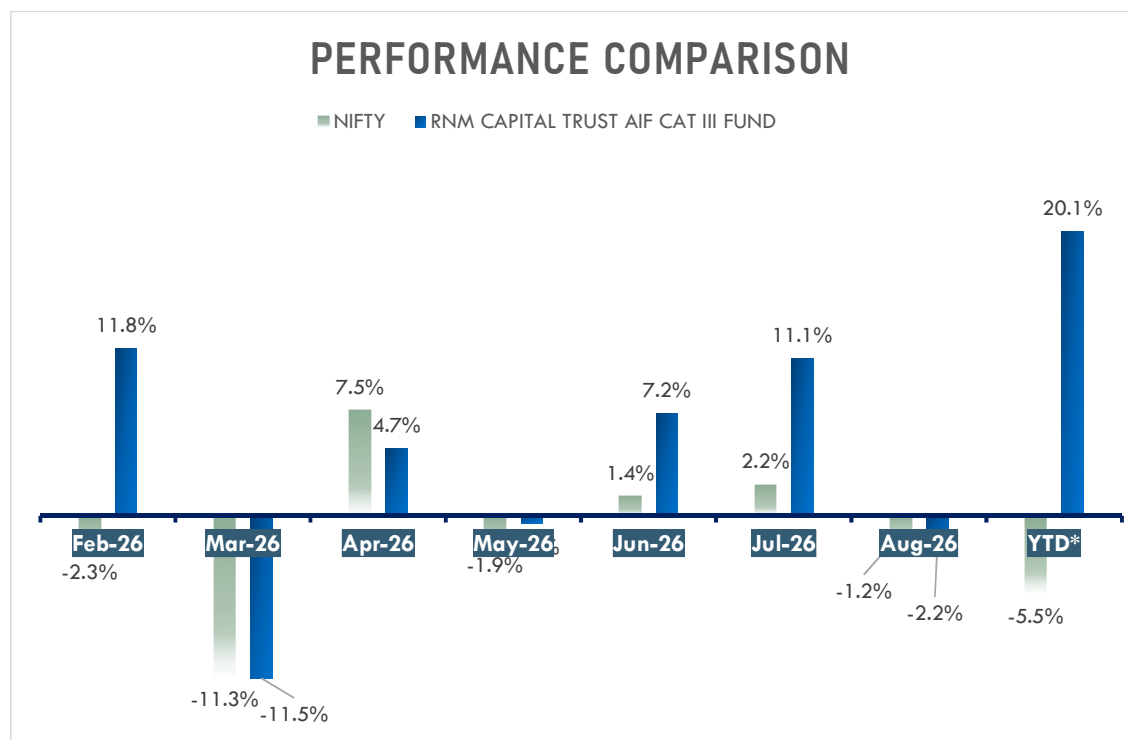


Dear Investors,

Performance Update

Despite a volatile market environment and a weak August, the fund has delivered 20.1% YTD performance compared with -5.5% for the Nifty, representing a significant 25.6 percentage-point outperformance over the benchmark. The strong YTD relative performance also provides an important perspective on the portfolio's positioning: returns have been generated despite a challenging broader market backdrop, rather than simply from a rising market beta. Going forward, we remain focused on protecting the gains achieved while selectively deploying capital into opportunities where the risk-reward remains attractive.

Performance	RNM Capital Trust	Nifty 50
Since Inception (4 Feb – 31 Aug 2026)	20.1%+	-5.5%
Aug 2026	-2.2%	-1.2%



*YTD Performance In INR - 04 Feb 2026 to 31 AUG 2026

Key Market Updates

India's growth cycle remains healthy.

Q1 GDP growth and high-frequency indicators continue to point towards a cyclical upturn. Private capex is showing improving momentum, with the private-capex proxy tracking ~14% growth, while FY27 growth expectations have been upgraded to ~7%.

Capex, rather than consumption, is currently driving industrial growth.

July IIP growth moderated to **6.7%**, but the composition remains encouraging. Capital goods grew **16.1%**, intermediate goods **10.0%** and infrastructure/construction goods **6.9%**.

Consumption remains a two-speed story.

Consumer durables grew **10.5%**, signalling healthy discretionary demand, while consumer non-durables declined **1.0%**. This suggests that urban/discretionary consumption and capex are leading the recovery, while mass-market consumption remains relatively weak.

Global rates remain a near-term risk.

Expectations of a September US Fed hike increased sharply, pushing US yields higher. A stronger dollar and narrower India-US rate differential could create pressure on the rupee, domestic bond yields and foreign flows.

What We Are Watching

- **Private capex:** Is the government-led investment cycle translating into sustained private-sector capex?
- **Mass consumption:** A recovery in consumer non-durables would make the economic recovery more broad-based.
- **US rates:** Higher-for-longer rates could pressure global liquidity and Indian valuations.
- **Earnings & margins:** Companies' ability to pass through higher input costs remains important.
- **Monsoon:** A weak monsoon remains a potential risk to the consumption recovery.

Key Takeaways

Look beyond headline GDP and IIP numbers.

The July data is a useful example. IIP growth slowed from 8.8% to 6.7%, but capital goods grew 16.1% and intermediate goods 10%. The **composition of growth is therefore more important than the headline number.**

For investors, the current cycle can broadly be characterised as **capex + discretionary consumption driven, with mass consumption still lagging.** This distinction is important when assessing which businesses are likely to see the strongest earnings momentum.

Our focus remains on companies where earnings growth is supported by structural competitive advantages, improving capital efficiency and a reasonable valuation.