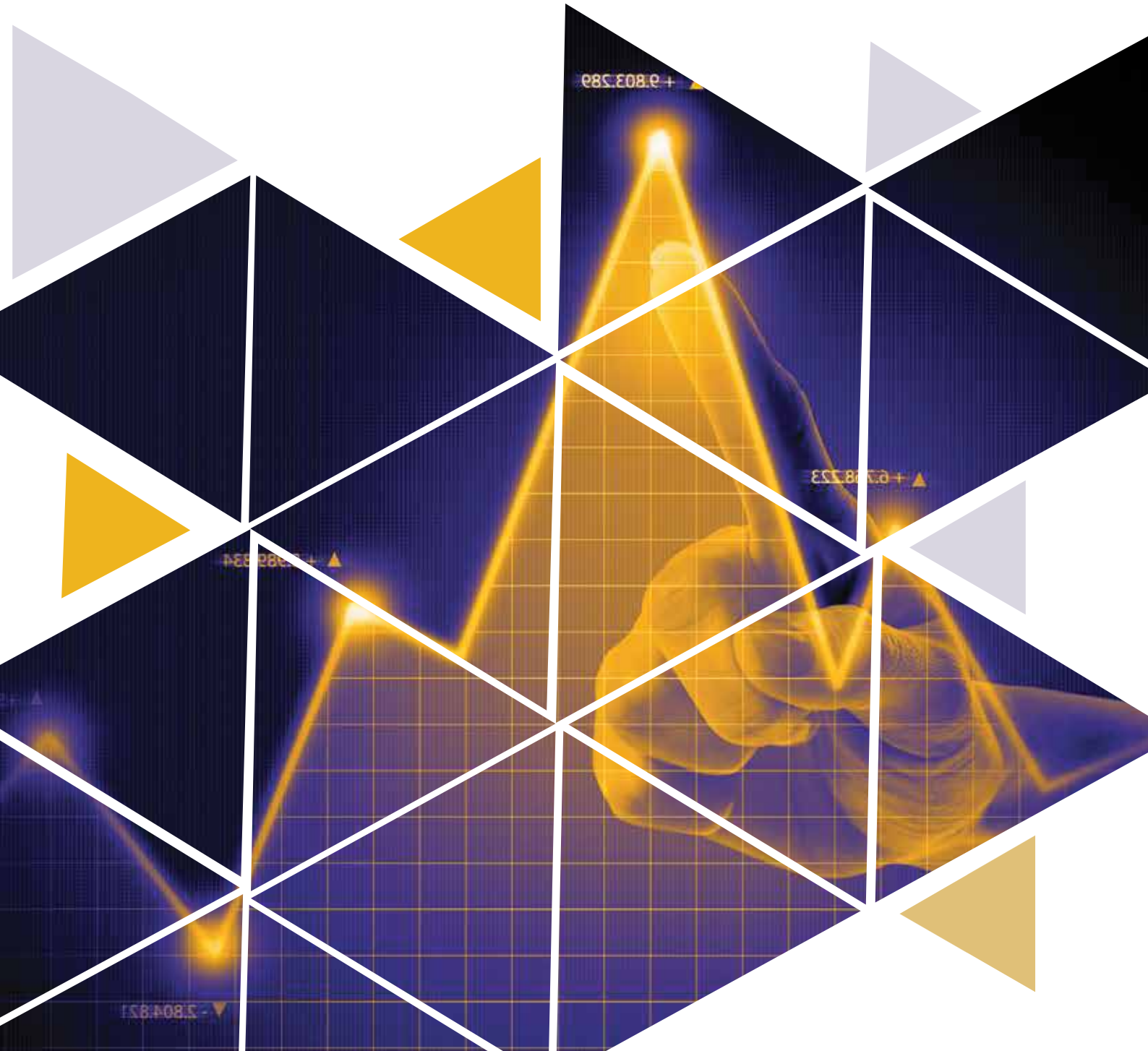




**Tracks the performance of stocks  
representing the capital market theme**

**October 2024**





## About NSE Indices Limited:

India's capital market plays an integral role in the country's financial system by mobilizing savings from individuals and institutions and directing those funds into productive investments. This process allows companies, both large and small, to raise funds from investors and the public, which in turn helps stimulate economic growth, job creation, and overall development. The capital market provides an essential platform for channelling savings toward investment opportunities that can foster sustainable long-term growth for the economy. A key feature of India's capital market is its strong infrastructure, which is supported by various intermediaries and institutions. These include stock exchanges, depositories, clearing corporations, brokers, bankers, registrars, custodians, rating agencies, auditors, and other key players. This interconnected network ensures the smooth functioning and transparency of the capital market. India's capital market has grown to become one of the largest and most dynamic in the world. It has experienced significant expansion, not only in the number of participants but also in terms of market capitalization.

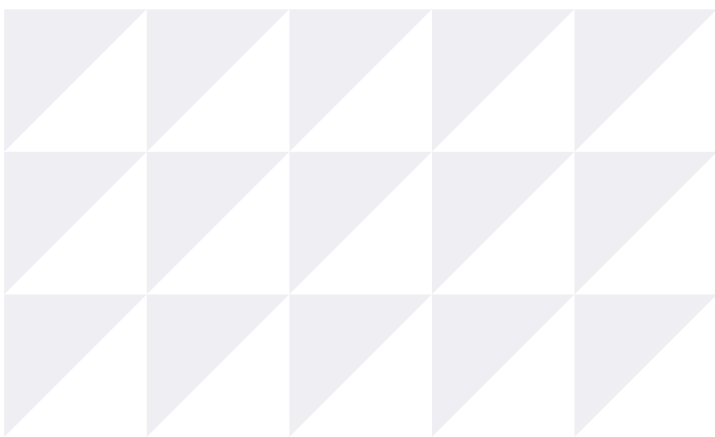
India's market performance has reached significant milestones. India currently ranks as the 4th largest market, with a market capitalization exceeding US\$5.4 trillion, trailing only the US, China, and Japan (Source: Bloomberg). Mutual fund assets under management (AUM) reached a record Rs 68 lakh crore (~US\$ 800 billion) in September 2024, bolstered by an all-time high in Systematic Investment Plan (SIP) inflows. Individual investors now hold a relatively higher share of MF assets, i.e. 61.9% in September 2024, compared with 58.8% in September 2023 (Source: AMFI). Direct participation by individual investors in equity markets has also remained strong, with cumulative inflows in the first five months of FY25 reaching the highest levels seen in the same period over the past decade. This underscores the strength and resilience of India's capital markets.

The Nifty Capital Markets Index serves as a benchmark that reflects these transformations, capturing the dynamics of India's capital market landscape.

## About Nifty Capital Markets

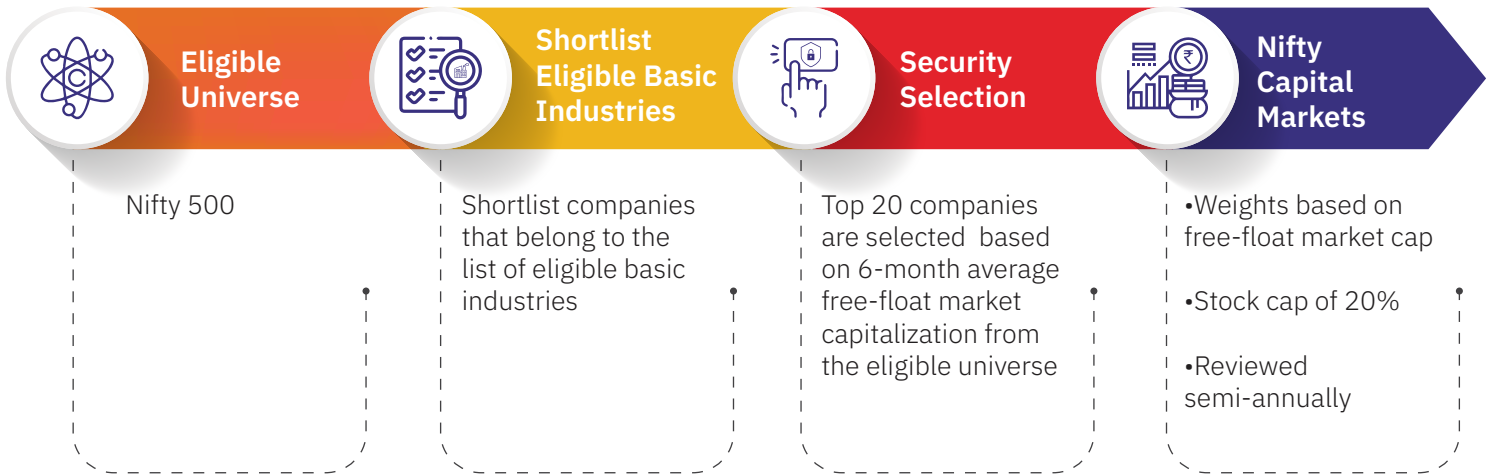
The Nifty Capital Markets index aims to track the performance of stocks from the Nifty 500 index which represent the capital market theme. The 20 largest stocks from eligible basic industries are selected based on 6-month average free-float market capitalization to be part of this index. The

weight of each stock in the index is based on its free-float market capitalization subject to a stock cap of 20%. Reconstitution of the index constituents is done semi-annually while rebalancing is carried out quarterly.

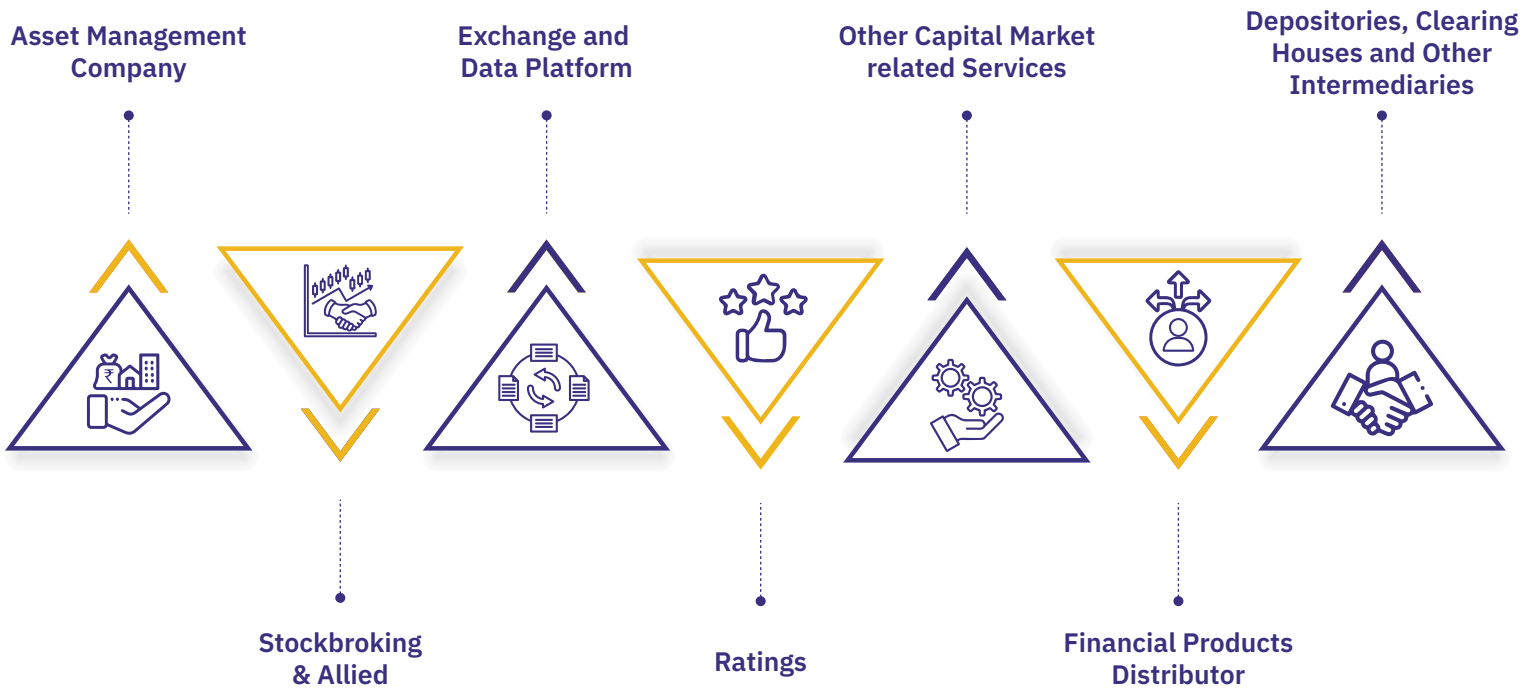




## Exhibit 1: Nifty Capital Markets Index Methodology



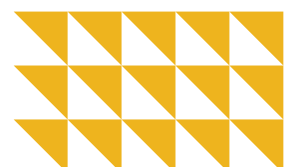
## Exhibit 2: List of Eligible basic industries



Source: NSE Indices

The exhibit above shows the list of eligible basic industries for Nifty Capital Markets Index. These basic industries broadly represent the capital market theme.

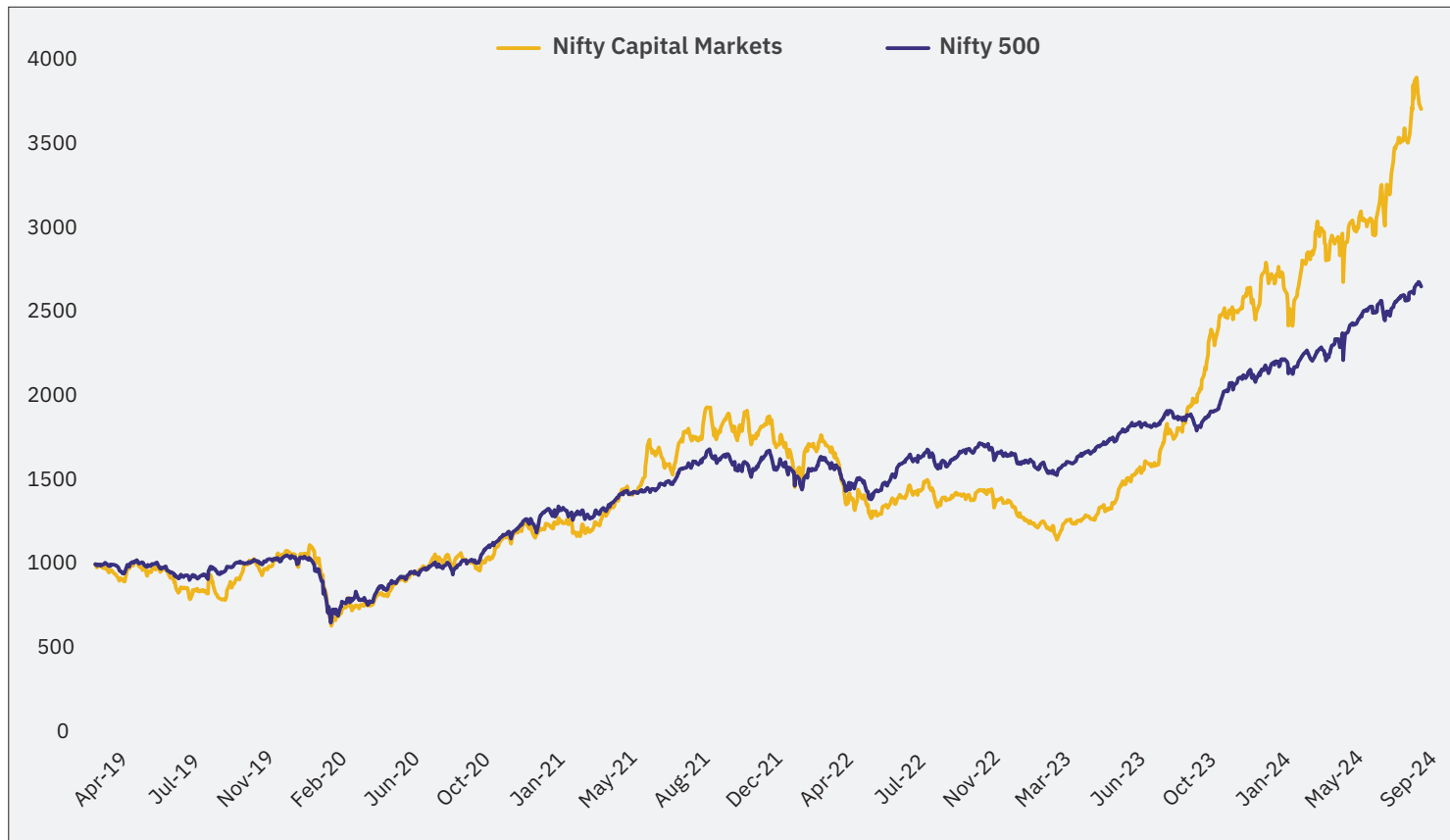
The list of eligible basic industries identified will evolve and may change in the future due to changes in market dynamics.





## Nifty Capital Markets Total Return (TR) index has outperformed the Nifty 500 TR index in 1, 3 and 5-year horizon

### Exhibit 3: Nifty Capital Markets TR Index performance



Source: NSE Indices. Data as on September 30, 2024

### Exhibit 4: Annualized Return and volatility profile of the Nifty Capital Markets TR Index

#### Annualised Return and Annualised Volatility profile of Nifty Capital Markets (As on September 30, 2024)

Period	Annualised Returns		Annualised Volatility		Return to Risk	
	Nifty Capital Markets	Nifty 500	Nifty Capital Markets	Nifty 500	Nifty Capital Markets	Nifty 500
Since Inception (April 01, 2019)	26.92%	19.41%	25.10%	18.25%	1.07	1.06
5 years	34.80%	22.28%	24.81%	18.41%	1.4	1.21
3 years	28.72%	18.44%	23.39%	14.54%	1.23	1.27
1 year	104.78%	41.54%	25.60%	14.30%	4.09	2.9

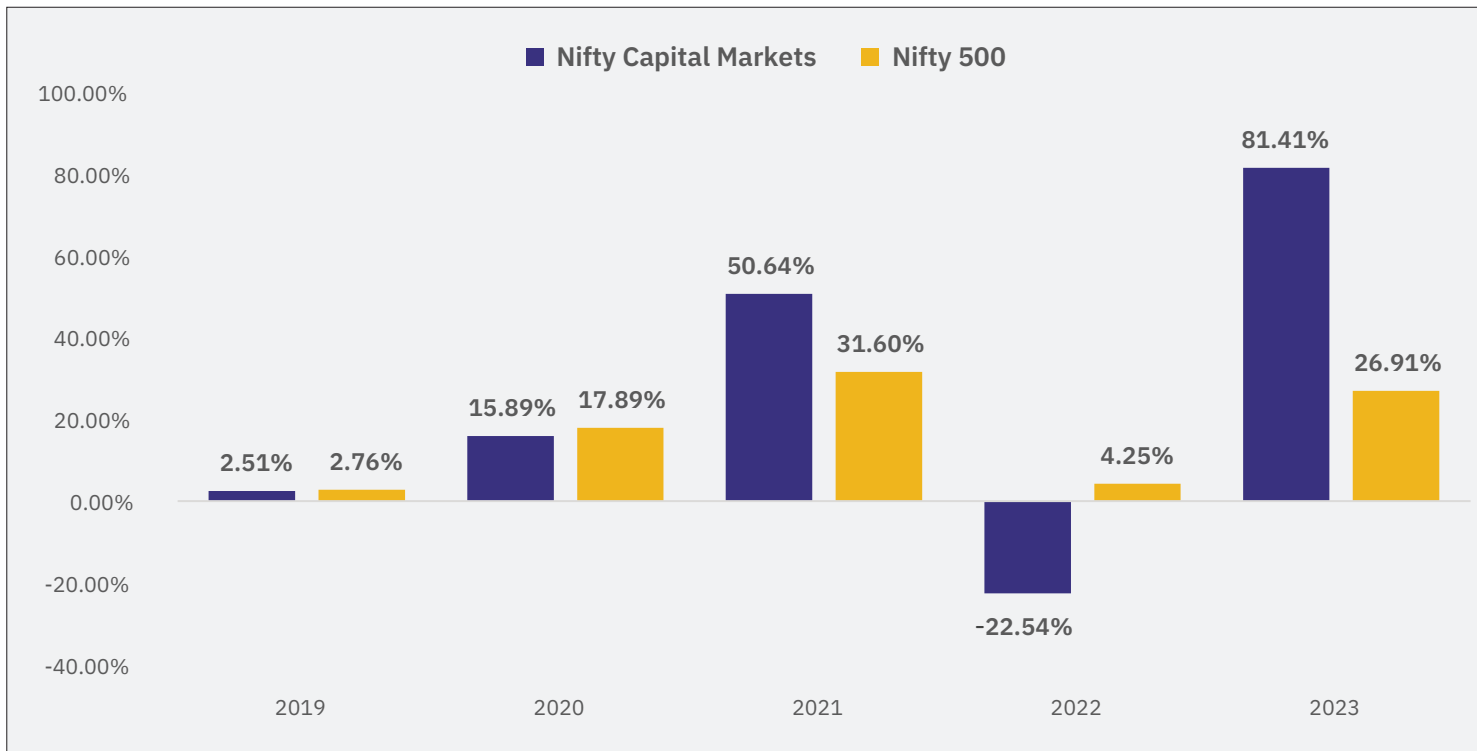
\*Returns are calculated based on TR index values. Returns greater than one year are annualized, the returns up to one year are absolute returns

Since April 01, 2019, the Nifty Capital Markets TR index has delivered annualized returns of 26.92% with an annualized volatility of 25.10% while the Nifty 500 TR Index has delivered annualized returns of 19.41% with an annualized volatility of 18.25%. Over the last one year, the Nifty Capital Markets TR index has delivered a return of 104.78%, outperforming the Nifty 500 TR

index, which delivered a return of 41.54%. Similarly, as can be observed from exhibit 4 above, over last 3-year and 5-year period, the Nifty Capital Markets TR index has outperformed the Nifty 500 TR index. The return to risk ratio of the Nifty Capital Markets TR index has been 1.23 in the 3-year investment horizon and 4.09 in the 1-year investment horizon.



### Exhibit 5: Performance of the Nifty Capital Markets TR Index and Nifty 500 TR index by calendar year



Source: NSE Indices. Return for CY 2019 has been calculated from April 01, 2019.

The Nifty Capital Markets TR index has delivered positive returns in 4 out of 5 calendar years. The Nifty

Capital Markets TR index has outperformed the Nifty 500 TR index in 2 out of 5 calendar years.

### Rolling returns for Nifty Capital Markets TR Index

#### Exhibit 6: Daily Rolling Return Analysis of the Nifty Capital Market TR Index

Analysis based on daily rolling returns										
Investment Horizon	Percentage of total instances						Return Analysis			
	Negative returns	Positive returns					Return Attributes			
		<0% CAGR	>=0% CAGR	0-5% CAGR	5-10% CAGR	10-15% CAGR	>15% CAGR	Min CAGR	Max CAGR	Median CAGR
5 years	0%	100%	0%	0%	0%	100%	21.30%	35.77%	25.95%	27.71%
3 years	0%	100%	1%	8%	15%	76%	3.29%	35.99%	19.63%	20.61%
2 years	11%	89%	10%	5%	6%	68%	-7.05%	66.59%	21.30%	23.60%
1 year	30%	70%	3%	3%	6%	58%	-31.88%	145.01%	23.42%	35.45%

Source: NSE Indices. Analysis period is from April 01, 2019 to September 30, 2024; Data based on TR index values.

The Nifty Capital Markets TR Index has delivered positive returns 89% of the times over the 2-year horizon, based on daily rolling return analysis. As the investment horizon increased to 3 years and 5 years, the frequency of positive returns increased to 100%. The average CAGR has been in the range of 20.61% to

35.45% across 1,2,3 and 5 year investment horizons. For the 1-year investment horizon, the index delivered negative returns 30% of the times. The returns for various 1-year horizons were in the range of -31.88% to 145.01% with average return being 35.45%.

## Portfolio composition of the Nifty Capital Markets index

### Exhibit 7: Portfolio composition of the Nifty Capital Markets index as on September 30, 2024

Basic Industry/Company Name		Weights
	<b>Exchange and Data Platform</b>	<b>34.8</b>
	BSE Ltd.	18.44
	Multi Commodity Exchange of India Ltd.	10.65
	Indian Energy Exchange Ltd.	5.71
	<b>Asset Management Company</b>	<b>23.99</b>
	HDFC Asset Management Company Ltd.	16.04
	Nippon Life India Asset Management Ltd.	4.16
	Aditya Birla Sun Life AMC Ltd.	1.92
	UTI Asset Management Company Ltd.	1.87
	<b>Depositories, Clearing Houses and Other Intermediaries</b>	<b>21.54</b>
	Central Depository Services (India) Ltd.	9.44
	Computer Age Management Services Ltd.	7.77
	Kfin Technologies Ltd.	4.33
	<b>Stockbroking &amp; Allied</b>	<b>17.14</b>
	Angel One Ltd.	5.46
	360 ONE WAM Ltd.	5.32
	Motilal Oswal Financial Services Ltd.	4.11
	Nuvama Wealth Management Ltd.	2.25
	<b>Financial Products Distributor</b>	<b>2.55</b>
	Anand Rathi Wealth Ltd.	2.55

Source: NSE Indices; Data as on September 30, 2024

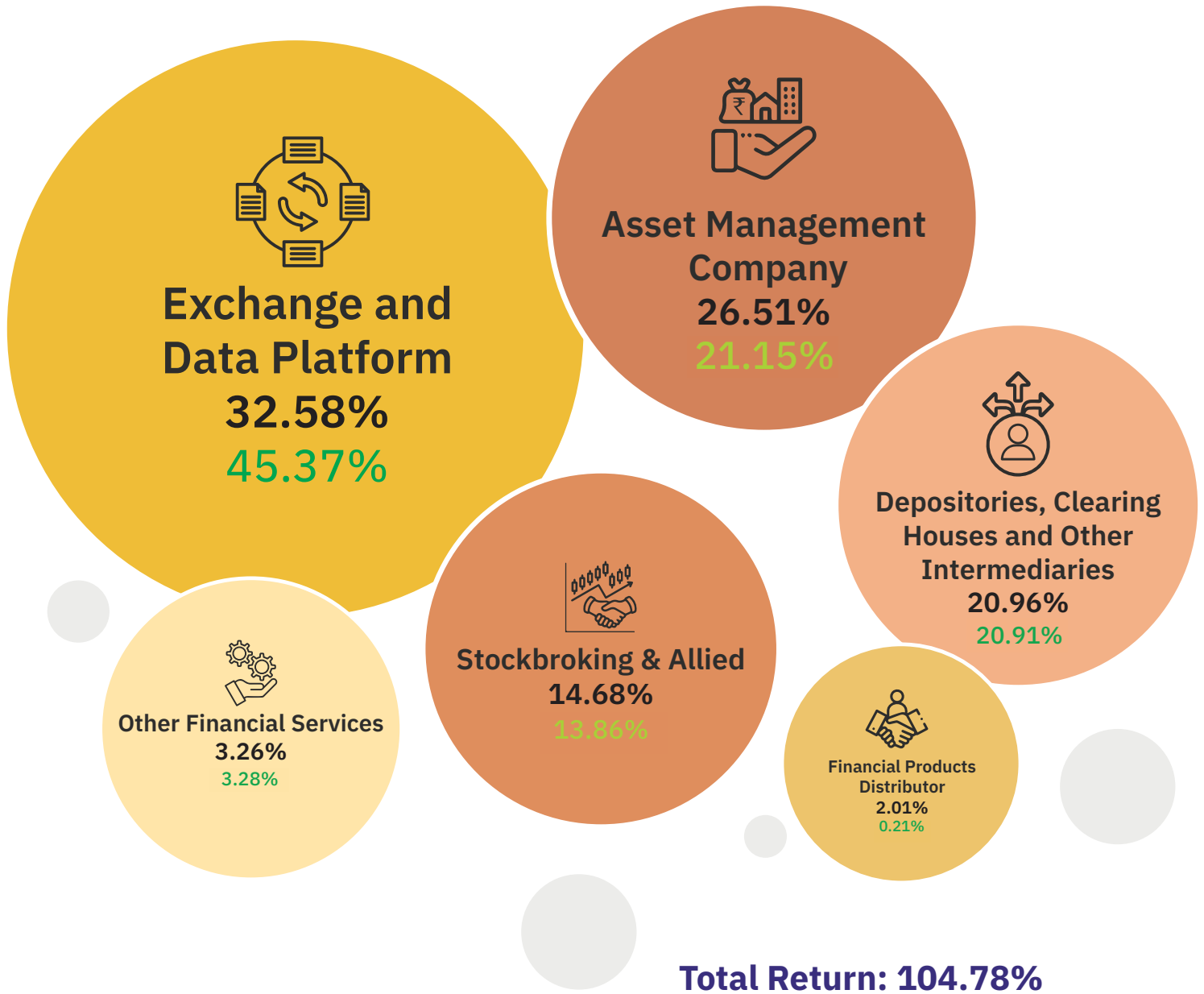
As on 30th September 2024, the basic industry – ‘Exchange and Data Platform’ held the highest weight in the index i.e. 34.8%, followed by ‘Asset Management Company’ basic industry with a weight of 23.99%. Financial Products Distributor held the lowest weight of 2.55% in index. BSE Ltd. and HDFC Asset Management

Company Ltd. are the companies with the highest weights in the index as on 30th September 2024. Similarly, UTI Asset Management Company Ltd. and Aditya Birla Sun Life AMC Ltd. are the companies with lowest weights in the index.



## Basic Industry wise contribution towards last 1 year return delivered by Nifty Capital Markets index

**Exhibit 8:** Basic Industry – Wise Contribution to the Total Return (Sep’23 to Sep’24)



Source: NSE FixedIn Performance Attribution Tool. | \*Numbers indicated in green font indicate the contribution of the basic industry to the returns of the index while numbers indicated in black font indicate the average weight of the basic industry in the index throughout the year

The Nifty Capital Markets index has delivered a return of 104.78% over the last 1 year (30th Sept 2023 to 30th Sept 2024). The exhibit above shows the basic industry wise contribution of the index towards this return. As can be seen, Exchange and Data Platform; Asset Management Company & Depositories, Clearing Houses and Other Intermediaries were the top 3 contributors to

the return generated by Nifty Capital Markets during one year ended September 2024. Exchange and Data Platform have contributed around 45.37% return, while two other basic industries 1) Asset Management Company and 2) Depositories, Clearing Houses and Other Intermediaries have contributed ~21% returns each.



## Signing Off:



The Nifty Capital Markets index aims to track the performance of the companies that represent the capital market theme in India



Since its inception on April 01, 2019 till September 30, 2024, the index has delivered a CAGR of 26.92%



The Nifty Capital Markets Index has delivered positive returns 100% of the times based on daily rolling return analysis in the 3-year and 5-year investment horizon



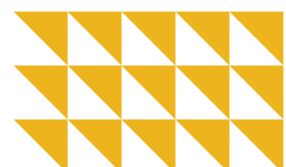
The index has delivered positive returns in 4 out of 5 calendar years



As on 30th September 2024, BSE Ltd. (18.44%) holds the highest weight in the index, while UTI Asset Management Company Ltd. (1.87%) holds the lowest weight in the index



The Exchange and Data Platform basic industry is the top contributor to the return generated by the Nifty Capital Markets index during one-year ended September 2024





## About NSE Indices Limited:

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the Nifty brand of NSE, including the flagship index, the Nifty 50. Nifty equity indices comprise of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. NSE Indices Limited also maintains

fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on Nifty indices have been developed within India and abroad. These include index based derivatives traded on NSE and NSE International Exchange IFSC Limited (NSE IX) and a number of index funds and exchange traded funds. The flagship 'Nifty 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

For more information, please visit: [www.niftyindices.com](http://www.niftyindices.com)

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