

The CNX Nifty is a well-diversified 50 stock index accurately reflecting overall market conditions. The reward-to-risk ratio of CNX Nifty is higher than other leading indices, making it a more attractive portfolio hence offering similar returns, but at lesser risk.

CNX Nifty is based upon solid economic research and is well respected internationally as a pioneering effort in better understanding how to make a stock market index. CNX Nifty Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.

CNX Nifty can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETF's and structured products.

Index Methodology

Eligibility Criteria for Selection of Constituent Stocks

- i. Market impact cost is the best measure of the liquidity of a stock. It accurately reflects the costs faced when actually trading an index. For a stock to qualify for possible inclusion into the CNX Nifty, have traded at an average impact cost of 0.50% or less during the last six months for 90% of the observations, for the basket size of Rs. 20 Million.
- ii. The company should have an investable weight factor (IWF) of at least 10%.
- iii. The company should have a listing history of 6 months.
- iv. A company which comes out with an IPO will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 3 month period instead of a 6 month period.

Index Re-Balancing:

Index is re-balanced on semi – annual basis. The cut-off date is January 31 and July 31 of each year, i.e. For semi-annual review of indices, average data for six months ending the cut-off data is considered. Four weeks prior notice is given to market from the date of change.

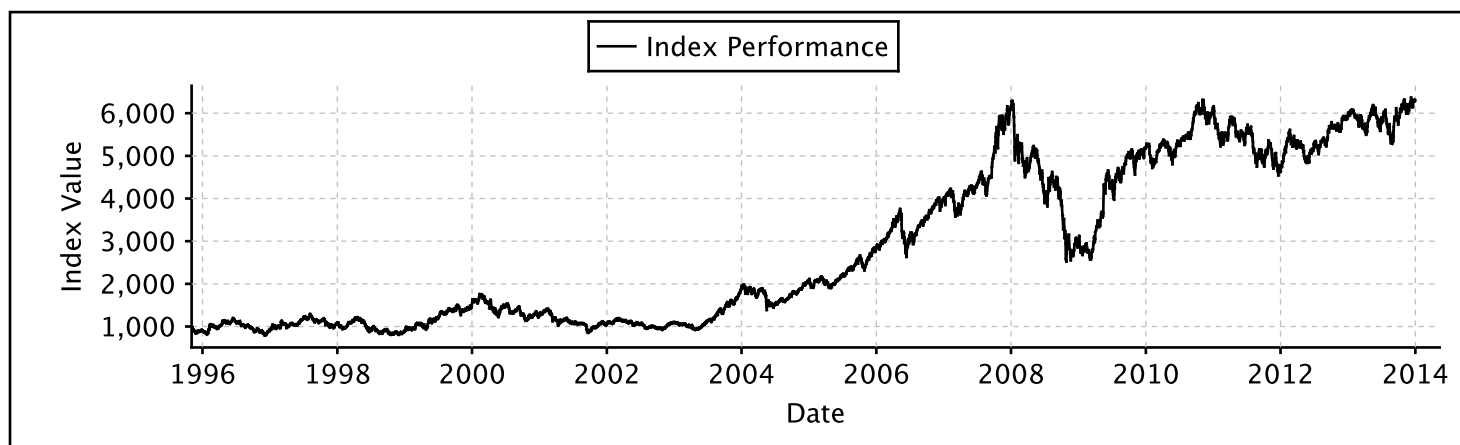
Index Governance:

A professional team at IISL manages CNX Nifty Index. There is a three-tier governance structure comprising the Board of Directors of IISL, the Index Policy Committee, and the Index Maintenance Sub-Committee.

Bloomberg:
NIFTY Index

Thomson Reuters:
.NSEI

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Portfolio Characteristics	
Methodology:	Free Float Market Capitalization
No. of Constituents:	50
Launch Date:	April 01, 1996
Base Date:	November 03, 1995
Base Value:	1000
Calculation Frequency:	Real-time Daily
Index Rebalancing:	Semi-Annually
Index PE:	18.7

Sector Representation

Sector	Weight (%)
FINANCIAL SERVICES	26.14
IT	16.89
ENERGY	14.83
CONSUMER GOODS	11.61
AUTOMOBILE	8.95
PHARMA	5.99
METALS	5.25
CONSTRUCTION	4.89
CEMENT & CEMENT PRODUCTS	2.88
TELECOM	1.90
INDUSTRIAL MANUFACTURING	0.68

Statistics

	QTD	YTD	1 Year	5 Years	Since Inception
Returns (%)	9.92	6.76	6.76	16.32	10.66

QTD, YTD and 1 year returns are not annualized

	1 Year	5 Years	Since Inception
Std. Deviation	1.13	1.39	1.64
Beta (Nifty)	1.00	1.00	1.00
Correlation (Nifty)	1.00	1.00	1.00

Top 10 constituents by weightage

Company's Name	Weight (%)
I T C Ltd.	8.58
Infosys Ltd.	8.14
Reliance Industries Ltd.	7.12
ICICI Bank Ltd.	6.13
Housing Development Finance Corporation Ltd.	5.99
HDFC Bank Ltd.	5.96
Tata Consultancy Services Ltd.	5.36
Larsen & Toubro Ltd.	4.21
Tata Motors Ltd.	3.27
Oil & Natural Gas Corporation Ltd.	2.47