

Dear Investors,

The past few weeks have been a reminder of something we already knew - markets react fast, often faster than the underlying businesses do. Indian equities corrected roughly driven largely by geopolitical tensions and renewed uncertainty around oil. What is worth noting is valuations. At ~18x forward earnings - meaningfully below the long-run average of 20x - the market is, on paper, more attractively priced than it has been in some time. The natural question is whether this is a buying opportunity or the early stages of something worse. *As always, the honest answer lies beneath the index.*

OUR APPROACH

Against this backdrop, our focus has remained exactly what it was before the correction - and what it will be after it settles. We continue to **outperform benchmark** on a year-to-date basis, not by making calls on oil prices or geopolitical outcomes, but by refusing to make those calls at all.

What we do instead:

- Assess the quality of the underlying business - its durability, its pricing power, its ability to generate returns across cycles.
- Evaluate the people running it - their track record, their incentives, and whether their interests genuinely align with ours.
- Study how they deploy capital - because this, over time, is almost everything.

These variables don't move with every macro headline. That's precisely why we focus on them.

Finding a great business and a great management team in the same place, at a reasonable price, is genuinely rare. Our job is not to lower the bar - it's to search harder.

Think of it this way. A good business is like a well-run restaurant - the kitchen is efficient, the menu is consistent, customers keep coming back. A great management team is like a genuinely talented chef - they elevate whatever they touch. But a great chef in a mediocre kitchen, or a great kitchen run by the wrong chef? Neither tends to end well.

Our strategy is built on elimination rather than accumulation. The fewer compromises we make, the better the outcomes. We call this *the process of exclusion* - and it is the most important thing we do.

PORTFOLIO POSITIONING

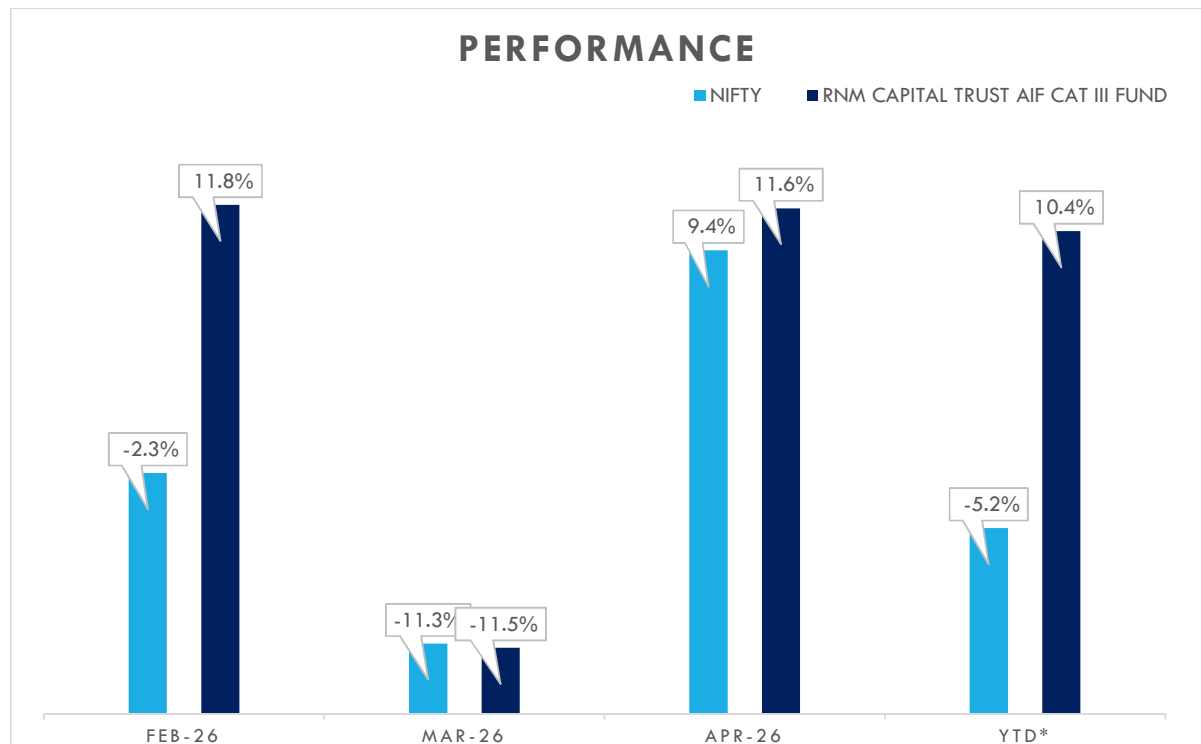
The portfolio today is concentrated, deliberate, and unchanged in character. We hold businesses with genuine pricing power, clean balance sheets, and structural tailwinds that don't depend on any particular macro outcome being correct. We are not positioned for a V-shaped rally or perfect conditions. We are positioned for normalization.

Over the coming quarters, as earnings visibility improves, the effect of external shocks fades, and sentiment inevitably resets, we believe the businesses we own will be recognised for what they are - and the gap between price and value will close in our favour.

FUND PERFORMANCE

	Feb-26	Mar-26	April-2026*	YTD
NIFTY	-2.3%	-11.3%	+9.4%	-5.2%
RNM Capital Trust AIF Cat III Fund	+11.8%	-11.5%	+11.6%	+10.4%

*YTD - as on 15 April 2026



MACRO & POLICY OUTLOOK

Recent data suggests a mixed picture:

Short-term relief

- Goods trade deficit narrowed to **USD 21bn in March (vs USD 27bn in Feb)**
- Driven largely by a **sharp fall in gold & silver imports**
- Imports declined while exports saw a modest uptick

Underlying reality

- This improvement is **partly technical**, not structural
- Oil dynamics remain the biggest swing factor

The balancing force

- Services continue to provide stability:
 - FY26 services surplus: **~USD 214bn (+13%)**
 - Acting as a key offset to goods deficit

What to watch ahead

- At **\$80 Brent - CAD ~1.7% of GDP**
- At **\$90+ Brent - CAD likely exceeds ~2% with rising external stress**

At the same time:

- Export growth remains modest (~1%), but
- **Diversification across geographies is improving resilience**

THE STRUCTURAL SHIFT

- There is a change happening in Indian markets that does not show up in any price chart, and we think it deserves more attention than it gets. The Indian investor base is quietly maturing.

Younger investors are increasingly thinking in years, not weeks. Volatility, once a trigger for panic, is now being met with something closer to patience - even opportunism. Systematic investment plans continue flowing in, month after month, regardless of headlines.

- This matters structurally. A market with a more patient, process-driven investor base absorbs shocks differently - selloffs are shallower, recoveries are steadier, and compounding works as it's supposed to. In many ways, this behavioural evolution is as consequential as any single earnings cycle.
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