

January 31, 2018

NIFTY Alpha 50 Index aims to measure the performance of securities listed on NSE with high alphas. It is a well-diversified 50 stock index. In order to make the 50 stock index investible and replicable, criteria's such as liquidity and market capitalization are applied while selection of securities.

Weights of securities in the index are assigned based on the alpha values i.e. security with highest alpha in the index gets highest weight.

NIFTY Alpha 50 Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.

Index Variant: NIFTY Alpha 50 Total Returns Index.

### Portfolio Characteristics

|                       |                       |
|-----------------------|-----------------------|
| Methodology           | Alpha based weighting |
| No. of Constituents   | 50                    |
| Launch Date           | November 19, 2012     |
| Base Date             | December 31, 2003     |
| Base Value            | 1000                  |
| Calculation Frequency | EOD Daily             |
| Index Rebalancing     | Quarterly             |

### Statistics

|               | QTD   | YTD   | 1 Year | 5 Years | Since Inception |
|---------------|-------|-------|--------|---------|-----------------|
| Returns (%) # | -2.67 | -2.67 | 43.13  | 23.63   | 20.51           |

|                        | 1 Year | 5 Years | Since Inception |
|------------------------|--------|---------|-----------------|
| Std. Deviation *       | 16.58  | 18.46   | 26.41           |
| Beta (NIFTY 50)        | 1.33   | 0.95    | 0.97            |
| Correlation (NIFTY 50) | 0.71   | 0.75    | 0.85            |

### Sector Representation

| Sector                   | Weight(%) |
|--------------------------|-----------|
| FINANCIAL SERVICES       | 22.37     |
| CONSUMER GOODS           | 21.64     |
| CHEMICALS                | 9.04      |
| AUTOMOBILE               | 7.31      |
| ENERGY                   | 7.07      |
| CONSTRUCTION             | 6.63      |
| SERVICES                 | 4.36      |
| TELECOM                  | 4.08      |
| IT                       | 4.01      |
| CEMENT & CEMENT PRODUCTS | 3.47      |
| INDUSTRIAL MANUFACTURING | 2.84      |
| METALS                   | 2.69      |
| TEXTILES                 | 1.54      |
| MEDIA & ENTERTAINMENT    | 1.34      |
| PHARMA                   | 1.07      |
| FERTILISERS & PESTICIDES | 0.53      |

### Fundamentals

| P/E  | P/B | Dividend Yield |
|------|-----|----------------|
| 67.2 | 5.6 | 0.21           |

### Top constituents by weightage

| Company's Name                    | Weight(%) |
|-----------------------------------|-----------|
| Indiabulls Ventures Ltd.          | 8.10      |
| Rain Industries Ltd               | 7.28      |
| Avanti Feeds Ltd.                 | 4.93      |
| Sterlite Technologies Ltd.        | 4.08      |
| Vakrangee Ltd.                    | 3.49      |
| Edelweiss Financial Services Ltd. | 3.20      |
| Adani Transmission Ltd.           | 3.11      |
| Indiabulls Real Estate Ltd.       | 3.06      |
| Future Consumer Ltd.              | 2.81      |
| Titan Company Ltd.                | 2.76      |

# QTD,YTD and 1 year returns are absolute returns>Returns for greater than one year are CAGR returns.

\* Average daily standard deviation annualised

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### Index Methodology

Eligibility Criteria for Selection of Constituent Stocks:

- Company must rank within the top 300 companies by average free-float market capitalization and aggregate turnover for the last six months.
- The company should have a listing history of 1 year.
- The company's trading frequency should be 100% in the last one year period.
- The alpha of the eligible securities is calculated using trailing 1 year prices (Adjusted for corporate actions). They are ranked in descending order.
- Final selection of 50 companies shall be done based on scrips' Alpha values.
- Securities having positive alpha will be selected to form part of the index at each review. In case this criterion is not fulfilled, scrip with highest alpha in replacement pool will be considered for selection.

Index Re-Balancing:

The index review is carried out using data of six month period ending last trading day of January, April, July and October respectively.

Index Governance:

A professional team at IISL manages NIFTY Alpha 50 Index. There is a three-tier governance structure comprising the Board of Directors of IISL, the Index Policy Committee and the Index Maintenance Sub-Committee.

### Key Indices

| Broad Market          | Sectoral Indices         | Thematic Indices      | Strategy Indices        | Fixed Income                |
|-----------------------|--------------------------|-----------------------|-------------------------|-----------------------------|
| NIFTY 50              | NIFTY Bank               | NIFTY CPSE            | NIFTY100 Equal Weight   | NIFTY 10 yr Benchmark G-Sec |
| NIFTY Next 50         | NIFTY IT                 | NIFTY Commodities     | NIFTY50 PR 1x Inverse   | NIFTY 8-13 yr G-Sec         |
| NIFTY 100             | NIFTY PSU Bank           | NIFTY Energy          | NIFTY50 PR 2x Leverage  | NIFTY 4-8 yr G-Sec          |
| NIFTY 200             | NIFTY FMCG               | NIFTY Shariah 25      | NIFTY50 Value 20        | NIFTY 11-15 yr G-Sec        |
| NIFTY 500             | NIFTY Private Bank       | NIFTY 100 Liquid15    | NIFTY Quality 30        | NIFTY 15 yr and above G-Sec |
| NIFTY Midcap 50       | NIFTY Metal              | NIFTY Infrastructure  | NIFTY Low Volatility 50 | NIFTY Composite G-Sec       |
| NIFTY Full Midcap 100 | NIFTY Financial Services | NIFTY Corporate Group | NIFTY Alpha 50          | NIFTY 1D Rate               |

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