

Dear Investors,

The first half of 2026 has reinforced an important reality: markets are increasingly being driven by geopolitical developments, evolving trade policies and shifting monetary expectations. While these factors have amplified short-term volatility, they have not altered India's long-term structural growth story.

India's macroeconomic fundamentals continue to remain resilient. Industrial production expanded **5.1% in May 2026**, supported by robust manufacturing activity and strong electricity generation. Investment indicators remain healthy, public capital expenditure continues to provide momentum, domestic demand is resilient and easing geopolitical tensions have improved the near-term outlook. Progress on the proposed India-US trade agreement could provide an additional boost to manufacturing exports, although global trade uncertainties continue to warrant close monitoring.

Globally, markets are adjusting to a more hawkish US Federal Reserve. Contrary to earlier expectations of monetary easing, the Fed has indicated that inflation remains its primary concern and now expects interest rates to remain higher for longer, with at least one rate hike projected during 2026. The resulting repricing has strengthened banking stocks while weighing on precious metals and industrial commodities as higher real interest rates reduce the appeal of non-yielding assets.

Despite these global crosscurrents, we believe the investment landscape is transitioning from a **liquidity-driven market to an earnings-driven market**. The broad-based multiple expansion witnessed over the last few years is unlikely to be the primary driver of future returns. Instead, sustainable wealth creation will increasingly be driven by companies demonstrating superior capital allocation, strong cash-flow generation, disciplined execution and durable competitive advantages. As earnings dispersion widens, active stock selection becomes increasingly important.

At **RNM Capital Trust**, our investment philosophy remains unchanged. We seek to identify niche businesses operating in structurally growing industries with scalable business models, prudent management teams, strong balance sheets and the ability to compound earnings over long periods. Rather than attempting to predict short-term macro events, we focus on owning businesses capable of creating value across market cycles.

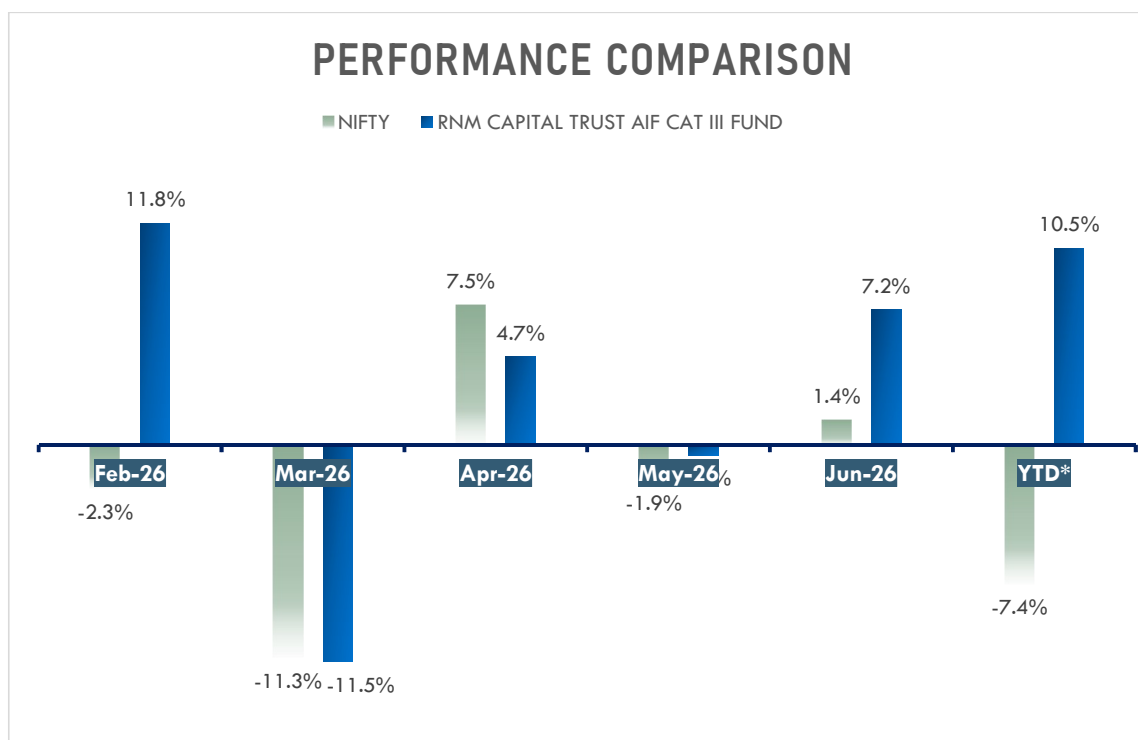
Short-term risks-including geopolitical developments, crude oil volatility, evolving trade policies and global monetary tightening - will continue to influence investor sentiment. However, history has consistently demonstrated that periods of uncertainty create attractive opportunities to accumulate exceptional businesses at reasonable valuations.

As a **GIFT IFSC-based Category III Alternative Investment Fund**, we continue to provide investors access to India's structural growth opportunity through a globally recognized, institutionally governed and tax-efficient investment platform.

Performance Snapshot (INR)

Period	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Since Inception
Nifty 50	-2.3%	-11.3%	7.5%	-1.9%	1.4%	-7.4%
RNM Capital Trust - AIF Cat III	11.8%	-11.5%	4.7%	-0.5%	7.2%	10.5%

Since Inception: 4 February 2026 - 30 June 2026.



Despite a challenging and volatile market environment, the Fund has generated a **10.5% absolute return since inception**, significantly outperforming the **Nifty's decline of 7.4%** over the same period. This performance reflects the strength of our disciplined investment process and our emphasis on identifying fundamentally strong businesses with superior long-term earnings potential rather than reacting to short-term market movements.

Looking ahead, we remain constructive on India's medium- to long-term prospects. While volatility is likely to persist as markets navigate global policy shifts and geopolitical developments, we believe it

will continue to create opportunities for disciplined active managers to deploy capital into high-quality businesses at attractive valuations.

Volatility is the Price of Alpha, Not the Enemy of Returns. Intrinsic business value compounds over time. Our objective remains unchanged - to preserve capital, allocate it prudently and generate superior risk-adjusted returns through disciplined, research-driven investing.