

Dear investors,

Another FOMC meeting, another rate hike

Over the last one year, inflation and rate hikes have been the buzz words across the financial markets. As per consensus estimates, US Federal reserve is likely to hike interest rates for the 'TENTH' time in the FOMC meeting scheduled this week. However, there are increasing voices which hint that this would perhaps be the last rate hike in the current series of monetary tightening. Given that US economy has started showing signs of slowdown and more importantly, the brewing crisis in the banking sector, we believe the odds are in favour of a pause in rate hikes post May-22. We view this extremely positively as pause in US interest rates will bring sanity to global interest rates, currencies and consequently their economies as well.

Back in India, two key events dominated the market chatter over the last one month viz. Mar23 quarterly/ annual results and Monsoons. Let's discuss both. The results season so far has been dominated primarily by two sectors – IT services and BFSI. On expected lines, both the sectors have shown extreme divergent trends. In the backdrop of deteriorating global macros, IT sector is suffering from growth challenges. Surprisingly few companies have even reported a QoQ decline in revenues, which was way below analyst expectations. Consequently, there have been a spate of downgrades in earnings for most companies in this space. On the contrary, BFSI sector continued its glorious run. The sector is in its golden phase marked by strong growth and steady asset quality.

Revival in capex cycle, buoyant real estate market coupled with steady GDP growth continue to provide tailwinds for the BFSI space, in our opinion. On similar note, we believe sectors/ companies exposed to global markets would face growth challenges and muted demand outlook in the near to medium term. Another important trend, that we would like to monitor is the QoQ improvement in gross/EBITDA margins. This should be an important earnings driver for sectors which are large buyers of commodities viz. Auto, Consumer durables & Industrials amongst others.

On the monsoons for 2023, there have been two conflicting predictions – first by Skymet and then by IMD. Importantly the difference between the two is very marginal. Skymet's prediction stands at 94% vs 96% of IMD. Given that the band for normal range stands at 96% to 104%, IMD's prediction technically stands as 'Normal' and that of Skymet as 'Below Normal'.

ALPHA DYNAMIC THEMATIC

Going away from jargons, we don't overtly depend on these predictions for making for financial/ economic estimates. This is because, Firstly, because no agency has a consistent track record of predicting with reasonable accuracy. Secondly, more than overall rainfall, what is more important is the temporal & spatial distribution of rainfall. Good part of the country has irrigation facility which can also be an offsetting factor to poor rainfall. Hence, on this issue, we are in wait and watch mode and would monitor the situation as it pans out.

FY23 ended on a high note as far as GST collections are concerned. In this financial year, government revenues have been above estimates which is an indication of multiple things viz. strong underlying growth, increasing formalisation of the economy and promising outlook on infrastructure spends. Other key indicators like PMI growth, fastag collections and UPI transactions point towards a steady domestic macro-economic scenario. In fact, we see some green shoots of recovery in rural sentiments which should get further tailwinds as inflation eases gradually. Recovery in capex cycle is a multi-year theme in India and is now playing out after a lull of over a decade. Despite the global slowdown or intermittent weak consumer demand, private sector capex plans remain unhindered. The same is also reflected in growing order books of industrial companies. Our medium to long term view on the Indian economy continues to remain very sanguine as both consumption and investment theme is expected to witness strong growth.

Happy investing!

Pankaj Murarka

Principal Officer & Investment Advisor

ALPHA DYNAMIC THEMATIC

April 2023

PAST THEME



1st June 2021 – 17th June 2022

CURRENT THEME



17th June 2022 – Present

Key Features



BENCHMARK:
NIFTY 200



NO OF STOCKS:
20-25



RISK:
High



TIME FRAME:
Medium to Long Term

Advisory Portfolio Performance (%)*

Period	1 Month	6 Months	1 Year	Since Inception CAGR
Alpha Dynamic Thematic	4.8	5.6	13.9	27.4
Nifty200	4.4	-1.5	3.1	7.4

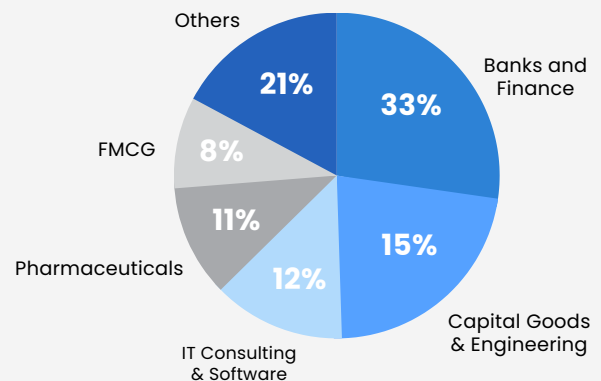
*Performance as on 30th April 2023
Inception Date : 1st June 2021

TOP 5 STOCKS

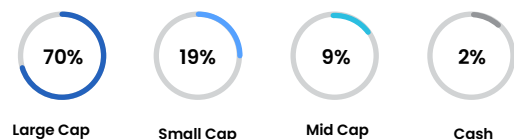
1	ITC LTD	7.8%
2	STATE BANK OF INDIA	7.6%
3	ICICI BANK LTD	7.3%
4	HDFC BANK LTD	6.0%
5	SUN PHARMA INDUSTRIES LTD	5.3%

(The current advisory portfolio holdings may or may not be a part of future portfolio holdings and may or may not be part of all client advisory portfolios)

SECTORAL ALLOCATION



MARKET CAPITALIZATION[#]



#On the basis of AMFI classification

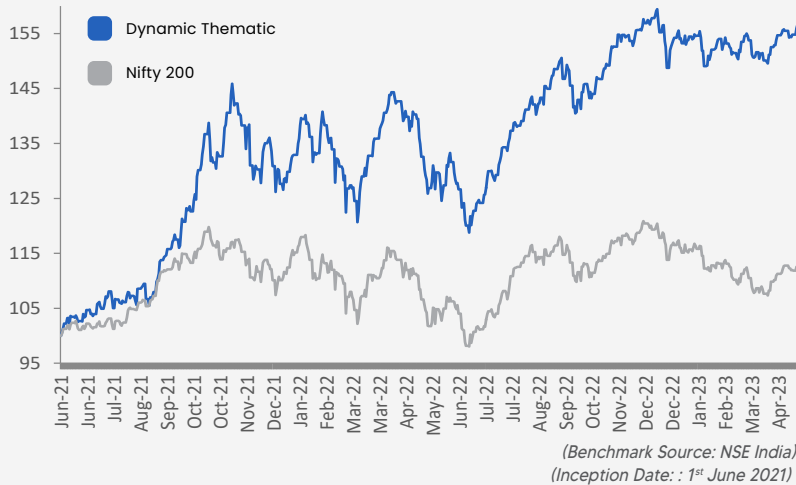


WEIGHTED AVERAGE MARKET CAP

3,04,805 cr

ALPHA DYNAMIC THEMATIC

ADVISORY PERFORMANCE*



RISK ATTRIBUTES

	Index	Portfolio
SD	14.01%	14.83%
Sharpe Ratio	-0.28	0.47
Beta		0.97
Treynors Ratio		0.07
IR		1.68

(Period: Last 12 months)
(Inception Date: : 1st June 2021)

Core Team



Pankaj Murarka

(Principal Officer & Investment Advisor)

Pankaj is the director of Renaissance Smart Tech Pvt. Ltd. He has over 25 years of experience in Fund Management and has several accolades to his credit. He was awarded as Best Fund Manager – Runner up Award for Axis Midcap Fund by Outlook Money in 2014. The fund delivered a CAGR return of 24% (2011-2015) significantly outperforming the benchmark and was a top decile fund for 2012 & 2013. It was ranked the No 1 performing fund in India across all funds in 2014 on 3 year basis. He was also recognized by Outlook Money as a Leading Fund Manager with 5 years of track record of consistent performance in the year 2015. Pankaj was associated with Axis Mutual Fund as the Chief Investment Officer (CIO) managing over \$2bn in Indian Equities. Pankaj is also CIO and Director of Renaissance Investment Managers Pvt. Ltd.



Pawan Parakh

(Director)

Pawan has over 15 years of experience in equity research and fund management. He started his capital markets career as an equity analyst with Edelweiss Securities. He had the privilege of working with marquee organizations like HDFC, HSBC and Deloitte amongst others. As part of his research process, Pawan actively interacts with company managements, industry experts, technocrats and bureaucrats to understand the nuances of businesses. He likes to do field and factory visits to enhance his business understanding. Pawan is a meritorious Chartered Accountant (all India 48th Rank holder). He has also cleared CFA exams from CFA Institute (Virginia, USA).

Renaissance Smart Tech Private Limited

Type of Registration: Non- Individual Validity of Registration: Perpetual

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Name of Principal Officer: Mr. Pankaj Murarka

Contact details of Principal Officer: 022- 49711561 Email ID: info@renaissanceadvisors.in

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About us :

Renaissance Smart Tech Private Limited ("RSTPL") is registered with SEBI as an Investment Advisor with registration no. INA000016436. Renaissance Investment Managers Private Limited ("RIMPL"), a sister concern of RSTPL is registered with SEBI as an Investment Advisor and Portfolio Manager with registration no. INA000014827 and INP000005455 respectively and is also an Investment Manager to Renaissance Alternate Investment Fund, a Category III Alternative Investment Fund registered with SEBI with registration no. IN/AIF3/18-19/0549.

*Disclaimer :

The performance / returns of the stock across individual advisory model portfolios may vary significantly from the data provided. The benchmark performance shown is only for illustration purposes and not for any comparison. No claims may be made or entertained for any variances between the above performance depictions and that of the stock within individual client advisory portfolios neither the Investment Advisor, nor its Directors, employees shall in any way be liable for any variation noticed in the returns of individual portfolios. Performance of RSTPL shall have no bearing on the expected performance of the model advisory portfolio. Past performance of the financial products, instruments and the model advisory portfolio may or may not be sustained in future and should not be used as a basis for comparison with other investments.

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