



RENAISSANCE INVESTMENT MANAGERS

Dear Investors,

August was a month of contrasts for Indian equities. Markets remained volatile amid geopolitical tensions, elevated crude oil prices, pressure on the rupee and concerns around global trade. Yet, beneath the volatility, India's economic and corporate fundamentals continued to strengthen.

For long-term investors, this divergence between **short-term sentiment and underlying fundamentals** remains encouraging. We continue to believe that periods of uncertainty can create attractive opportunities to accumulate high-quality businesses with strong balance sheets, sustainable competitive advantages and long growth runways.

The Indian market remained range-bound during the month, with the Nifty 50 declining ~1.2%. However, market performance was far from uniform, with several segments of the broader market showing resilience.

The more important development, in our view, was the continued improvement in the economic backdrop.

India's **Q1 FY27 GDP growth came in at 7.8%** exceeded market expectations of 7.3% and was higher than RBI's estimates by 80bps. Growth was mainly led by investments (GFCF) and private consumption while on the supply side, services and manufacturing fuelled growth; mining dragged.

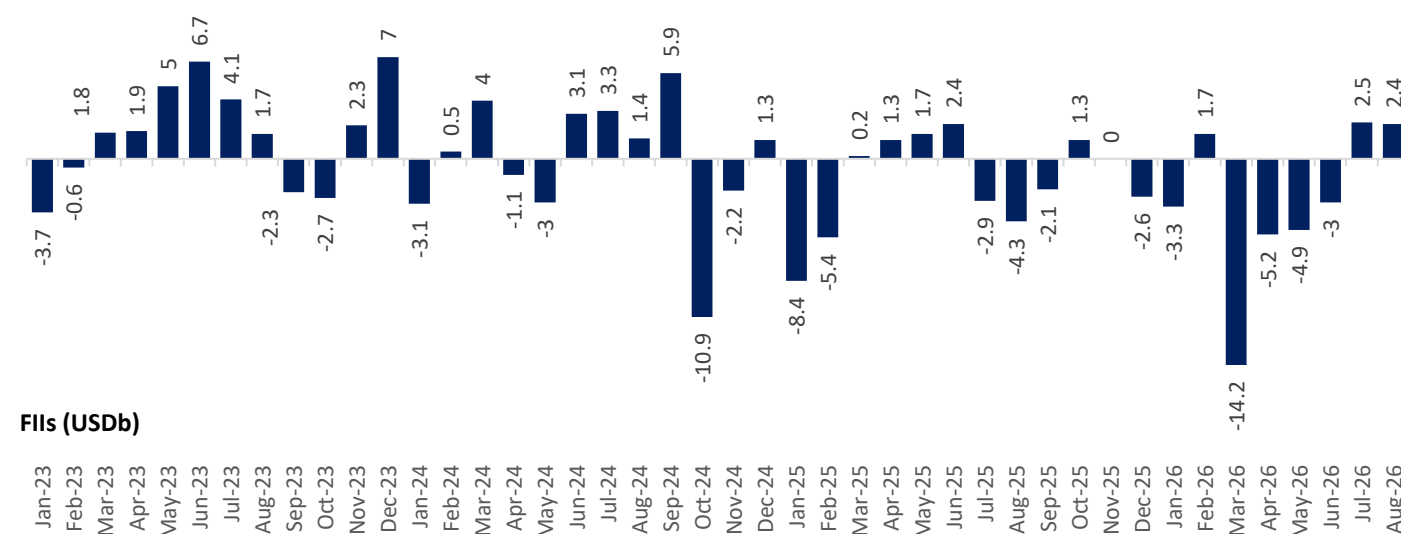
Corporate earnings also provided encouragement. The Q1 earnings season saw strong profit growth across several sectors, with aggregate Nifty profitability reaching a multi-quarter high. This gives us greater confidence that the earnings cycle is gradually broadening.

Encouraging signs were seen in GST collections for month of August as this number stood at Rs 1.99 lakh crore, an increase of 14.8% on a YoY basis, primarily due to surge in tax collections on import of goods.

Robust vehicle sales in August 2026, PV dispatches up 20% YoY and 2W up 11% YoY reflect powerful consumer confidence and rising discretionary spending across the country, painting an extraordinarily bright picture for India's macroeconomic health and signalling sustained growth momentum ahead of the festive season.

Foreign Flows: A Positive Signal

FII's record equity inflow for the second consecutive month in Aug'26



Source : Renaissance Research

Foreign Institutional Investors (FIIs) recorded back-to-back net equity inflows into Indian markets, bringing in \$2.4 billion in August 2026 following July's \$2.5 billion influx. This consecutive buying trend represents a decisive turnaround after four straight months of heavy sell-offs.

Risks Have Not Disappeared

Crude oil prices and **geopolitical developments** continue to pose risks to **India's inflation, currency and external balances**. The rupee remained under pressure during the month, while a widening trade deficit highlighted India's sensitivity to higher energy prices. **The monsoon also warrants monitoring**, particularly for its implications for rural consumption and food inflation.

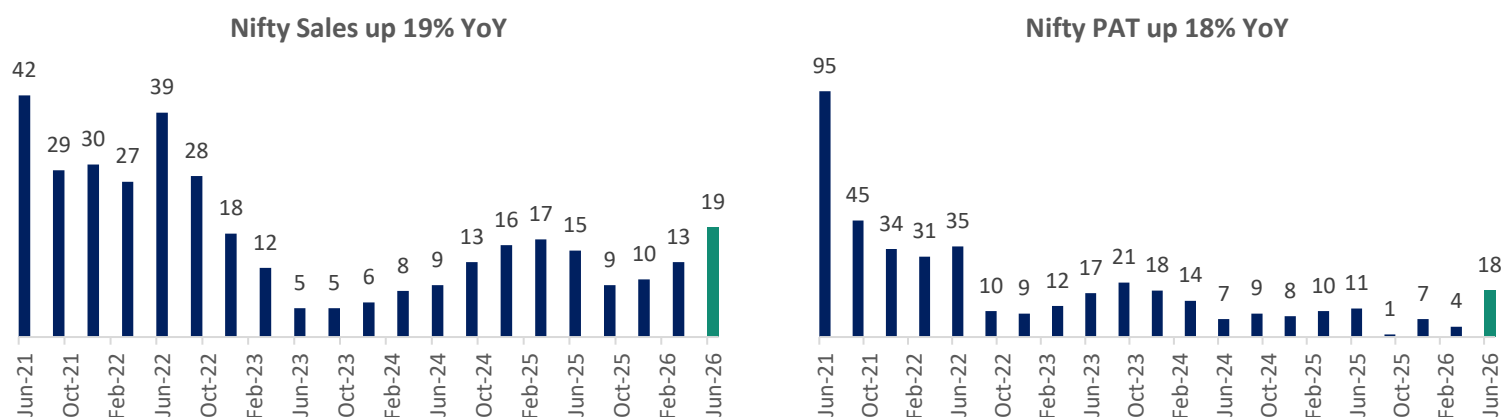
Importantly, we view these as **risks being manageable with some impact and does not change our long-term thesis on India**.

From FX Cushion to Revenue Surprises

FCNR – Creating a FX buffer and building macro stability - The massive surge in special Foreign Currency Non-Resident (FCNR) deposits—reaching \$127.3 billion, or roughly 4.5% of total system deposits—delivers a substantial foreign exchange shield for India. Fortifying foreign exchange reserves against global market volatility and capital outflow pressures, this liquidity cushion helps anchor the rupee, mitigate external vulnerability, and preserve overall macroeconomic resilience.

Earnings downgrade cycle pauses: The 1QFY27 results for corporate India has been encouraging validating the fact that the underlying economic growth remained resilient despite geo-political uncertainty, supply chain dislocations and rising commodity prices during the period.

After a prolonged phase of earnings deceleration, Nifty companies have staged a sharp recovery in top-line and bottom-line growth in Jun-26 quarter. Sales growth for Nifty companies accelerated to **19% YoY**, reaching its highest expansion rate since Dec 2022 after 13 quarters. Concurrently, Nifty Profit After Tax (PAT) surged **18% YoY** and decisively breaking out of a multi-quarter (9 quarters) moderation; where earnings growth had slumped into single digits. Together, these metrics signal a meaningful rebound in operational efficiency and strong earnings momentum for Nifty companies after an extended period of subdued performance.



Source : Renaissance Research

Looking Beyond the Noise

August once again demonstrated that markets can react quickly to headlines, while businesses change much more slowly.

Our approach remains unchanged: **look beyond the next quarter, identify businesses capable of compounding earnings and capital over several years, and use volatility to our advantage where valuations become attractive**.

Happy Investing

Pankaj Murarka
Founder & CIO

Renaissance India Next Portfolio

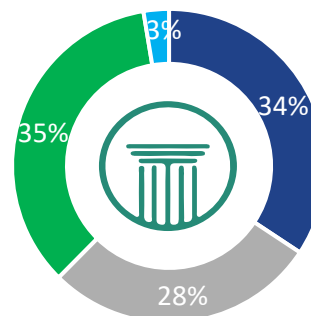
Inception Date: 19th April 2018

Data as on 31st August 2026

Investment Strategy

- Flexi cap strategy
- Investing across market caps, aligned with the economic cycle, to maximize 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



■ Large Cap ■ Mid Cap ■ Small Cap ■ Cash

Top Holdings

Company	Weight (%)
HDFC Bank Ltd	6.55
One 97 Communications Ltd	5.67
Federal Bank Ltd	5.14
City Union Bank Ltd	5.09
M & M Financial Services Ltd	4.21

Top Sectors

Sector	Weight (%)
BFSI	28.45
Information Technology	14.32
Internet	13.33
Auto & Logistics	12.01
FMCG	8.55

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*

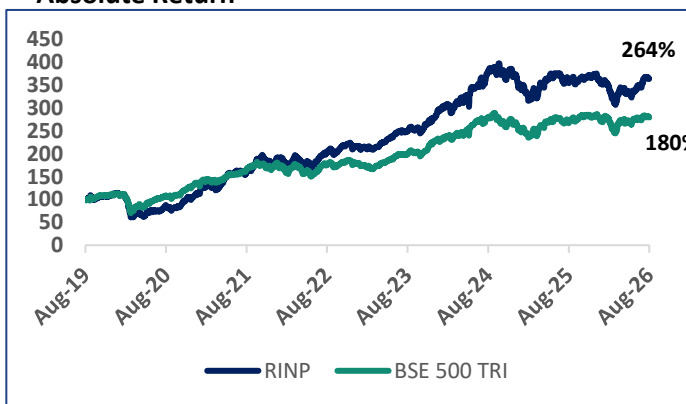
Particular	RINP	BSE 500 TRI
Standard Deviation (%)	27.27	24.34
Sharpe Ratio	0.28	0.26
Beta	1.04	1.00
Treynor's Ratio (%)	7.46	-
Information Ratio	0.14	-

Periodic Returns

Period	RINP	BSE 500 TRI
1M	2.69%	-0.09%
3M	9.38%	3.86%
FYTD	18.77%	14.45%
6M	5.24%	1.43%
1Y	2.85%	4.72%
3Y	13.52%	12.09%
5Y	17.80%	10.91%
7Y	20.27%	15.82%

Absolute Return

*3 years data



Sustainable Quality Growth At Reasonable Price (SQGARP)TM



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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