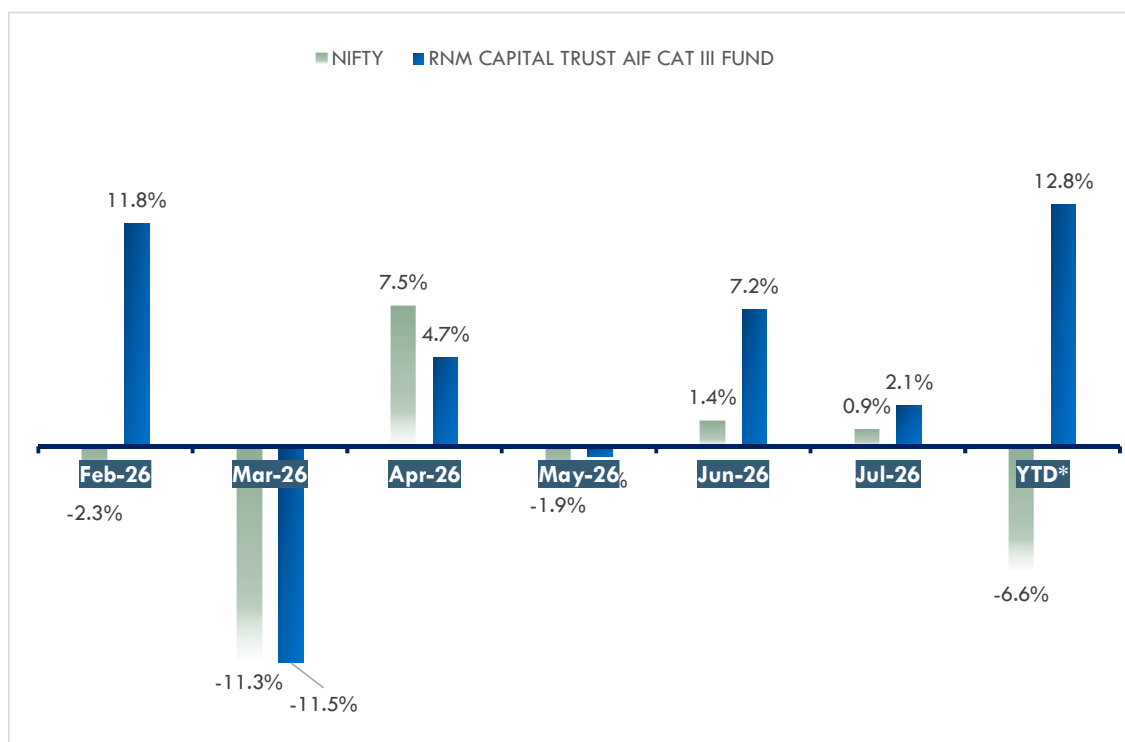


Dear Investors,

Since inception **RNM Capital Trust** has generated a return of **12.8%** compared to a decline of **6.6%** in the **Nifty 50**, reflecting an alpha of **19.4 percentage points**.

	RNM Capital Trust	Nifty 50
July MTD	2.1%	0.9%
Since Inception	12.8%	-6.6%



**YTD Performance In INR - 04 Feb 2026 to 15 JULY 2026*

While market returns over short periods are inherently unpredictable, we remain committed to a disciplined investment process centred on **business quality, valuation discipline and prudent risk management** rather than chasing market momentum. We believe **consistent adherence to this framework** remains the most reliable path to generating **superior long-term risk-adjusted returns**.

Market Developments

Strait of Hormuz: From Supply Shock to Structural Cost Risk

The renewed disruption in the Strait of Hormuz has become the dominant macro development over the past fortnight. Unlike the earlier disruption, which markets viewed as a temporary supply shock, the recurring closure raises the possibility of structurally higher freight, insurance and energy costs.

For India, sustained crude prices at elevated levels could increase inflationary pressures, widen the current account deficit and compress corporate margins across energy-intensive sectors. However, India's diversified crude sourcing, strategic petroleum reserves and resilient services exports provide a stronger macro buffer than during previous oil shocks.

Key takeaway: While geopolitical uncertainty has increased, the medium-term impact will depend on the duration of the disruption rather than the initial market reaction.

Q1FY27 Earnings Season Begins on a Constructive Note

The June quarter earnings season has started with encouraging commentary from the Information Technology sector. Although revenue growth remains moderate, large IT companies continue to report healthy deal wins, improving demand visibility and increasing enterprise AI adoption. Management commentary indicates that clients are moving beyond AI experimentation towards deployment of customised enterprise solutions.

We believe the market is increasingly **differentiating between companies with strong execution capabilities and those facing structural growth challenges.**

India's Trade Position Remains Resilient

India's merchandise trade deficit widened during June primarily due to higher energy prices and shipping disruptions. However, healthy services exports continue to offset a significant portion of the merchandise deficit. Recent progress on trade agreements, including the UK FTA and ongoing negotiations with the United States, together with continued export diversification, should provide medium-term support to India's external sector.

Semiconductor Mission 2.0 Strengthens India's Manufacturing Ambition

The Government's approval of **1.3 lakh crore India Semiconductor Mission (ISM) 2.0** marks another significant step in India's electronics manufacturing strategy. The expanded incentive framework is expected to accelerate investments across semiconductor packaging, testing, electronics manufacturing services (EMS), advanced PCB manufacturing and the broader semiconductor supply chain. While the benefits will materialise over several years, we believe the announcement further strengthens India's long-term manufacturing opportunity.

Enterprise AI: Evolution, Not Disruption

Recent earnings commentary suggests that Artificial Intelligence is evolving into an enterprise productivity enabler rather than an immediate replacement for traditional IT services. As enterprises increasingly prioritise data security, regulatory compliance and customised AI deployment, established IT service providers with deep client relationships appear well positioned to participate in the next phase of enterprise AI adoption. This reinforces our belief that technological transitions typically create new opportunities for companies capable of adapting their business models rather than simply disrupting incumbents.

Looking Ahead

Over the coming fortnight, markets are likely to remain focused on:

- Progress of the Q1FY27 earnings season and management guidance.
- Developments in the Strait of Hormuz and the trajectory of Brent crude prices.
- Progress on India-US trade negotiations.
- Inflation trends and their implications for future RBI policy.
- Continued announcements relating to India's semiconductor and manufacturing ecosystem.

While near-term volatility may persist, periods of uncertainty often create opportunities for disciplined long-term investors. We remain focused on identifying high-quality businesses available at attractive valuations while maintaining a disciplined approach to capital allocation and risk management.
