



Nifty Total Market Index

Tracking stocks across large,
mid, small and micro segments

November 2021

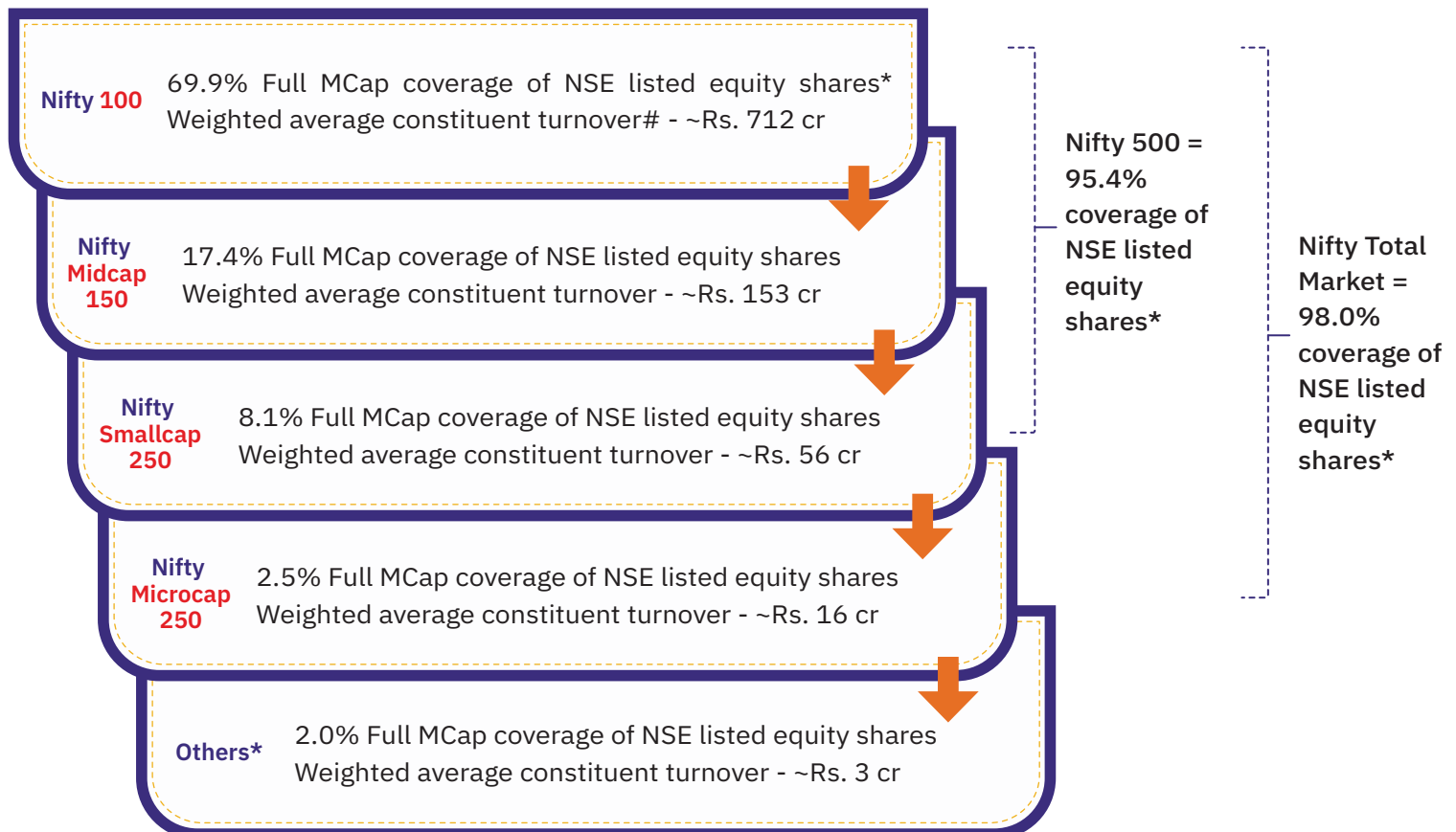
Introduction:

There are more than 1650 companies listed on the main board of National Stock Exchange of India (NSE) as of end of October 2021. These listed equity stocks can be broadly classified into different size segments based on their market capitalization as large cap, mid cap, small cap and micro cap. Large cap are the top 100 stocks by full market capitalization, mid cap stocks are the 150 stocks that are ranked between 101-250 by full market capitalization, small cap stocks are the 250 stocks that are ranked between 251-500 by full market capitalization and micro cap stocks are stocks smaller than small cap and rank beyond the top 500. The Nifty 100 tracks the performance of large cap companies, Nifty Midcap 150 tracks the performance of the mid cap segment, Nifty Smallcap 250 tracks the performance of the small cap segment, while Nifty 500 encompasses all

three segments together. Further, the recently launched Nifty Microcap 250 index tracks 250 micro cap stocks that are ranked between 501-750 by full market capitalization.

After the launch of the Nifty Microcap 250 Index, NSE Indices Ltd. launched the Nifty Total Market Index, to provide investors an index of the top 750 stocks by full market capitalization that tracks the large, mid, small and micro cap segments together through a single index. The 750 stocks in the Nifty Total Market Index cover approximately 98% of the full market capitalization of the stocks listed on NSE *. This index represents the broadest measure on the performance of the Indian equity markets at an aggregate level.

Exhibit 1: Coverage of NSE's listed universe across broad market indices

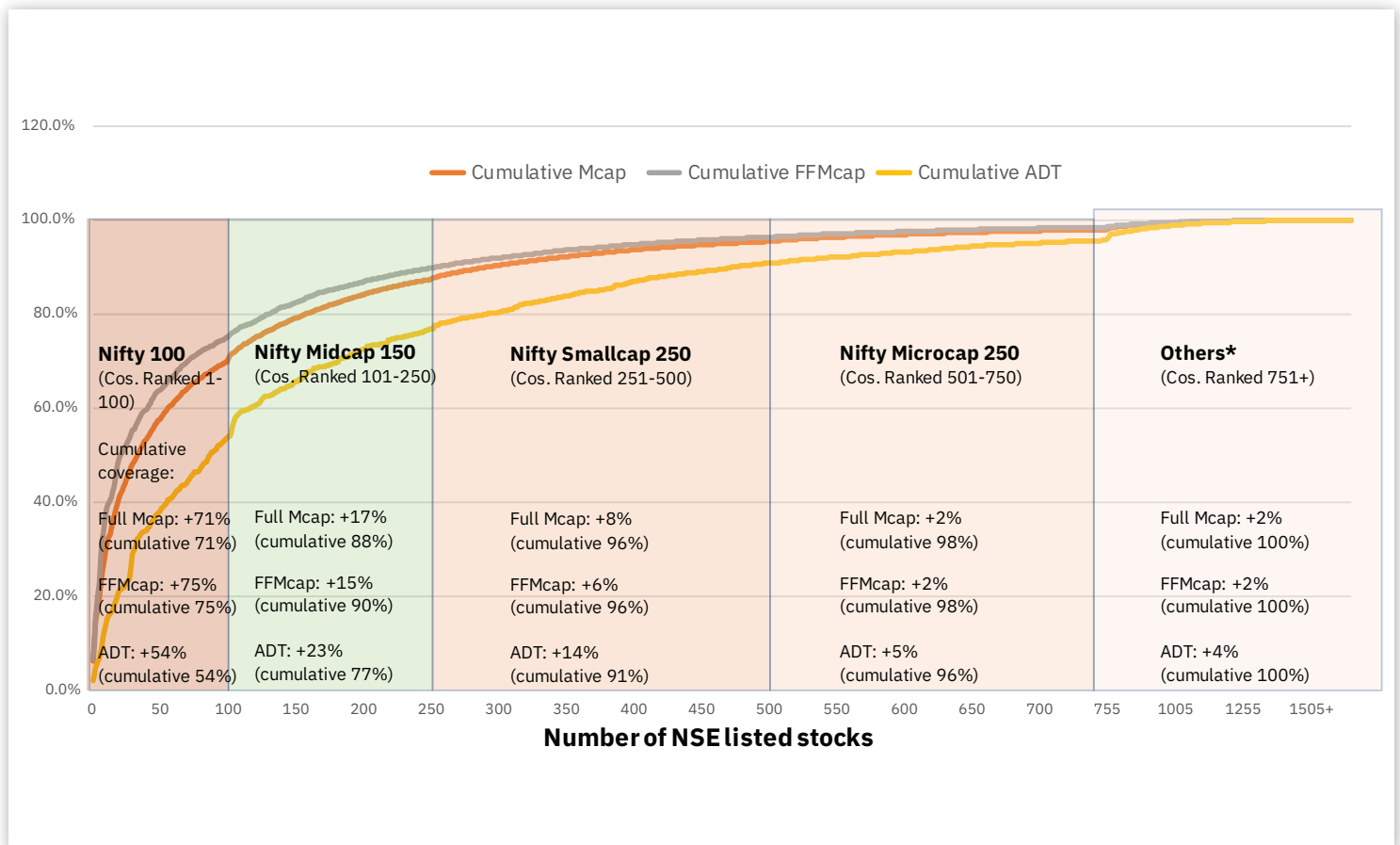


Source: NSE Indices. ADT data obtained between the period May 3, 2021 to Oct 29, 2021. Full Market Capitalization data as on Oct 29, 2021. The above image is representative only and has not been drawn to scale. *Stocks within the top 350 based on overall 6-month average full market capitalization rank and not included in any of the above indices due to eligibility issues have been excluded from calculation. #Weighted average constituent turnover is obtained as the weighted average of 6-month ADT of constituents weighted by the constituent weights in the respective indices as on Oct 29, 2021

The Nifty Total Market Index covers approximately 98.0% coverage of the universe of NSE-listed equity shares, compared to 95.4% coverage of the Nifty 500 Index, 69.9% coverage for the Nifty 100 Index, 17.4%

coverage for the Nifty Midcap 150 Index, 8.1% coverage for the Nifty Smallcap 250 Index and 2.5% coverage for the Nifty Microcap 250 Index.

Exhibit 2: Cumulative Full MCap, FFMcap and Average Daily Turnover (ADT) of NSE’s listed universe across broad market indices



Source: NSE Indices. ADT data obtained between the period Apr 1, 2021 to Oct 29, 2021. Full Market Capitalization data as on Oct 29, 2021. The above image is representative only and has not been drawn to scale. * Stocks within the top 350 based on overall 6-month average full market capitalization rank and not included in any of the above indices due to eligibility issues have been excluded from calculation.

About the Nifty Total Market Index

The Nifty Total Market Index tracks the performance of top 750 stocks covering large, mid, small and microcap segments. All stocks that are part of Nifty 500 index and Nifty Microcap 250 index form part of the Nifty Total Market index. The weight of the stocks in the index is

based on their free-float market capitalization. The index has a base date of April 01, 2005, with a base value of 1000. The index construction steps are highlighted below:



Exhibit 3: Weight distribution of stocks by size-segment in the Nifty Total Market Index

Size segment	Weight (%)
Large cap	76.3
Mid cap	14.8
Small cap	6.7
Micro cap	2.2

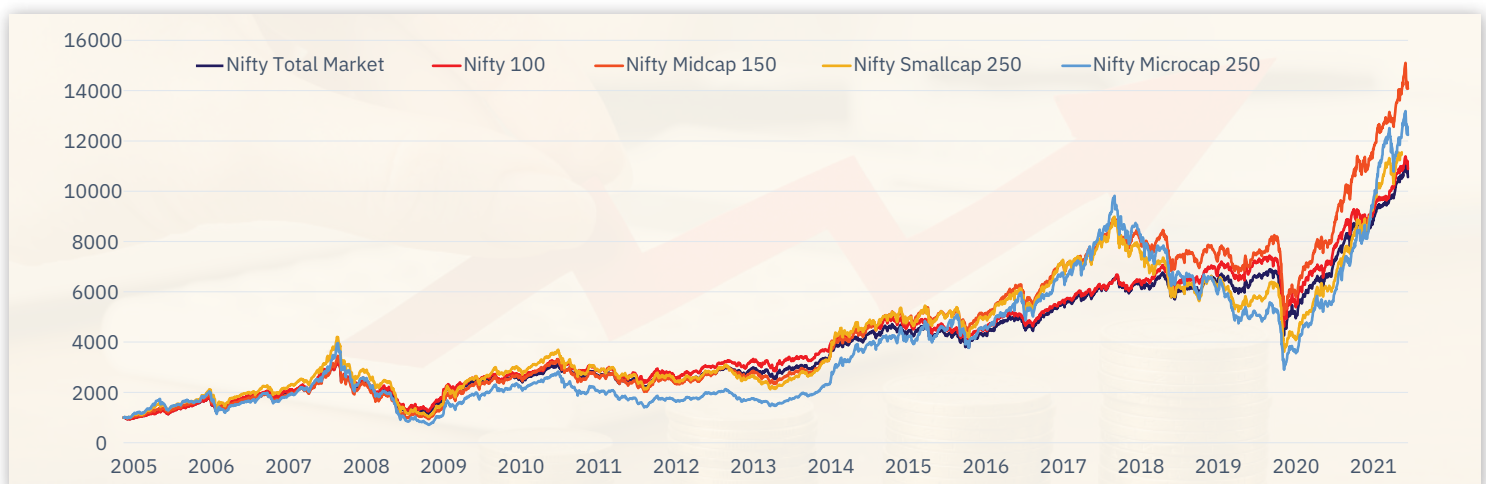
Source: NSE Indices. Data as of Oct 29, 2021

The exhibit above shows the distribution of weights of stocks in the Nifty Total Market Index by size segment. Large cap stocks account for 76.3%, mid caps 14.8%,

small caps 6.7% and micro caps 2.2% of the index weight. Thus approximately 24.7% of the index is made up of non-large cap ie. Mid, small and micro cap stocks.

The Nifty Total Market Index has outperformed the Nifty 100 Index over the short term and over the 10-year horizon

Exhibit 4: Nifty Total Market, Nifty 100, Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index performance



Source: NSE Indices. Data as of Oct 29, 2021

Exhibit 5: Nifty Total Market, Nifty 100, Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index performance table

Period	CAGR returns (%)					Volatility (%)					Return-risk				
	Nifty Total Market	Nifty 100	Nifty Midcap 150	Nifty Smallcap 250	Nifty Microcap 250	Nifty Total Market	Nifty 100	Nifty Midcap 150	Nifty Smallcap 250	Nifty Microcap 250	Nifty Total Market	Nifty 100	Nifty Midcap 150	Nifty Smallcap 250	Nifty Microcap 250
Since Inception*	15.3	15.5	17.3	15.9	16.3	21.5	22.2	21.8	22.2	23.6	0.71	0.70	0.79	0.72	0.69
15 years	12.6	12.6	15.0	12.6	14.5	21.4	22.1	21.6	21.9	23.2	0.59	0.57	0.69	0.58	0.62
10 years	15.2	14.6	19.1	15.6	21.3	16.7	16.9	17.5	18.9	20.2	0.91	0.87	1.09	0.83	1.05
7 years	13.8	13.1	17.8	13.8	18.1	17.1	17.2	17.9	19.7	21.5	0.81	0.76	0.99	0.70	0.84
5 years	16.3	16.4	17.5	13.6	15.4	17.7	17.9	18.5	19.8	21.6	0.92	0.91	0.95	0.68	0.71
3 years	21.2	20.4	24.6	24.1	23.1	20.5	21.1	20.3	20.9	23.0	1.03	0.97	1.21	1.15	1.00
1 year	60.0	53.8	76.9	90.1	121.6	14.6	14.9	16.4	17.1	20.3	4.11	3.62	4.68	5.26	5.99
6 months	23.2	21.8	25.4	29.7	40.6	10.2	10.1	13.2	15.0	18.9	2.28	2.15	1.92	1.98	2.15
3 months	10.4	11.7	8.7	3.1	-0.6	11.1	10.7	15.4	17.4	21.8	0.94	1.10	0.56	0.18	-0.03
YTD	32.9	28.2	46.0	55.5	73.2	14.7	15.0	16.4	16.8	20.0	2.23	1.88	2.81	3.31	3.67

Source: NSE Indices. Data as of Oct 29, 2021. * Based on inception date of Apr 1, 2005. Returns based on TRI values. Post Apr 1, 2016, stocks in the Nifty 100, Nifty Midcap 150 and Nifty Smallcap 250 indices are selected based on 6m Avg. Full Mcap. Prior to April 1, 2016, there may be overlap between the portfolios of these indices. YTD and 1 year returns are absolute returns. Returns for greater than one year are CAGR returns; Average daily standard deviation is annualized

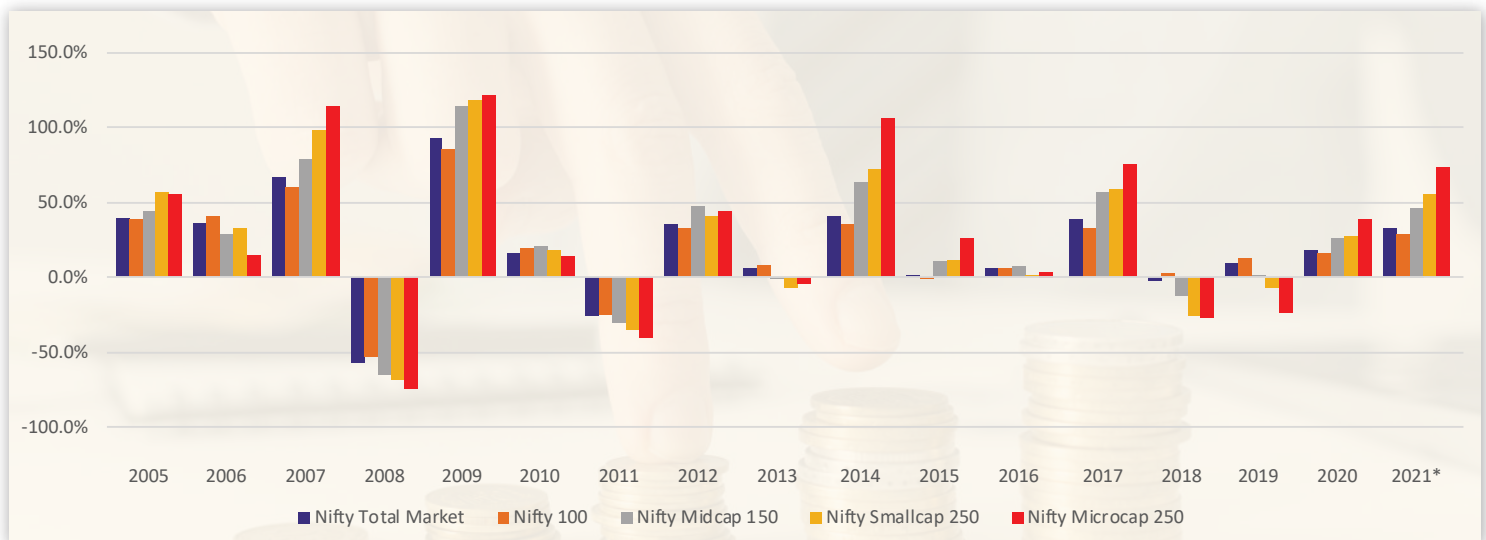
The Nifty Total Market Index has outperformed the Nifty 100 Index over horizons of 1, 3, 5, 7 and 10 years. For example, over the last 3 years, between Oct 31, 2018 to Oct 29, 2021, the Nifty Total Market Index returned 21.2% CAGR, compared to 20.4% CAGR for the Nifty 100 Index. The Nifty Total Market Index has also outperformed the Nifty 100 Index over the longer horizon of the last 10 years. From Oct 31, 2011 to Oct 29, 2021, the Nifty Total Market Index has returned 15.2% CAGR compared to 14.6% CAGR for the Nifty 100 Index. For the same period, the Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index delivered 19.1%, 15.6% and 26.3% CAGR respectively. While the Nifty Total Market Index remains a predominantly largecap index, some exposure to mid, small and microcap stocks have helped the Nifty Total Market Index deliver a slightly better return over this 10-year period.

The Nifty Total Market Index's historical volatility has been broadly in line with that of the Nifty 100 Index and lower than the volatility of the Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index over various time horizons. For example, over the last 5 years, between Oct 30, 2016 and Oct 29, 2021, the Nifty Total Market Index had annualized volatility of 17.7% compared to 17.9%, 18.5%, 19.8% and 21.6% respectively for the Nifty 100, Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index respectively.

The Nifty Total Market Index has slightly higher return-risk ratio than the Nifty 100 Index over long and short-term horizons. For example, the Nifty Total Market Index has a return-risk ratio of 1.03 over the period Oct 31, 2018 and Oct 29, 2021 compared to 0.97 for the Nifty 100 Index.

The Nifty Total Market Index has outperformed the Nifty 100 Index in 9 out of the last 16 calendar years

Exhibit 6: Performance of Nifty Total Market, Nifty 100, Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index by calendar year



Source: NSE Indices. Data as of Oct 29, 2021. Data for the year 2005 is from April 01, 2005 to December 30, 2005. * YTD data

The Nifty Total Market Index has outperformed the Nifty 100 Index in 9 out of the last 16 calendar years from CY2005 -2020. The Nifty Total Market Index tends to outperform the Nifty 100 Index in strong bull market years and recoveries after a market crash. Since 2005, the Nifty 100 Index has returned greater than 30% in 7 calendar years and the Nifty Total Market Index has outperformed the Nifty 100 Index in 6 out these 7 calendar years (2005, 2007, 2009, 2012, 2014 and 2017). More recently, the Nifty Total Market Index outperformed the Nifty 100 Index in 2020 as the market recovered after the pandemic related sell-off in Q1 CY2020. The Nifty Total Market Index also outperformed the Nifty 100 Index in 2015 and 2016. During both these years, the Nifty Midcap 150 Index outperformed the Nifty 100 Index and helped the Nifty Total Market Index narrowly outperform the Nifty 100 Index.

However, the Nifty Total Market Index has slightly underperformed the Nifty 100 Index in weak markets. Since 2005, the Nifty Total Market Index underperformed the Nifty 100 Index in 2 out of the 3 years when the Nifty 100 Index had negative returns (2008 and 2011). However in 2015, the Nifty 100 Index returned -1.3%, but the Nifty Total Market Index outperformed slightly and returned 1.1% that calendar year.

The Nifty Total Market Index has outperformed the Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index in 6, 7 and 8 calendar years respectively from CY2005-2020. Many of these years of outperformance came in years where the Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 indices posted negative returns. For example, between CY2005-2020, the Nifty Midcap 150 Index has posted negative returns 4 times and the Nifty Total Market Index has outperformed the Nifty Midcap 150 Index in each of these 4 years (2008, 2011, 2013 and 2018). In the case of the Nifty Smallcap 250 and Nifty Microcap 250 Index, both indices posted negative returns 5 times between CY2005-2020 and the Nifty Total Market Index outperformed the Nifty Smallcap 250 and Nifty Microcap 250 Index in each of these 5 years (2008, 2011, 2013, 2018 and 2019).

Since 2005, the Nifty Total Market, Nifty 100, Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index all suffered their maximum drawdown during the Great Financial Crisis (GFC) in 2008-09. The maximum drawdown for the Nifty Total Market Index was -64.1%, compared to -61.1% for the Nifty 100 Index, -71.7% for the Nifty Midcap 150 Index, -72.8% for the Nifty Smallcap 250 Index and -78.9% for the Nifty Microcap 250 Index.

The largest sectors of Nifty Total Market Index are Financial Services, IT and Consumer Goods

Exhibit 7: Comparison of sector exposure between the Nifty Total Market, Nifty 100, Nifty Midcap 150, Nifty Smallcap 250 Index and Nifty Microcap 250 Index (%) on Oct 29, 2021

Sector	Nifty Total Market	Nifty 100	Nifty Midcap 150	Nifty Smallcap 250	Nifty Microcap 250
 FINANCIAL SERVICES	31.2	35.7	17.7	17.7	11.1
 IT	13.1	14.6	7.9	9.7	4.6
 CONSUMER GOODS	11.4	11.4	11.1	11.9	12.4
 OIL & GAS	9.5	11.3	5.5	0.1	2.3
 PHARMA	5.1	4.5	8.6	2.0	6.0
 AUTOMOBILE	4.5	4.0	6.6	6.2	4.2
 METALS	3.9	4.5	1.8	2.1	5.5
 CONSTRUCTION	3.0	2.7	3.3	5.7	6.0
 INDUSTRIAL MANUFACTURING	2.8	0.2	9.6	13.1	14.3
 POWER	2.7	2.5	3.8	2.2	5.7
 CEMENT & CEMENT PRODUCTS	2.6	2.7	2.3	1.9	2.1
 CHEMICALS	2.0	1.6	3.4	3.5	3.7
 CONSUMER SERVICES	2.0	0.4	7.3	6.5	7.1
 TELECOM	1.9	2.1	1.4	1.8	1.5
 SERVICES	1.4	0.8	2.5	5.2	3.1
 HEALTHCARE SERVICES	0.9	0.7	1.2	2.2	1.0
 FERTILISERS & PESTICIDES	0.9	0.5	2.7	1.6	0.6
 MEDIA, ENTERTAINMENT & PUBLICATION	0.5	0.0	1.3	3.7	3.9
 TEXTILES	0.5	0.0	1.9	2.3	3.6
 PAPER AND JUTE	0.1	0.0	0.0	0.7	0.7
 UTILITIES	0.0	0.0	0.0	0.0	0.5

Source: NSE Indices. Data as of Oct 29, 2021

The largest sector in the Nifty Total Market Index is the Financial Services sector with 31.2% weight, followed by the IT sector with 13.1% weight and Consumer Goods sector with 11.4% weight as of Oct 29, 2021. As compared to the Nifty 100 Index, the Nifty Total Market

Index has relatively more balanced exposure towards Industrial Manufacturing, Chemicals, Automobile and Services sectors. This results in the Nifty Total Market Index having an overall more diversified sector exposure than the Nifty 100 Index.

The Nifty Total Market Index is more diversified than the Nifty 100 Index but less diversified than the Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index

The Nifty Total Market Index has a HHI (Herfindahl-Hirschman Index) value of 1473.9 compared to 1827.0 for the Nifty 100 Index, 862.1 for the Nifty Midcap 150 Index, 918.0 for the Nifty Smallcap 250 and 772.0 for the Nifty Microcap 250 Index as of Oct 29, 2021. Lower HHI values indicate a more diversified portfolio. Thus, the Nifty Total Market Index offers more diversification than the Nifty 100 Index, but

less diversification than the Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Indices. Despite the lower diversification than these indices as measured by HHI, the Nifty Total Market Index is less volatile than these indices over long periods of time, based on annualized standard deviation.

Signing off...



The Nifty Total Market index comprises 750 stocks that give investors exposure to large caps, mid caps, small caps and micro caps in a single index



Since April 01, 2005 till Oct 29, 2021, the Nifty Total Market Index has returned 15.3% CAGR vs 15.5% CAGR of the Nifty 100 Index, 17.3% CAGR of the Nifty Midcap 150 Index, 15.9% CAGR of the Nifty Smallcap 250 Index and 16.3% of the Nifty Microcap 250 Index



The largest 3 sectors of the Nifty Total Market Index are Financial Services, IT and Consumer Goods sectors with 31.2%, 13.1% and 11.4% weight respectively



The Nifty Total Market Index is more diversified than the Nifty 100 Index, with a HHI value of 1473.9 versus 1827.0 for the Nifty 100 Index. However, it is less diversified than the Nifty Midcap 150, Nifty Smallcap 250 and Nifty Microcap 250 Index with HHI values 862.1, 918.0 and 772.0 respectively

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 comprises 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, NSE IFSC and Singapore Exchange Ltd. (SGX) 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

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