

## Press Release

October 24, 2019

### **NSE Indices launches Nifty Midcap150 Quality 50 Index**

**Index tracks performance of select mid cap companies selected based on profitability, leverage and earnings growth variability**

**Mumbai:** NSE's index subsidiary, NSE Indices limited, has today launched a quality-factor based smart-beta mid-cap index namely, Nifty Midcap150 Quality 50.

The Nifty Midcap150 Quality 50 index includes top 50 companies from its parent Nifty Midcap 150 index, selected based on their 'quality' scores. The quality score for each company is determined based on return on equity, financial leverage (except for financial services companies) and earning per share (EPS) growth variability of each stock analysed during the previous 5 financial years. The weight of each stock in the index is based on a combination of stock's quality score and its free float market capitalization.

The base date for the index is April 01, 2005 and base value is 1000. The index composition is reconstituted on a semi-annual basis.

"Globally, popularity of smart beta indices is picking up with assets under management of Exchange Traded Funds (ETFs) and Exchange Traded Products (ETPs) tracking such indices steadily increasing at a rate of more than 20 percent per annum during the past 5 years to reach ~\$756 bn. as on June 30, 2019 (Source: ETFGI). In India, with availability of various smart beta indices, ETFs based on such indices are also expected to pick up. The launch of Nifty Midcap150 Quality 50 index, along with the existing suite of Nifty smart beta indices reinforces NSE's commitment towards developing the passive fund management space." said Mukesh Agarwal, CEO, NSE Indices Limited.

The Nifty Midcap150 Quality 50 index will be calculated on an end-of-day basis. The index is expected to act as a benchmark for asset managers looking for a reliable metric that measures risk-return dynamics of quality-factor based mid-cap portfolios. The index is also expected to be reference index tracked by passive funds in the form of Exchange Traded Funds (ETFs) or index funds and by structured products.

For more information on index methodology and factsheet, please visit us at [www.niftyindices.com](http://www.niftyindices.com) or [www.nseindia.com](http://www.nseindia.com)

### **About National Stock Exchange of India Limited (NSE):**

National Stock Exchange of India Ltd. (NSE) is the leading stock exchange in India and the second largest in the world by nos. of trades in equity shares from January to December 2018, according to World Federation of Exchanges (WFE) report. 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 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](http://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 comprises of broad-based benchmark indices, sectorial indices, strategy indices, thematic indices and customized 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](http://www.niftyindices.com)

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