



Renaissance Investment Managers



Mr. Pankaj Murarka

Pankaj has over **25 years of experience** in Indian Equities with excellent performance track record. He has worked with Motilal Oswal, Rare Enterprise (largest Principal Investor in India), Merrill Lynch & Axis AMC.

His last stint was with Axis AMC as CIO, Equities managing and overseeing equity **AUM of \$ 5bn**. Axis AMC emerged as the fastest growing Asset Management Company in India during 5 years from 2011-2016.

Pankaj has managed funds across Large Cap/ Mid Cap/ Small Cap with **stellar track record** of performance across funds.

Pankaj is an avid marathoner and has completed 6 half marathons and 2 ultra-half marathons / endurathon.

Several accolades to his credit:

- Recognized by Outlook Money as a **Leading Fund Manager** with 5 years of track record of consistent performance in the year 2015
- **Best Fund Manager – Runner-Up** for Axis Mid Cap Fund in 2014 by Outlook Money (from over 40 funds)
- Axis Small Cap Fund – **Best performing Small Cap fund** in 2014 with 84.3% returns

4 Pillars of Investment



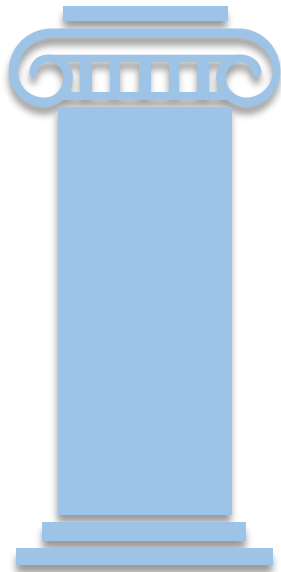
Philosophy



Investment Philosophy



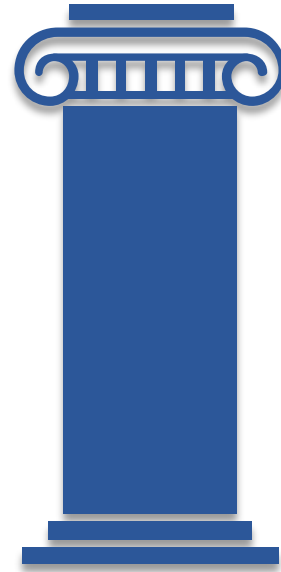
Process



Investment Strategy



People



Performance



Portfolio Strategy

Have a well articulated **Investment Philosophy**



Growth Biased



Focused on investing into **Quality** business that can deliver **sustainable high growth** over medium term to long term.

Be selective in **cyclical** business

Risk Management is central to Investment Management.

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

Proprietary Framework

Growth:

- Business that can deliver superior growth over medium to long term

Price:

- Ability to invest at reasonable valuations. Fair value approach to valuations.
- Focus on economic value of business

Follow a fine-tuned repeatable process

1) Investment Universe

Identify companies with sustainable earnings growth potential, credible management & long-term growth prospects

2) Research Companies

Analyze fundamentals of the company and industry to assess attractive segments within our universe

3) Stock Selection

Portfolio is constructed bottom-up based on careful analysis and taking advantage of volatility, crisis, or unusual circumstances

4) Portfolio Management


In order to ensure investment objectives are met, ensure effective governance, active involvement and timely intervention

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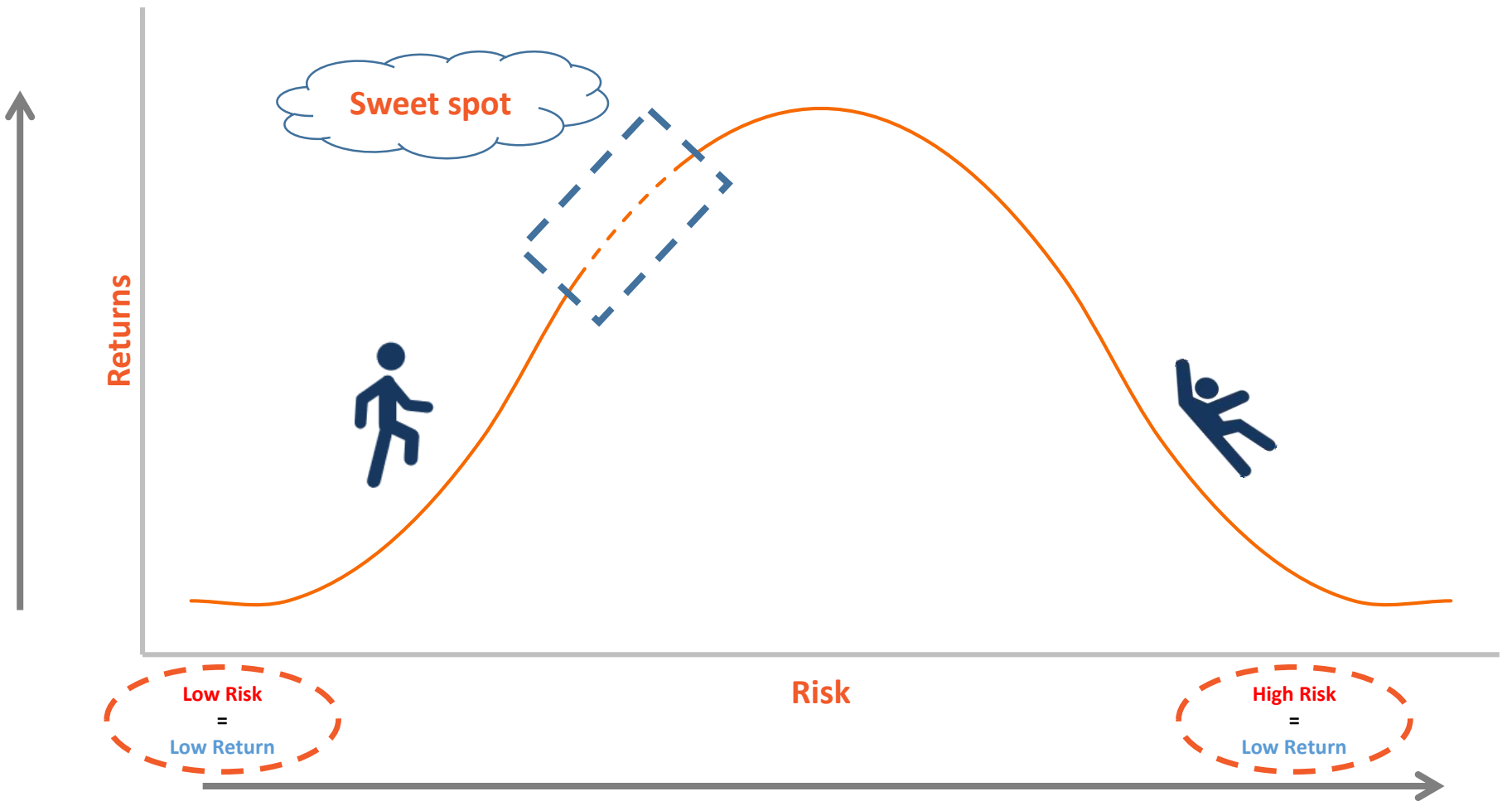
The fund managers will strive to manage the following risks:

Type of Risk	Risk Description	Risk Management Strategy
Quality Risk	Investing in unsustainable/weak companies	Experienced investment professionals to help limit investment universe to carefully selected high quality business
Price Risk	Overpaying for a company	Detailed in-house research to enable “Fair Value” based investment recommendations
Management Risk	Inability for management to drive growth	Assess quality of team and their focus on creating shareholder value
Financial Risk	Overleverage or dependent on a critical revenue stream	Monitor overall financial risk and leverage of investee company
Event Risk	Risk due to company or sector specific event	Effective and timely response to uncertain events enabled through in-depth understanding of businesses



“
Focus on
Superior Risk
Adjusted
Returns
”

Superior Returns at Moderate Risk





Mortality Risk



Experienced investment professionals to help limit investment universe to carefully select good quality businesses

Monitor overall portfolio volatility and control risk class/sector/stock exposures as needed



Volatility Risk



1

Renaissance Opportunities Portfolio

(Focused Large Cap Fund)

2

Renaissance India Next Portfolio

(Flexi-Cap Fund)

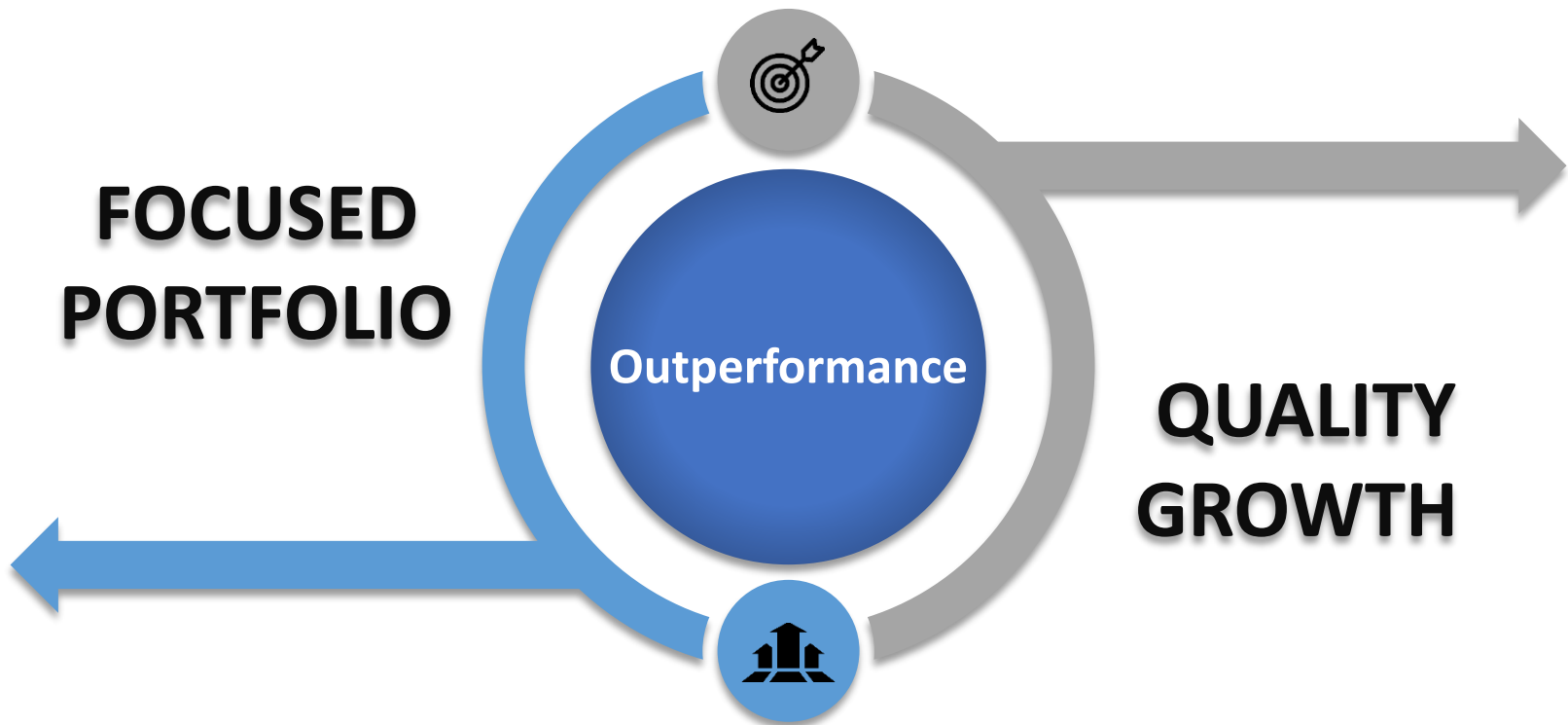
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Renaissance Midcap Portfolio

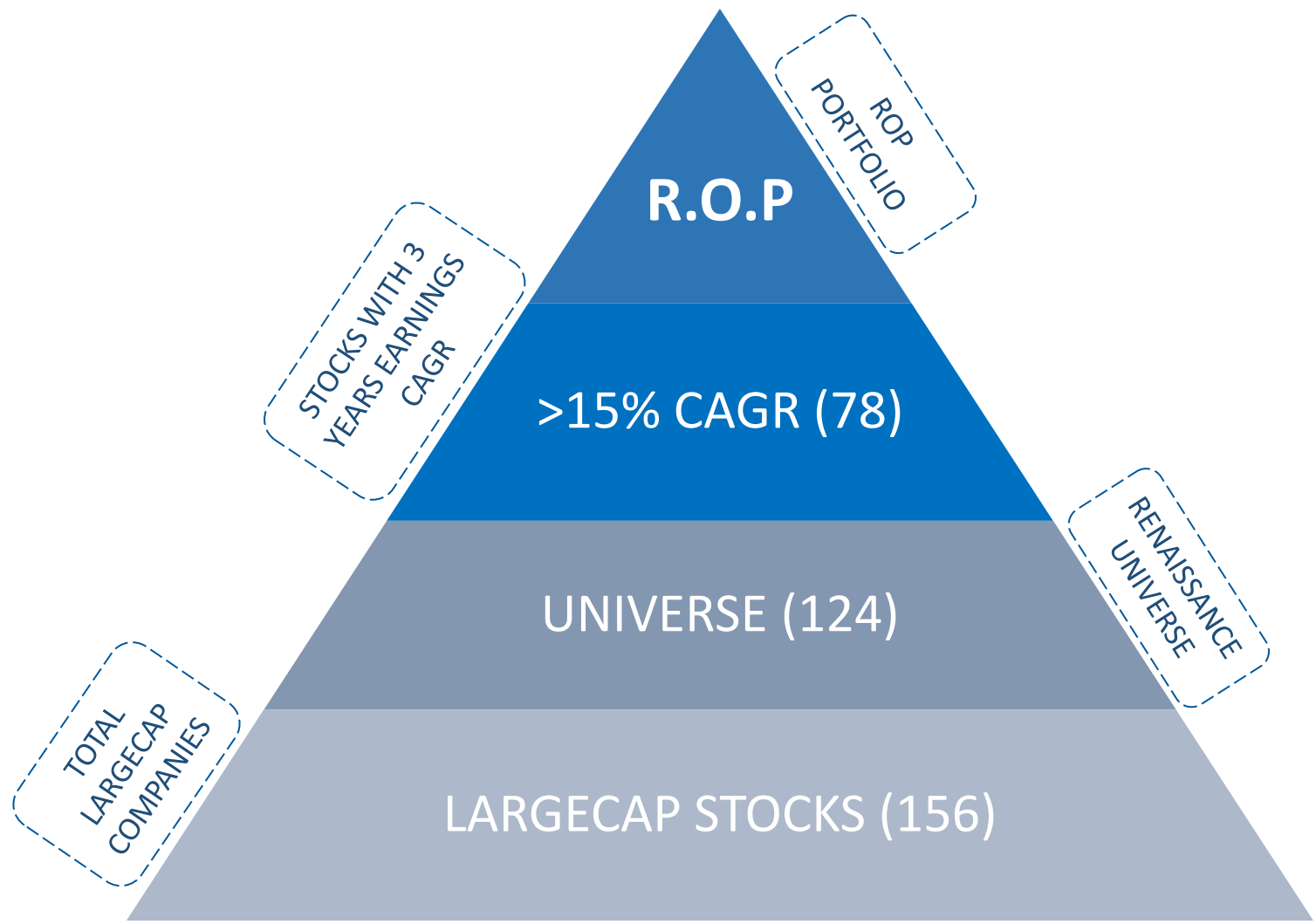
(Business Leadership Fund)

RENAISSANCE
OPPORTUNITIES PORTFOLIO

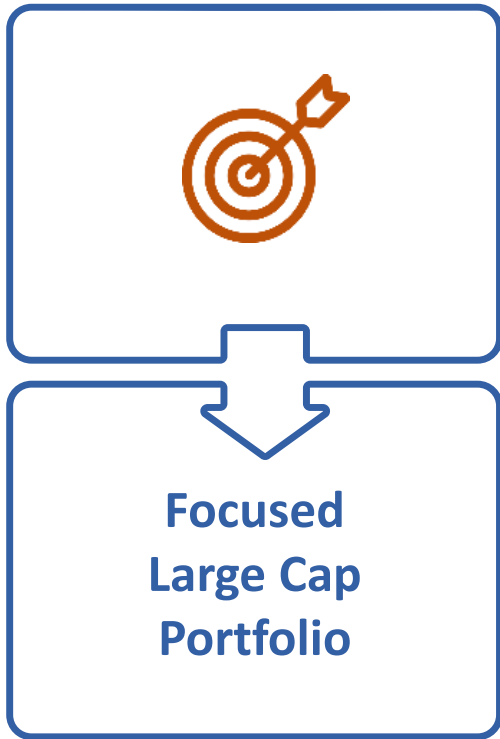
FOCUSED **LARGECAP**
PORTFOLIO



Significant underperformance of Large Cap MF leading to drive towards ETF

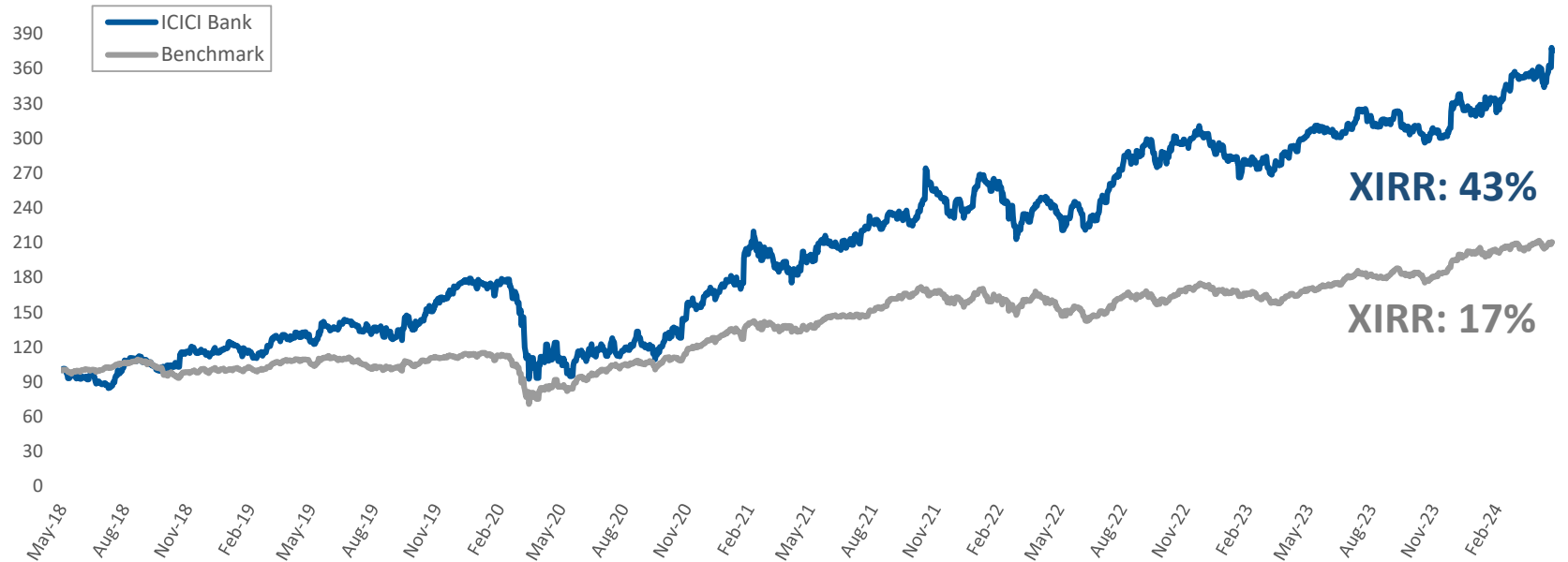


Renaissance Opportunities Portfolio



- A focused Portfolio build on best opportunity basis
- Blend of Growth & Quality

Portfolio Case Study : Private Bank – ICICI Bank



XIRR: 43%

XIRR: 17%

Data as on 30th April 2024

Launch of **Neo Bank for GenZ Customers**

Sizeable share of secured loans and continued healthy growth

Leveraging technology to expand its customer base

Growth driven by retail business and the share of **high profit making products**

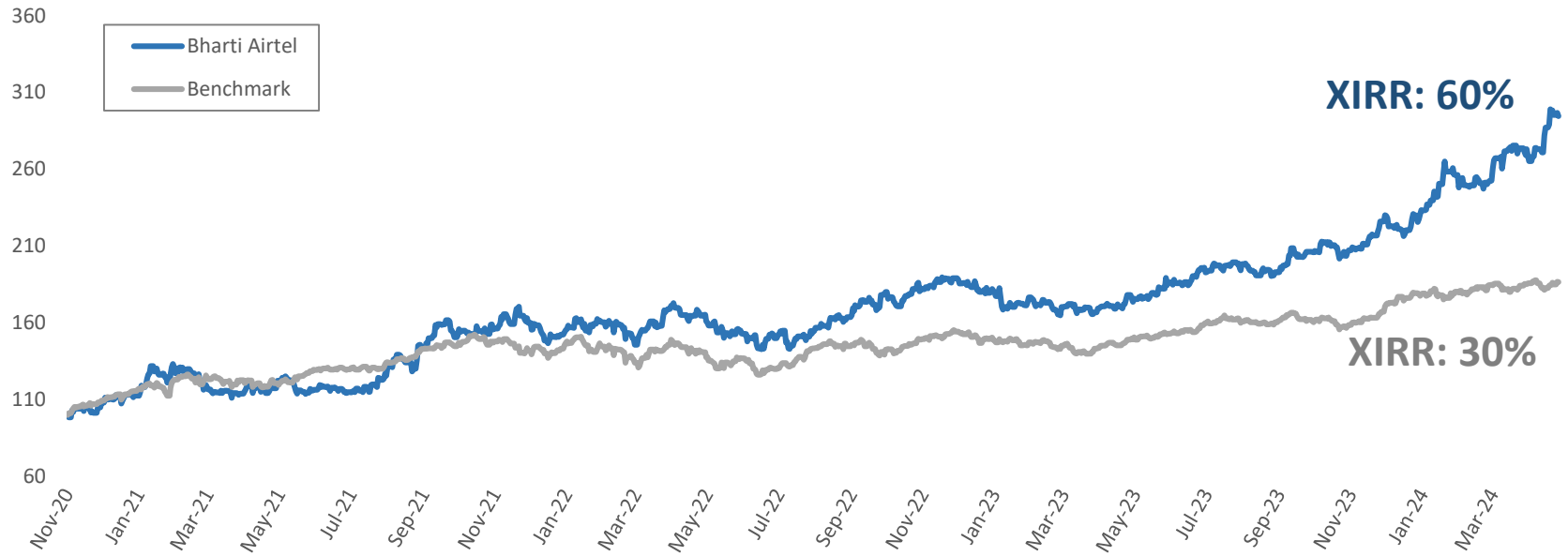
Management **focus on improving RoE** through operational efficiency

Investment Philosophy

Investment Strategy

Portfolio Strategy

Portfolio Case Study: Telecom - Bharti Airtel



Data as on 30th April 2024

One of the Top 2 Telecom service providers in India with operations in over 16 countries across Asia and Africa

Oligopoly sector with return of pricing power

Co to be FCF Positive and to be ROE of 15% by FY24

Company	Comment
Larsen & Toubro	<ul style="list-style-type: none">• Presence across all Verticals across Infrastructure, Oil & Gas, Manufacturing, Power etc.• Strong Order Book and Focus on improving ROE
ABB	<ul style="list-style-type: none">• Big beneficiary of revival of Industrial & Infrastructure Capex• Big play on Industrial Digitization
Cummins	<ul style="list-style-type: none">• Healthy growth in core business supported with strong exports growth• Focus on Clean Energy Solutions

Company	Comment
Zydus Lifesciences	<ul style="list-style-type: none"> • Strong growth revival in US business driven by niche pipeline and potential novel drugs • Strong growth in domestic business
Sun Pharma	<ul style="list-style-type: none"> • Leading Pharma co in India with healthy growth, strong cash flows • US branded business to drive future growth
Alembic Pharma	<ul style="list-style-type: none"> • Co has made significant investment in US business with USFDA approved facilities for injectables, derma, oncology and ophthalmology • Operating leverage to drive strong profit growth

Company	Comment
Tata Motors	<ul style="list-style-type: none"> • Sharp turnaround in JLR leading to consistent upward revision in EBIT margin guidance + Strong cash flow generation. • Credible no.3 player in domestic PV market • Leading the EV drive in India – first mover advantage
Varroc Engineering	<ul style="list-style-type: none"> • Opportunity in increased LED penetration • Exploring the opportunity in supply of catalytic converters and Electronic Fuel Injection (EFI) systems to its existing customers to increase the content per customer
Exide Industries	<ul style="list-style-type: none"> • Market leader in the auto OEM market with ~60% market share in three/ four-wheeler batteries and ~65% market share in two-wheeler batteries. • Diversification in to Lithium Ion battery

Company	Comment
Tech Mahindra	<ul style="list-style-type: none"> • Market leader in Telecom; 5Gs spends to drive growth • Focus on integrating capabilities to draw synergies • Management change to bring strategic change (Mohit Joshi as the new MD/CEO)
Birlasoft	<ul style="list-style-type: none"> • New CEO injecting fresh growth momentum • Resilience and scalability of the services portfolio • Company sees strong traction for virtual engagement, Cloud adoption, and digital transformation work
Infosys	<ul style="list-style-type: none"> • Demand for IT Services • Debt free company • Infosys should be able to maintain margins on digital mix, lowering sub-contracting costs
Info Edge	<ul style="list-style-type: none"> • Boom in internet user growth • Growth in the IT sector • Strong demand for new homes

Key Themes of ROP: Financials - Underweight

Company	Comment
ICICI Bank	<ul style="list-style-type: none"> In the midst of an improvement in operating environment (stressed asset resolution and growth pick-up) and is showing healthy signs of earnings normalization Impeccable asset quality
HDFC AMC	<ul style="list-style-type: none"> HDFC merger to boost sales HDFC AMC's proportion of equity oriented AUM to total AUM is at 54%, higher than the industry average of 40%
SBI	<ul style="list-style-type: none"> NPA and Credit Costs to Ease Going Forward Diversified loan portfolio Key drivers of core earnings are likely to be a pick-up in loan growth, margin expansion and greater operating leverage
HDFC Bank	<ul style="list-style-type: none"> Superior liability franchise Margins stability Impeccable asset quality

**High Conviction
Portfolio**

**Sustainable High
Growth Companies**

**Long Term
Approach; Buy and
Hold**

Large Cap Biased

**Superior Quality
Portfolio and
Business
Leadership**

RENAISSANCE
INDIA NEXT PORTFOLIO

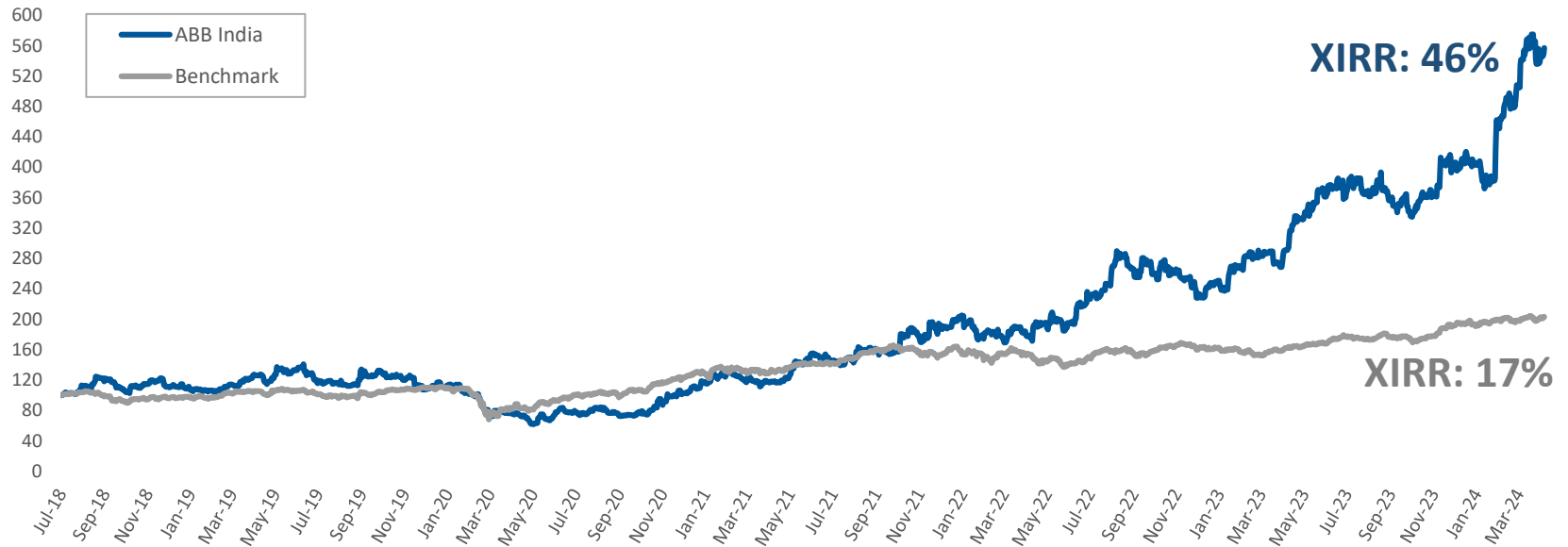
Flexi-Cap PORTFOLIO



Key Features

- ❖ Capitalize on the opportunities offered by mid and small cap stocks
- ❖ Manage risk with large cap exposure
- ❖ Optimal portfolio construction which strike balance between risk and reward
- ❖ Diversified Portfolio with No Sector Bias
- ❖ Focused Portfolio of 20-25 stocks
- ❖ Long term Approach; Buy and Hold

Portfolio Case Study : Capital Goods – ABB India

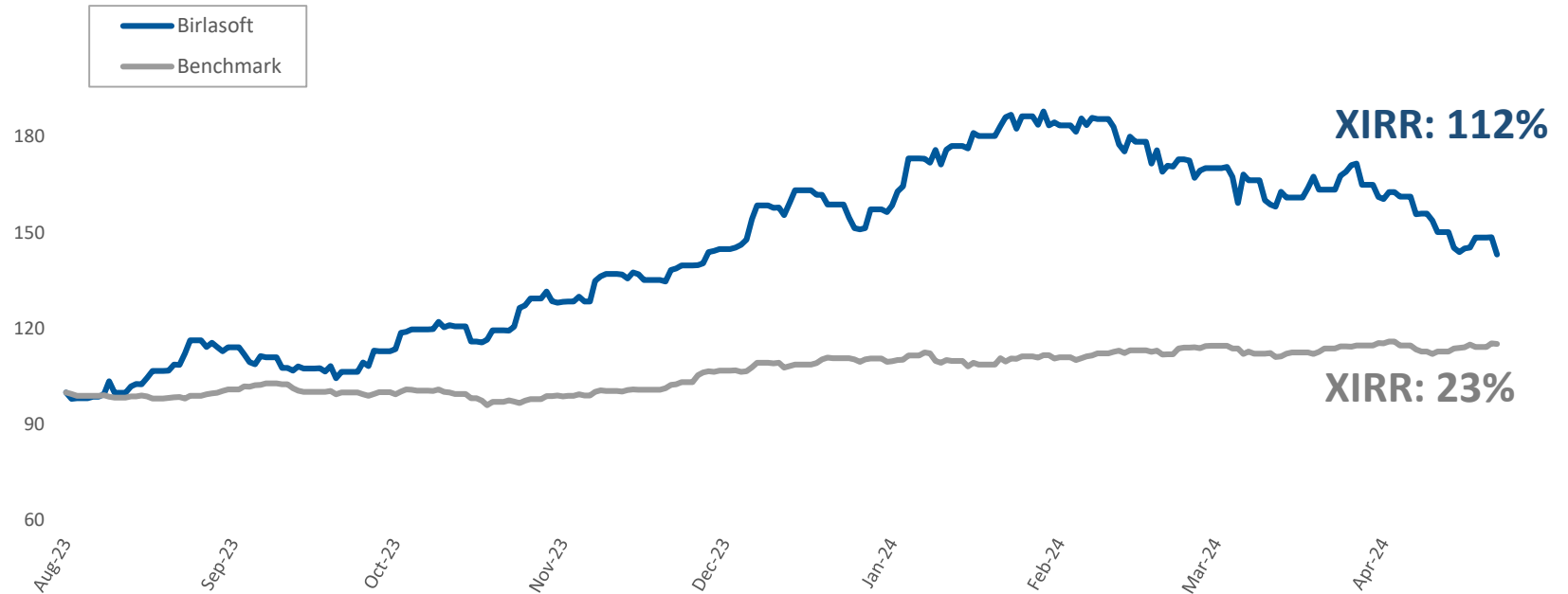


Data as on 30th April 2024

Unmatched capabilities on the technology front: ABB being part of a large global behemoth has an edge over most other power product peers (except the likes of Siemens and very few others) in terms of technology for high voltage, grid stabilization and automation products.

Steady capex in Power T&D and Railways: Over the last 10 years, Power T&D space has seen large and steady capex (led by PGCIL) for grid expansion and strengthening

Exports and services to aid growth: ABB India plans to leverage on the global reach of the parent to drive its exports (over 15% of the overall revenues).



Data as on 30th April 2024

New CEO injecting fresh growth momentum:

The new CEO has increased focus on select verticals and Geo for which the company has hired vertical & Geo focused leaders. CEO has also hired Chief Growth Offices and Chief Operating Officer to drive service lines and increase growth trajectory. Sharply focusing on select verticals and to become nimble and execution-oriented organization.

Resilience and scalability of the services portfolio:

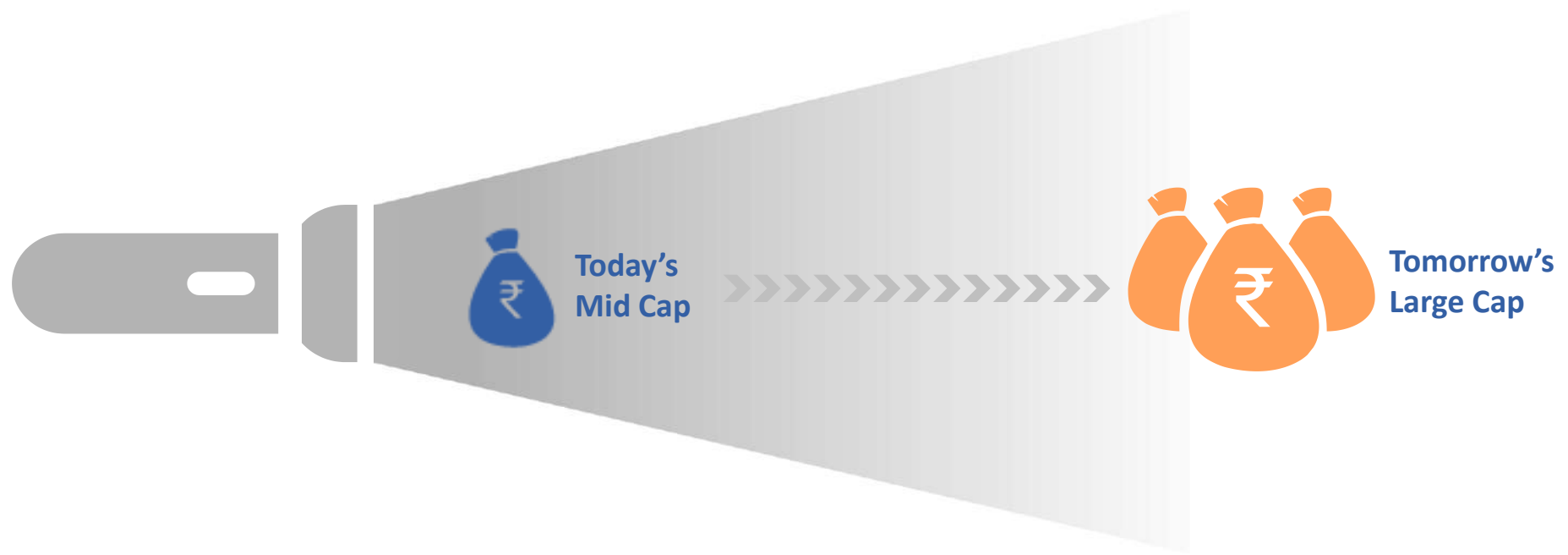
The next growth frontier for Birlasoft is Microsoft and Salesforce to scale its cloud footprint.

Expect strong operational levers:

Company sees strong traction for virtual engagement, Cloud adoption, and digital transformation work.

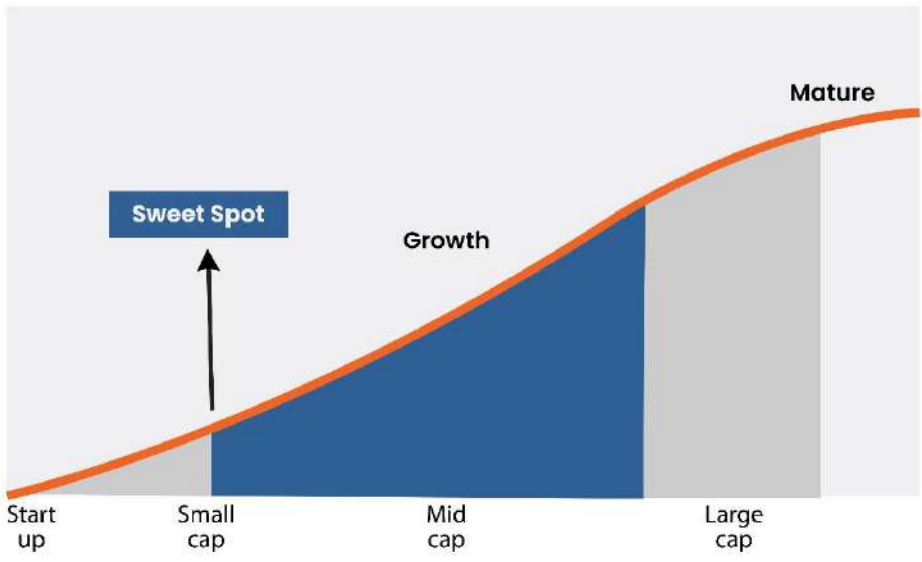
RENAISSANCE
MIDCAP PORTFOLIO


BUSINESS **LEADERSHIP**
FUND





An opportunity to buy great businesses at an early stage in their lifecycle


Renaissance Midcap Portfolio – Business Leadership Fund




 **Higher growth potential**

 **Long term wealth creation**

 **Catch them early in life cycle, rewards can be significant**

 **Could be tomorrow's Blue-Chip**

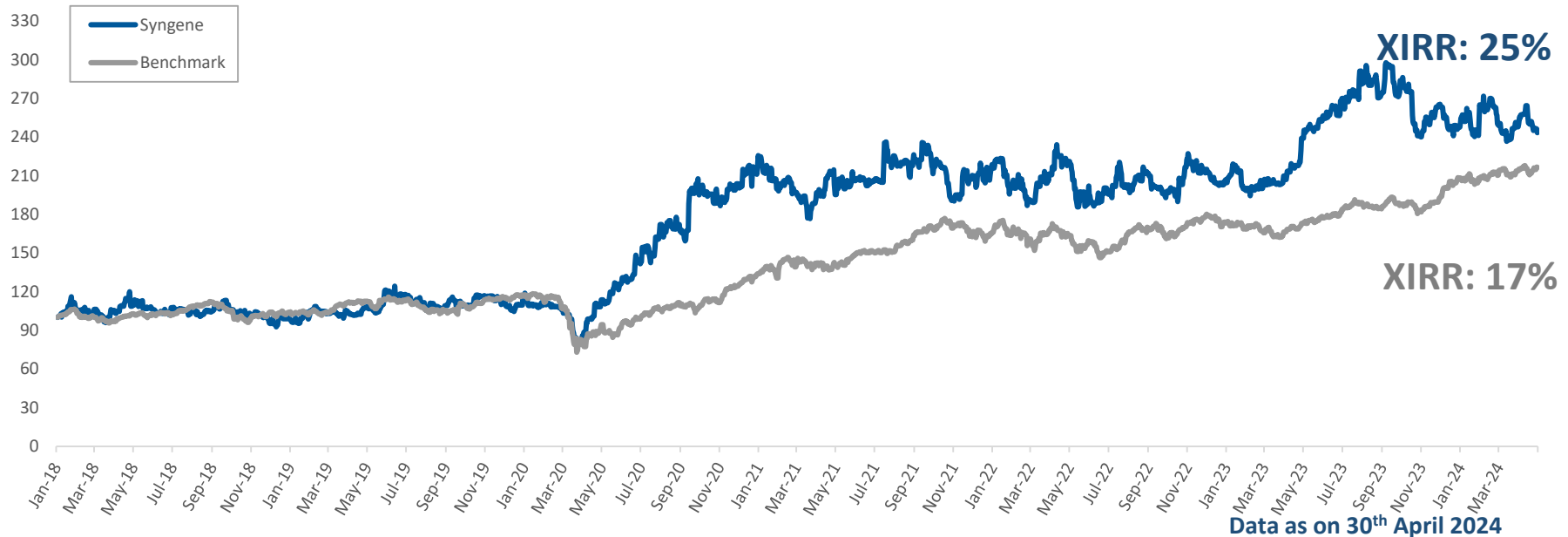
 **Successful companies demonstrate leadership qualities at an early stage in their lifecycle**

 **Established track record**



A focused Portfolio of Good quality growth oriented midcap business which can potentially deliver superior growth over long term

Portfolio Case Study : Leading CRAM's player - Syngene International

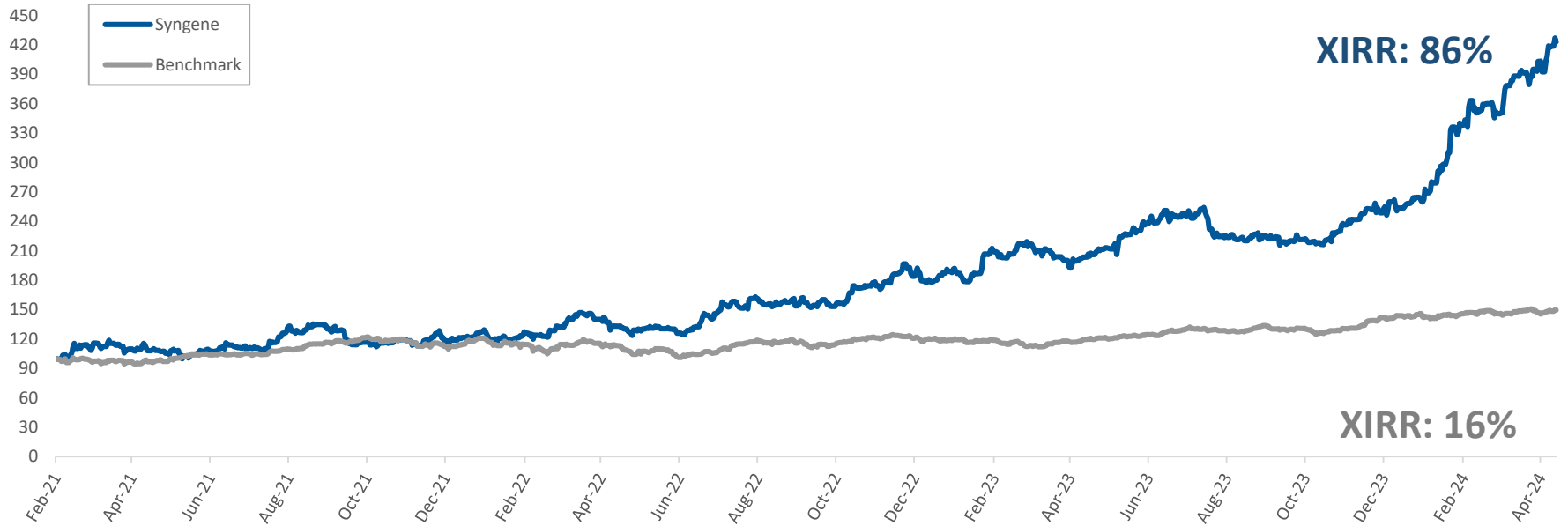


India's **leading CRAM's** with key strength in discovery services

Long standing customer relationship lend stability to business model of the company

Operates **dedicated research centres for Global majors** like Abbott, Baxter etc. which serves as validation for quality services

Syngene's constant growth ahead of the market has made him a **very prominent player all over Asia**



XIRR: 86%

XIRR: 16%

Data as on 30th April 2024

Cummins enjoys market leadership - the PowerGen, Industrial and the Distribution businesses

Strength of after sales network and service to support domestic market share

Domestic powergen demand to recover -
Driven by data centers, infrastructure and industrial uptick, the company’s high horsepower (HHP) segment of diesel gensets will witness healthy growth

To launch a refreshed product range after new emission norms are implemented -
Post implementation of CPCB4 norms, Cummins India will introduce a refreshed range of products.



PORTFOLIO
ATTRIBUTES

ANALYTICS & COMPOSITION

SNAPSHOT

Top Holdings

Company	Weight (%)
State Bank of India	7.41%
Bharti Airtel Ltd	6.09%
HDFC Bank Ltd	5.87%
Tech Mahindra Ltd	5.82%
HDFC AMC Ltd	5.37%

Risk Attributes (Last 12 Months)

Ratio	Portfolio	Index
Std Dev	10.59%	9.88%
Information Ratio	1.37	0.00
Sharpe Ratio	2.66	1.97
Beta	0.86	1.00
Treynors Ratio	0.33	0.00
Up/ Down Capture	117%/62%	

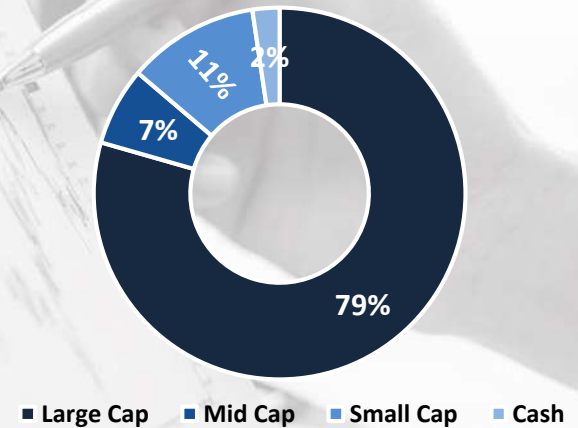
Portfolio Fundamental Attributes

Particular	FY25E	FY26E
PAT Growth (%)	23.2	16.4
ROE (%)	19.2	19.6
P/E	39.6	31.8

Top Sectoral Weights

Sector	Weight (%)
BFSI	26.34%
IT & Tech	18.86%
Industrials	12.81%
Pharma & Chemicals	12.52%
Auto & Logistics	10.59%

Market Cap Allocation



Top Holdings

Company	Weight (%)
Motilal Oswal Financial Services Ltd	9.00%
State Bank of India	5.13%
Infosys Ltd	5.11%
Hindustan Petroleum Corporation Ltd	4.97%
HDFC AMC Ltd	4.85%

Risk Attributes (Last 12 Months)

Ratio	Portfolio	Index
Std Dev	11.69%	10.14%
Information Ratio	1.23	0.00
Sharpe Ratio	3.12	2.86
Beta	0.99	1.00
Treynors Ratio	0.37	0.00
Up/ Down Capture	111%/64%	

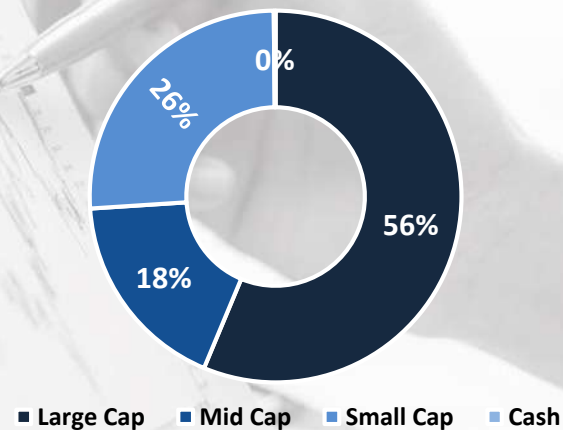
Portfolio Fundamental Attributes

Particular	FY25E	FY26E
PAT Growth (%)	24.4	18.7
ROE (%)	17.7	18.8
P/E	35.3	29.5

Top Sectoral Weights

Sector	Weight (%)
BFSI	33.11%
IT & Tech	19.36%
Pharma & Chemicals	13.68%
Industrials	11.98%
Auto & Logistics	5.49%

Market Cap Allocation



Top Holdings

Company	Weight (%)
Power Finance Corporation Ltd	5.45%
Hindustan Petroleum Corporation Ltd	5.37%
Cummins India Ltd	5.31%
Aditya Birla Fashion & Retail Ltd	5.10%
Inox Wind Ltd	4.42%

Risk Attributes (Last 12 Months)

Ratio	Portfolio	Index
Std Dev	14.60%	13.76%
Information Ratio	-1.43	0.00
Sharpe Ratio	3.06	3.92
Beta	0.95	1.00
Treynors Ratio	0.47	0.00
Up/ Down Capture	92%/139%	

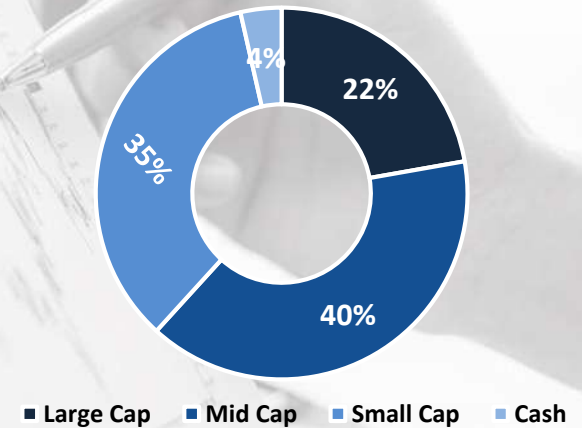
Portfolio Fundamental Attributes

Particular	FY25E	FY26E
PAT Growth (%)	22.9	18.8
ROE (%)	17.0	18.8
P/E	30.9	24.2

Top Sectoral Weights

Sector	Weight (%)
BFSI	30.62%
Pharma & Chemicals	13.07%
Industrials	13.00%
IT & Tech	11.28%
Auto & Logistics	10.45%

Market Cap Allocation



Strategy	3 Months	1 Year	2 Years CAGR	3 Years CAGR	5 Years CAGR
<u>Opportunities</u>	4.15%	35.26%	22.29%	25.17%	18.26%
Nifty 50 TRI	4.19%	26.51%	16.29%	16.94%	15.32%
<u>IndiaNext</u>	6.09%	43.50%	30.83%	35.55%	22.60%
Nifty 200 TRI	6.17%	36.09%	19.08%	19.41%	17.05%
Nifty 50 TRI	4.19%	26.51%	16.29%	16.94%	15.32%
<u>Midcap</u>	1.89%	51.73%	26.93%	29.89%	21.87%
Nifty Midcap 100 TRI	4.89%	61.10%	31.48%	29.19%	24.84%
Nifty 50 TRI	4.19%	26.51%	16.29%	16.94%	15.32%

Data as on 30th April 2024

Disclaimer:

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THANK YOU

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