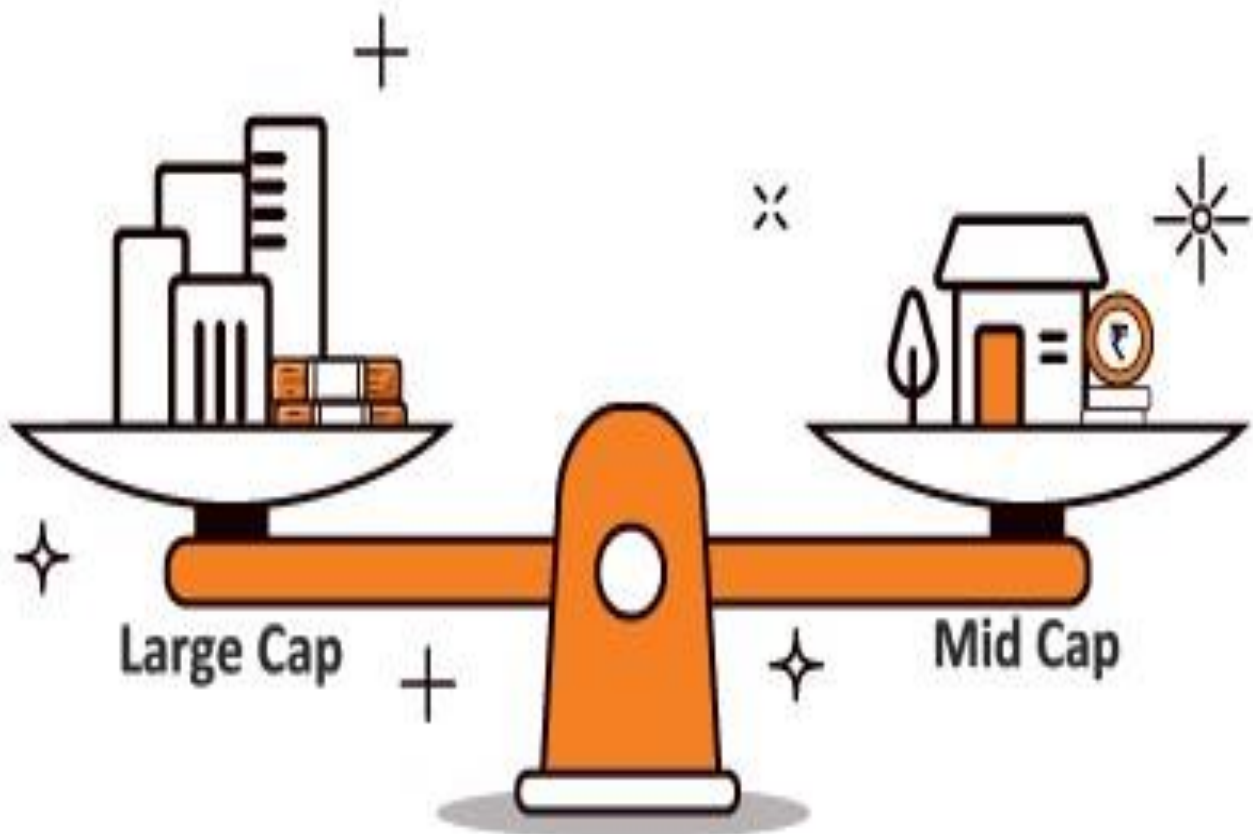


Nifty LargeMidcap 250:

Balance fit between Large & Mid cap segment

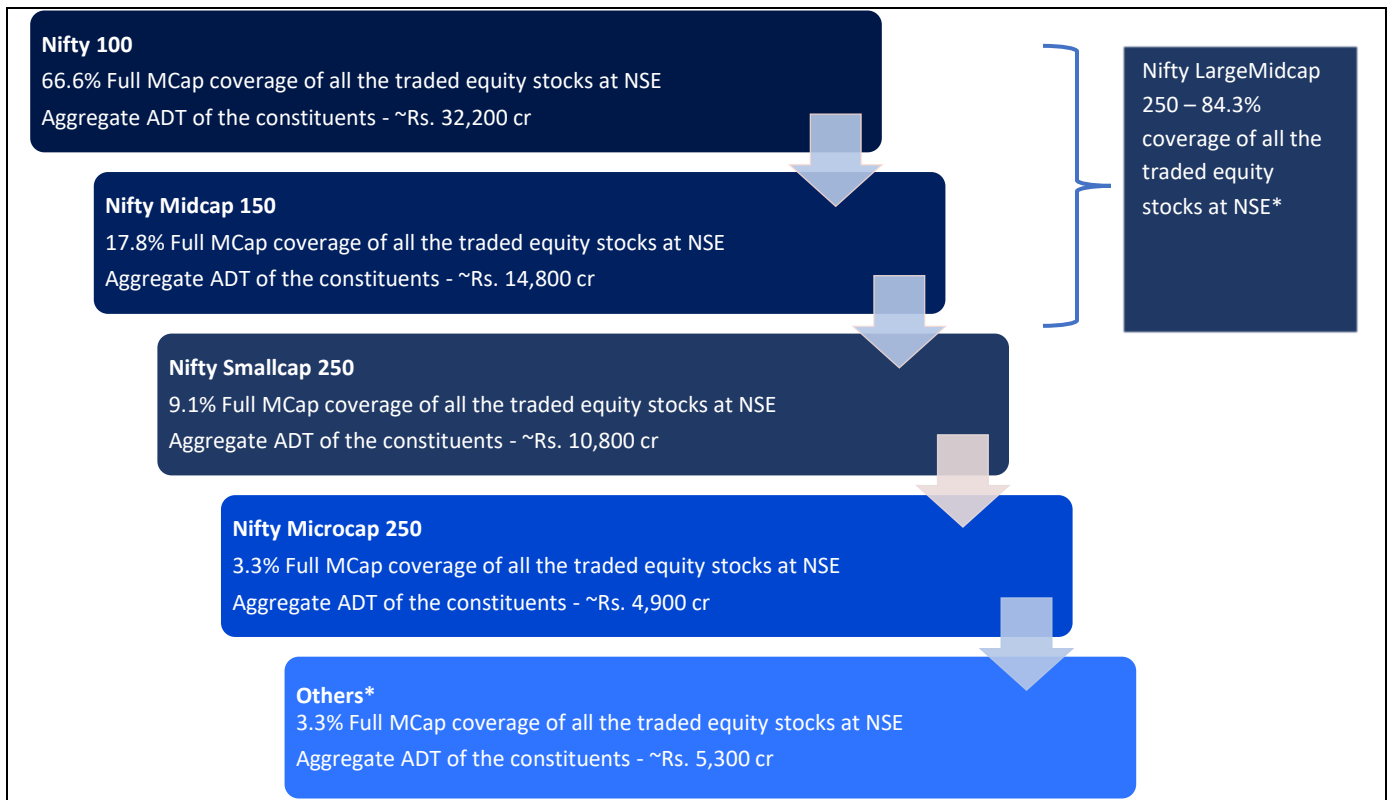


October 2023

Introduction

There are more than 1900 companies listed on the main board of National Stock Exchange of India (NSE) as of end of September 2023. 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, and Nifty Microcap 250 Index represent the stocks ranked from 501-750 based on 6-month average full market capitalization covers the microcap segment. To further track the performance of large and midcap segment, NSE Indices Ltd. has developed the Nifty LargeMidcap 250 index which provides exposure to both large and midcap segment in a single index. The 250 stocks of the Nifty LargeMidcap 250 Index cover approximately 84% of the full market capitalization, around 87% of the free-float market capitalization and approximately 69% of the total liquidity of all traded equity stocks at NSE based on 6 month average as of September 29, 2023.

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



Source: NSE Indices. ADT and Full Market Capitalization is based on 6-month September 29, 2023, ended data. 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 LargeMidcap 250 Index

The Nifty LargeMidcap 250 Index aims to reflect the performance of the large and midcap companies listed at NSE with 50% weight allocated to each segment. The 250 stocks of Nifty LargeMidcap 250 Index are the combination of the universe of stocks forming part of Nifty 100 Index and Nifty Midcap 150 Index.

The index has a base date of April 01, 2005 and a base value of 1000. To have equal exposure to the large cap and mid cap segment, the aggregate weight of large cap stocks and mid cap stocks is capped at 50% each and is reset on a quarterly basis. Weight of the stock within each size segment is based on its free-float market capitalization.

The portfolio construction of the Nifty LargeMidcap 250 index is highlighted below:

Exhibit 2: Portfolio construction of the Nifty LargeMidcap 250 index

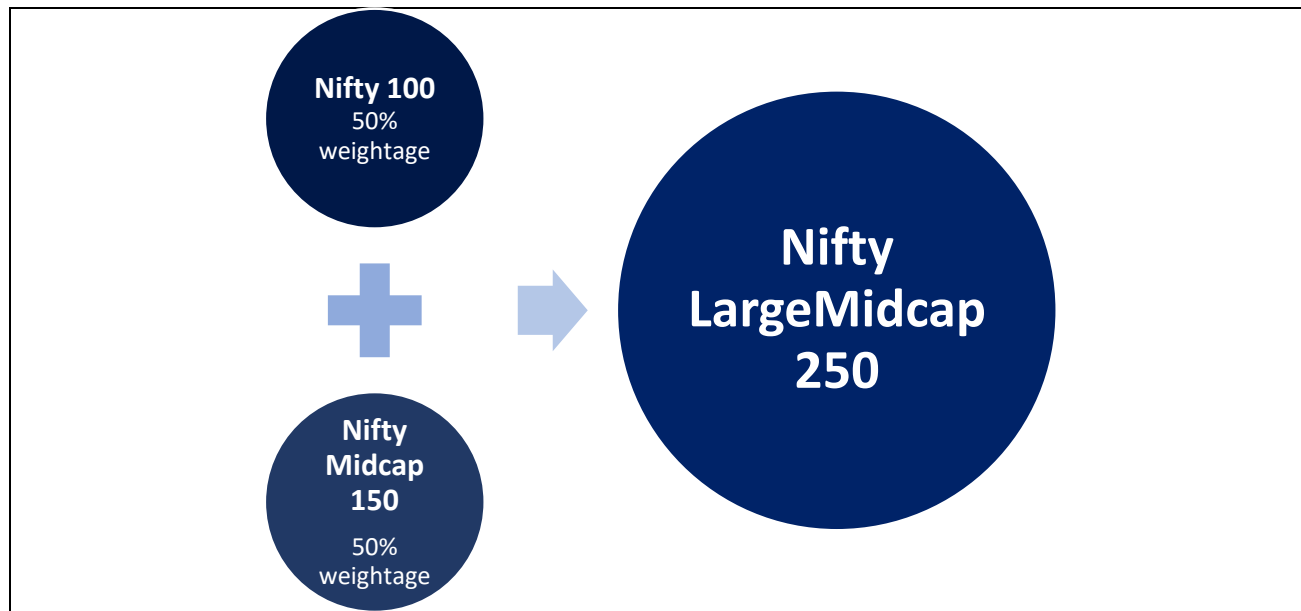


Exhibit 3: Attributes of the stocks in the Nifty LargeMidcap 250 Index

Stock attribute	By Full Market Capitalization (in Rs. Cr)	By Free-float Market Capitalization (in Rs. Cr)	By Weight (%)
Largest Stock	1,586,539	1,145,387	5.62
Smallest Stock	14,823	3,366	0.03
Median Stock	50,824	20,273	0.27

Source: NSE Indices *Data as on September 29, 2023

The exhibit above shows the full market capitalization, free float market capitalization and weight of the largest, smallest and median stock in the Nifty LargeMidcap 250 Index as of September 29, 2023. The full market capitalization varies from Rs. 14,823 crores – 1,586,539 crores and the free float market capitalization varies from Rs. 3,366 crores – 1,145,387 crores for the Nifty LargeMidcap 250 Index.

Sectoral composition of the Nifty LargeMidcap 250 viz-a-viz Nifty 100 and Nifty Midcap 150 Index

Exhibit 4: Comparison of sector exposure between the Nifty LargeMidcap 250, Nifty 100 and Nifty Midcap 150 Index

Sector	Nifty LargeMidcap 250	Nifty 100	Nifty Midcap 150
Financial Services	27.74	33.79	21.74
Information Technology	9.06	11.69	6.45
Capital Goods	7.89	1.38	14.33
Healthcare	7.32	3.83	10.78
Automobile and Auto Components	6.87	6.21	7.52
Oil, Gas & Consumable Fuels	6.67	10.38	3.01
Fast Moving Consumer Goods	5.68	10.07	1.33
Consumer Durables	3.99	3.17	4.79
Chemicals	3.62	1.27	5.95
Consumer Services	3.22	1.96	4.46
Power	3.15	3.03	3.26
Metals & Mining	3.08	3.75	2.42
Construction Materials	2.42	2.29	2.54
Telecommunication	2.12	2.30	1.94
Construction	2.00	3.60	0.42
Realty	1.84	0.32	3.34
Services	1.65	0.94	2.35
Textiles	0.77	-	1.52
Media, Entertainment & Publication	0.65	-	1.30
Diversified	0.28	-	0.56

Source: NSE Indices. Data as on September 29, 2023

As on September 29, 2023, the Nifty LargeMidcap 250 Index has exposure to 20 sectors whereas the Nifty 100 Index has exposure to 17 sectors. The largest sectors in the Nifty LargeMidcap 250 Index are the Financial Services (27.74%), Information Technology (9.06%) and Capital Goods (7.89%) sectors. The combined weight of the top 4 sectors in the Nifty LargeMidcap 250 index is ~52% which is less concentrated than the Nifty 100 index and the Nifty Midcap 150 index, where the combined weight of top 4 sectors is ~66% and ~54% respectively.

The Nifty LargeMidcap 250 Index has higher exposure to the Healthcare, Capital Goods, Chemicals and Consumer Services sectors as compared to the Nifty 100 Index due to the higher weightage of these sectors in Nifty Midcap 150 Index. The inclusion of the midcap stocks from the Nifty Midcap 150 Index has resulted in increased sector-exposure for the Nifty LargeMidcap 250 Index compared to the Nifty 100 Index. Similarly, the Nifty LargeMidcap 250 Index has more exposure to Financial Services, Information Technology and Oil, Gas & Consumable Fuels sectors as compared to the Nifty Midcap 150 Index due to the higher weightage of these sectors in Nifty 100 Index.

Weight of top 10 stocks in the Nifty LargeMidcap 250, Nifty 100 and Nifty Midcap 150 index

Exhibit 5: Weight of top 10 stocks within the Nifty LargeMidcap 250, Nifty 100 and Nifty Midcap 150

NIFTY LargeMidcap 250		Nifty 100		Nifty Midcap 150	
Company Name	Weight (%)	Company Name	Weight (%)	Company Name	Weight (%)
HDFC Bank Ltd.	5.62	HDFC Bank Ltd.	11.29	Max Healthcare Institute Ltd.	1.85
Reliance Industries Ltd.	3.89	Reliance Industries Ltd.	7.82	Power Finance Corporation Ltd.	1.61
ICICI Bank Ltd.	3.27	ICICI Bank Ltd.	6.57	Indian Hotels Co. Ltd.	1.60
Infosys Ltd.	2.51	Infosys Ltd.	5.05	REC Ltd.	1.57
ITC Ltd.	1.93	ITC Ltd.	3.88	Federal Bank Ltd.	1.53
Larsen & Toubro Ltd.	1.79	Larsen & Toubro Ltd.	3.60	AU Small Finance Bank Ltd.	1.51
Tata Consultancy Services Ltd.	1.77	Tata Consultancy Services Ltd.	3.56	Tube Investments of India Ltd.	1.38
Axis Bank Ltd.	1.41	Axis Bank Ltd.	2.83	Coforge Ltd.	1.37
Kotak Mahindra Bank Ltd.	1.25	Kotak Mahindra Bank Ltd.	2.52	Yes Bank Ltd.	1.33
Bharti Airtel Ltd.	1.15	Bharti Airtel Ltd.	2.30	IDFC First Bank Ltd.	1.33
Weight of top 10 stocks	24.60	Weight of top 10 stocks	49.44	Weight of top 10 stocks	15.08

Source: NSE Indices. *Data as on September 29, 2023

As on September 29, 2023, Nifty LargeMidcap 250 index has exposure to both the large and midcap stocks. The weight of top 10 stocks in the Nifty LargeMidcap 250 index is 24.6% whereas, the weight of the top 10 stocks in the Nifty 100 stocks is 49.44%, which shows that the weight of stocks in the Nifty LargeMidcap 250 index is relatively well distributed as compared to the Nifty 100 index (large cap index).

Nifty LargeMidcap 250 index - a balanced fit between Nifty 100 and Nifty Midcap 150

Exhibit 6: Performance of Nifty 100, Nifty Midcap 150 and Nifty LargeMidcap 250 Index

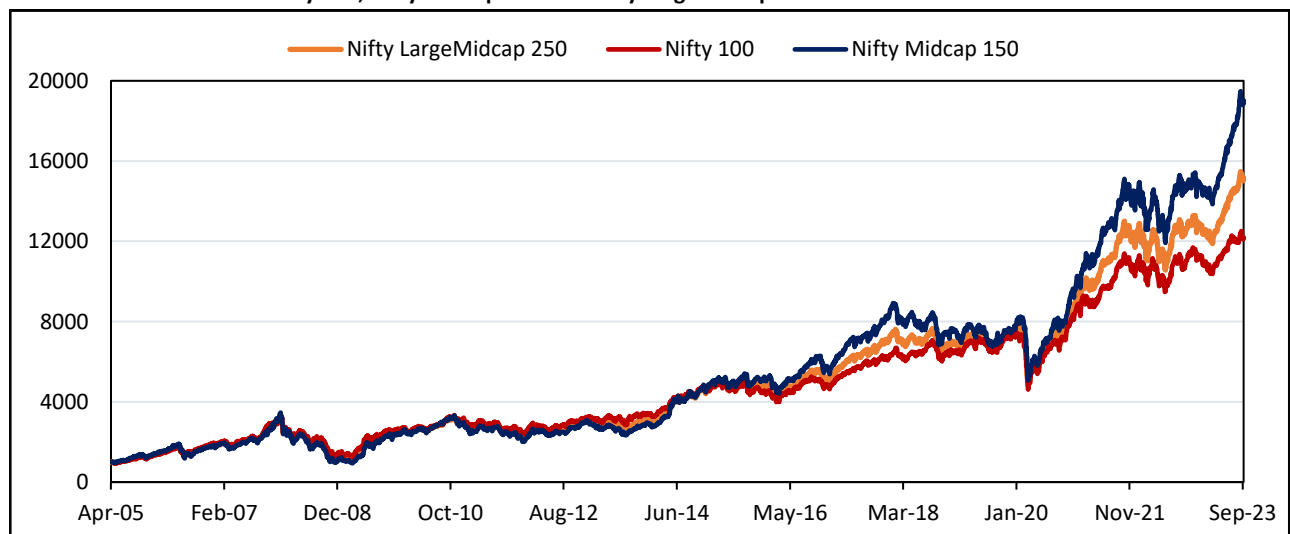


Exhibit 7: Nifty LargeMidcap 250, Nifty 100 and Nifty Midcap 150 Index performance table

Period	Annualized returns			Annualised Volatility			Return-risk ratio		
	NIFTY LargeMidcap 250	Nifty 100	Nifty Midcap 150	NIFTY LargeMidcap 250	Nifty 100	Nifty Midcap 150	NIFTY LargeMidcap 250	Nifty 100	Nifty Midcap 150
Since Inception*	15.8%	14.5%	17.3%	20.7%	21.5%	21.3%	0.77	0.67	0.81
15 years	15.6%	13.1%	18.1%	19.0%	19.8%	19.5%	0.82	0.66	0.93
10 years	18.7%	14.7%	22.4%	16.4%	16.4%	17.5%	1.14	0.89	1.28
7 years	15.7%	13.4%	17.8%	16.9%	17.0%	17.9%	0.93	0.78	1.00
5 years	17.1%	13.2%	20.9%	18.4%	18.9%	19.0%	0.93	0.70	1.10
3 years	27.5%	21.2%	33.8%	14.9%	14.8%	16.3%	1.85	1.43	2.07
1 year	21.9%	13.3%	30.7%	10.1%	10.2%	11.4%	2.17	1.31	2.68
6 months	24.2%	14.7%	33.9%	7.9%	7.8%	9.3%	3.07	1.88	3.65
3 months	8.0%	2.8%	13.3%	8.7%	8.1%	10.8%	0.93	0.35	1.23
YTD	17.9%	8.1%	28.1%	9.1%	9.4%	10.2%	1.96	0.86	2.75

Source: NSE Indices. Data as of September 29, 2023. * Inception date of April 1, 2005. Returns based on TRI values; 6-month, 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 LargeMidcap 250 index, being a balance fit between the large cap and mid cap segment, witnessed returns that are in between the Nifty 100 and the Nifty Midcap 150 index. For instance, from April 2005 till September 29, 2023, the Nifty LargeMidcap 250 index delivered 15.8% CAGR, the Nifty 100 index delivered 14.5% CAGR and the Nifty Midcap 150 index delivered 17.3% CAGR.

The Nifty LargeMidcap 250 Index has outperformed the Nifty 100 index across the long term horizon period of 3, 5, 7, 10 and 15 year. Over the last 5 years, between September 30, 2018 to September 29, 2023, Nifty LargeMidcap 250 index has delivered 17.1% CAGR as against 13.2% CAGR delivered by Nifty 100 Index.

The Nifty LargeMidcap 250 Index has outperformed the Nifty 100 Index over the short term horizon period of 3 month, 6 month and 1 year. Over the last 1 year, from September 30, 2022, to September 29, 2023, the Nifty LargeMidcap 250 Index has delivered 21.9% return as compared to 13.3% return delivered by Nifty 100 Index. For the same period, the Nifty Midcap 150 Index delivered 30.7% return.

Annualised volatility of the Nifty LargeMidcap 250 index has been slightly lower than both the Nifty 100 and Nifty Midcap 150 Index across the long term horizon period of 5, 7, 10, 15 years, whereas it is slightly higher than that of the Nifty 100 over the short-term horizon of 3 month and 6 month period. For instance, over the last 5 years, the Nifty LargeMidcap 250 Index had annualized volatility of 18.4% as compared to 18.9% and 19.0% for Nifty 100 and Nifty Midcap 150 Index respectively.

The Nifty LargeMidcap 250 Index has a higher return-risk ratio than the Nifty 100 Index over the long and short-term horizons, whereas it is slightly lower than that of the Nifty Midcap 150 index. For instance, the Nifty LargeMidcap 250 Index has return-risk ratio of 1.85 over the 3-year period of September 30, 2020 to September 29, 2023 as compared to 1.43 and 2.07 for the Nifty 100 and Nifty Midcap 150 Index respectively.

The Nifty LargeMidcap 250 Index has outperformed the Nifty 100 Index in 11 out of the last 19 calendar years

Exhibit 8: Performance of Nifty LargeMidcap 250, Nifty 100 and Nifty Midcap 150 Index by calendar year

Calendar year	Nifty LargeMidcap 250	Nifty 100	Nifty Midcap 150
2005	40.4%	38.1%	43.4%
2006	33.2%	40.2%	28.5%
2007	71.5%	59.5%	78.2%
2008	-59.9%	-53.1%	-64.9%
2009	100.1%	84.9%	113.9%
2010	17.2%	19.3%	20.1%
2011	-28.0%	-24.9%	-31.0%
2012	39.1%	32.5%	46.7%
2013	3.4%	7.9%	-1.3%
2014	48.4%	34.9%	62.7%
2015	4.1%	-1.3%	9.7%
2016	6.0%	5.0%	6.5%
2017	44.1%	32.9%	55.7%
2018	-5.2%	2.6%	-12.6%
2019	6.0%	11.8%	0.6%
2020	20.9%	16.1%	25.6%
2021	37.0%	26.4%	48.2%
2022	4.5%	4.9%	3.9%
2023#	17.9%	8.1%	28.1%

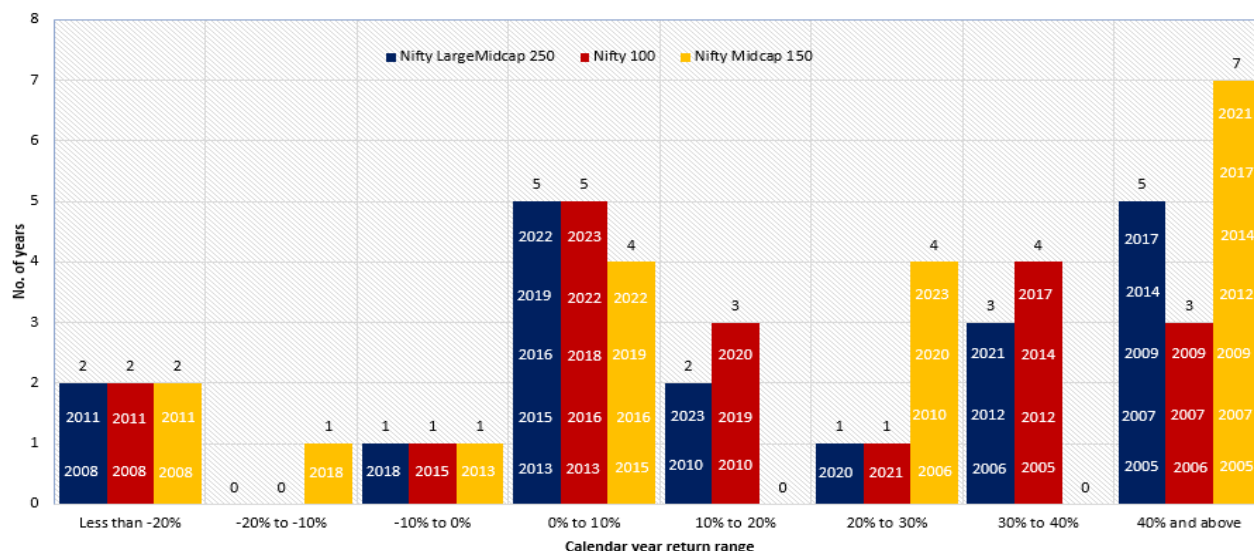
Source: NSE Indices. Data as of September 29, 2023. Data for the year 2005 is from April 01, 2005, to December 30, 2005. The cell in green are the CY years when the respective indices outperformed the Nifty LargeMidcap 250 Index and the cells highlighted in red are the CY years when the respective indices underperformed the Nifty LargeMidcap 250 Index

Large caps, which are usually characterized by stable returns and lower volatility in long term tend to tide over phases of economic downturn relatively better than mid-caps. However, during phase of economic recoveries and mega bull runs large caps generally underperform their mid-cap counterparts. Stability in performance of large cap stocks (represented through the Nifty 100), as shown by Exhibit 8, can be observed during global financial crisis of 2008 followed by global economic slowdown in 2011 and in 2018, where large caps (represented through Nifty100) have delivered better returns as compared to the midcaps (represented through Nifty Midcap 150).

The Nifty LargeMidcap 250 Index has outperformed the Nifty 100 Index in 11 out of the 19 calendar years and the Nifty Midcap 150 index in 7 out of the 19 calendar years from CY 2005-2023. For most of the years, the Nifty LargeMidcap 250 index, witnessed returns that are in-between the large and mid-caps, thereby striking a balance between both downturn and economic recoveries. For instance, in CY 2013, where the midcap stocks underperformed, delivering negative returns of -1.3% (represented through Nifty Midcap 150), the Nifty LargeMidcap 250 index delivered 3.4% returns as it also has exposure to the large cap stocks (represented through Nifty 100) which delivered positive returns of 7.9%. Likewise, in CY 2015, where the large cap stocks underperformed by delivering -1.3% return (represented through Nifty 100), the Nifty LargeMidcap 250 index delivered 4.1% returns as the midcap stocks outperformed during the same period delivering 9.7% return (represented through Nifty Midcap 150).

The below graph depicts the return distribution of the Nifty LargeMidcap 250, Nifty 100 and Nifty Midcap 150 index

Exhibit 9: Calendar year return distribution of the Nifty LargeMidcap 250, Nifty 100 and Nifty Midcap 150 Index



Since 2005, the Nifty 100 Index has delivered greater than 30% annual returns in 7 calendar years and the Nifty LargeMidcap 250 Index outperformed the Nifty 100 Index in 6 out of these 7 calendar years (outperformed in 2005, 2007, 2009, 2012, 2014, and 2017). The Nifty 100 Index had negative returns in 3 years (2008, 2011, 2015), the Nifty LargeMidcap 250 Index has underperformed the Nifty 100 Index in 2 out of these 3 years (2008, 2011). The only exception was in 2015, when the Nifty 100 Index returned -1.3%, but the Nifty LargeMidcap 250 Index outperformed and returned 4.1% in that year due to the exposure to midcap stocks through the Nifty Midcap 150 Index which delivered 9.7%.

The Nifty Midcap 150 Index has delivered negative returns in 4 calendar years and the Nifty LargeMidcap 250 Index outperformed the Nifty Midcap 150 Index in each of these 4 calendar years. Being a combination of large and midcap stocks, the Nifty LargeMidcap 250 Index provides a shield against the underperformance of large caps vs midcaps or vice versa. For instance, in CY 2018, the Nifty Midcap 150 Index delivered -12.6% return, whereas the Nifty LargeMidcap 250 Index being a combination of large and midcap stocks with equal weight allocation to the large and midcap segment, delivered less negative i.e. -5.2% return.

Daily Rolling return analysis of the Nifty LargeMidcap 250 Index

Exhibit 10: Daily rolling return analysis of the Nifty LargeMidcap 250 Index

Performance analysis of Nifty LargeMidcap 250 based on daily rolling returns										
Investment Horizon	Percentage of total Instances						Return analysis			
	Negative returns	Positive returns					Return Attributes			
		CAGR (<0%)	CAGR (>0%)	CAGR (0%-5%)	CAGR (5%-10%)	CAGR (10% - 15%)	CAGR (>15%)	Min CAGR	Max CAGR	Median CAGR
10 years	0.0%	100.0%	0%	11%	50%	38%	6.4%	20.7%	13.7%	13.8%
7 years	0.0%	100.0%	0%	16%	51%	33%	4.6%	23.6%	13.8%	13.4%
5 years	0.9%	99.1%	9%	16%	32%	42%	-1.5%	24.8%	13.6%	13.3%
3 years	7.8%	92.2%	10%	15%	21%	46%	-12.0%	37.6%	14.1%	13.6%
2 years	16.6%	83.4%	12%	9%	14%	48%	-22.7%	68.2%	14.2%	15.2%
1 year	20.5%	79.5%	13%	12%	7%	48%	-62.1%	138.2%	13.3%	18.4%

*Analysis done since April 01, 2005 to September 29, 2023, based on TR Index values

The Nifty LargeMidcap 250 index delivered positive returns ~79%-93% of the time over horizons of 1, 2 and 3 years, based on daily rolling return analysis. As the investment horizon increased to 5 years and longer, the extent of positive returns approached 100%. For the 5-year investment horizon, the Nifty LargeMidcap 250 index delivered an average return of 13.3% based on daily rolling return analysis, with a return of more than 15% p.a. for 42% of the time. Likewise, for the 10-year investment horizon, the Nifty LargeMidcap 250 index delivered an average return of 13.8% based on daily rolling return analysis, and a return of more than 15% p.a. for 38% of the time.

The Nifty LargeMidcap 250 Index has outperformed the Nifty 100 Index on a rolling return basis over long term horizons

Exhibit 11: Instances of outperformance of Nifty LargeMidcap 250 Index vs Nifty 100 Index on a daily rolling return basis

Percentage of total instances of Outperformance and Underperformance vs Nifty 100 on daily rolling return basis						
Investment Horizon	Nifty LargeMidcap 250					
	Instances of Underperformance vs Nifty 100	Instances of Outperformance vs Nifty 100				
		Excess Return frequency	Excess Return frequency	Excess Return (0-2% CAGR)	Excess Return (2-4% CAGR)	Excess Return (>4% CAGR)
		<0% CAGR	>=0% CAGR			
10 years	4.6%	95.4%	62.9%	31.9%	0.7%	
7 years	22.2%	77.8%	39.3%	38.4%	0.0%	
5 years	28.6%	71.4%	43.9%	16.8%	10.7%	
3 years	41.1%	58.9%	18.4%	16.0%	24.5%	
2 years	44.9%	55.1%	8.9%	13.0%	33.2%	
1 year	43.2%	56.8%	10.2%	12.7%	33.9%	

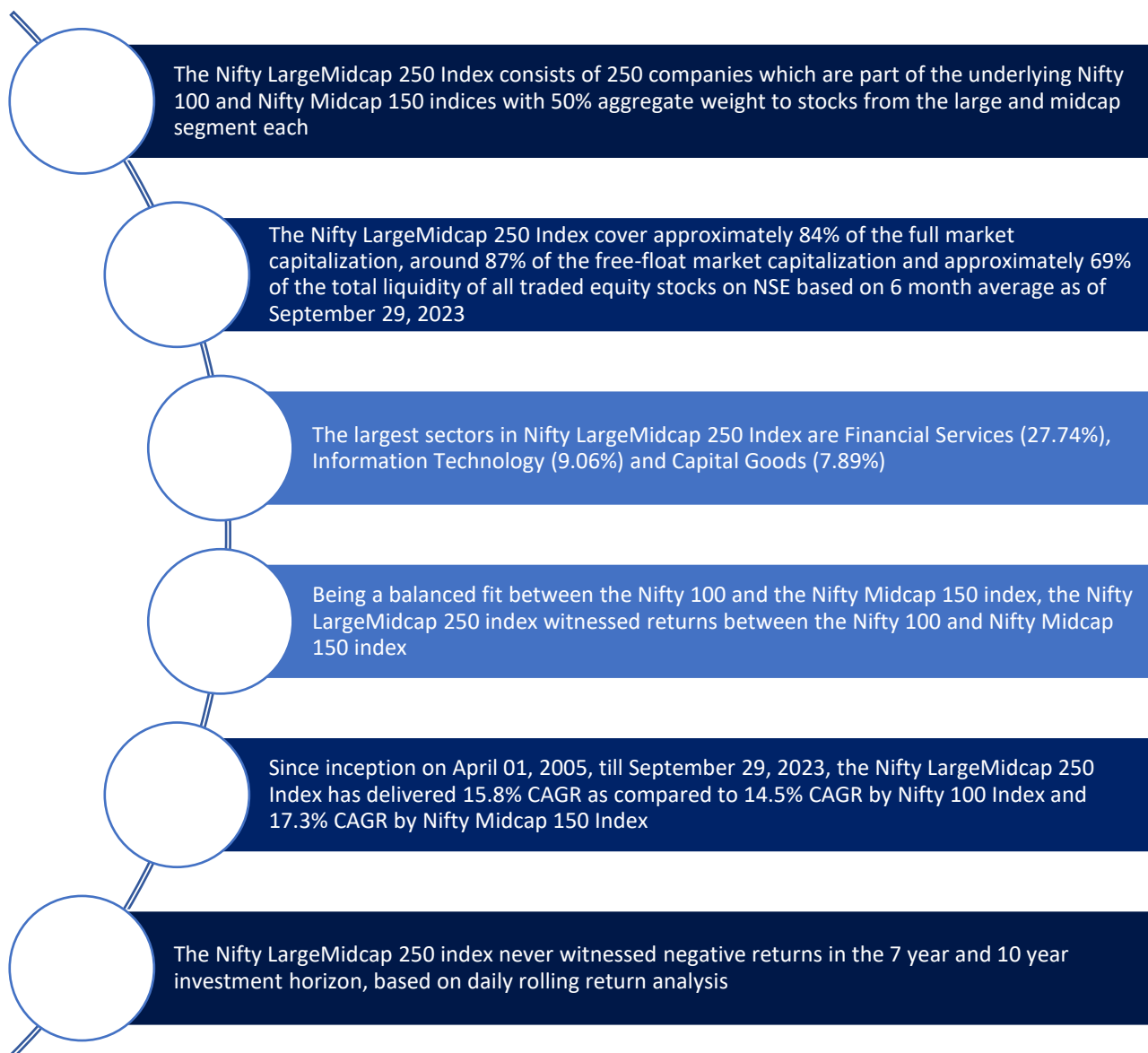
Source: NSE Indices. Instances of outperformance or underperformance calculated using daily rolling returns. Data as September 29, 2023

The Nifty LargeMidcap 250 Index outperformed the Nifty 100 Index more than 50% of the time over rolling return horizons of 1, 2, 3, 5, 7 and 10 years, as shown in the exhibit above. Over the 10-year investment horizon period, the Nifty LargeMidcap 250 Index has outperformed the Nifty 100 Index 95.4% of the time.

Out of which 62.9% of the time, the Nifty LargeMidcap 250 Index delivered excess return in the range of 0-2% p.a. and 31.9% of the time the excess returns were in the range of 2-4% p.a. Over the 7-year investment horizon period, the Nifty LargeMidcap 250 Index has outperformed the Nifty 100 Index 77.8% of the time.

Over the short-term investment horizon of 1 year, based on daily rolling return analysis, 10.2% of the time the Nifty LargeMidcap 250 index delivered excess return in the range of 0-2% per annum, 12.7% of the time delivered excess return in the range of 2-4% p.a. and 33.9% of the time delivered excess return greater than 4% p.a., leading to a cumulative 56.8% instances of outperformance over the Nifty 100 Index.

Signing off...



For more information on the Index methodology and factsheet, please visit us at www.nseindia.com

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

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