Renaissance
THE SCIENCE OF INVESTING

RENAISSANCE INVESTMENT MANAGERS

RENAISSANCE PMS FACTSHEET

JULY 2026

Dear Investors,

After a brief de-escalation in June, the U.S.-Iran conflict intensified again through July. Renewed attacks on commercial shipping in and around the Strait of Hormuz, coupled with expanded military activity in the Red Sea, significantly disrupted global energy trade. Vessel traffic through Hormuz remains well below pre-conflict levels, keeping supply chains under pressure. However, easing tensions over the past few days have helped cool geopolitical risk premiums, pulling Brent crude prices lower and easing concerns over a prolonged supply shock.

Against this backdrop, Indian equities have shown resilience rather than resignation.

The Wall of Worry: Three Headwinds, Simultaneously

- **Oil and shipping:** Crude oil prices remained volatile amid persistent geopolitical risks and tighter physical supply. Disruptions to key export routes, reduced shipping activity through Hormuz, continued constraints on Russian fuel exports, and damage to regional energy infrastructure have increased freight costs and heightened supply uncertainty.

- **Currency:** In July 2026, the Indian Rupee experienced significant volatility, trading under intense pressure near historic lows nearing the 97 mark. Aggressive dollar-selling interventions by the Reserve Bank of India (RBI) helped stabilize the currency. The rupee eventually staged a recovery toward the 95.2 range as crude prices cooled down.

- **Monsoon:** The IMD's July outlook, issued after one of the driest Junes on record, projected rainfall below 94% of the Long Period Average — a shortfall in the monsoon's single wettest month, with implications for kharif sowing and reservoir levels heading into FY27.

Why the Market Has Not Cracked

Three structural forces are absorbing what would, in an earlier cycle, have been a far sharper drawdown.

First, **crude oil prices remained subdued through July despite tensions** around the Strait of Hormuz. With no major disruption to global oil supplies, ample inventories and resilient non-OPEC supply, Brent crude stayed relatively contained, easing concerns over imported inflation, the current account deficit, and pressure on the rupee. For India, a large oil importer, stable crude prices provided a supportive backdrop for equities and helped cushion broader market sentiment.

Second, domestic flows have decisively taken over from foreign ones. Against $13.2bn of FII outflows in Q2CY26, DIIs have absorbed the selling with an estimated $22.8bn of inflows. In Q2CY26, domestic ownership of Indian equities (18.9%) now exceeds foreign ownership (17%). SIP flows have proven remarkably sticky through the volatility with average monthly SIP inflows of ~$3bn. **The trend continued in July as well where FII remained net sellers to the tune of ~$0.6bn and DII remained net buyers of ~$3.68bn**. This is the single most important structural change: the market's marginal buyer is now a patient, domestic, systematic one.

Lastly, a genuine trade tailwind has landed in the middle of a geopolitical storm. The **India-UK Comprehensive Economic and Trade Agreement entered force on July 15**, making roughly 99% of Indian exports duty-free to the UK — sectors that previously faced UK tariffs of up to 70% on processed foods, 21.5% on marine products, 18% on engineering goods and auto components, 16% on leather and footwear, 12% on textiles and garments, and 8% on chemicals and pharmaceuticals now enter duty-free.

Q1 FY27 Corporate Results: Early Days, Cautious Start

The FY27 earnings season is increasingly about forward guidance rather than reported numbers. While consensus continues to expect Nifty 50 earnings growth of around 14% for FY27, Q1 commentary so far has been broadly positive, with most managements highlighting resilient demand and limited near-term impact from geopolitical disruptions. The focus now shifts to whether this momentum is sustained through the coming quarters.

Portfolio Strategy: Where We Are Deploying "Dry Powder“

Our allocations remain anchored in high-conviction, domestic-cyclical themes with clean balance sheets and pricing power:

- **Financials:** System-wide credit growth has inched up in the high-teens year-on-year. Large banks and NBFCs are not flagging asset-quality stress attributable to the West Asia conflict and El-Nino effects till now, and capitalisation levels remain adequate to absorb unforeseen shocks.

- **Auto:** PV industry growth is expected to remain robust in FY27, driven by favourable demand trends, a healthy new product pipeline, sustained SUV traction and improving rural demand, while the implementation of the 8th Pay Commission in FY28 expected to provide an additional demand catalyst.

- **IT:** With initial signs of AI bubble bursting (KOSPI down 20.6% in July 2026) and decent commentary from IT companies in their post results call, we believe that traditional IT companies are on track to make a comeback.

What We Are Watching Into August

- Whether the Hormuz blockade shows any sign of a negotiated off-ramp, or whether the Suez/Red Sea front widens further.

- Q1 FY27 results flow, and whether managements revise FY27 guidance down in response to currency and input-cost pressure.

- Actual July rainfall outturns against the IMD's below-normal forecast, and the knock-on effect on kharif sowing and rural demand.

Conclusion: Volatility Is the Price of Alpha

The conflict has now run six months, with no definite resolution till now. That is a legitimate reason for caution on near-term earnings. **It is not, in our view, a reason to abandon the structural case for India: de-leveraged balance sheets, a still-intact capex cycle, and a domestic investor base that has now taken the flows baton from foreign institutions for the better part of a year.**

We continue to view bouts like July's — driven by external shocks rather than domestic deterioration — as opportunities to build positions in quality businesses at reasonable prices, while staying honest about the fact that the macro tail risk here.

Happy Investing

Pankaj Murarka
Founder & CIO

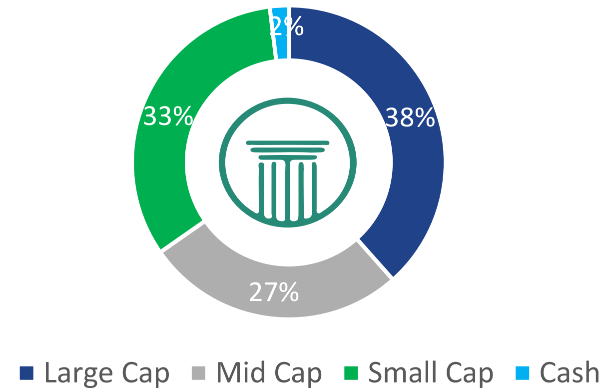
Renaissance India Next Portfolio

Inception Date: 19th April 2018
Data as on 31st July 2026

Investment Strategy

- Flexi cap strategy
- Investing across market caps, aligned with the economic cycle, to maximise returns
- Optimal portfolio construction that strikes a balance between risk & reward
- Bottoms up stock selection with a well diversified portfolio
- High quality portfolio of 25-30 stocks

Portfolio Capitalization



Top Holdings

Company	Weight (%)
HDFC Bank Ltd	7.09
Federal Bank Ltd	5.30
City Union Bank Ltd	4.71
One 97 Communications Ltd	4.56
M & M Financial Services Ltd	4.47

Top Sectors

Sector	Weight (%)
BFSI	30.57
Information Technology	15.47
Auto & Logistics	13.07
Internet	11.73
FMCG	8.96

Portfolio – Fundamental Attributes

Particular	FY26	FY27E	FY28E
PAT Growth (%)	11.7	14.6	17.2
ROE (%)	16.0	16.2	16.8
P/E	17.6	15.4	13.1
PEG	1.51	1.05	0.76

Portfolio – Risk Attributes*

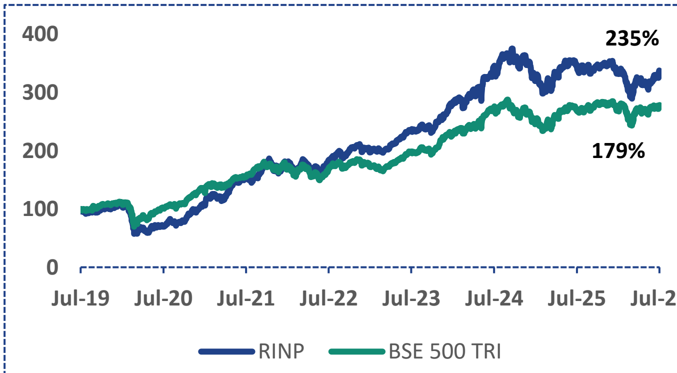
Particular	RINP	BSE 500 TRI
Standard Deviation (%)	27.23	24.37
Sharpe Ratio	0.24	0.25
Beta	1.04	1.00
Treynors Ratio (%)	6.33	-
Information Ratio	0.04	-

*3 years data

Periodic Returns

Period	RINP	BSE 500 TRI
1M	5.08%	2.19%
3M	5.67%	3.78%
1Y	-3.06%	2.98%
3Y	12.29%	11.89%
5Y	17.18%	12.35%
7Y	18.85%	15.76%

Absolute Return



The performance is based on TWRR basis, the performance related information provided herein is not verified by SEBI.
The performance data provided is net of all fees & expenses. Performance of individual client may differ depending on timing of entry and exit, timing of additional flows and redemptions.

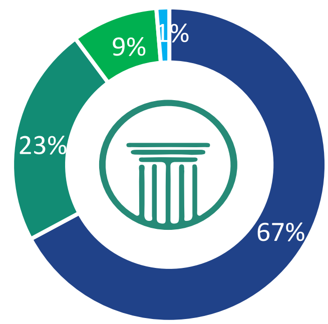
Renaissance Opportunities Portfolio

Inception Date: 1st January 2018
Data as on 31st July 2026

Investment Strategy

- Theme: multibaggers in large cap
- Investing across businesses which are at different stages of their business lifecycle
- Optimal portfolio construction that strikes a balance between risk & reward
- Blend of growth & quality
- High quality conviction ideas

Portfolio Capitalization



Top Holdings

Company	Weight (%)
HDFC Bank Ltd	8.67
ICICI Bank Ltd	6.31
Infosys Ltd	6.23
Federal Bank Ltd	4.97
United Spirits Ltd	4.92

Top Sectors

Sector	Weight (%)
BFSI	33.68
Information Technology	14.90
Internet	12.14
FMCG	9.90
Auto & Logistics	8.21

Portfolio – Fundamental Attributes

Particular	FY26	FY27E	FY28E
PAT Growth (%)	9.2	15.0	17.8
ROE (%)	15.4	15.6	16.3
P/E	18.9	16.4	13.9
PEG	2.05	1.09	0.78

Portfolio – Risk Attributes*

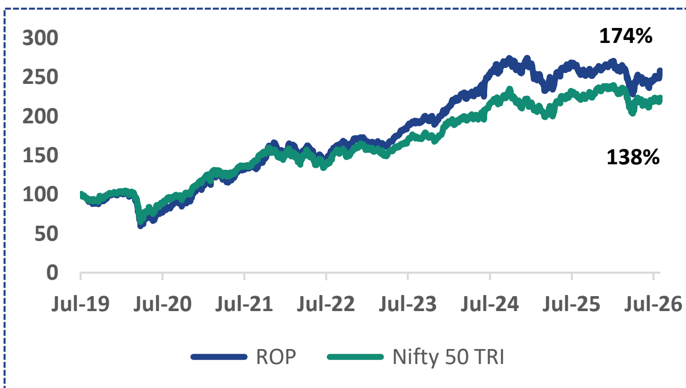
Particular	ROP	Nifty 50 TRI
Standard Deviation (%)	24.09	22.61
Sharpe Ratio	0.17	0.13
Beta	0.98	1.00
Treynors Ratio (%)	4.17	-
Information Ratio	0.13	-

*3 years data

Periodic Returns

Period	ROP	Nifty 50 TRI
1M	4.86%	2.36%
3M	4.44%	2.28%
1Y	-0.76%	-0.43%
3Y	9.82%	8.57%
5Y	13.76%	10.41%
7Y	15.48%	13.19%

Absolute Return



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Sustainable Quality Growth At Reasonable Price (SQGARP)™

Sustainability	Quality	Growth	Price
Companies with sustainable and Durable business models.	Superior quality businesses as demonstrated by Competitive edge, Pricing power ,ROE, FCF. Good quality and competent quality and competent Management teams.	Business that can deliver Superior growth over Medium term to long term	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.

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