



Renaissance Investment Managers

Global turmoil is not over despite suspension in Trump tariffs

Global equity markets recovered sharply last month after US President Trump suspended high ‘reciprocal’ tariffs on all countries except China. The 145% import tariff on Chinese goods is effectively an import embargo, to which China has retaliated with a 125% tariff on US goods, while also restricting export of certain rare earth elements and magnets used in the Defence, Energy and Auto sectors. Meanwhile, the 10% baseline import tariff continues to be levied by US on almost all other countries.

Global trade and economic uncertainties are primarily manifesting in reduced business investments, and reduced consumer confidence, leading to fears of a policy-induced global-recession led by the US. Uncertainty is also reflecting through heightened volatility in global bonds and currency markets, specifically seen in the rather counter-intuitive moves in US 10-year treasury yields and in the DXY ‘Dollar’ index. Thus, it may still be somewhat premature in our view, to assert that peak uncertainty is behind us.

India economy to be resilient in the face of global turmoil

US accounts for 19% of India’s goods exports; these in turn account for merely 2% of India’s GDP. Further, India can significantly dilute any impact of tariffs, by reaching a bilateral trade agreement (BTA) with the US, which is under discussion and could be announced in the coming months. More importantly, a lower tariff imposed on India vis-à-vis its major rivals exporting to the US, would place India at a relative advantage and open-up possibility of export market share gains. Thus, overall impact would be limited, as Indian economy is well diversified and is driven more by domestic demand.

Worst is behind for India; outlook continues to improve

Recent data shows Indian economy is coming out of its soft patch and continues to gain momentum.

- 1.Record GST collections of INR 2.37 trillion in April, up 12.6% yoy
- 2.Manufacturing PMI of 58.2 is at a 10-month high, reflecting rising domestic demand and a surge in export orders
- 3.Forecast of an above-normal monsoon to further boost agricultural output, ease inflation, and create room for additional interest rate cuts, aiding both rural and urban consumption
- 4.Brent crude hovering at US\$60/bbl is a potential stimulus, although further crude collapse could herald a global recession and may cap the upside for India
- 5.RBI’s easing should drive a revival in credit growth through the course of FY26 in our view; so far, we have seen CRR cut, repo rate cuts, a boost to liquidity (now abundant), lower risk weights on certain loans, and easing of LCR regulations
- 6.FPI equity outflows appear to be reversing; after selling equities worth c.US\$3.95bn in the first half of April, FPIs purchased US\$4.46bn of equities on a net basis in the second-half of April [Source: NSDL]

Nonetheless, in addition to global macro uncertainties, the global geopolitical environment remains volatile with hot wars continuing in the Middle East and in Ukraine amid emerging fears of a potential kinetic confrontation between India and Pakistan.

Exhibit 1: GDP growth rates (% , yoy)

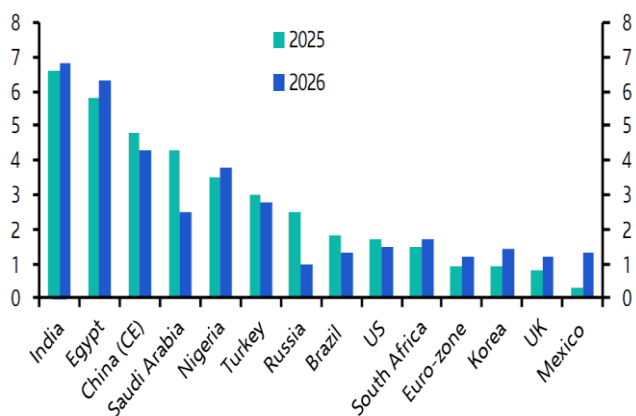
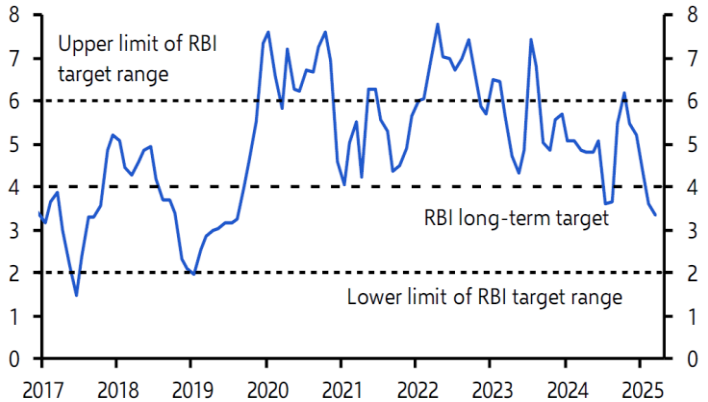


Exhibit 2: Headline CPI change (% , yoy)



Recovery in earnings growth key to further performance

Nifty-50 index bottomed on 4th March 2025, after a 16% draw-down from the Sep'24 peak. The index saw a sharp 6.3% recovery in March, and a further 3.5% in April. Meanwhile, the broader market (Nifty-500) was up 7.3% in March and 3.2% in April.

We expect a pick-up in corporate earnings growth in the coming quarters; however, we believe Nifty-50 valuations are now fair at around 21x 12-month forward EPS, similar to the last 10-year average multiple of 20x. Even as the 10-yr G-Sec yield (risk free rate) is likely to decline further, we expect global uncertainties to keep the equity risk premium elevated, thus constraining further meaningful expansion in market multiples. For the Nifty-50 companies, FY25 EPS is projected to see 5-6% growth, while the FY26 EPS growth expectations remain healthy at around 14-15%.

According to CMIE, over 400+ listed companies have reported their 4QFY25 results so far. The combined revenues of these companies were up 5% yoy, while combined PAT was up 7%.

We remain constructive and selective

We expect the market to remain sideways here, a set-up that 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 have turned constructive on the consumer sector after a gap of 5 years. While the economic rebound post covid was investment led with significant increase in public investments over the last 5 years, we believe from here on the economic growth would be more balanced and even between investment and consumption. The consumer sector has underperformed in the last 3 years due to expensive valuations and the slowdown in Private Final Consumption Expenditure. However, we believe that the aggregate consumption is in near trough and we expect gradual recovery in overall consumer spending over the next 2 years.

As a result, we have added exposure to consumption-driven stories in the wake of: (1) declining rate of inflation and interest rate cuts from RBI; (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 2 trillion 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

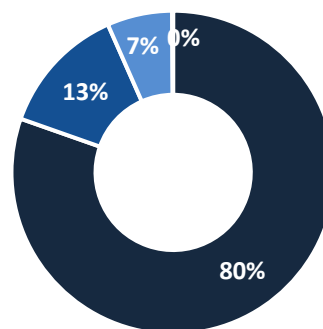
Data as on 30th APRIL,2025



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	11.42%
Reliance Industries Ltd	7.17%
State Bank of India	6.42%
Kotak Mahindra Bank Ltd	6.39%
Tech Mahindra Ltd	6.28%

Top Sectorial Weights

Sector	Weight (%)
BFSI	39.41%
Consumer Discretionary	15.18%
Information Technology	12.71%
Diversified	7.17%
Pharma & Chemicals	7.02%

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	24.08%	22.60%
Sharpe Ratio	0.50	0.35
Beta	0.96	1.00
Treynors Ratio	12.47%	-
Information Ratio	0.38	-
Up/Down Capture	109%/90%	

Periodic Returns

Period	ROP	Nifty 50 TRI
1M	3.21%	3.48%
3M	1.87%	3.65%
1Y	9.82%	9.01%
2Y CAGR	21.75%	17.44%
3Y CAGR	17.91%	13.81%
5Y CAGR	28.02%	21.18%

Calendar Year Returns

Particular	ROP	Nifty 50 TRI
CY25 YTD	-3.03%	3.18%
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.

*3 years data

Renaissance India Next Portfolio (Flexi Cap PMS)

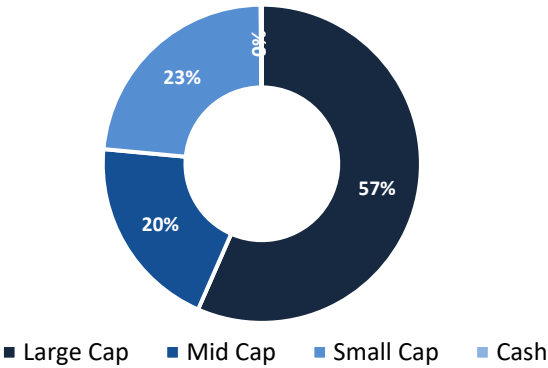
Inception Date: 19th APRIL,2018
Data as on 30th APRIL,2025



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 (%)
HDFC Bank Ltd	9.71%
Tech Mahindra Ltd	6.37%
Reliance Industries Ltd	5.80%
PNB Housing Finance Ltd	5.13%
HDFC AMC Ltd	4.99%

Top Sectorial Weights

Sector	Weight (%)
BFSI	39.55%
Pharma & Chemicals	11.56%
Information Technology	11.31%
Consumer Discretionary	9.51%
Auto & Logistics	6.30%

Portfolio – Fundamental Attributes

Particular	FY24	FY25E	FY26E	FY27E
PAT Growth (%)	23.4	8.4	14.9	16.6
ROE (%)	14.4	13.2	13.6	14.2
P/E	25.8	23.8	20.7	17.7

Portfolio – Risk Attributes*

Particular	Portfolio	Nifty 200 TRI
Std Dev	26.52%	23.79%
Sharpe Ratio	0.65	0.38
Beta	1.01	1.00
Treynors Ratio	17.07%	-
Information Ratio	0.73	-
Up/Down Capture	114%/79%	

Periodic Returns

Period	RINP	Nifty 200 TRI	Nifty 50 TRI
1M	3.02%	3.52%	3.48%
3M	1.02%	3.00%	3.65%
1Y	9.13%	7.14%	9.01%
2Y CAGR	25.24%	20.75%	17.44%
3Y CAGR	23.25%	14.96%	13.81%
5Y CAGR	36.95%	22.71%	21.18%

Calendar Year Returns

Particular	RINP	Nifty 200 TRI
CY25 YTD	-5.25%	0.46%
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.
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Renaissance Midcap Portfolio (Mid Cap PMS)

Inception Date: 1st JANUARY, 2018

Data as on 30th APRIL, 2025



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

Top Holdings

Company	Weight (%)
Federal Bank Ltd	6.62%
One 97 Communications Ltd	6.18%
Jubilant Foodworks Ltd	5.85%
Aditya Birla Fashion & Retail Ltd	5.27%
Godrej Consumer Products Ltd	4.57%

Portfolio – Fundamental Attributes

Particular	FY24	FY25E	FY26E	FY27E
PAT Growth (%)	18.8	12.9	17.4	22.0
ROE (%)	13.5	13.6	14.4	15.7
P/E	29.7	26.3	22.4	18.3

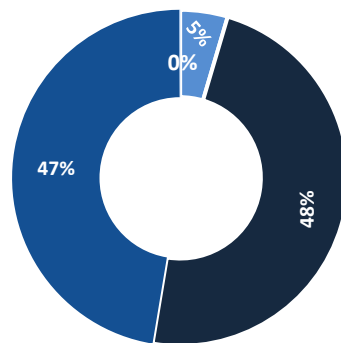
Periodic Returns

Period	RMP	Nifty Midcap 100 TRI	Nifty 50 TRI
1M	1.12%	4.76%	3.48%
3M	-1.40%	0.88%	3.65%
1Y	-2.66%	6.93%	9.01%
2Y CAGR	21.56%	31.25%	17.44%
3Y CAGR	16.20%	22.73%	13.81%
5Y CAGR	29.26%	33.02%	21.18%

Returns are for all clients on TWRR basis.

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

Portfolio Capitalization



■ Large Cap ■ Mid Cap ■ Small Cap ■ Cash

Top Sectorial Weights

Sector	Weight (%)
BFSI	33.32%
Consumer Discretionary	25.21%
Pharma & Chemicals	17.75%
Information Technology	10.29%
Auto & Logistics	5.50%

Portfolio – Risk Attributes*

Particular	Portfolio	Nifty Midcap 100 TRI
Std Dev	31.40%	30.36%
Sharpe Ratio	0.32	0.55
Beta	0.95	1.00
Treynors Ratio	10.76%	-
Information Ratio	-0.52	-
Up/Down Capture	89%/106%	

Calendar Year Returns

Particular	RMP	Nifty Midcap 100 TRI
CY25 YTD	-9.17%	-5.26%
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

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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