

PRESS RELEASE

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IISL launches a record 72 fixed income and 3 hybrid indices

Indices aim to capture performance of various fixed income and hybrid portfolios

Mumbai: NSE's index services subsidiary, India Index Services & Products Limited (IISL), has today launched a series of fixed income and hybrid indices for the Indian fixed income market and hybrid portfolios.

The NIFTY Fixed Income Index series comprises 72 indices covering universe of fixed income assets including government securities, T-bills, corporate bonds of different credit rating categories, commercial papers, certificate of deposits and overnight rate. The series also includes various composite indices that are aggregates of these fixed income asset indices. The NIFTY Hybrid Index series comprises 3 indices that blend NIFTY 50 and the new composite fixed income indices in various proportions to reflect performance of hybrid portfolios investing in both asset classes. The duration and maturity classification of the fixed income indices and asset-allocation of hybrid indices adhere to the recent circular by Securities and Exchange Board of Exchange (SEBI) on 'Categorization and Rationalization of Mutual Fund Schemes'. All new NIFTY fixed income and hybrid indices are total return indices.

“With the launch of a record 75 indices that together capture the performance of all segments of fixed income markets and hybrid portfolios, NSE's IISL reinforces its leadership position in the index space. These indices will be crucial in deepening of fixed income markets in India by helping market participants in accurately measuring and efficiently managing risks and returns in fixed income investments. Introduction of bond indices by stock exchanges has also been recommended in the 'Report of the Working Group on Development of Corporate Bond Market in India published in August 2016'.” said Vikram Limaye, MD & CEO, NSE.

The new NIFTY fixed income index series includes the following indices (Refer to annexure for details):

Sr. No.	Fixed Income Assets	Maturity/Macaulay Duration bucket	Rating/Sector	Number of Indices
1	Corporate Bonds	6 Macaulay Duration buckets*	AAA	6
		6 Macaulay Duration buckets*	AA+	6
		6 Macaulay Duration buckets*	AA	6
		6 Macaulay Duration buckets*	AA-	6
		6 Macaulay Duration buckets*	AA category	6
		6 Macaulay Duration buckets*	Banking and PSU (AA+ or above)	6
		2 Macaulay Duration buckets	A category	2
2	G-Sec	6 Macaulay Duration buckets*	NA	6
3	T-Bill	3M, 6M, 1Y and a composite	NA	4
4	CP	2M, 3M, 6M, 1Y and a composite	A1+	5
5	CD	2M, 3M, 6M, 1Y and a composite	A1+	5
6	Overnight rate	1 Day	NA	1
7	Fixed Income Aggregates	various	various	13

*Based on 6 Macaulay Duration buckets as defined by SEBI circular on 'Categorization and Rationalization of Mutual Fund Schemes'

The new NIFTY hybrid index series includes the following indices:

Sr No.	Index Name	Weight to NIFTY 50 TR	Weight to NIFTY Composite Debt Index
1	NIFTY50 Hybrid Composite Debt 70:30 Index	70%	30%
2	NIFTY50 Hybrid Composite Debt 50:50 Index	50%	50%
3	NIFTY50 Hybrid Composite Debt 15:85 Index	15%	85%

“The NIFTY fixed income and hybrid index methodologies are aligned with the latest guidelines on mutual funds categorization by SEBI. With well-defined, rules-based market-relevant construction approach and long back-tested history of more than 16 years, the newly launched fixed income and hybrid index series will strongly appeal to the investment community in the fixed income and hybrid space.” said Mukesh Agarwal, CEO – IISL & DotEx.

The indices are calculated on an end-of-day basis. They are expected to act as benchmarks for asset managers looking for reliable metrics that measure risk-return dynamics of fixed income and hybrid portfolios. The indices are also expected to be reference indices to be tracked by passive funds in the form of Exchange Traded Funds (ETFs), index funds and structured products.

For more information on index methodology and factsheet, please visit us at www.niftyindices.com or www.nseindia.com

About National Stock Exchange of India Limited (NSE):

The National Stock Exchange (NSE) is the leading stock exchange in India and the fifth largest in the world by equity trading volume Year to Date (YTD), according to World Federation of Exchanges (WFE) data as on August 2017. NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data.

NSE has a fully-integrated business model comprising our exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading and clearing members with the rules and regulations of the exchange.

NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. NSE believes that the scale and breadth of its products and services, sustained leadership positions across multiple asset classes in India and globally enable it to be highly reactive to market demands and changes and deliver innovation in both trading and non-trading businesses to provide high-quality data and services to market participants and clients.

For more information, please visit: www.nseindia.com

About India Index Services & Products Ltd. (IISL):

India Index Services & Products Ltd. (IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. IISL focuses on the index as a core product. IISL owns and manages a portfolio of indices under the NIFTY brand of NSE, including the flagship index, the NIFTY 50. IISL equity Indices comprises broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. IISL also maintains fixed income indices based on Government of India securities, corporate bonds and money market instruments. Many investment products based on IISL indices have been developed within India and abroad. These include index based derivatives traded on NSE, Singapore Exchange Ltd. (SGX), Chicago Mercantile Exchange Inc. (CME), Osaka Exchange Inc. (OSE), Taiwan Futures Exchange (TAIFEX) 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

Disclaimer: National Stock Exchange of India Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offer of its equity shares and has filed a draft red herring prospectus dated December 28, 2016 (“DRHP”) with Securities and Exchange Board of India (“SEBI”). The DRHP is available on the website of SEBI as well as on website of the Managers, Citigroup Global Markets India Private Limited at

<http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>, JM Financial Institutional Securities Limited at www.jmfi.com, Kotak Mahindra Capital Company Limited at <http://www.investmentbank.kotak.com>, Morgan Stanley India Company Private Limited at <http://www.morganstanley.com/about-us/global-offices/india/>, HDFC Bank Limited at www.hdfcbank.com, ICICI Securities Limited at www.icicisecurities.com, IDFC Bank Limited at www.idfcbank.com and IIFL Holdings Limited at www.iiflcap.com. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see “Risk Factors” beginning on page 19 of the DRHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

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Annexure

List of NIFTY fixed income and hybrid indices

Sr No	Category	Index Name	Inception Date
1	AAA	NIFTY AAA Ultra Short Duration Bond	September 3, 2001
2		NIFTY AAA Low Duration Bond	
3		NIFTY AAA Short Duration Bond	
4		NIFTY AAA Medium Duration Bond	
5		NIFTY AAA Medium to Long Duration Bond	
6		NIFTY AAA Long Duration Bond	
7	AA+	NIFTY AA+ Ultra Short Duration Bond	September 3, 2001
8		NIFTY AA+ Low Duration Bond	
9		NIFTY AA+ Short Duration Bond	
10		NIFTY AA+ Medium Duration Bond	
11		NIFTY AA+ Medium to Long Duration Bond	
12		NIFTY AA+ Long Duration Bond	
13	AA	NIFTY AA Ultra Short Duration Bond	September 3, 2001
14		NIFTY AA Low Duration Bond	
15		NIFTY AA Short Duration Bond	
16		NIFTY AA Medium Duration Bond	
17		NIFTY AA Medium to Long Duration Bond	
18		NIFTY AA Long Duration Bond	
19	AA-	NIFTY AA- Ultra Short Duration Bond	September 3, 2001
20		NIFTY AA- Low Duration Bond	
21		NIFTY AA- Short Duration Bond	
22		NIFTY AA- Medium Duration Bond	
23		NIFTY AA- Medium to Long Duration Bond	
24		NIFTY AA- Long Duration Bond	
25	AA Category	NIFTY AA Category Ultra Short Duration Bond Index	September 3, 2001
26		NIFTY AA Category Low Duration Bond Index	
27		NIFTY AA Category Short Duration Bond Index	
28		NIFTY AA Category Medium Duration Bond Index	
29		NIFTY AA Category Medium to Long Duration Bond Index	
30		NIFTY AA Category Long Duration Bond Index	
31	Banking & PSU	NIFTY Banking & PSU Ultra Short Duration Bond Index	September 3, 2001
32		NIFTY Banking & PSU Low Duration Bond Index	
33		NIFTY Banking & PSU Short Duration Bond Index	
34		NIFTY Banking & PSU Medium Duration Bond Index	

35		NIFTY Banking & PSU Medium to Long Duration Bond Index	
36		NIFTY Banking & PSU Long Duration Bond Index	
37	A	NIFTY A Long-Term Bond Index	September 3, 2001
38		NIFTY A Short-Term Bond Index	
39	G-Sec	NIFTY Ultra Short Duration G-Sec Index	September 3, 2001
40		NIFTY Low Duration G-Sec Index	
41		NIFTY Short Duration G-Sec Index	
42		NIFTY Medium Duration G-Sec Index	
43		NIFTY Medium to Long Duration G-Sec Index	
44		NIFTY Long Duration G-Sec Index	
45	T-Bill	NIFTY 91 Day T-Bill Index	January 8, 1993
46		NIFTY 182 Day T-Bill Index	April 7, 2005
47		NIFTY 1 Year T-Bill Index	April 10, 1998
48		NIFTY All Maturity T-Bill Index	September 3, 2001
49	CP	NIFTY 2 Month CP Index	September 3, 2001
50		NIFTY 3 Month CP Index	
51		NIFTY 6 Month CP Index	
52		NIFTY 1 Year CP Index	
53		NIFTY All Maturity CP Index	
54	CD	NIFTY 2 Month CD Index	September 3, 2001
55		NIFTY 3 Month CD Index	
56		NIFTY 6 Month CD Index	
57		NIFTY 1 Year CD Index	
58		NIFTY All Maturity CD Index	
59	Overnight rate	NIFTY 1D Rate Index	September 17, 2003
60	Aggregate	NIFTY Liquid Index	September 3, 2001
61		NIFTY Ultra Short Duration Debt Index	
62		NIFTY Low Duration Debt Index	
63		NIFTY Money Market Index	
64		NIFTY Short Duration Debt Index	
65		NIFTY Medium Duration Debt Index	
66		NIFTY Medium to Long Duration Debt Index	
67		NIFTY Long Duration Debt Index	
68		NIFTY All Duration G-Sec Index	
69		NIFTY Composite Debt Index	
70		NIFTY Corporate Bond Index	
71		NIFTY Credit Risk Bond Index	
72		NIFTY Banking & PSU Debt Index	
73	Hybrid	NIFTY 50 Hybrid Composite Debt 70:30 Index	September 3, 2001
74		NIFTY 50 Hybrid Composite Debt 50:50 Index	
75		NIFTY 50 Hybrid Composite Debt 15:85 Index	