

PMS FACTSHEET

MARCH 2025



Renaissance Investment Managers

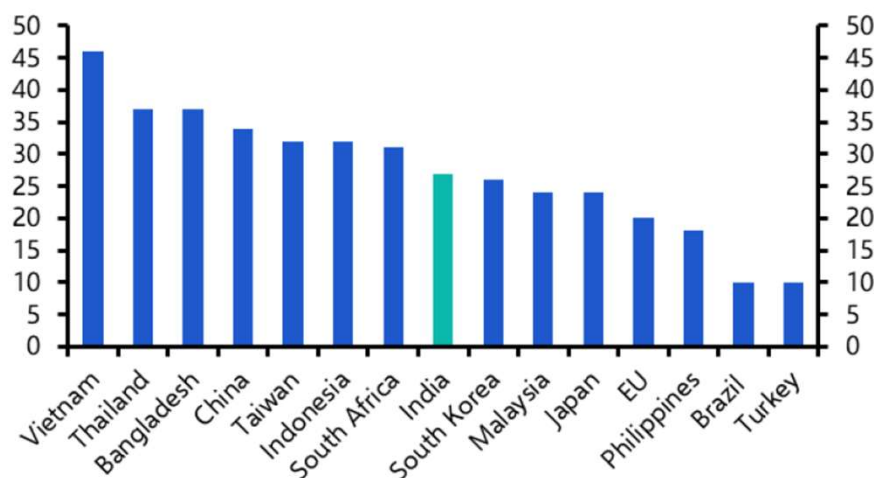
Trump tariffs pose risk of a slowdown in global GDP growth

The sweeping country-wise tariffs on US goods-imports announced by President Trump on 2nd April 2025, are neither reciprocal in nature, nor are they aimed at protecting any of the US industries. The simplistic formula for estimating these tariff rates reveals the real target is **bilateral goods trade surplus of exporting countries**. There is no tariff on Services as of now—US runs a surplus in Services trade. The ‘reciprocal’ tariffs on goods range from 10-49% for major countries. Several items are currently exempted from reciprocal tariffs, such as: Steel/Aluminum articles, Copper, Minerals not available in the US, Auto parts, Semiconductors, Pharmaceuticals etc.

While the short-term goals of this shotgun approach are debatable, we believe the move is connected with Trump’s longer-term goals of onshoring manufacturing and reducing US budget deficits. Thus, these tariffs will have the effect of ‘fiscal tightening’ at a global level.

Various estimates suggest the import duty revenues garnered by US government could balloon from 2024-level of US\$100bn to around US\$700bn, based on a weighted average tariff rate of 23% on US\$3tn+ of annual goods imports [Source: Capital Economics]. This is effectively a consumption tax akin to sales tax, amounting to 2.5% of US GDP (an increase of >2pps vs 2024), and 60-65bps of Global GDP. The incremental tariff burden of US\$600bn will be shared mainly among: (1) US consumers; (2) US importers/corporations; and (3) foreign exporters. Some of the cost will naturally be incurred by foreign governments by way of lower tax collections because of reduced profits of exporters to the US. To the extent this tariff/tax hike is passed on to US consumers, there will be an adverse impact on global trade and GDP growth.

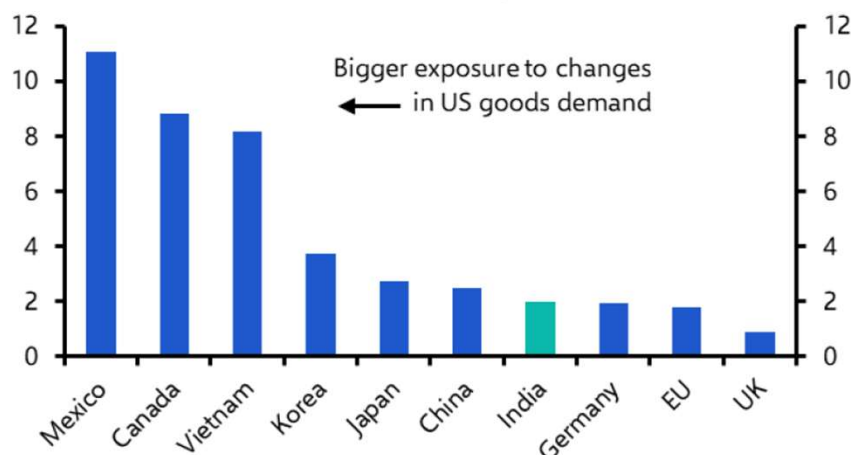
Exhibit 1: Reciprocal tariffs on select countries (%)



Source: White House, Capital Economics

India impacted relatively less compared to other countries

We believe India can significantly dilute the impact of 25% tariff, by reaching a bilateral trade agreement (BTA) with the US. This is already under discussion, and a BTA may well be announced within the next 3-6 months. Nonetheless, as things stand today, India’s exposure to US demand is about 2% of GDP. US accounts for US\$80bn or c.19% of our goods exports; total surplus being US\$40bn after accounting for imports of a similar amount. Excluding sectors currently exempted, India’s exposure is around 1% of GDP. A high share of services exports also provides a buffer against any slowdown in goods exports. Thus, overall impact would be limited as India is well diversified and is driven more by domestic demand.

Exhibit 2: Share of GDP exposed to US Goods Demand (% , 2024 estimate)

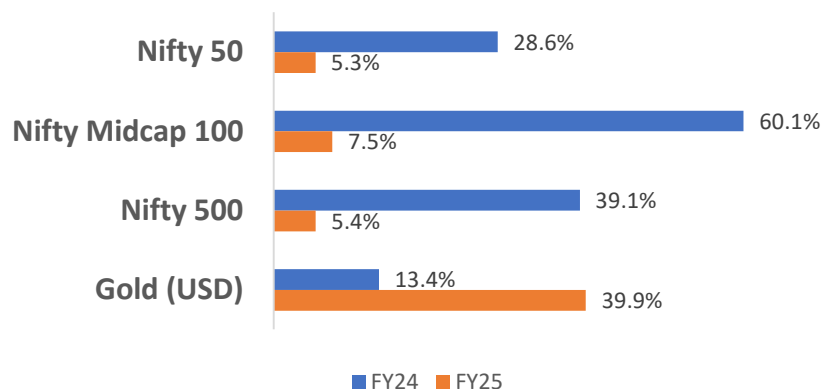
Source: OECD, IMF, Capital Economics

Most importantly, the 25% tariff on India is lower versus tariff on key peers and rivals exporting to the US. This places India at a relative advantage, and opens up the possibility of export share gains. The biggest downside risk for India is a global slowdown and a US recession, even as India benefits from lower crude oil prices, which at US\$63/bbl are currently at a 3.5 year low.

Exhibit 3: India's major exports to the US

Exempted Products		Key exports under reciprocal tariff	
Products	Exports to U.S. (FY24)	Products	Exports to U.S. (FY24)
Pharmaceuticals	\$8.1 Billion	Electricals & Electronics*	\$9.0 Billion
Petroleum	\$5.8 Billion	Machinery	\$6.2 Billion
Gems & Jewellery**	\$4.6 Billion	Diamond Jewellery	\$5.4 Billion
Semiconductors	\$2.0 Billion	Textiles & Garments	\$4.7 Billion
		Iron & Steel Products	\$3.3 Billion
		Automobiles & Parts	\$ 2.7 Billion
** Excluding diamond jewellery		*Electronics excludes semiconductor equipment	

Source: Broker Report

Exhibit 4: Returns in FY24 and FY25

Source: prices from NSE, Investing.com

Markets to remain in consolidation mode; we remain constructive and selective

Sharp correction in global markets post Trump tariff announcements has taken Nifty-50 closer to its recent lows. Nonetheless, Indian equity markets are close to a bottom in our view, as we expect a pick-up in macro and earnings growth in coming quarters, even as valuations are unlikely to see a significant re-rating this fiscal unless global uncertainty reduces and there is a decline in US 10-yr bond yields. For the Nifty-50 companies, FY25 EPS is projected to grow at 5-6%, while the FY26 Nifty-50 EPS growth expectations remain healthy at around 14-15%.

Nifty-50 index was up 6.3% in March, while the broader market (Nifty-500) was up 7.3%. A largely sideways market with narrowing breadth, aligns favorably with our investment approach of building focused portfolios of quality companies that can deliver sustainable growth over the medium to long term. We continue to add exposure to consumption-driven stories in the wake of: (1) declining rate of inflation; (2) improving rural consumption; (3) recent tax cuts for middle and upper income households; and (4) announcement of the 8th Pay Commission with expected incremental allocation of around INR 2tn in salaries and pensions from FY27.

Our portfolio is skewed towards credit growth (including consumer proxies), select consumer plays (across staples, durables and discretionary), and export/outsourcing. We are invested in pockets having attractive valuations (e.g. private sector financials, housing NBFCs), as well as in pockets that we expect would deliver a higher amount and/or longevity of earnings growth at reasonable prices (such as Consumer, Pharma, Telecoms, IT etc.). 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

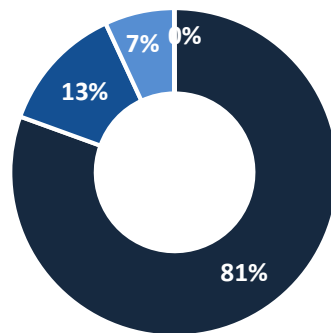
Data as on 31st MARCH,2025



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 (%)
HDFC Bank Ltd	11.19%
Kotak Mahindra Bank Ltd	6.94%
Reliance Industries Ltd	6.71%
State Bank of India	6.48%
Tech Mahindra Ltd	6.12%

Portfolio – Fundamental Attributes

Particular	FY24	FY25E	FY26E	FY27E
PAT Growth (%)	20.8	9.7	15.3	16.7
ROE (%)	14.4	13.5	13.9	14.5
P/E	24.4	22.3	19.3	16.5

Periodic Returns

Period	ROP	Nifty 50 TRI
1M	6.77%	6.31%
6M	-8.25%	-8.51%
1Y	9.88%	6.65%
2Y CAGR	23.18%	17.79%
3Y CAGR	16.36%	11.75%
5Y CAGR	30.42%	23.69%

Top Sectorial Weights

Sector	Weight (%)
BFSI	39.43%
Information Technology	13.13%
Consumer Discretionary	12.42%
Pharma & Chemicals	7.14%
Diversified	6.71%

Portfolio – Risk Attributes*

Particular	Portfolio	Nifty 50 TRI
Std Dev	23.78%	22.42%
Sharpe Ratio	2.16	1.48
Beta	0.94	1.00
Treynors Ratio	0.55	-
Information Ratio	1.67	-
Up/Down Capture	110%/87%	

Calendar Year Returns

Particular	ROP	Nifty 50 TRI
CY25 YTD	-5.90%	-0.29%
CY24	24.55%	10.09%
CY23	26.95%	21.30%
CY22	10.18%	5.69%
CY21	36.36%	25.59%
CY20	8.94%	16.14%

Returns are for all clients on TWRR basis.

The performance related information provided herein is not verified by SEBI.

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.

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. Performance related information provided herein is not verified by SEBI.

Performance of RIMPL shall have no bearing on the expected performance of the fund/strategy. Past performance of the financial products, instruments and the portfolio may or may not be sustained in future and should not be used as a basis for comparison with other investments. Fund/Strategy returns shown above are post fees & expenses. Clients are not being offered any guaranteed/assured returns. The stocks / sectors mentioned hereinabove should not be construed as an investment advice or a forecast of their expected future performance. These stocks / sectors may or may not form part of the portfolio in future.

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 investment approach. 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.