Renaissance
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RENAISSANCE INVESTMENT MANAGERS

RENAISSANCE OPPORTUNITIES
PMS FACTSHEET

APRIL 2026

The Case for staying invested into Indian Equities

The US-Iran conflict has moved from the kinetic phase to Hormuz blockade, yet it has persisted for over 8 weeks now. We are still working with our base case that the Hormuz blockade will be resolved within next 3-4 weeks and consequently oil prices should decline to around $90.

Though meaningful damage has been done to oil infrastructure in middle east, operationally, this is a quicker reset than markets assume: Global shipping typically normalizes within 3-4 months of conflict cessation; Saudi's East-West pipeline was restored in under five days following the Iranian attack; and unlike Ras Laffan-style LNG infrastructure (which the press flags as a 3-5 year rebuild), oil wells and refineries carry weeks-to-months restoration timelines. Layer onto this Guyana adding nearly 1mbpd over the next two years, the UAE breaking ranks with OPEC discipline. All this points to softer oil prices in medium term. The forwards are already whispering this: Dec’26 & Dec'27 Brent is quoting a mere US$91 and US$79.

Source: Bloomberg

The other major concerns relate to inflationary impact of higher oil prices on manufacturing costs and potential stressed assets for lenders, though these concerns have yielded mixed market reactions and we have witnessed responsive policy actions form the govt.

- Emergency Credit Line Guarantee scheme (ECLGS) announced by the government is likely to further mitigate any risk to lenders.
- Most manufacturing companies have not raised any material red flags regarding raw material availability or demand outlook for FY27, despite the Gulf war, expressing confidence that crude oil-related input price escalations will be managed via cost savings and passing costs on to end consumers.
- A few lenders have created prudent loan loss provisions but have not raised red flags regarding rising stress due to the Gulf war.

Margins & Macro: Why This Cycle Looks Different

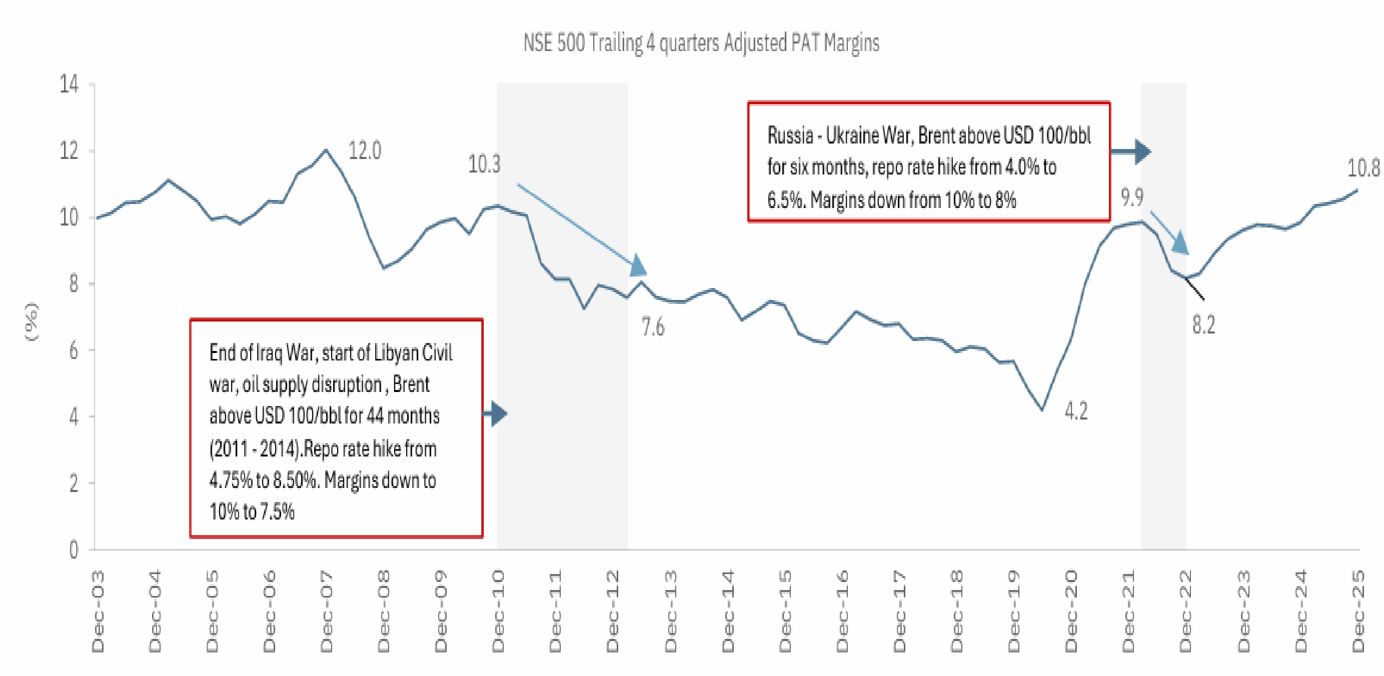
History offers a clear playbook on how sustained oil shocks transmit into Indian corporate profitability — and the read-across is more reassuring than headlines suggest.

In both the 2011-14 super-cycle and the Russia-Ukraine episode, Brent sustaining above US$100/bbl forced the RBI into aggressive tightening cycles of ~400 bps and ~250 bps respectively, which compressed NSE 500 PAT margins by 200-300 bps as inflation, financing costs and external imbalances fed through to the P&L. The current setup, however, is structurally healthier: GDP growth is tracking ~7%, CPI is running below the RBI's 4% target, the external account is manageable, and corporate balance sheets are in their best shape in over a decade, a combination that meaningfully raises the bar for policy action unless crude remains above US$100/bbl for two quarters or more, which is not our base case assumption.

Equally important is what corporates themselves are signaling this earnings season: oil-linked input cost pressure is acknowledged but not flagged as a constraint, with managements across cement (UltraTech, Nuvoco), consumption (Eternal, Maruti, Varun Beverages, Nestle), and industrials (Supreme Industries, Himadri Chemicals) expressing confidence in cost management and pricing power. Net-net, with NSE 500 PAT growth tracking ~12% in Q4FY26, the combination of resilient demand, intact pass-through ability and a benign monetary backdrop reinforces our view that the historical 200-300 bps margin compression is a tail risk rather than the central scenario.

We continue to track energy prices closely but stay constructive on nominal earnings — and remain overweight domestic-cyclical, pricing-power-rich franchises that have historically compounded best through transient input cost spikes rather than structural ones.

Exhibit 15: Rising Brent has led to rise in interest rate, which has reduced PAT margins by 200-300bps



Source: Bloomberg, Elara Securities Research

Market Outlook

The Fed kept rates unchanged at 3.50–3.75% for the third consecutive meeting, with a clearly hawkish stance reinforcing expectations of an extended pause. We believe the Fed is unlikely to adjust rates until clarity on the Middle East conflict and clearer evidence that tariff-related pressures are easing. US 10-year yields rose 7bps to 4.43%, the DXY strengthened further. This backdrop adds pressure on Indian markets and macro conditions. A stronger dollar weighs on the rupee and poses challenges for FPI flows. While we expect the RBI to hold policy rates in this environment, transmission could be impacted if sustained dollar strength leads to tighter domestic rupee liquidity. Accelerating bank credit and retail lending growth (16.1% and 16.2%, respectively) indicate improving demand conditions.

Overall, domestic fundamentals remain supportive, but persistently high oil prices have emerged as a key swing factor for growth, inflation and the RBI's policy flexibility. FY27 consensus estimates remain largely intact, with Nifty EPS at ~Rs 1,232. There is some sectoral divergence, with downgrades in select sectors, while BFSI continues to remain resilient. Although still early, initial trends are encouraging. Valuations appear fair, with FY27 Nifty P/E at ~19.6x, broadly in line with its five-year long-term average.

Medium-Term Outlook: Constructive; Portfolios Positioned for Domestic Cyclicals

While the ongoing tensions involving Iran and the United States have introduced near-term volatility in global markets, our medium-term outlook on Indian equities remains constructive. The investment case continues to be supported by four key anchors: stable macro fundamentals, a gradual recovery in corporate earnings, potential stabilization in the Indian rupee against the U.S. dollar, and resilient domestic equity inflows. Systematic investment plan (SIP) contributions remain steady at ~INR 320.9bn per month, providing a durable liquidity base even as lump-sum flows remain episodic.

From a portfolio standpoint, we remain tilted toward domestic growth themes. Financials—particularly private sector banks and select NBFCs—remain core holdings, given their leverage to credit expansion and housing demand. We have made portfolio additions in power & utilities sector as we envisage significant investments in the sector and the sector delivering robust growth in the medium term. Within consumption, we prefer high-quality discretionary franchises across autos, consumer durables, branded retail and premium beverages, where structural demand and pricing power support superior earnings compounding.

We also maintain selective exposure to consumer-internet and fintech platforms with scalable models and strong execution. Portfolio construction remains focused on market leaders with durable moats, strong balance sheets and long-term earnings visibility.

Happy Investing

Pankaj Murarka
Founder & CIO

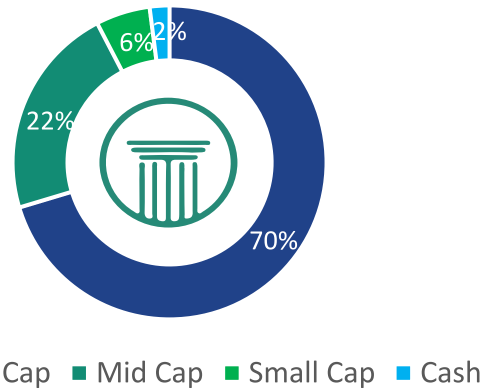
Renaissance Opportunities Portfolio

Inception Date: 1st January 2018
Data as on 30th April 2026

Investment Strategy

- Large cap strategy
- Blend of growth & quality
- Diversified portfolio of 25 - 30 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	9.24
Power Finance Corporation Ltd	6.69
ICICI Bank Ltd	5.84
United Spirits Ltd	5.32
Kotak Mahindra Bank Ltd	4.98

Top Sectors

Sector	Weight (%)
BFSI	34.05
Consumer Discretionary	14.50
Information Technology	9.25
Internet	8.36
Power	7.38

Portfolio – Fundamental Attributes

Particular	FY26E	FY27E	FY28E
PAT Growth (%)	8.6	17.0	17.0
ROE (%)	13.8	14.4	15.1
P/E	20.2	17.3	14.8
PEG	2.36	1.02	0.87

Portfolio – Risk Attributes*

Particular	ROP	Nifty 50 TRI
Standard Deviation (%)	23.59	22.19
Sharpe Ratio	0.29	0.25
Beta	0.97	1.00
Treynors Ratio (%)	7.07	-
Information Ratio	0.14	-

***3 years data**

Financial Year Returns

Financial Year	ROP	Nifty 50 TRI
FY26-27 YTD	7.98%	7.49%
FY25-26	-8.10%	-3.99%
FY24-25	9.87%	6.65%
FY23-24	38.02%	30.08%
FY22-23	3.80%	0.59%
FY21-22	30.77%	20.26%
FY20-21	83.53%	72.54%

Periodic Returns

Period	ROP	Nifty 50 TRI
1M	7.98%	7.49%
1Y	-3.86%	-0.28%
3Y CAGR	12.58%	11.21%
5Y CAGR	15.58%	11.69%
7Y CAGR	13.70%	12.04%

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

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 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 violation, 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.

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Risk Factors

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