ALPHA BLUECHIP

Own the DIAMONDS Of the Stock Market

Renaissance INVESTMENT ADVISORS

October 2023

Dear Investors

Intermittent corrections are good.

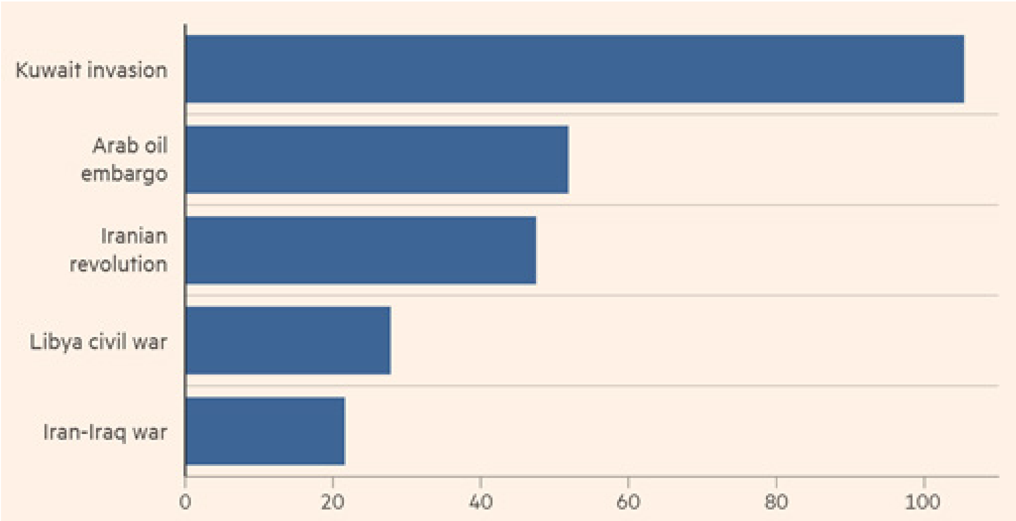
In the last note we highlighted our discomfort on the euphoric rise in select low quality mid cap/ small cap stocks over the last 4-5 months. We highlighted that the ratio of Smallcap 250 index to Nifty 50 Index has moved one side up, thereby approaching its 20-year peak. Some correction over the last 15 days has brought some sanity to the stock prices of these companies. Every bull market, across the globe, creates bubble. But we believe, it's important to burst the bubble before it becomes too big. In that sense, intermittent corrections are good for a healthy equity market.

US Fed, in the latest meeting, maintained its status quo on interest rates. They have kept the doors open for further rate hikes, which we think will continue unless US Fed sees comfortable level of inflation rate for a reasonable period. As always, the commentary was more important. Fed Chairman, Jerome Powell, sounded quite pleased with the effort to bring down inflation. He sounded optimistic that fading pandemic distortions and rising labour supply could help ease supply side inflation pressures. Powell noted that he, like most of the FOMC members, still believes some further softening of the labour market and slowing of growth will be necessary going ahead. However, the more important thing was that US Fed doesn't foresee a recession given the strength of the economy. Consequently, there was some respite to treasury yields. Overall, we believe benign inflation/interest rates augurs well in terms of flows towards growing emerging markets like India.

In another global development, Israel-Hamas war has kept the global markets nervous over last 2 weeks. While the war has had massive impact on human lives, there could be sharp economic consequences for the world as well. The impact would be contingent on two pointers - How severely and how far might the war and its political ramifications spread? Very clearly, this would have a direct impact on energy markets which can in-turn influence global economy.

The Gulf region is a large producer of Oil & Gas resources. Historically, wars in the Gulf region have proved very costly for the world via the steep rise in oil prices (refer chart below). Fortunately, so far, the impact hasn't been huge. In the event the war escalates into a multi-country affair, it would mean high oil prices and its consequent impact on inflation/ global growth would certainly be negative. However, as things stand today, the probability of the Israel-Hamas war getting escalated appears to be on the lower side. Though this would remain a key monitorable over the coming few weeks.

Percentage change in average monthly oil prices three months after the onset of war



Source: World Bank

Corporate India's Q2Fy24 results have been broadly on expected lines. In overall context, this is the leanest quarter of the year and delayed festive season has made it relatively less important as well. The earnings season so far, reiterates our belief on two important themes – (a) Strong capex cycle – driven by rising infrastructure spends, private sector capex and continued strengthening of real estate markets and (b) Make in India – this spans across multiple sectors like electronics, defence and railways amongst others.

While Indian economy is not entirely immune to global events, there are inherent strong growth drivers in the economy, which would put it back on growth path after any potential negative global event. We believe that initiatives like Make in India is a multi-decade growth driver. This is further complemented by a very strong banking system, digital economy and increasing consumption spend. This makes us remain optimistic on the prospects of Indian economy. We continue to remain largely invested into the markets. However, we have not compromised on quality, and we will refrain to do so going ahead as well. Our portfolios are positioned in sectors/ stocks which we believe will be the growth leaders over the next 3-5 years.

Happy investing!

Pankaj Murarka
Principal Officer

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Alpha Bluechip has been created by our team of experts who have picked stocks with a STRONG COMPETITIVE EDGE and are equipped to provide superior risk-adjusted returns.

The Alpha Bluechip portfolio involves diversified companies that are worth your time and investment since it comprises of all-weather stocks, and still manages to maintain stability. We identify the titans of the industry- companies that provide strong growth prospects and functions under great management and governance.

Key Features

BENCHMARK: NIFTY 200

NO OF STOCKS: 20 - 25

RISK: High

TIME FRAME: Medium to Long Term

Advisory Model Portfolio Performance (%)*

Period	1 Month	6 Months	1 Year	3 Year CAGR	Since Inception CAGR
Alpha Bluechip	-2.8	16.8	14.3	27.8	34.6
Nifty 200	-3.0	8.4	6.9	19.2	22.6

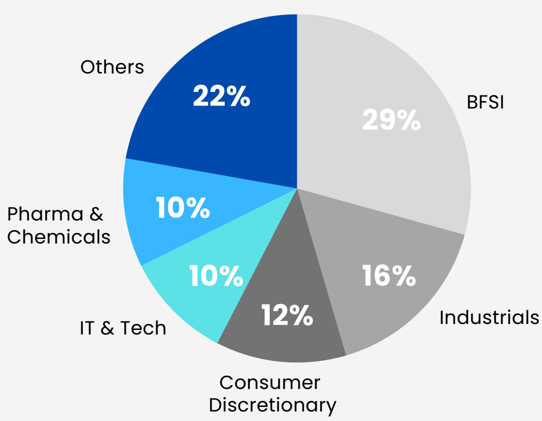
Performance as on 31st October 2023
Inception Date : 1st June 2020

TOP 5 STOCKS

1	LARSEN & TOUBRO LTD	8.0%
2	BHARTI AIRTEL LTD	7.6%
3	ICICI BANK LTD	6.6%
4	SUN PHARMACEUTICAL INDUSTRIES LTD	5.6%
5	IDFC FIRST BANK LTD	5.5%

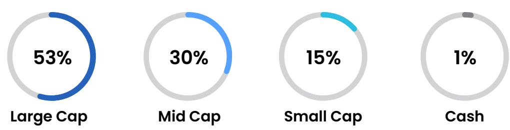
(The current advisory portfolio holdings may or may not be a part of future portfolio holdings and may or may not be part of all client advisory portfolios)

SECTORAL ALLOCATION



WEIGHTED AVERAGE MARKET CAP
2,65,332 cr

MARKET CAPITALIZATION#



#On the basis of AMFI classification

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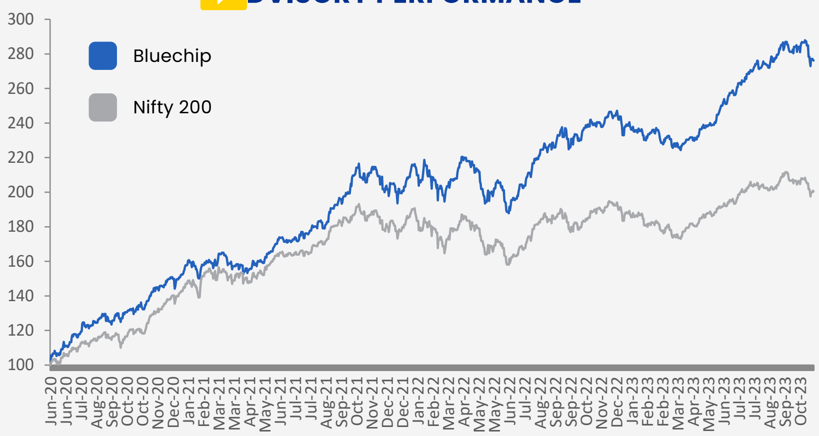
ADVISORY PERFORMANCE*



(Benchmark Source: NSE India)
(Inception Date: : 1st June 2020)

RISK ATTRIBUTES

	Index	Portfolio
SD	9.82%	9.81%
Sharpe Ratio	-0.03	0.73
Beta		0.85
Treynors Ratio		0.08
IR		1.38

(Period: Last 12 months)
(Inception Date: : 1st June 2020)

Renaissance Smart Tech Private Limited

Type of Registration: Non– Individual **Validity of Registration:** Perpetual
Address: C-710, Mittal Commercia Premises, Marol, Andheri East- 400059
Name of Principal Officer: Mr. Pankaj Murarka
Contact details of Principal Officer: 022– 49711561 **Email ID:** info@renaissanceadvisors.in
Corresponding SEBI ~~regional / local office~~ address: Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, G Block, BKC-Bandra East, Mumbai- 400051

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 a Portfolio Manager with registration no. INP000005455 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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