PMS FACTSHEET

MARCH 2025

Renaissance
THE SCIENCE OF INVESTING

Renaissance Investment Managers

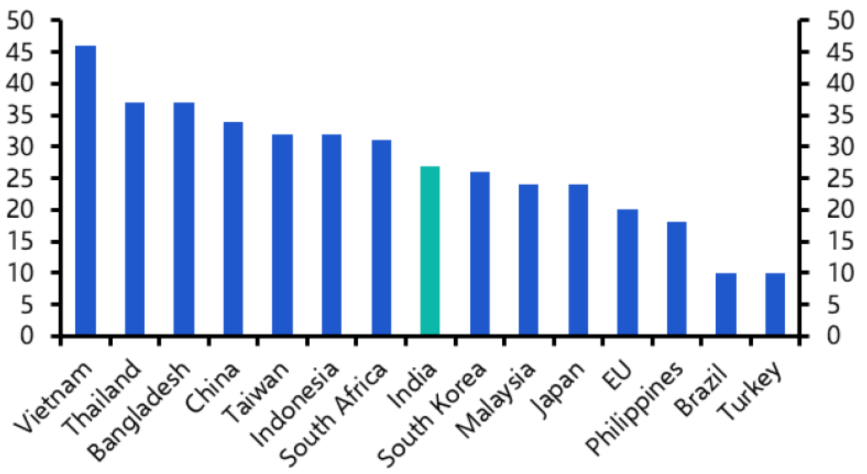
Trump tariffs pose risk of a slowdown in global GDP growth

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 (%)

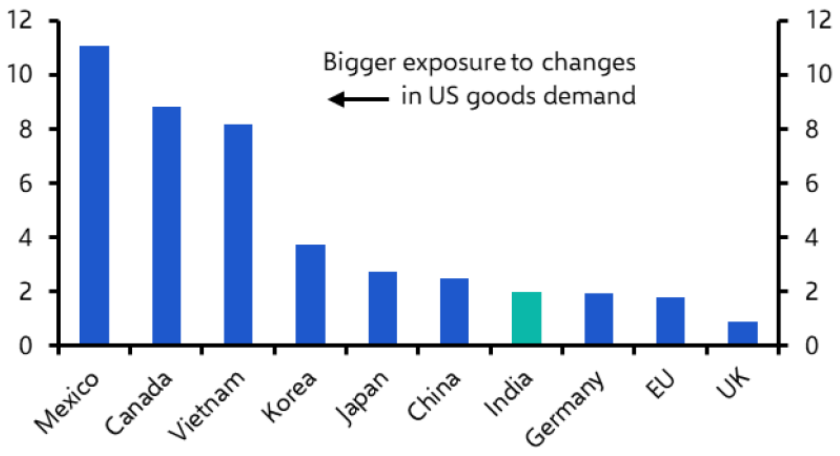


Source: White House, Capital Economics

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

Products	Exports to U.S. (FY24)
Pharmaceuticals	$8.1 Billion
Petroleum	$5.8 Billion
Gems & Jewellery**	$4.6 Billion
Semiconductors	$2.0 Billion

*** Excluding diamond jewellery*

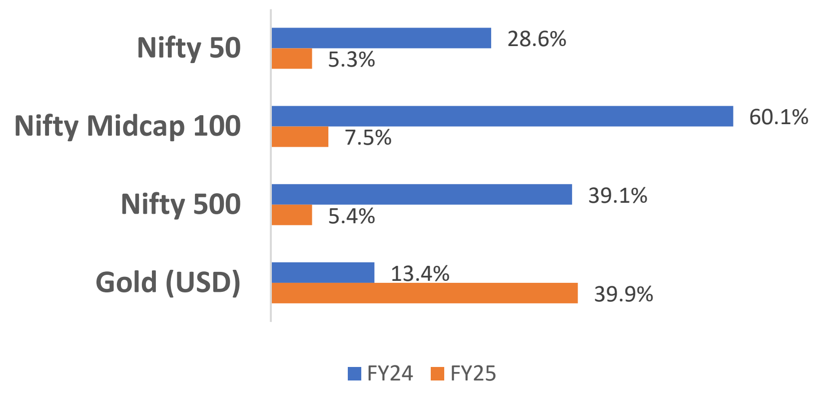
Key exports under reciprocal tariff

Products	Exports to U.S. (FY24)
Electricals & Electronics*	$9.0 Billion
Machinery	$6.2 Billion
Diamond Jewellery	$5.4 Billion
Textiles & Garments	$4.7 Billion
Iron & Steel Products	$3.3 Billion
Automobiles & Parts	$ 2.7 Billion

**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

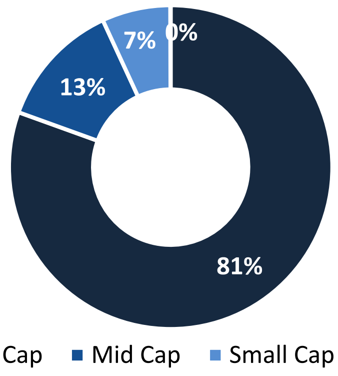
Data as on 31st MARCH,2025

Renaissance THE SCIENCE OF INVESTING

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

Top Sectorial Weights

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

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

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%	

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%

Returns are for all clients on TWRR basis.
The performance related information provided herein is not verified by SEBI.

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%

*3 years data

Renaissance India Next Portfolio (Flexi Cap PMS)

Inception Date: 19th APRIL,2018

Data as on 31st MARCH,2025

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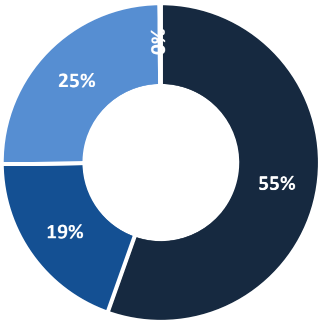
Investment Strategy

- <u>**Flexi Cap Strategy**</u>
- **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 (%)
HDFC Bank Ltd	9.36%
Tech Mahindra Ltd	6.10%
Reliance Industries Ltd	5.34%
Infosys Ltd	5.25%
HDFC AMC Ltd	4.64%

Top Sectorial Weights

Sector	Weight (%)
BFSI	37.54%
Pharma & Chemicals	12.32%
Information Technology	11.35%
Consumer Discretionary	9.28%
Auto & Logistics	6.55%

Portfolio – Fundamental Attributes

Particular	FY24	FY25E	FY26E	FY27E
PAT Growth (%)	23.0	9.2	15.2	16.9
ROE (%)	14.4	13.4	13.8	14.5
P/E	24.6	22.5	19.5	16.7

Portfolio – Risk Attributes*

Particular	Portfolio	Nifty 200 TRI
Std Dev	26.12%	23.50%
Sharpe Ratio	2.80	1.66
Beta	1.00	1.00
Treynors Ratio	0.73	-
Information Ratio	2.96	-
Up/Down Capture	115%/81%	

Periodic Returns

Period	RINP	Nifty 200 TRI	Nifty 50 TRI
1M	7.44%	7.17%	6.31%
6M	-11.97%	-10.83%	-8.51%
1Y	12.97%	6.38%	6.65%
2Y CAGR	26.29%	21.28%	17.79%
3Y CAGR	21.48%	13.31%	11.75%
5Y CAGR	39.31%	25.25%	23.69%

Calendar Year Returns

Particular	RINP	Nifty 200 TRI
CY25 YTD	-8.03%	-2.96%
CY24	32.35%	14.75%
CY23	28.51%	24.66%
CY22	22.35%	4.92%
CY21	67.41%	28.88%
CY20	-5.46%	16.83%

Returns are for all clients on TWRR basis.

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

*3 years data

Renaissance Midcap Portfolio (Mid Cap PMS)

Inception Date: 1st JANUARY,2018

Data as on 31st MARCH,2025

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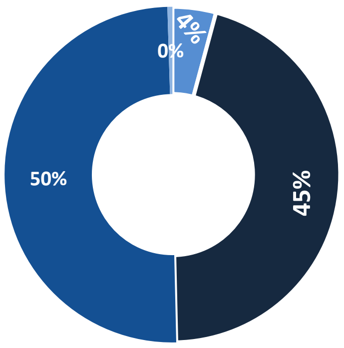
Investment Strategy

- <u>Mid Cap & Small Cap Strategy</u>
- **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 (%)
Federal Bank Ltd	6.46%
One 97 Communications Ltd	5.58%
Jubilant Foodworks Ltd	5.42%
Aditya Birla Fashion & Retail Ltd	5.11%
Alembic Pharmaceuticals Ltd	4.39%

Top Sectorial Weights

Sector	Weight (%)
BFSI	31.44%
Consumer Discretionary	20.63%
Pharma & Chemicals	20.36%
Information Technology	8.92%
Auto & Logistics	5.54%

Portfolio – Fundamental Attributes

Particular	FY24	FY25E	FY26E	FY27E
PAT Growth (%)	18.8	13.1	18.5	22.8
ROE (%)	12.0	13.3	14.3	15.7
P/E	28.9	25.5	21.5	17.5

Portfolio – Risk Attributes*

Particular	Portfolio	Nifty Midcap 100 TRI
Std Dev	30.87%	29.81%
Sharpe Ratio	1.79	2.39
Beta	0.94	1.00
Treynors Ratio	0.59	-
Information Ratio	-1.23	-
Up/Down Capture	94%/115%	

Periodic Returns

Period	RMP	Nifty Midcap 100 TRI	Nifty 50 TRI
1M	9.52%	7.85%	6.31%
6M	-18.34%	-13.95%	-8.51%
1Y	2.72%	8.01%	6.65%
2Y CAGR	23.64%	31.94%	17.79%
3Y CAGR	17.29%	21.10%	11.75%
5Y CAGR	32.08%	35.61%	23.69%

Returns are for all clients on TWRR basis.
The performance related information provided herein is not verified by SEBI.

Calendar Year Returns

Particular	RMP	Nifty Midcap 100 TRI
CY25 YTD	-10.19%	-9.56%
CY24	14.09%	24.52%
CY23	40.04%	47.55%
CY22	18.04%	4.55%
CY21	31.70%	47.51%
CY20	17.35%	23.02%

*3 years data

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THE SCIENCE OF INVESTING

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.