Qode™

Qode Growth Fund

October 2026

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Strategy Overview

Strategy Overview

Q G F

Qode Growth Fund

Qode Growth Fund (QGF) is a factor-based small-cap strategy designed to outperform over long periods. The strategy identifies fundamentally strong, high-growth businesses using a disciplined quantitative model.

01

Strategic Small-Cap Positioning

The portfolio maintains focused exposure to 30 small-cap stocks, selected through a rigorous model, with the objective of delivering superior long-term returns.

First Principle: Earnings Growth

02

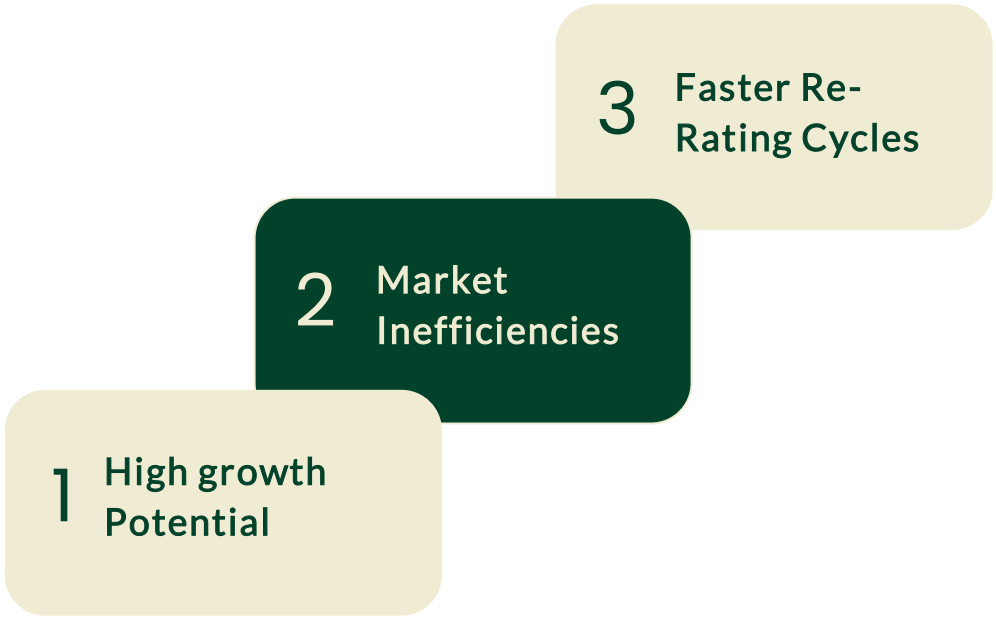
The strategy is anchored in the belief that long-term stock returns are ultimately driven by sustained earnings growth, the most fundamental engine of value creation across market cycles

03

Multi-Factor Stock Selection

The strategy is built on the ONE Framework combining Operational Outperformance, Normalized Momentum Score and Efficient Pricing factors to identify companies with strong operating performance, sustained price leadership, and efficient valuations.

Strategy Overview



Our Thesis to choose Small Caps

Why Focus on Small Caps ?

- **High Growth Potential**

  Small-cap companies are often in the early stages of their growth curve, offering higher earnings expansion compared to large caps.

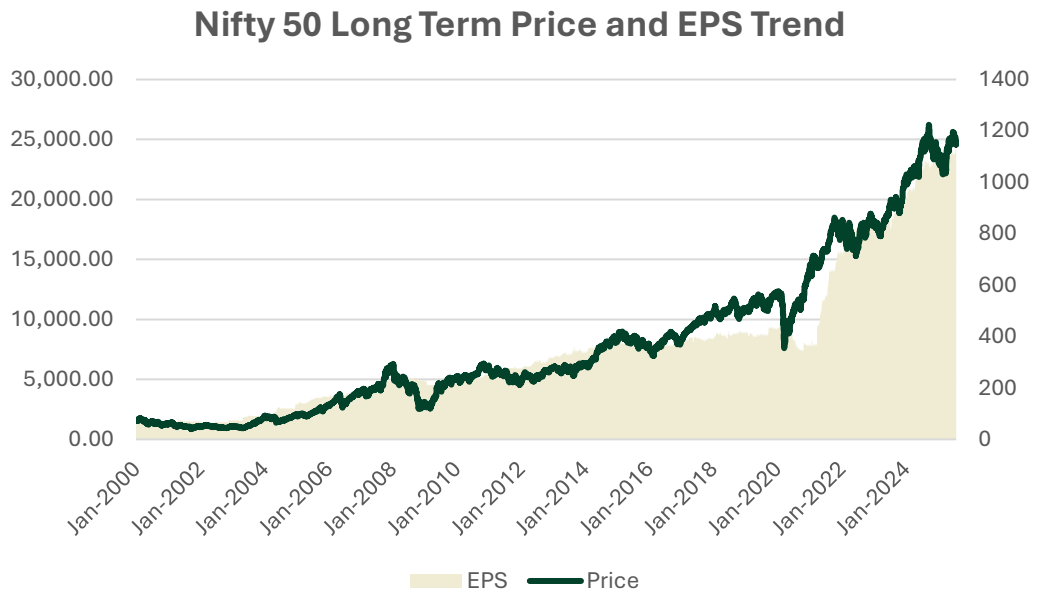
- **Market Inefficiencies**

  Lower institutional coverage leads to frequent mispricing's, creating an alpha-rich environment for quantitative strategies.

- **Faster Re-Rating Cycles**

  Fundamentally strong small caps can experience rapid valuation re-ratings during bull phases, enhancing return potential.

First Principles : Earnings Growth



*Source : Nifty Indices, NSE

Our Principle behind model

Earnings Growth

- Over the long term, stock prices tend to follow earnings growth not sentiment or valuation alone.
- Our model is designed to forecast future earnings growth, which we believe is the primary driver of sustained equity returns.
- Historically, Nifty's price performance has closely tracked its aggregate earnings growth over the past two decades.
- The QGF strategy prioritizes companies demonstrating strong and accelerating earnings momentum.

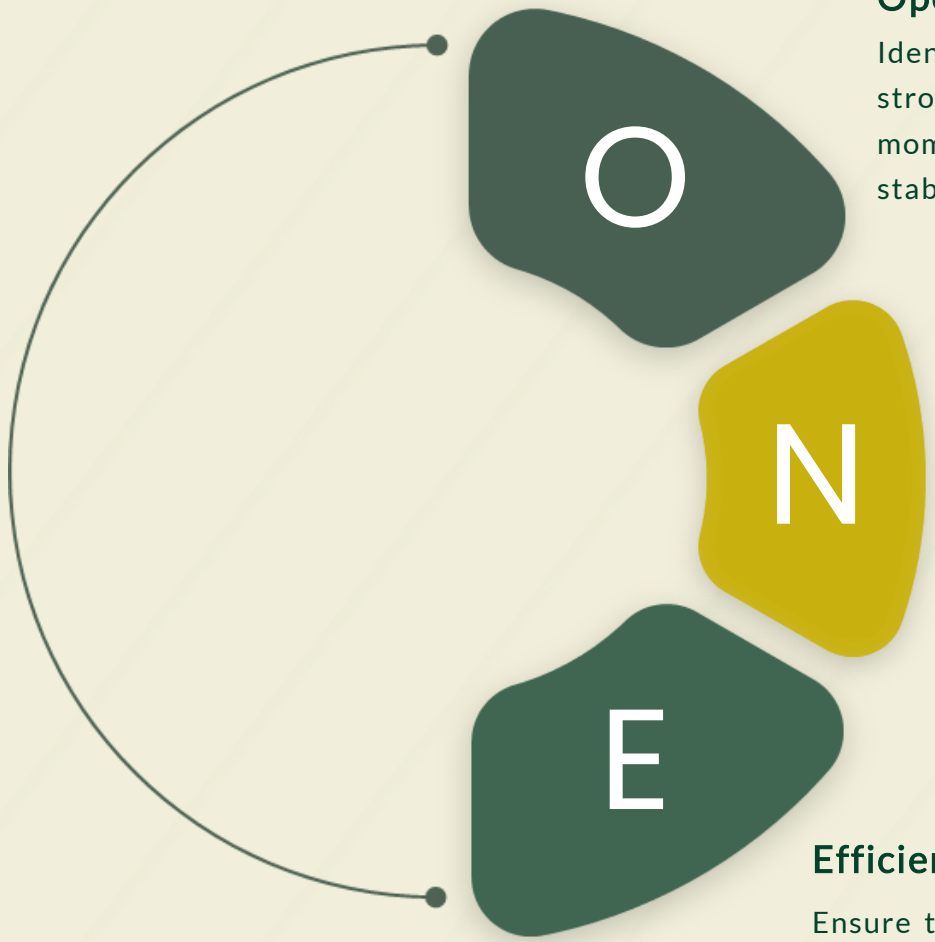
Multi-Factor Stock Selection

O.N.E. Framework

This strategy uses a multi-factor approach combining growth, momentum, and value to create a differentiated stock selection framework.

Each factor contributes uniquely to alpha, and by diversifying exposures, we reduce risk and enhance consistency.

It's a systematic blend of proven signals, applied in a distinct and disciplined way.



Operational Outperformance

Identifies companies with improving operations, strong execution, and early signs of financial momentum typical of businesses moving from stability to scalable growth.

Normalized Momentum Score

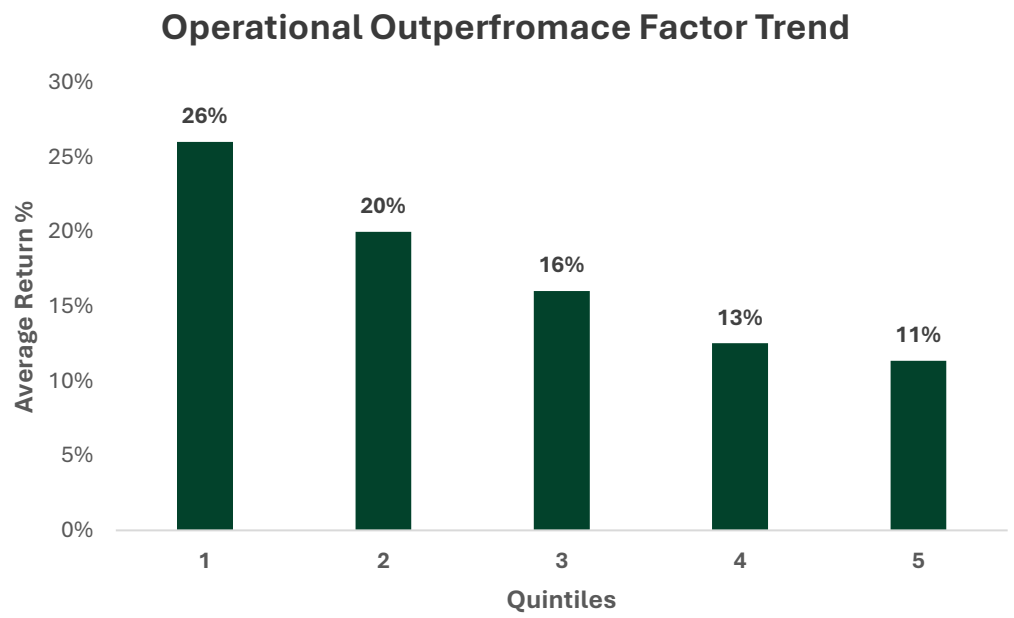
Rank Companies based on relative and absolute price momentum.

Efficient Pricing

Ensure that we do not overpay for growth and maintain a healthy balance between risk and reward.

O.N.E. Framework

Factor O



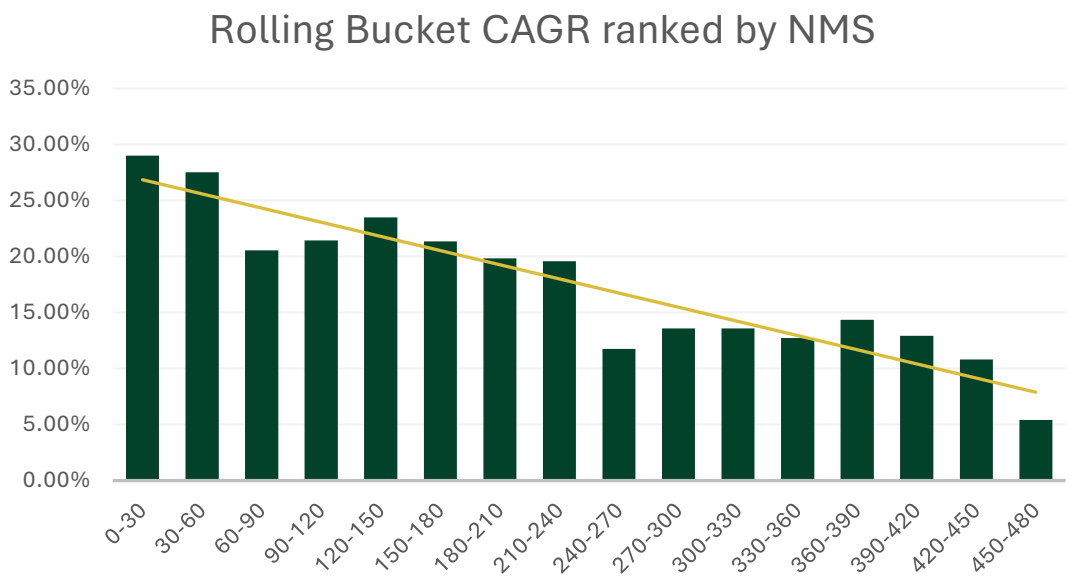
**Avg 1 year Return from 2010 to 2024 for market cap filtered stocks ranked by Factor O*

Execution is key characteristic

Operational Outperformance

- **Operational Excellence as a Signal:** Improvements in execution, scalability, and efficiency often precede sustained earnings growth and business momentum.
- **Factor Validation:** Stocks ranked using our Operational outperformance factor show a clear return gradient top-ranked buckets deliver materially higher stock returns.
- **Strategic Role:** This factor acts as a core filter in narrowing the broader universe, ensuring only companies with strong operational tailwinds progress toward final portfolio inclusion.

Factor N



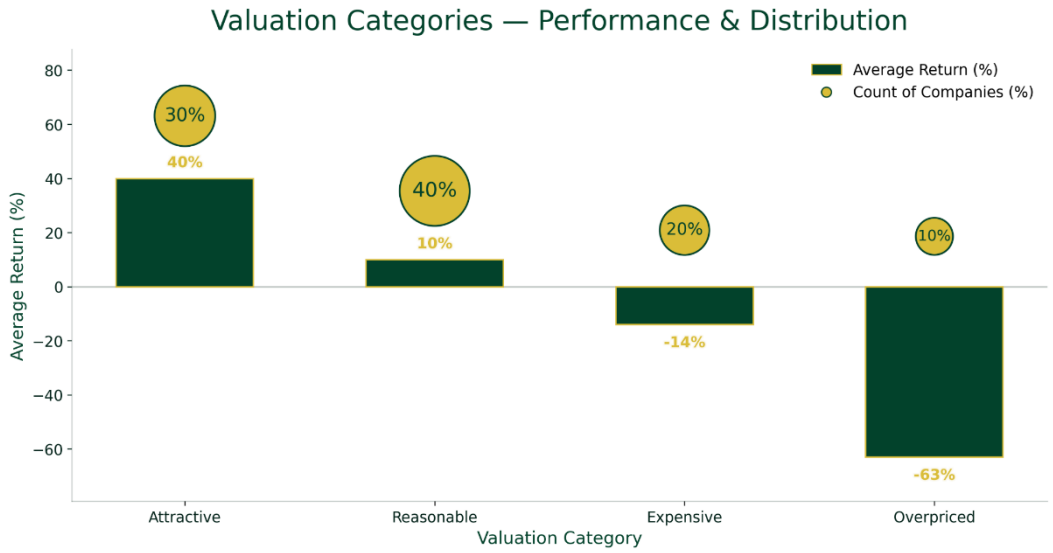
**Backtested CAGR for 01-07-2010 to 01-07-2024 for each 30-stock bucket (portfolio)*

Everything is in the Price

Normalized Momentum Score

- **Momentum as a Signal:** Price momentum acts as a lead indicator of improving fundamentals, often preceding financial performance.
- **Market Validation:** Strong price trends reflect rising investor confidence and shifting expectations.
- **Empirical Support:** Our bucket-wise CAGR chart shows a clear return gradient higher momentum ranks consistently outperform, validating its role in our model.

Factor E



**Comparison for stocks picked by the ONE Model from 2010 to 2024*

Price is what you pay, Value is what you get

Efficient Pricing

- Our model incorporates two key factors to ensure we do not overpay for opportunities where growth is already priced in, leaving limited potential for upside.
- We classify valuations into four broad categories, observing a clear declining trend in expected returns — highest in the attractively priced basket and lowest in the overpriced segment.
- A smaller proportion of companies that pass our two-factor screen fall into the expensive or overpriced categories, while nearly 30% of the universe lies in the attractive segment, providing a meaningful pool for selection.

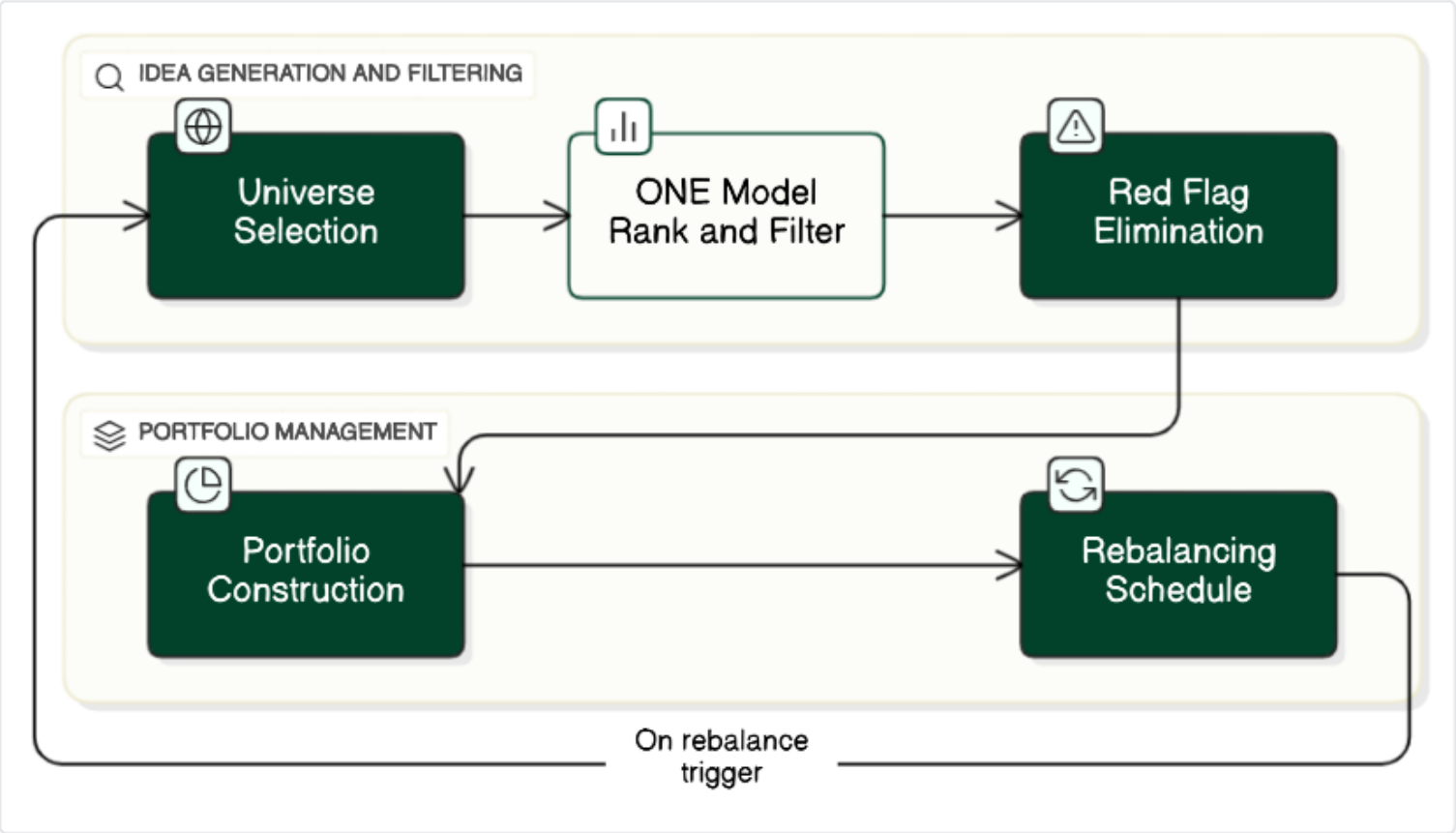
Model Flowchart

Our Process

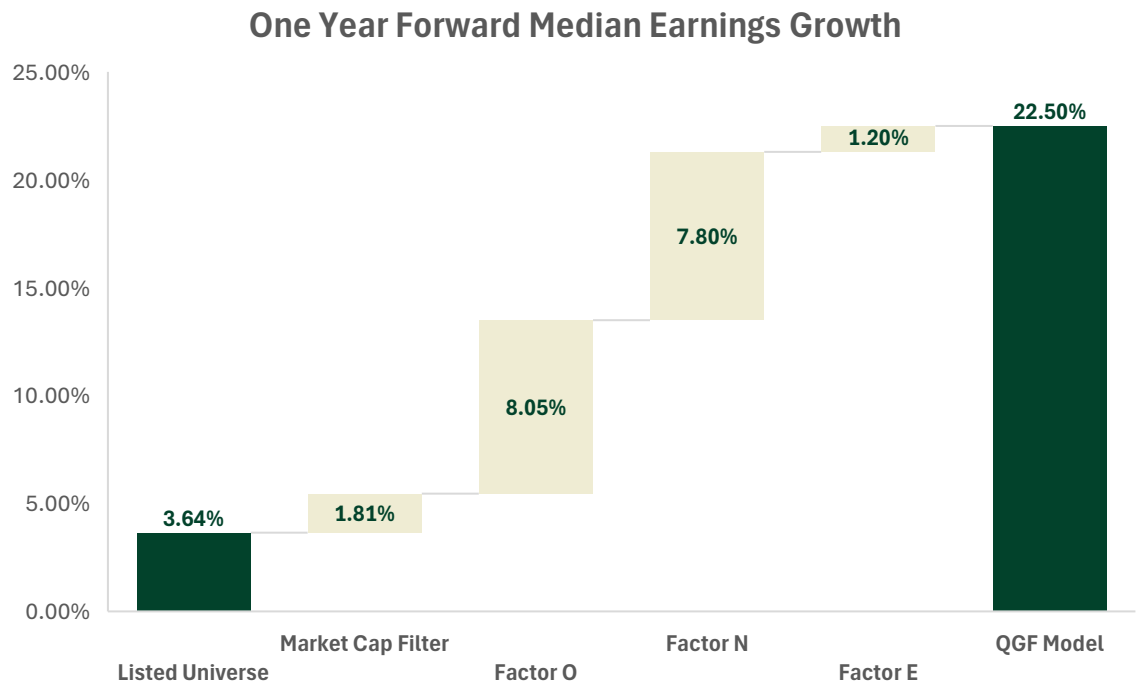
This visualization captures the full strategy workflow from selecting the right universe, applying factor filters, eliminating red-flagged companies, and ranking stocks to identify the top 30.

We then size positions and construct the portfolio, holding until the next rebalance and repeat the process with discipline.

It's a structured, repeatable system designed to win over time.



QGF Model



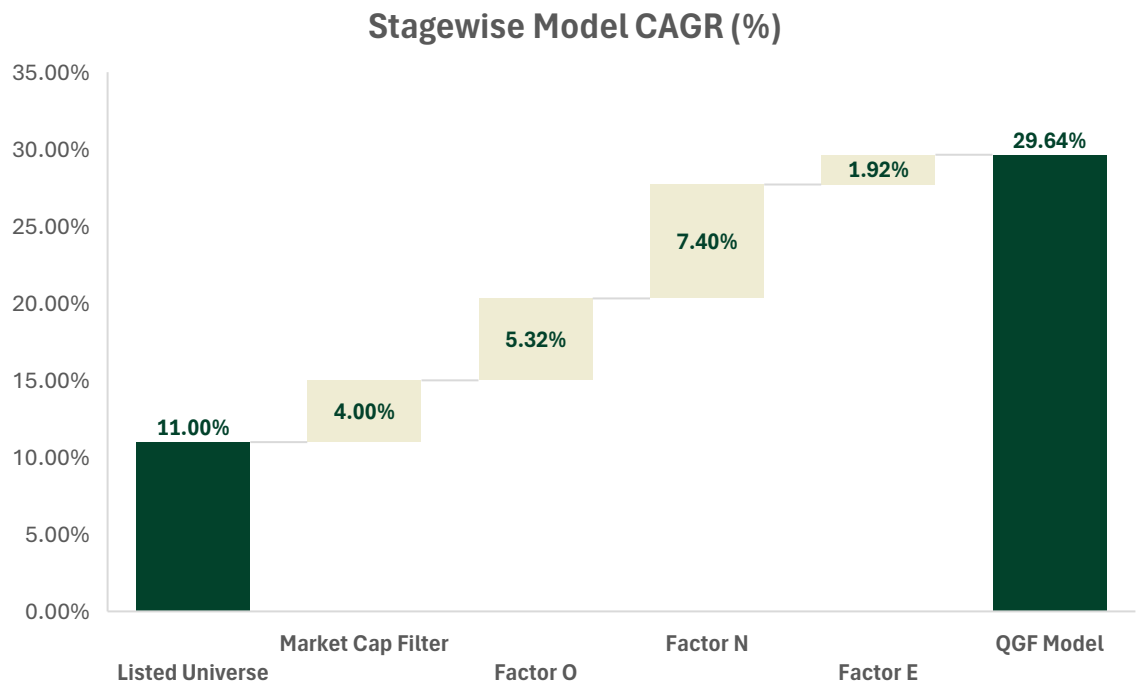
*Based on backtested data from 2010 to 2024

Model that meets our Principle

Robustness Check 1

- To validate the robustness of our model and ensure it isn't overfitted, we tested it against our core investment principal earnings growth.
- At each stage of the process, our selection becomes more refined, consistently improving the earnings potential of the portfolio.
- Starting from a broad universe of ~5,000 stocks, the final model narrows it down to 30 high-quality names, increasing the median forward earnings growth from 3.64% to 22.5%.

QGF Model



*Based on backtested data from 2010 to 2024

Model that delivers High Returns

Robustness Check 2

- After testing model for earnings growth, we did the same exercise with stock price to see the improvement stagewise
- At each stage of the process, our selection becomes more refined, consistently improving the return potential of the portfolio.
- Starting from a broad universe of ~5,000 stocks, the final model narrows it down to 30 high-quality names, increasing the median forward returns from 11.00% to 29.64%.

Performance Analysis

Performance Metrics

Trailing Returns	1M	3M	6M	1 Year	Since Inception
Qode Growth Fund	-10.02%	-0.88%	7.18%	17.72%	23.16%
NIFTY Smallcap 250	-5.81%	-6.45%	0.20%	-3.17%	10.10%

Metrics	Std Dev	Avg Drawdown	Max Drawdown	Beta	Sharpe Ratio
Qode Growth Fund	23.60%	-4.23%	-16.74%	0.72	0.87
NIFTY Smallcap 250	22.62%	-5.51%	-21.07%	1.00	0.27

*Since Inception return is presented as CAGR (annualized). All other periods indicate absolute returns.

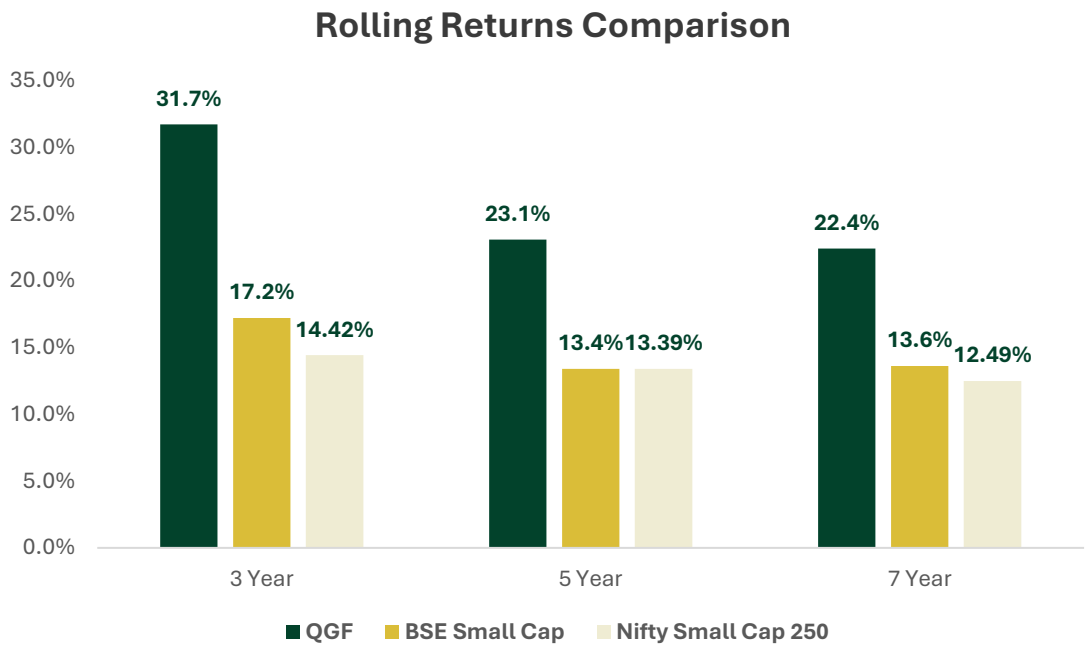
*Data is live as on 31-10-2026

Monthly Returns

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2018			-0.49%	1.30%	-1.86%	-1.55%	1.93%	1.00%	-12.03%	-1.76%	-0.47%	-0.91%	-14.54%
2019	-7.99%	-3.17%	8.57%	-1.81%	2.44%	-5.71%	-11.94%	1.20%	6.65%	4.94%	-1.19%	2.81%	-7.06%
2020	10.41%	-5.65%	-26.77%	22.77%	-0.26%	8.15%	6.87%	9.27%	6.09%	-1.20%	7.38%	6.46%	41.37%
2021	1.88%	5.58%	0.38%	10.44%	8.12%	5.15%	4.80%	0.81%	5.29%	1.45%	-2.01%	2.23%	53.25%
2022	-0.60%	-9.33%	0.92%	2.33%	-8.80%	-5.53%	4.55%	4.92%	-0.46%	-0.28%	5.23%	-2.51%	-10.42%
2023	-2.13%	-7.60%	-2.58%	10.26%	6.05%	7.68%	3.68%	8.73%	-0.40%	6.69%	4.43%	7.56%	49.25%
2024	8.26%	1.22%	-4.54%	20.08%	-4.38%	6.62%	5.55%	0.71%	-1.08%	-0.25%	2.73%	-1.82%	35.45%
2025	-5.79%	-15.60%	7.23%	3.97%	7.65%	3.25%	-0.66%	-1.82%	1.04%	1.39%	-4.40%	-2.74%	-8.47%
2026	-6.24%	5.03%	1.34%	18.36%	5.63%	6.69%	-4.05%	6.02%	3.90%	-10.02%			26.61%

We have been managing client portfolios since 2018 under our SEBI-registered RIA license, with all returns from that period being live. In March 2025, we transitioned our operations to a SEBI-registered PMS structure.

Consistent Alpha



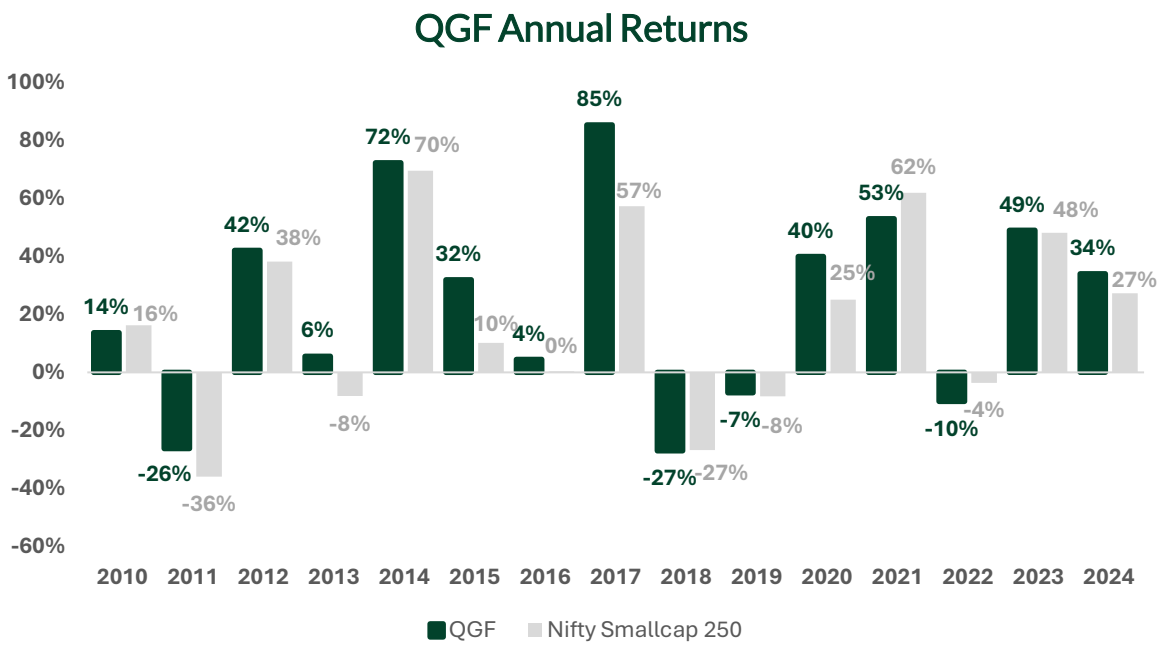
*Based on backtested data from 2010 to 2024

Long Term Track Record of Alpha

Rolling Returns

- We compared the rolling returns of the QGF strategy against both the Small Cap Index and the Nifty Small Cap 250 over 3-year , 5-year , and 7-year periods.
- Across all timeframes, the strategy has consistently outperformed, highlighting the effectiveness of a systematic, factor-based approach designed for sustainable long-term compounding.

Consistent Alpha



**Based on backtested data from 2010 to 2018 and live returns from 2018 to 2024*

Long Term Track Record of Alpha

Annual Returns

- Over the past 15 years, our strategy has outperformed in 9 years. Moreover, in the years of outperformance, the alpha generated has been meaningfully higher than the underperformance in the remaining years.

- A significant portion of returns is generated during a few strong bull market years. Staying invested and allowing the strategy sufficient time to perform is key to capturing these outsized gains and achieving superior long-term returns.

Strategy Statistics

Portfolio Turnover

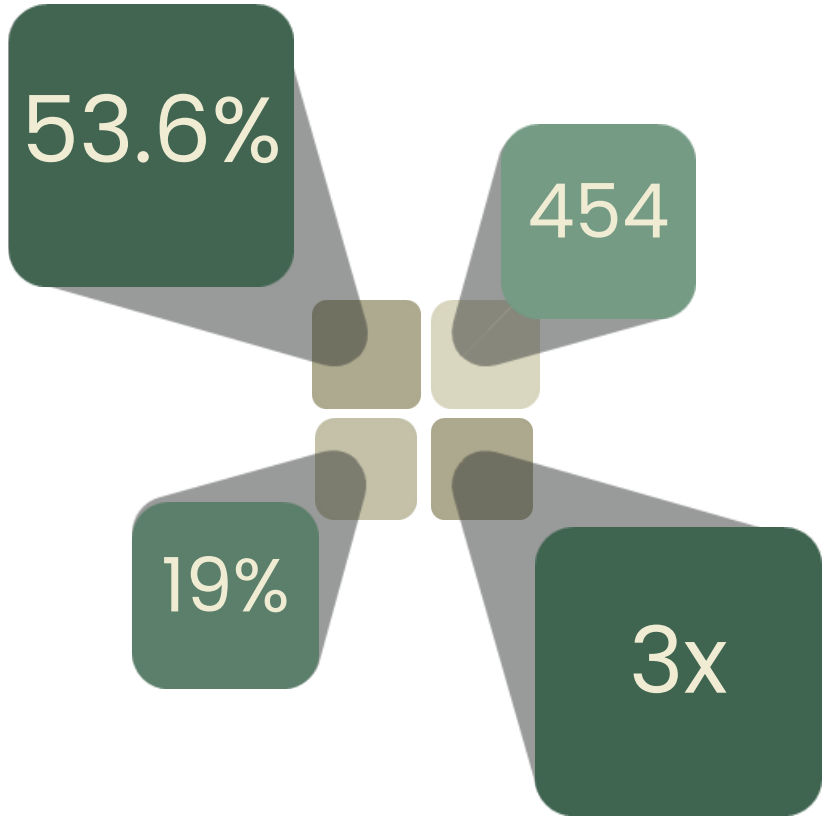
The strategy's annual churn is 53.6%, implying nearly half the portfolio changes every rebalance.

53.6%

Average Holding Period

The average duration that we hold any stock in the portfolio is approximately 454 days.

454 Days



Hit Ratio of Multibaggers

Nearly 1 in 5 stocks selected by our strategy have delivered over 100% returns.

19%

Average Risk Reward Ratio

The money you make on a winner compared to you lose on a loser is around 3x more.

3x

Past Winners

From Research to Reality: Multibaggers

These are not isolated instances of outperformance, but consistent winners identified through a systematic process across multiple market cycles.

Each stock reflects a high conviction idea that has repeatedly satisfied the model's rigorous selection and ranking criteria, leading to strong earnings growth and price appreciation.

This repeatability grounded in data, not chance is what underpins the strategy's long term alpha generation.

Sr.No.	Company Name	Returns
1	Tanfac Industries Limited	698.00%
2	Shilchar Technologies Limited	484.50%
3	Gujarat Themis Biosyn Ltd	398.90%
4	Thirumalai Chemicals Limited	388.17%
5	HLE Glascoat Limited	377.17%
6	Tips Music Limited	306.70%
7	Ddev Plastiks Industries Limited	299.78%
8	Waaree Technologies Limited	262.20%
9	Crompton Greaves Consumer Electricals Limited	252.86%
10	ICICI Securities Limited	252.86%
11	Share India Securities Limited.	224.31%
12	Tips Industries	220.30%
13	Danlaw Technologies India Limited	152.34%
14	Easy Trip Planners Limited	148.00%
15	Hawkins Cookers Limited	140.50%
16	Swaraj Engines Ltd	139.60%
17	Dynacons Systems And Solutions Limited	126.78%
18	Uni-Abex Alloy Products Limited	125.65%
19	Akzo Nobel India Limited	104.56%

Who is this for?

1

Long Term Capital Builders

Investors seeking sustained capital appreciation through a focused small-cap equity strategy.

2

Quantitative Strategy Allocators

Individuals and institutions aligned with systematic, model driven investment philosophies.

3

Volatility Tolerant Investors

Those comfortable with short-term fluctuations in pursuit of superior long-term returns.

4

Portfolio Enhancement Seekers

Investors looking to complement traditional large-cap or passive allocations with high-conviction small-cap exposure.

Risk Disclosure & Disclaimer

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