RENAISSANCE
INVESTMENT MANAGERS

RENAISSANCE INDIA NEXT
PMS FACTSHEET

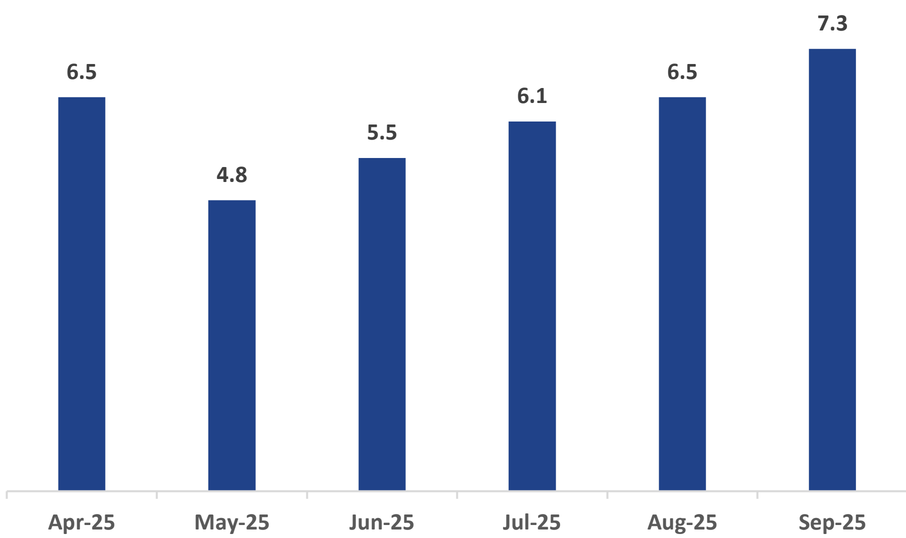
OCTOBER 2025

Green shoots visible in bank credit growth

After being range-bound at 9-10% yoy for much of the first half (1HFY26), the banking system's credit growth improved to 11.4% as of 17th October based on provisional data, compared with 10.2% yoy as of end-Sep'25. Credit growth has been well supported by segments such as MSME (within Industrial), Commercial Real Estate (Services) and Gold loans (Retail). In fact, Industrial credit growth has seen a pick up every month since bottoming out at 4.8% yoy in May'25. However, system deposit growth continues to lag loan growth, and remains subdued at just under 10% yoy (9.5% as of mid-October), thus resulting in system C/D ratio of ~80% as of 17th October.

We expect further pick up in credit growth (albeit gradual), driven by full transmission of RBI rate cuts combined with government's consumption stimulus and the festive season. GST rate cuts are already resulting in some green shoots in terms of: (1) auto sector bookings; and (2) corporate commentary on uptick in urban demand. We expect RBI to cut the repo rate by a further 25-50bps in FY26, which should aid the credit growth recovery, especially in home loans segment.

Credit growth in the Industrial sector (YoY growth, %)



Source: RBI.

2Q earnings performance–further growth pick up, forward estimates stabilising

As per the CMIE, 2QFY26 combined revenues of 1160 listed-companies rose 5.4% yoy, while their aggregate PAT was up 13.8%. Within this, the cohort of non-financial companies saw combined revenue growth of 6% and PAT growth of 20.6% in 2Q.

For Nifty-50 companies (27 have reported so far), aggregate 2Q revenue was up 9.0%, while PAT was up 4.6%. Earnings performance was ahead in the case of largest private banks, largest IT companies, RIL, Shriram Finance and JSW Steel, while earnings misses came from Coal India, Ultratech, Axis, Wipro, Tech Mahindra and Eternal. Most importantly, earnings performance has been broadly in-line with expectations at the aggregate level. Thus, Nifty EPS forecasts for FY26 and FY27 have remained steady at around 1100 and 1280, respectively. Mid-cap companies have delivered higher growth (yet again) in 2Q, driven by sectors such as IT, PSU Banks, NBFCs, Cement and Metals.

This gives us confidence that the corporate earnings cycle has turned, and growth is set to accelerate into double digits over the coming 2-3 quarters.

Markets responding to improvement in credit growth and earnings growth

Nifty-50 was up 4.5% in October, after +0.8% in September. Nifty midcap-100 and Nifty smallcap-100 indices were also up, by 5.8% and 4.7% respectively in October. FPI net inflows (including primary market) into Indian equities in October 2025 were INR 111bn, compared to net-outflows of INR 189bn in September.

Earnings growth to drive markets returns; re-rating depends on US trade deal and growth reforms

At Nifty-50 index value of 25,490, its valuation at c.21x 1-yr forward EPS is marginally ahead of the 10-yr average multiple (=20x). Valuations are fairly discounting the expected earnings trajectory (low-teens CAGR) in our view. Thus, index returns would largely follow earnings compounding CAGR in our view. Valuation re-rating from here would depend on: (1) better than expected trajectory of earnings growth; (2) a US trade deal and/or removal of 25% Russian penalty; and (3) fresh reforms aimed further boosting GDP growth.

Given the backdrop of improving credit growth, consumption stimulus, we positively biased towards private banks and select NBFCs. We believe banks are a solid way to play domestic consumption/industrial demand recovery in India; they also provide proxy exposure to the real estate sector. We also have select exposure to life insurance—secular compounding stories with reasonable valuations. Within Consumption, we own select consumer staple stocks having higher discretionary sales mix and the potential for above-average earnings compounding, driven by double-digit topline growth as well as margin expansion. We are however, significantly more bullish on pure consumer discretionary names having significant moats, in segments like consumer durables, branded apparel retail, alcoholic beverages, and auto OEMs & ancillaries. We also like new age / internet businesses, mainly consumer-tech and select fin-tech plays. These companies have large addressable markets, stellar track record of execution, and sustainable competitive moats.

In summary, our portfolios are skewed towards companies that will likely witness higher earnings acceleration over the next two years, with recovery in credit growth (including consumer proxies), recovery in consumption (across staples, durables and discretionary), and recovery in export/outsourcing growth. We continue to maintain our disciplined stock selection process to ensure long term, sustainable returns for our investors.

Happy Investing

Pankaj Murarka
Founder & CIO

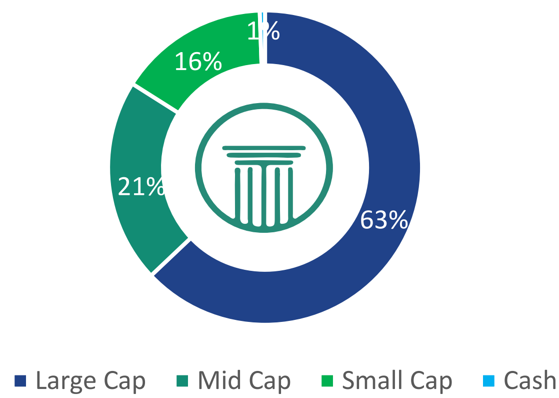
Renaissance India Next Portfolio

Inception Date: 19th April 2018
Data as on 31st October 2025

Investment Strategy

- Flexi cap strategy
- Targeting superior risk adjusted returns
- Diversified portfolio of 25 - 30 stocks
- Blend of top-down and bottoms up approach
- Investing across market caps, aligned with the economic cycle, to maximise returns

Portfolio Capitalization



Top Holdings

Company	Weight (%)
HDFC Bank Ltd	9.35
Reliance Industries Ltd	5.78
Infosys Ltd	5.17
State Bank of India	5.01
Tech Mahindra Ltd	4.76

Top Sectors

Sector	Weight (%)
BFSI	34.88
Consumer Discretionary	14.58
Information Technology	9.93
Internet	9.86
Pharma & Chemicals	7.55

Portfolio – Fundamental Attributes

Particular	FY25	FY26E	FY27E
PAT Growth (%)	8.5	9.2	18.3
ROE (%)	13.4	13.1	13.9
P/E	23.0	21.1	17.8
PEG	2.71	2.28	0.98

Portfolio – Risk Attributes*

Particular	RINP	BSE 500 TRI
Standard Deviation (%)	25.18	22.21
Sharpe Ratio	0.56	0.48
Beta	1.04	1.00
Treynors Ratio (%)	13.48	
Information Ratio	0.34	
Up/Down Capture (%)	107/91	

*3 years data

Periodic Returns

Period	RINP	BSE 500 TRI
1M	3.90%	4.27%
3M	-0.11%	3.72%
6M	4.55%	8.33%
1Y	-3.16%	5.32%
3Y CAGR	19.63%	16.21%
5Y CAGR	34.67%	21.06%

Financial Year Returns

Financial Year	RINP	BSE 500 TRI
FY25-26 YTD	7.73%	11.77%
FY24-25	13.01%	5.96%
FY23-24	41.93%	40.16%
FY22-23	12.35%	-0.91%
FY21-22	47.95%	22.26%
FY20-21	97.24%	78.63%

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.

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 scheme. 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.