

The 'Quality' investment strategy aims to cover companies which have durable business model resulting in sustained margins and returns. The Index constituents are selected based on indicators like Return on Equity, Debt-to-equity ratio and average year-on-year growth in PAT in previous three years. NSE Quality 30 Index consists of 30 stocks selected on the basis of quality score from a diverse pool of 100 large and liquid securities. Constituent weights are capped at 10%.

This index will serve as ideal benchmark for passive investments based on quality investment theme. The asset management companies can launch ETFs or other financial products on the NSE Quality 30 index providing opportunity for investors to invest in quality companies.

### Index Methodology

#### Eligibility Criteria for Selection of Constituent Stocks

- i. Initial selection of companies with Top 200 rank by FF Mcap and Aggregate Turnover
- ii. Companies with negative net worth or free float less than 10% or trading frequency less than 90% in previous 6 months are excluded.
- iii. Top 100 companies are selected by average free-float market capitalization in the last six months.
- iv. Companies which incurred loss (negative PAT) in any of previous 3 financial years are excluded
- v. Quality score is calculated from the weighted average Z score of Return on equity (ROE), Debt-to-equity ratio (D/E) and Average year-on-year/growth in PAT in the previous 3 financial year.
- vi. Companies which are not IRDA dividend norm compliant are
- vii.

#### Index Governance:

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

#### **Contact Us:**

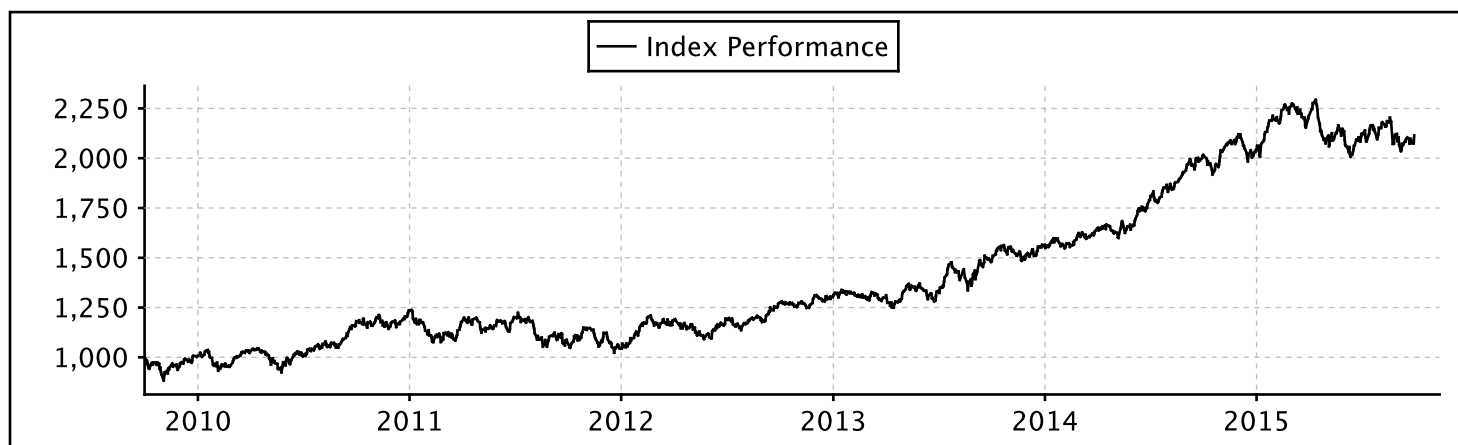
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#### Index Re-Balancing:

Index is rebalanced annually in the month of October. For annual review of indices, average data for six months ending data is considered. Four weeks prior notice is given to market from the date of change.



### Portfolio Characteristics

Methodology	Periodic Capped Free Float
No. of Constituents	30
Launch Date	March 19, 2015
Base Date	October 01, 2009
Base Value	1000
Calculation Frequency	End of day daily
Index Rebalancing	Annually Re-based

### Sector Representation

Sector	Weight (%)
IT	31.47
CONSUMER GOODS	23.78
PHARMA	17.76
AUTOMOBILE	15.01
CEMENT & CEMENT PRODUCTS	4.71
METALS	4.17
ENERGY	1.85
INDUSTRIAL MANUFACTURING	1.25

### Statistics

	QTD	YTD	1 Year	5 Years	Since Inception
Returns (%) <sup>#</sup>	0.49	3.55	5.12	12.75	13.29

	1 Year	5 Years	Since Inception
Std. Deviation *	14.21	14.40	14.73
Beta (Nifty)	0.78	0.75	0.77
Correlation (Nifty)	0.89	0.89	0.89

### Fundamentals

P/E	P/B	Dividend Yield
32.64	7.39	1.56

### Top 10 constituents by weightage

Company's Name	Weight (%)
Infosys Ltd.	10.65
I T C Ltd.	10.15
Tata Consultancy Services Ltd.	10.13
Sun Pharmaceutical Industries Ltd.	7.98
Maruti Suzuki India Ltd.	5.23
Hindustan Unilever Ltd.	4.87
Tata Motors Ltd.	4.77
HCL Technologies Ltd.	4.59
Dr. Reddy's Laboratories Ltd.	4.46
Lupin Ltd.	4.12

<sup>#</sup> QTD, YTD and 1 year returns are absolute returns. Returns for greater than one year are CAGR returns.

\* Average daily standard deviation annualised

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