

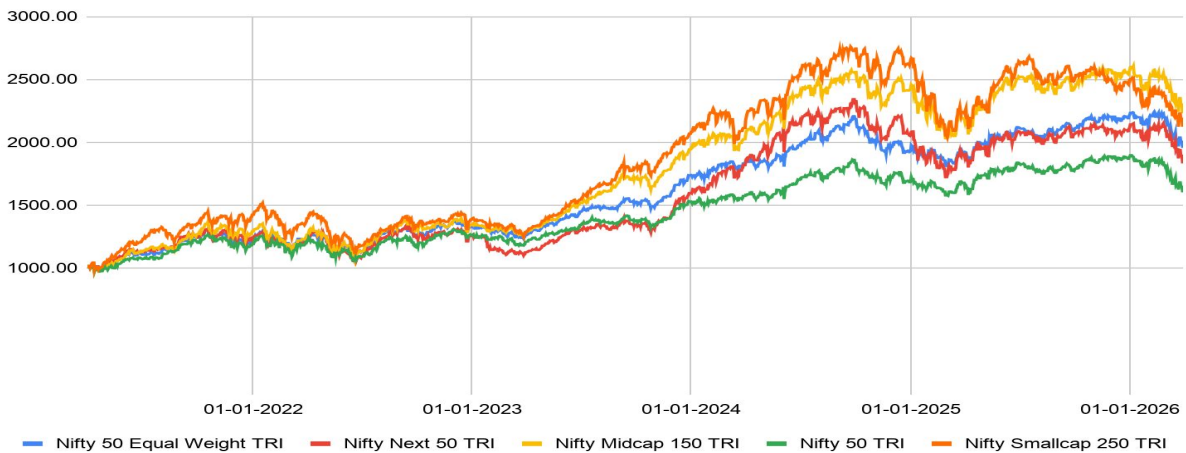
THE FACTOR FRONTIER

YOUR QUARTERLY GUIDE TO FACTOR INVESTING.

EDITION 12 | March 2026

Market Outlook

Market Cap Indices Performance (Last 5 Years)

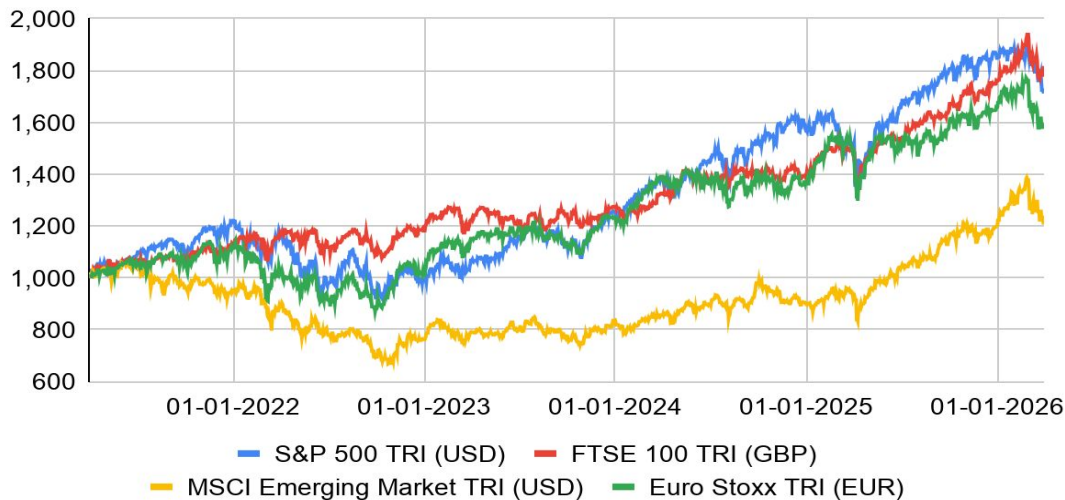


Source: CMIE | Data from 31st March, 2021 to 31st March, 2026

Over the past quarter (1Q), the Nifty 50 Equal Weight TRI was the best performer with a return of -11.18%, followed by the Nifty Midcap 150 TRI at -12.63% and the Nifty Next 50 TRI at -12.72%. The Nifty Smallcap 250 TRI and Nifty 50 TRI saw steeper declines of -14.28% and -14.44% respectively. Over the past year (1Y), the Nifty Midcap 150 TRI led with a return of 2.27%, followed by the Nifty 50 Equal Weight TRI at 2.18%. Other indices posted negative returns, with the Nifty Next 50 TRI at -3.33%, the Nifty 50 TRI at -3.99%, and the Nifty Smallcap 250 TRI declining the most at -4.86%.



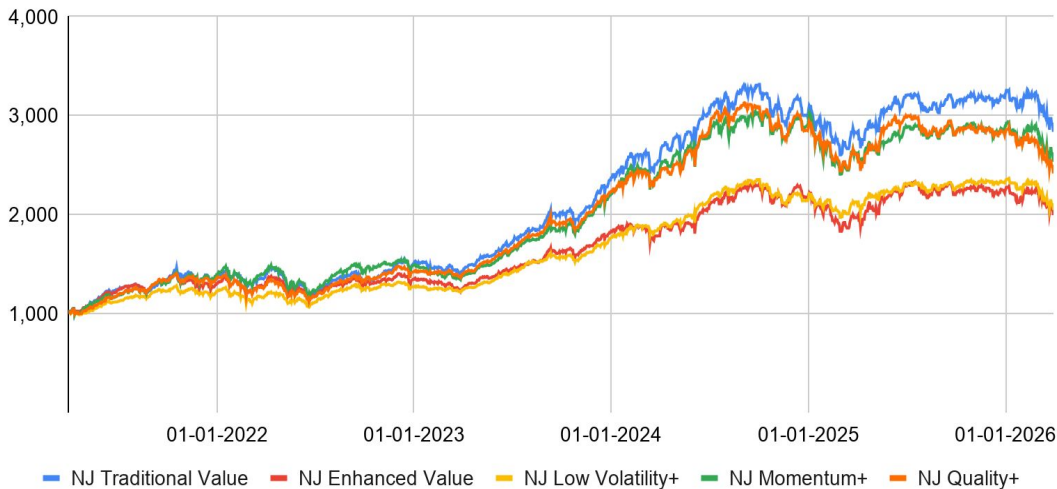
Global Indices Performance (Last 5 Years)



Source: Bloomberg | Data from 31st March, 2021 to 31st March, 2026

In the previous quarter, the FTSE 100 TRI (GBP) and MSCI Emerging Market TRI (USD) saw modest gains of 2.93% and 0.90% respectively, while the S&P 500 TRI (USD) and Euro Stoxx TRI (EUR) experienced declines of 7.05% and 4.10%. Over the past year, all indices showed positive growth, with the MSCI Emerging Market TRI leading at 30.93%, followed by the FTSE 100 at 22.05%, the S&P 500 at 14.46%, and the Euro Stoxx at 8.09%.

NJ Factor Indices Performance (Last 5 Years)



Source: NJ Smart Beta | Data from 31st March, 2021 to 31st March, 2026

For the previous quarter, NJ Enhanced Value performed the best at -10.73%, followed by NJ Traditional Value at -11.46% and NJ Low Volatility+ at -11.88%. NJ Momentum+ returned -12.03%, and NJ Quality+ had the lowest return at -14.22%. Looking at the previous year, NJ Enhanced Value delivered the highest return at 2.03%, followed by NJ Traditional Value at 0.82%. NJ Momentum+ saw a decrease of 2.81%, NJ Low Volatility+ returned -3.14%, and NJ Quality+ had the largest decline at 6.92%.

Recent Point to Point Performance

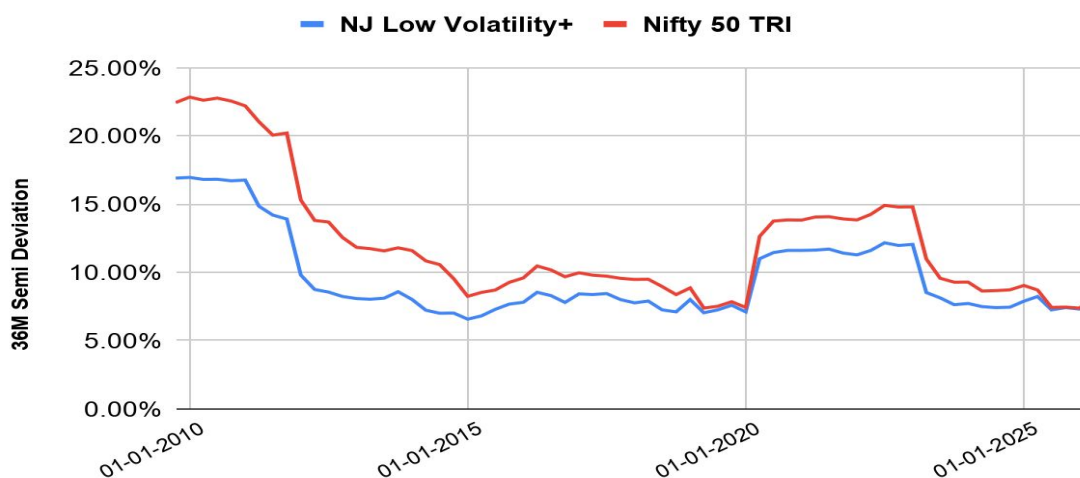
Point-to-Point returns summary

	NJ Quality+	NJ Enhanced Value	NJ Momentum+	NJ Low Volatility+	NJ Traditional Value	NIFTY 50 TRI
MTD(%)	-11.06%	-10.48%	-10.96%	-10.68%	-11.03%	-11.30%
3M(%)	-13.28%	-9.52%	-11.22%	-11.13%	-10.40%	-13.81%
6M(%)	-13.36%	-8.76%	-9.40%	-8.64%	-8.03%	-9.02%
1Y(%)	-6.95%	2.00%	-2.88%	-3.17%	0.78%	-3.99%
3Y (ann.)(%)	20.78%	17.64%	23.07%	18.90%	26.19%	10.62%
5Y (ann.)(%)	19.46%	15.00%	20.68%	15.58%	23.31%	9.78%
10Y (ann.)(%)	18.65%	15.11%	22.45%	15.63%	17.63%	12.53%
All-time(ann.)(%)	17.80%	14.50%	21.10%	16.56%	15.40%	11.14%

Data from 30th Sep, 2006 to 31st Mar, 2026

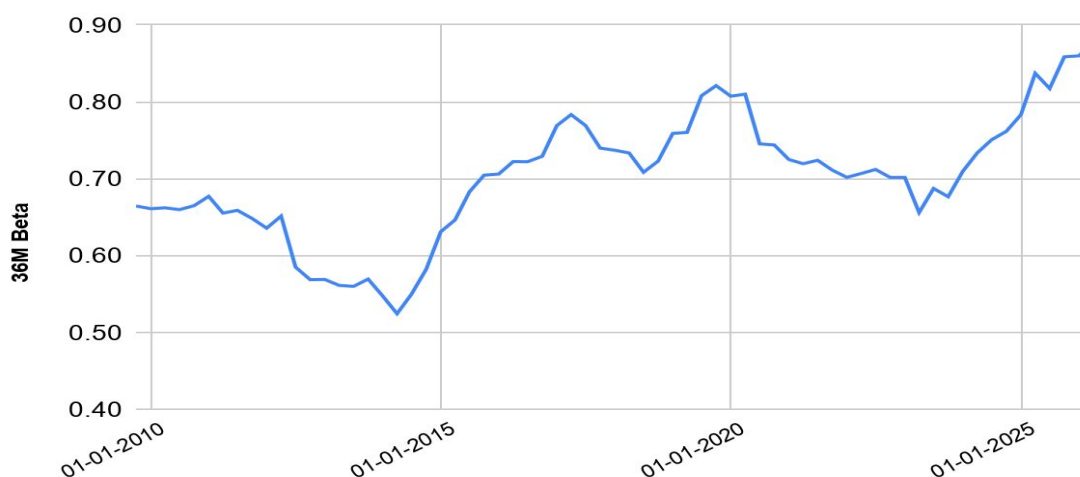
Historical Factor Trends

NJ Low Volatility+ vs Nifty 50 TRI: Historical 36M Semi Deviation



Source: CMIE, NJ Smart Beta | Data from 30th Sept, 2009 to 31st Mar, 2026

NJ Low Volatility+ : Historical 36M Beta Against Nifty 50



Source: CMIE, NJ Smart Beta | Data from 30th Sept, 2009 to 31st Mar, 2026

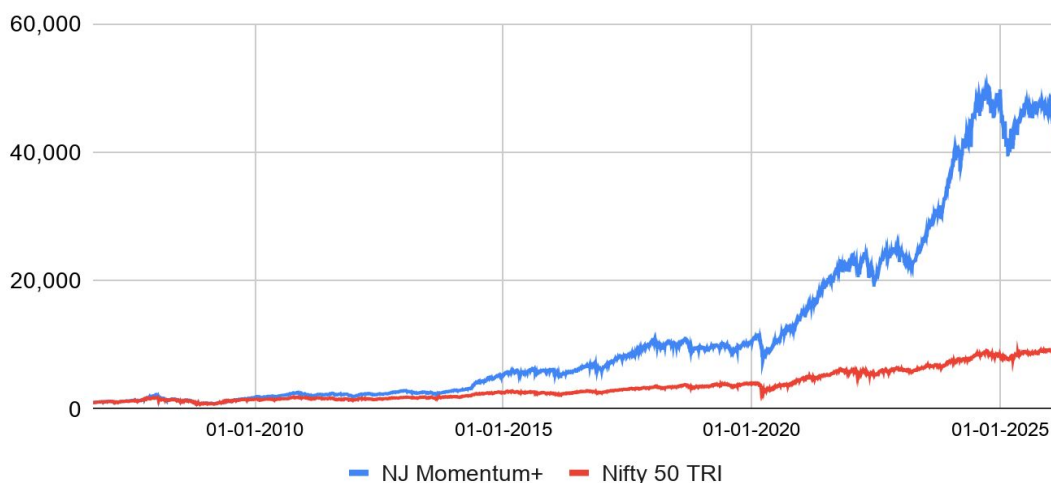
NJ Low Volatility+ and Nifty 50 TRI Parameter Averages

Parameter	NJ Low Volatility+	Nifty 50 TRI
36M Weekly Annualised Volatility	12.45%	11.95%
36M Weekly Beta	0.88	1.00

As on 31st March, 2026

The NJ Low Volatility+ strategy demonstrates a stable risk profile with a weekly annualised volatility of 12.45% compared to 11.95% for the Nifty 50 TRI. Furthermore, the strategy exhibits a weekly beta of 0.88, indicating that it is less sensitive to market fluctuations than the benchmark.

NJ Momentum+ vs Nifty 50 TRI : Cumulative Growth Chart



Source: CMIE, NJ Smart Beta | Data from 30th Sep, 2006 to 31st Mar, 2026

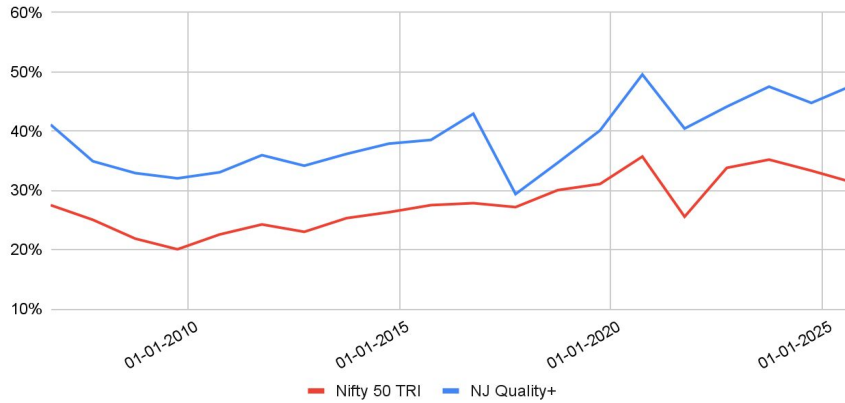
Parameter	3-Month Return	6-Month Return	1-Year Return	3-Year CAGR	5-Year CAGR	10-Year CAGR	Since Inception CAGR
NJ Momentum+	-11.22%	-9.40%	-2.88%	23.07%	20.68%	22.45%	21.10%
Nifty 50 TRI	-13.81%	-9.02%	-3.99%	10.62%	9.78%	12.53%	11.14%

As on 31st March, 2026

NJ Momentum+ has demonstrated strong performance relative to the Nifty 50 TRI, outperforming the benchmark across almost all specified timeframes. In the short term, NJ Momentum+ showed greater resilience with a 3-month return of -11.22% and a 1-year return of -2.88%, compared to the Nifty 50 TRI's returns of -13.81% and -3.99% respectively. The strategy's long-term outperformance is even more significant, achieving a 3-year CAGR of 23.07% and a 5-year CAGR of 20.68%, more than double the benchmark's 10.62% and 9.78%. Over a 10-year horizon, NJ Momentum+ maintained a substantial lead with a 22.45% CAGR against 12.53% for the Nifty 50 TRI. However, the Nifty 50 TRI did show a slightly better 6-month return at -9.02% versus -9.40% for the strategy.

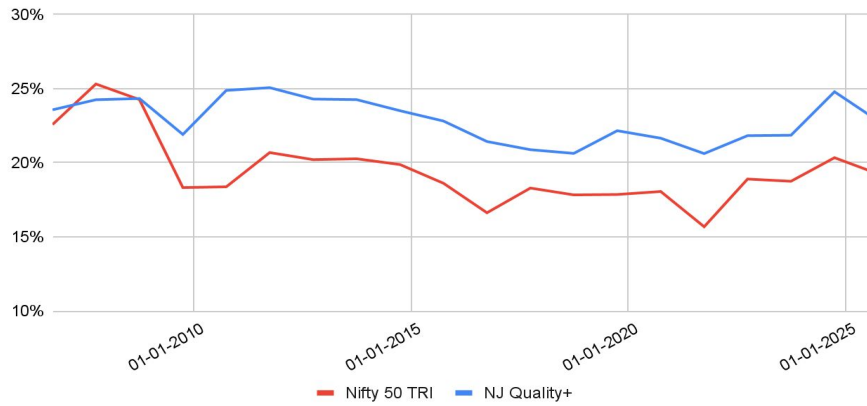
Historical Trends in NJ's Quality+ Model

NJ Quality+ vs Nifty 50 TRI : Dividend Payout



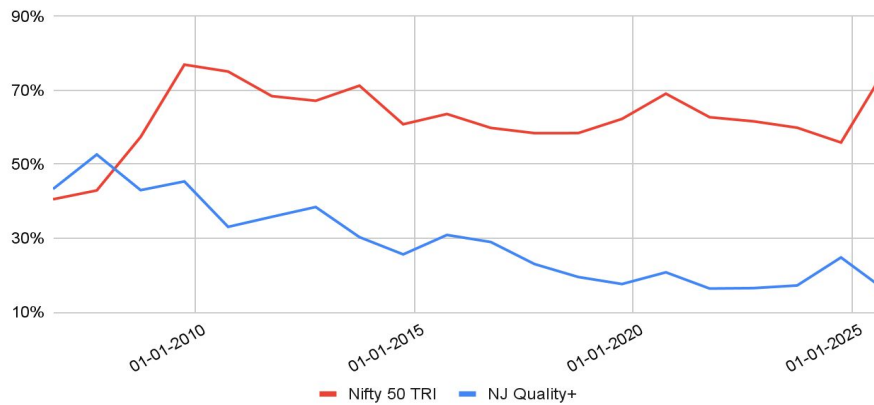
Source: CMIE, NJ Smart Beta | Data from 30th Sep, 2006 to 30th Sept, 2025

NJ Quality+ vs Nifty 50 TRI : Return on Equity



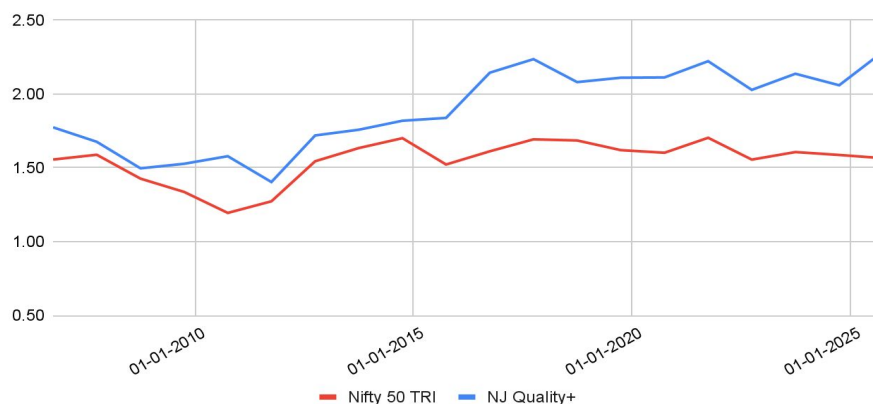
Source: CMIE, NJ Smart Beta | Data from 30th Sep, 2006 to 30th Sept, 2025

NJ Quality+ vs Nifty 50 TRI : Debt-to-Equity



Source: CMIE, NJ Smart Beta | Data from 30th Sep, 2006 to 30th Sept, 2025

NJ Quality+ vs Nifty 50 TRI : Current Ratio



Source: CMIE, NJ Smart Beta | Data from 30th Sep, 2006 to 30th Sept, 2025

NJ Quality+ and Nifty 50 TRI Parameter Averages

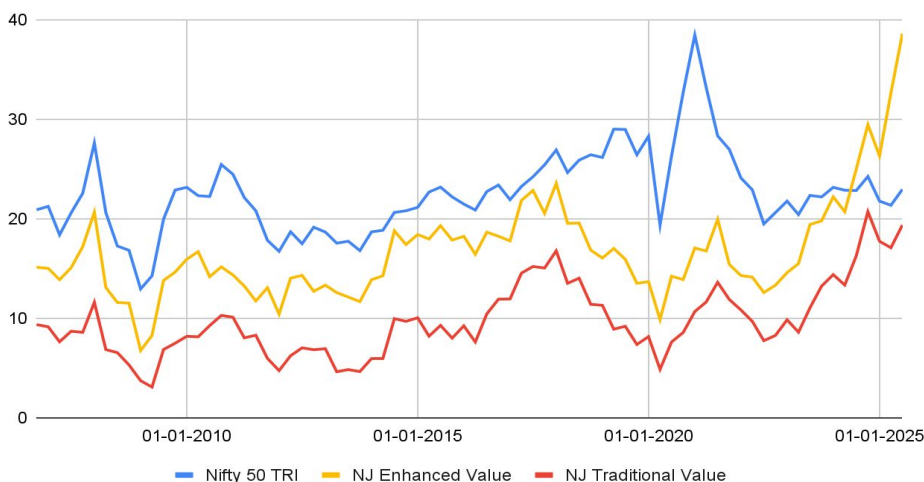
Parameter	NJ Quality+	Nifty 50 TRI
Dividend Payout	44.76%	33.33%
ROE	24.79%	20.34%
Debt To Equity	24.80%	55.90%
Current Ratio	2.06	1.59

As on 3th Sept 2025. Numbers represent simple averages of all constituents.
Debt to Equity ratio is considered for non lending companies only. Only Non-Financial companies have been included in Current Ratio.
Chart has been plotted based on annual data.

The NJ Quality+ fund exhibits superior quality metrics compared to the Nifty 50 TRI, demonstrating a higher Dividend Payout of 44.76% versus 33.33%, and a significantly better Return on Equity (ROE) at 24.79% against 20.34%. Furthermore, NJ Quality+ maintains a considerably lower Debt To Equity ratio of 24.80% compared to 61.45% for Nifty 50 TRI, and boasts a stronger Current Ratio of 2.06 versus 1.59, indicating better short-term liquidity.

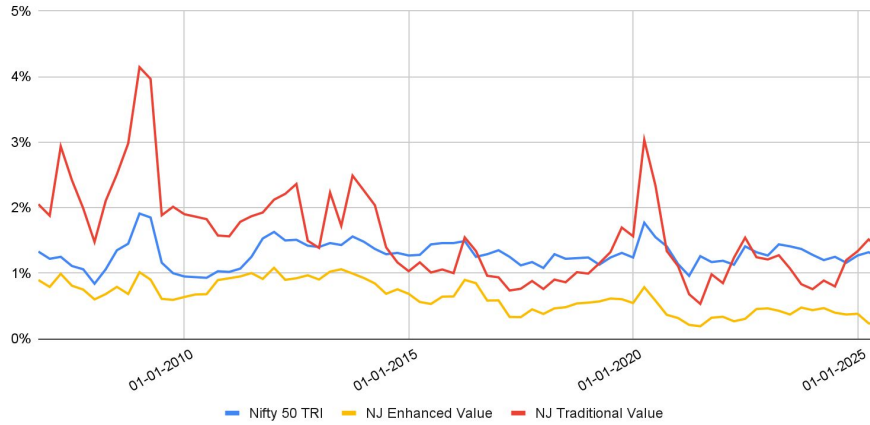
Historical Trends in NJ Traditional Value and NJ Enhanced Value

NJ Value vs Nifty 50 TRI : Price to Earnings



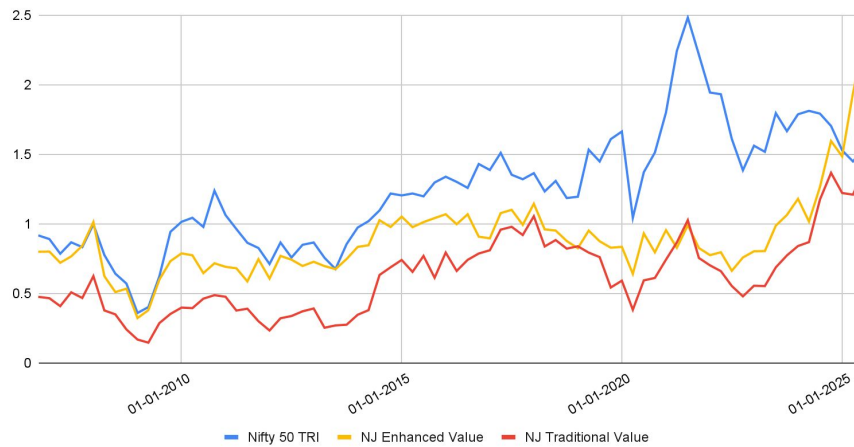
Source: CMIE, NJ Smart Beta, Nifty Indices | Data from 30th Sep, 2006 to 30th Sept, 2025

NJ Value vs Nifty 50 TRI : Dividend Yield



Source: CMIE, NJ Smart Beta, Nifty Indices | Data from 30th Sep, 2006 to 30th Sept, 2025

NJ Value vs 50 TRI : PE to Growth



Source: CMIE, NJ Smart Beta | Data from 30th Sep, 2006 to 30th Sept, 2025

NJ Traditional Value, NJ Enhanced Value and Nifty 50 TRI Parameter Averages

Parameter	NJ Traditional Value	NJ Enhanced Value	Nifty 50 TRI
PE to Growth	1.39	2.31	1.54
Dividend Yield	1.38%	0.21%	1.24%
Price to Earnings	19.38	38.61	22.97

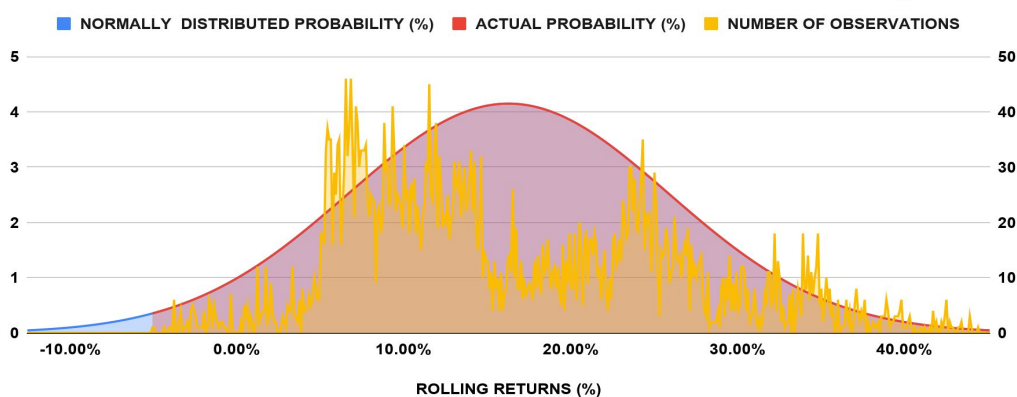
As on 30th Sept, 2025. Numbers for PE to Growth, Dividend Yield and PE represent harmonic mean of all constituents. Loss Making companies have not been considered while calculating average. Chart has been plotted based on quarterly data. Dividend Yield and Price to Earnings of Nifty 50 TRI are taken from the official website of Nifty Indices.

The NJ Enhanced Value portfolio shows a significantly higher Price to Earnings ratio and PE to Growth, suggesting higher growth expectations but also a greater valuation premium compared to NJ Traditional Value and Nifty 50 TRI. The NJ Traditional Value offers the highest Dividend Yield, indicating a focus on income, while its valuations are the lowest. Nifty 50 TRI sits in the middle across all three metrics.

Risk and Return Statistical Analysis of Factors

NJ Traditional Value

NJ Traditional Value: Normal Distribution vs Actual Returns Distribution of Rolling Returns



NJ Traditional Value: Rolling Returns Over Time

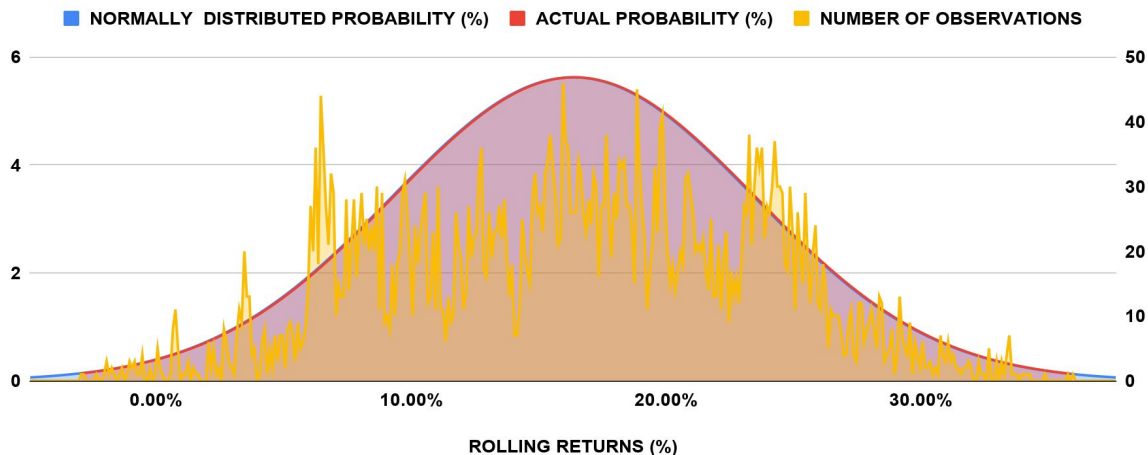


5Yr Return Distribution Summary

NJ Traditional Value	
Mean Return	16.28%
Median Return	13.76%
Std Dev Of Returns	9.62%
Max Return	46.45%
Min Return	-5.07%
Negative Observation (%)	1.57%
% Of Observations Between 0% & 10%	30.68%
% Of Observations Between 10% & 15%	22.79%
% Of Observations Between 15% & 20%	9.76%
% Of Observations Between 20% & 30%	25.03%
% Of Observations >= 30% Return	10.18%
Total Observations	5,297

Source: CMIE, NJ Smart Beta. Data from 30th Sep, 2006 to 31st Mar, 2026

NJ Enhanced Value: Normal Distribution vs Actual Returns Distribution of Rolling Return



NJ Enhanced Value: Rolling Returns Over Time

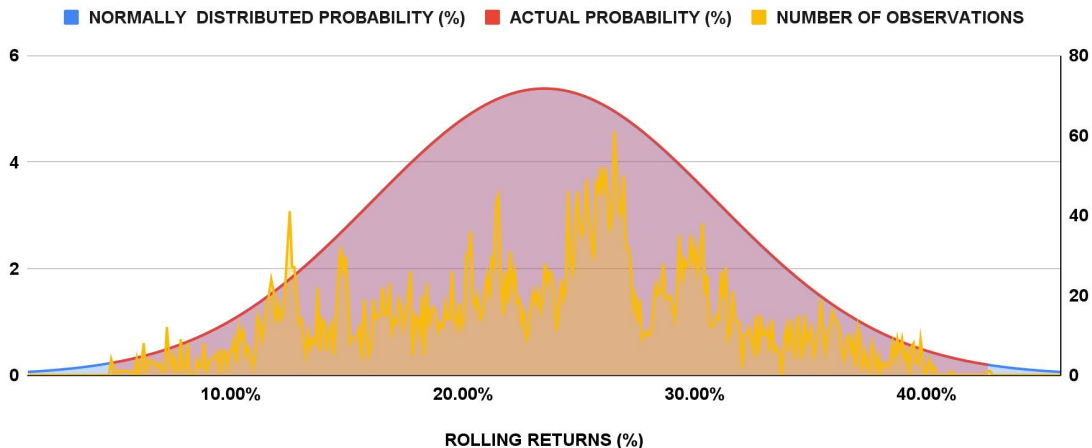


5Yr Return Distribution Summary

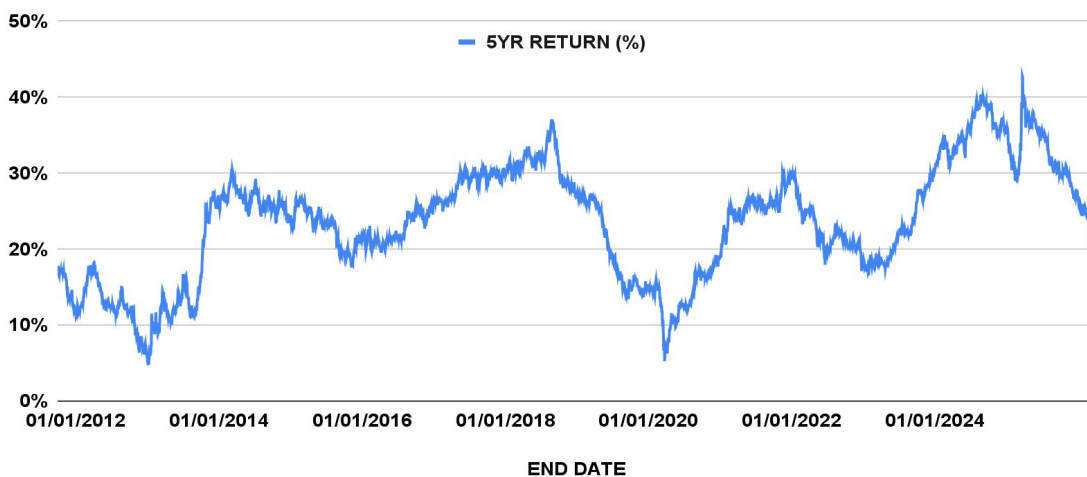
NJ Enhanced Value	
Mean Return	16.35%
Median Return	16.57%
Std Dev Of Returns	7.10%
Max Return	35.93%
Min Return	-2.99%
Negative Observation (%)	0.66%
% Of Observations Between 0% & 10%	21.84%
% Of Observations Between 10% & 15%	18.35%
% Of Observations Between 15% & 20%	26.92%
% Of Observations Between 20% & 30%	30.45%
% Of Observations >= 30% Return	1.77%
Total Observations	5,297

Source: CMIE, NJ Smart Beta. Data from 30th Sep, 2006 to 31st Mar, 2026

NJ Momentum+: Normal Distribution vs Actual Returns Distribution of Rolling Returns



NJ Momentum+: Rolling Returns Over Time

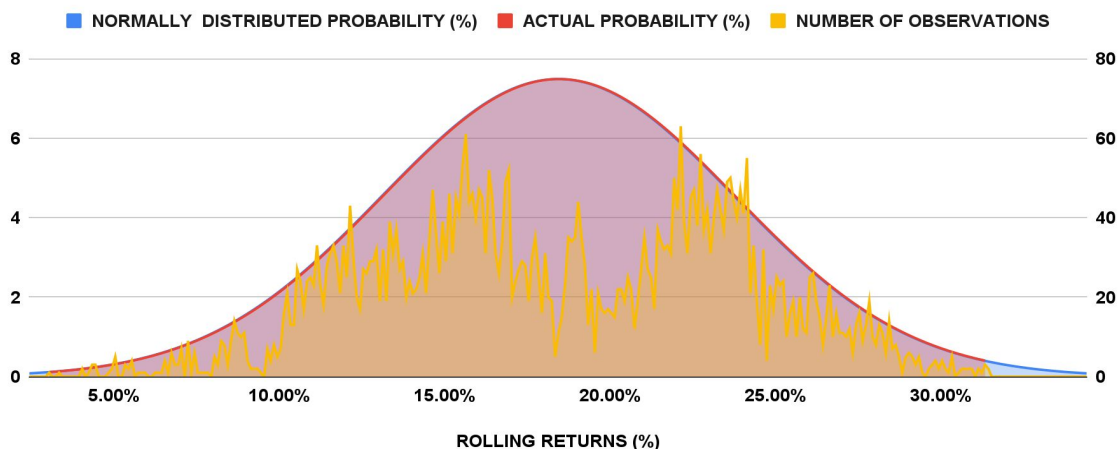


5Yr Return Distribution Summary

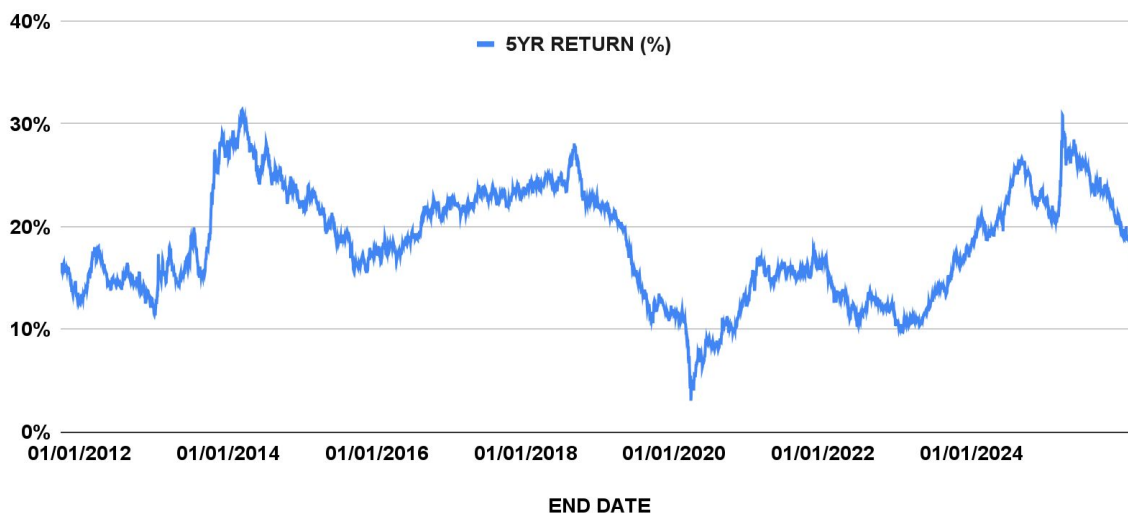
NJ Momentum+	
Mean Return	23.50%
Median Return	24.60%
Std Dev Of Returns	7.42%
Max Return	42.67%
Min Return	4.82%
Negative Observation (%)	0.00%
% Of Observations Between 0% & 10%	3.00%
% Of Observations Between 10% & 15%	13.84%
% Of Observations Between 15% & 20%	13.52%
% Of Observations Between 20% & 30%	50.84%
% Of Observations >= 30% Return	18.80%
Total Observations	5,297

Source: CMIE, NJ Smart Beta. Data from 30th Sep, 2006 to 31st Mar, 2026

NJ Low Volatility+: Normal Distribution vs Actual Returns Distribution of Rolling Returns



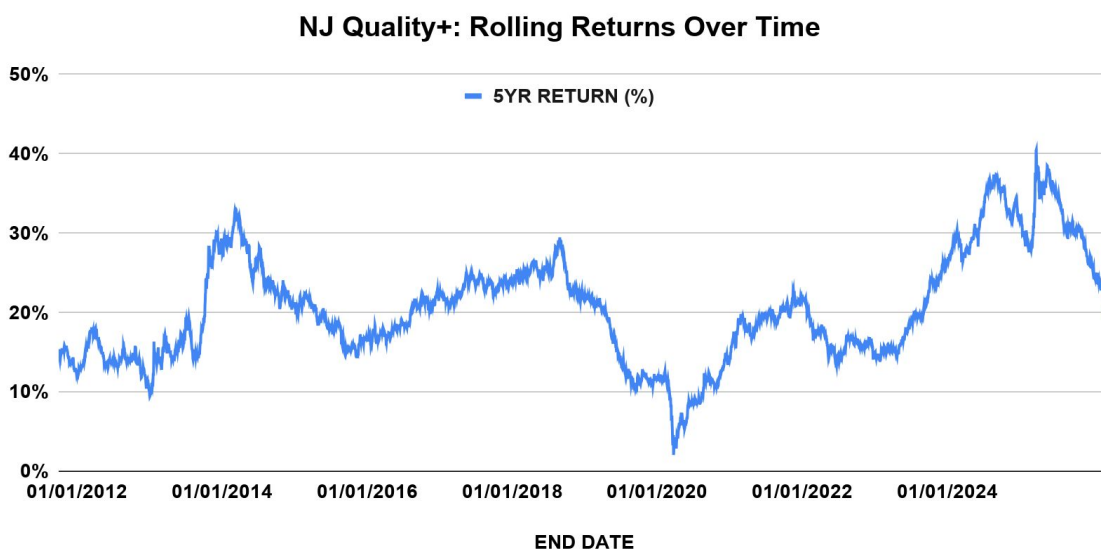
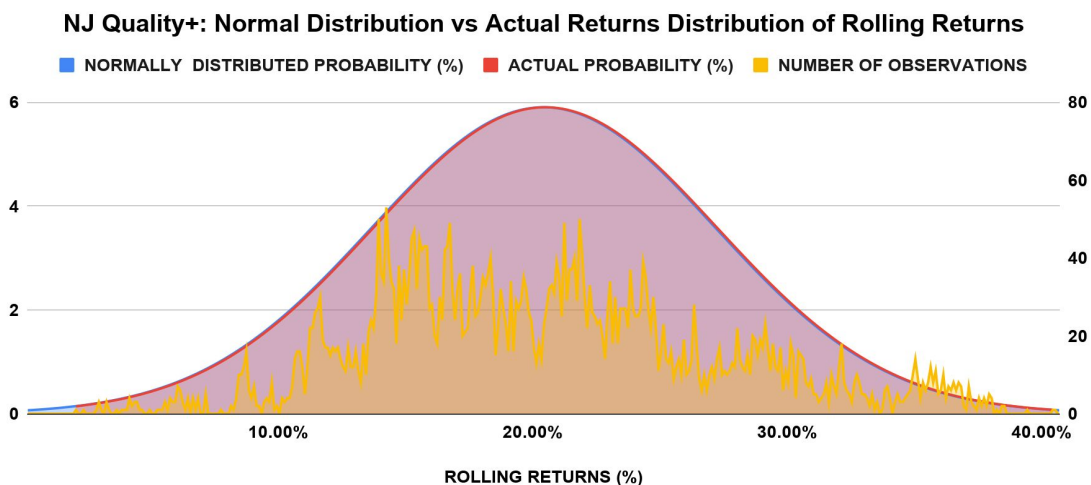
NJ Low Volatility+: Rolling Returns Over Time



5Yr Return Distribution Summary

NJ Low Volatility+	
Mean Return	18.44%
Median Return	18.06%
Std Dev Of Returns	5.33%
Max Return	31.40%
Min Return	3.02%
Negative Observation (%)	0.00%
% Of Observations Between 0% & 10%	3.74%
% Of Observations Between 10% & 15%	25.05%
% Of Observations Between 15% & 20%	29.11%
% Of Observations Between 20% & 30%	41.61%
% Of Observations >= 30% Return	0.49%
Total Observations	5,297

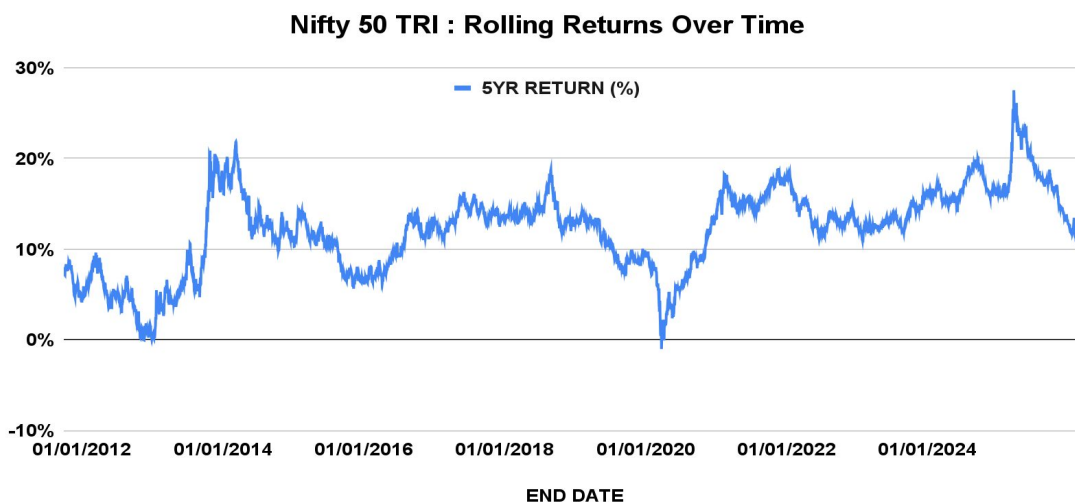
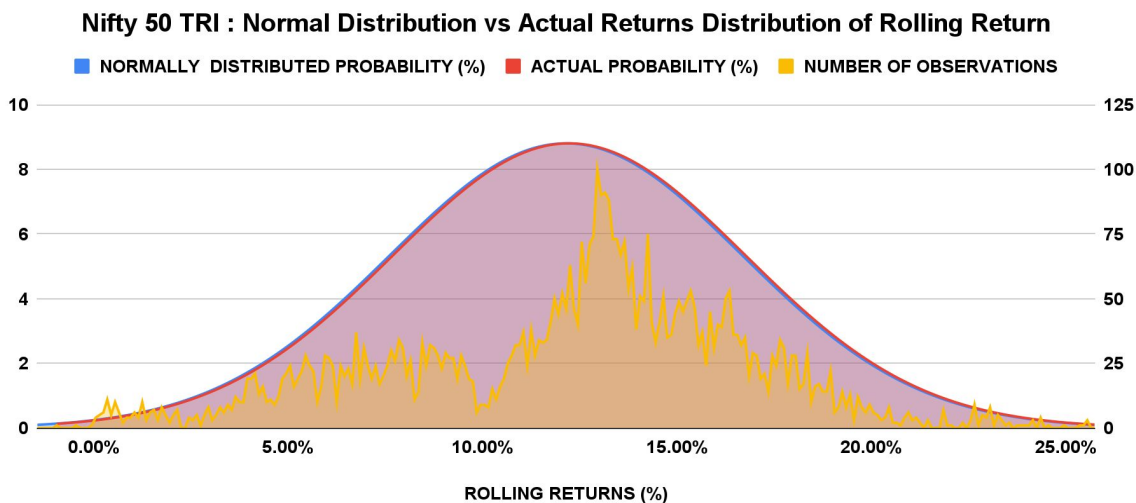
Source: CMIE, NJ Smart Beta. Data from 30th Sep, 2006 to 31st Mar, 2026



5Yr Return Distribution Summary

NJ Quality+	
Mean Return	20.43%
Median Return	19.75%
Std Dev Of Returns	6.76%
Max Return	40.46%
Min Return	1.98%
Negative Observation (%)	0.00%
% Of Observations Between 0% & 10%	3.40%
% Of Observations Between 10% & 15%	18.58%
% Of Observations Between 15% & 20%	29.05%
% Of Observations Between 20% & 30%	39.25%
% Of Observations >= 30% Return	9.72%
Total Observations	5,297

Source: CMIE, NJ Smart Beta. Data from 30th Sep, 2006 to 31st Mar, 2026



5Yr Return Distribution Summary

NIFTY 50 TRI	
Mean Return	12.15%
Median Return	12.89%
Std Dev Of Returns	4.53%
Max Return	27.55%
Min Return	-1.03%
Negative Observation (%)	0.13%
% Of Observations Between 0% & 10%	28.83%
% Of Observations Between 10% & 15%	44.59%
% Of Observations Between 15% & 20%	24.05%
% Of Observations Between 20% & 30%	2.40%
% Of Observations >= 30% Return	0.00%
Total Observations	5,297

Source: CMIE, NJ Smart Beta. Data from 30th Sep, 2006 to 31st Mar, 2026

Factor Correlations

Correlation Matrix based on excess return of each factor over Nifty 500 TRI

	NJ Enhanced Value	NJ Traditional Value	NJ Low Volatility+	NJ Momentum+	NJ Quality+
NJ Enhanced Value	1	0.78	0.65	0.67	0.79
NJ Traditional Value	0.78	1	0.49	0.64	0.69
NJ Low Volatility+	0.65	0.49	1	0.6	0.83
NJ Momentum+	0.67	0.64	0.6	1	0.73
NJ Quality+	0.79	0.69	0.83	0.73	1

Source: CMIE, NJ Smart Beta. Data from 30th Sept, 2006 to 31st Mar, 2026

Exploring the correlations and interconnections between factors is of extreme importance as it helps to design an optimally diversified factor model. The factor correlation has been calculated by using excess return over Nifty 500 TRI.

NJ Enhanced Value exhibits a strong positive correlation with NJ Quality+ at 0.79 and NJ Traditional Value at 0.78, while maintaining more moderate relationships with NJ Momentum+ at 0.67 and NJ Low Volatility+ at 0.65.

NJ Traditional Value shows its highest correlation with NJ Enhanced Value at 0.78, followed by NJ Quality+ at 0.69 and NJ Momentum+ at 0.64, with its lowest correlation being 0.49 against NJ Low Volatility+.

NJ Low Volatility+ is most closely aligned with NJ Quality+ at a correlation of 0.83, while showing lower dependencies with NJ Enhanced Value at 0.65, NJ Momentum+ at 0.60, and its weakest link with NJ Traditional Value at 0.49.

NJ Momentum+ demonstrates relatively consistent correlations across the board, peaking with NJ Quality+ at 0.73, followed by NJ Enhanced Value at 0.67, NJ Traditional Value at 0.64, and NJ Low Volatility+ at 0.60.

NJ Quality+ maintains the highest overall connectivity within the group, correlating most strongly with NJ Low Volatility+ at 0.83, NJ Enhanced Value at 0.79, and NJ Momentum+ at 0.73, while its lowest correlation is with NJ Traditional Value at 0.69.





1. Value Research-Why low volatility is not a substitute for quality?

The article highlights that low volatility and quality investing are often seen as similar but serve different roles; low volatility reflects stable price movement, while quality represents strong businesses. Combining both helps create a balanced portfolio for consistent long-term growth.



2. Value Research – Should you buy the best-performing factor now?

The article highlights that chasing the best-performing factor can be misleading, as factors like value, momentum, quality, and low volatility keep rotating with market cycles. Instead of timing winners, combining multiple factors helps build a more balanced portfolio for consistent long-term growth.



3. Value Research – Power of a balanced line-up

The article highlights that factor performance keeps changing across market cycles, making single-factor investing unreliable. A balanced approach by combining factors like quality, value, momentum, and low volatility helps build a more consistent and resilient portfolio for long-term growth.





Disclaimer: NJ Quality+, NJ Traditional Value, NJ Momentum+, NJ Enhanced Value and NJ Low Volatility+ is an in-house proprietary module developed by NJ Asset Management Private Limited and is not an indication of model / return of any Investment Approach / Scheme Offered by NJ Asset Management Private Limited (NJAMPL). Past Performance may or may not sustain in future. All data/information used in the preparation of this material is dated and may or may not be relevant any time after the issuance of this material. NJAMPL takes no responsibility for updating any data/information in this material from time to time. In the preparation of this material NJAMPL has used information that is publicly available, including information developed in-house. Some of the material used herein may have been obtained from members/persons other than the NJAMPL and/or its affiliates and which may have been made available to the NJAMPL and/or to its affiliates. Information gathered and material used herein is believed to be from reliable sources. NJAMPL however does not warrant the accuracy, reasonableness and/or completeness of any information. For data reference to any third party in this material no such party will assume any liability for the same. We have included statements /opinions/ recommendations in this material, which contain words, or phrases such as “will”, “expect”, “should”, “believe” and similar expressions or variations of such expressions that are “forward looking statements”. Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies of India, inflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes.