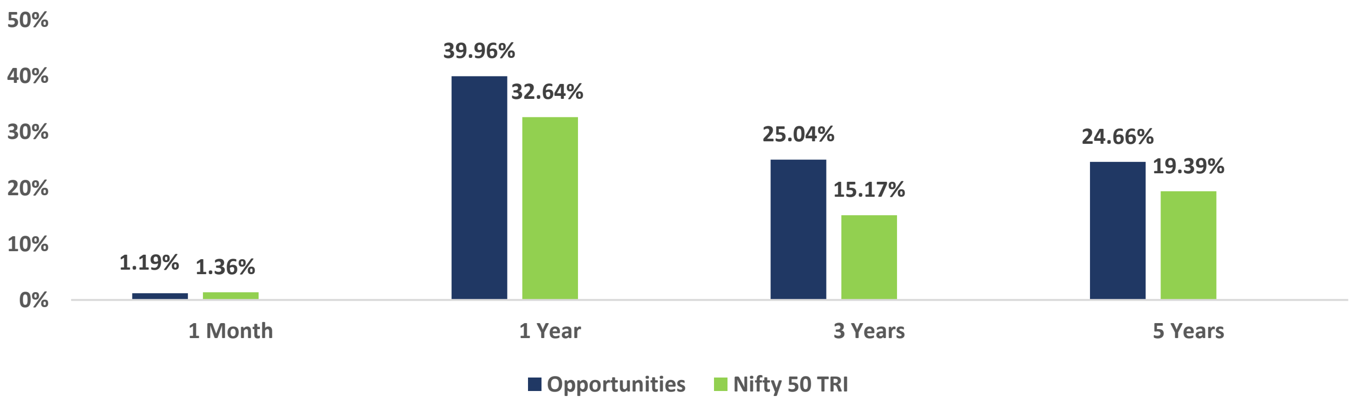
Portfolio – Fundamental Attributes

Particular	FY24	FY25E	FY26E
PAT growth (%)	24.7	27.4	24.0
ROE (%)	19.9	19.0	20.3
P/E	52.2	39.9	32.2

Portfolio – Risk Attributes (Last 12 Months)

	Portfolio	Index
Std Dev	14.72%	13.06%
Sharpe Ratio	2.28	1.98
Beta	1.00	1.00
Treynors Ratio	0.34	-
Information Ratio	1.12	-
Up/Down Capture	117%/96%	

Returns



* Returns are for all clients on TWRR basis

Renaissance India Next Portfolio (Flexi Cap PMS)

Inception Date: 19th APRIL, 2018

Data as on 31st AUGUST, 2024

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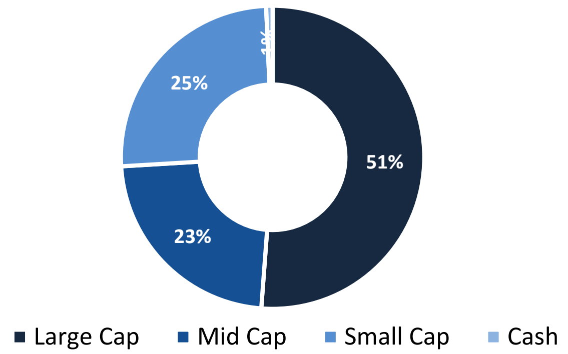
Investment Strategy

- **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



Top Holdings

Company	Weight (%)
Motilal Oswal Financial Services Ltd	7.94%
Tech Mahindra Ltd	6.27%
Infosys Ltd	5.79%
Hindustan Petroleum Corporation Ltd	5.22%
HDFC AMC Ltd	4.55%

Sectoral Weights

Sector	Weight (%)
BFSI	31.22%
IT & Tech	21.18%
Industrials	10.43%
Pharma & Chemicals	10.33%
Consumer Discretionary	6.59%

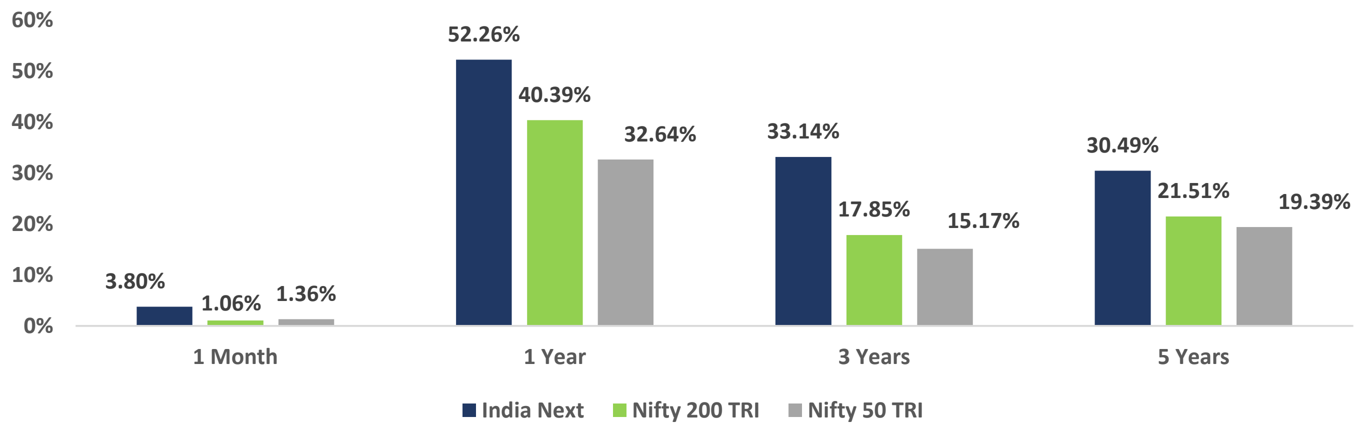
Portfolio – Fundamental Attributes

Particular	FY24	FY25E	FY26E
PAT growth (%)	44.9	22.5	24.1
ROE (%)	17.0	16.6	18.1
P/E	50.0	38.5	30.9

Portfolio – Risk Attributes (Last 12 Months)

	Portfolio	Index
Std Dev	16.84%	14.04%
Sharpe Ratio	2.72	2.40
Beta	1.08	1.00
Treynors Ratio	0.42	-
Information Ratio	1.66	-
Up/Down Capture	121%/75%	

Returns



* Returns are for all clients on TWRR basis

Renaissance Mid Cap Portfolio (Mid Cap PMS)

Inception Date: 1st JANUARY, 2018

Data as on 31st AUGUST, 2024

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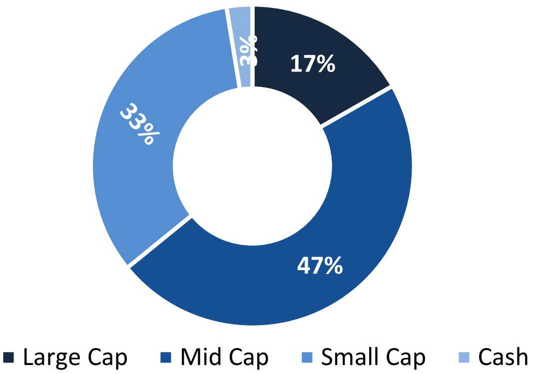
Investment Strategy

- **Mid Cap & Small Cap Strategy**
- **Identify Mid Cap / Small Cap ideas which can become tomorrow's Large Cap / Mid Cap respectively**
- **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



Top Holdings

Company	Weight (%)
Hindustan Petroleum Corporation Ltd	5.80%
Power Finance Corporation Ltd	5.77%
INOX Wind Ltd	5.31%
Cummins India Ltd	5.17%
Aditya Birla Fashion & Retail Ltd	5.15%

Top Sectorial Weights

Sector	Weight (%)
BFSI	27.55%
Pharma & Chemicals	16.91%
IT & Tech	16.69%
Consumer Discretionary	13.32%
Industrials	10.48%

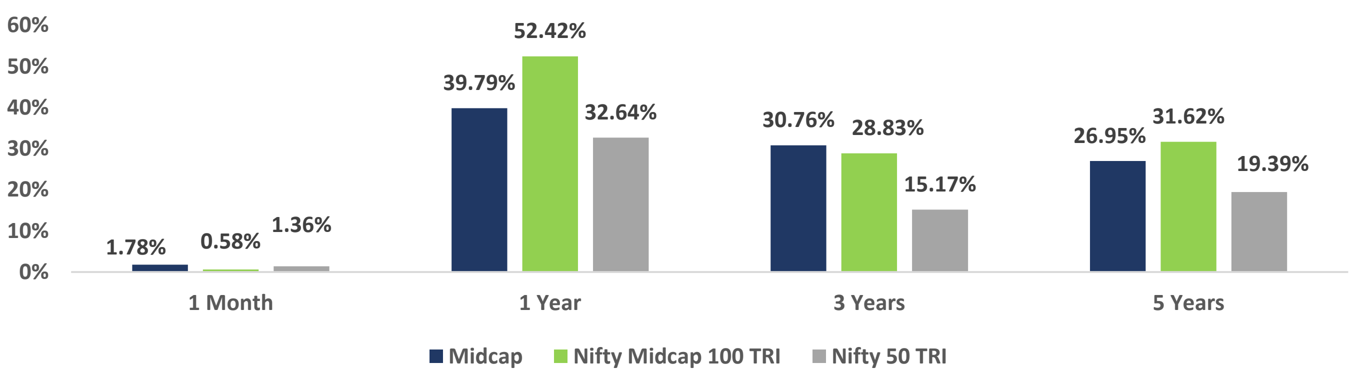
Portfolio – Fundamental Attributes

Particulars	FY24	FY25E	FY26E
PAT growth (%)	37.6	25.0	27.8
ROE (%)	13.1	14.4	16.2
P/E	39.1	33.7	25.2

Portfolio – Risk Attributes (Last 12 Months)

	Portfolio	Index
Std Dev	19.40%	18.15%
Sharpe Ratio	1.72	2.52
Beta	1.00	1.00
Treynors Ratio	0.34	-
Information Ratio	-1.75	-
Up/Down Capture	85%/137%	

Returns



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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.