



BACK TO THE '80S: TRACING THE SENSEX'S JOURNEY OF LONG-TERM GROWTH

A four-decade view of India's first major index shows how long-term growth has unfolded despite periods of volatility.

The SENSEX has moved through repeated cycles of growth, correction and recovery. Despite this, the broader trend has been upward, serving as a reminder that interim volatility is part of the market journey rather than the whole story.



12.73% p.a.

CAGR over the period

2 Jan 1986–30 Sep 2026

549.43 → 72,480.29

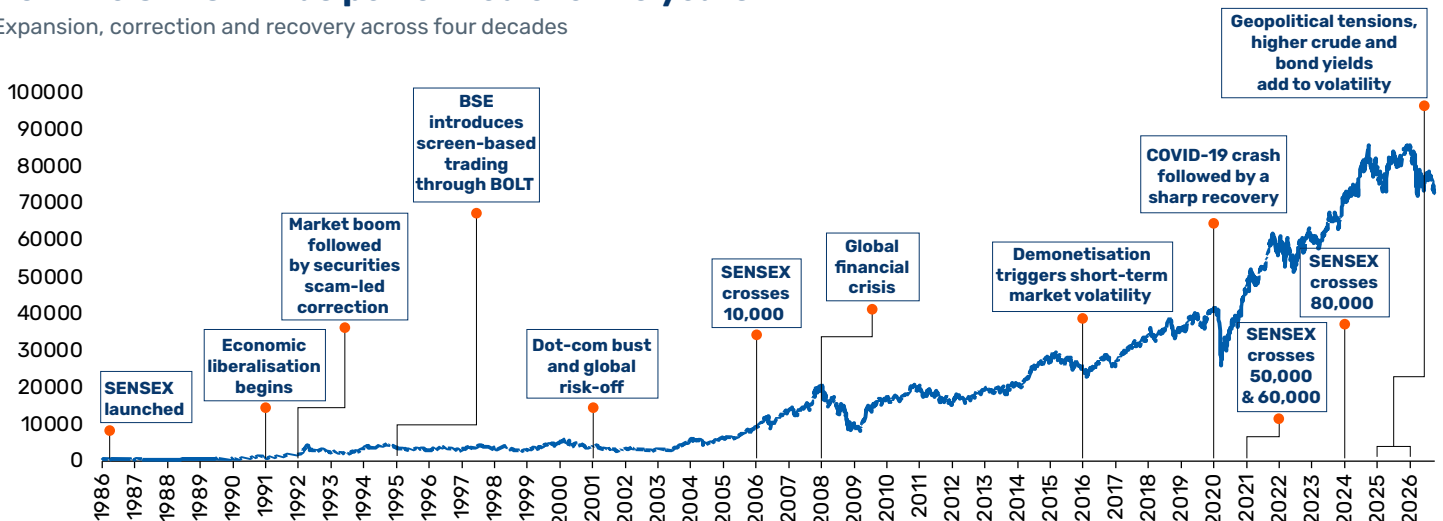
SENSEX PRI | Starting and ending index values

From banyan tree to market barometer

- **1850s** Trading under banyan trees
- **1875** Brokers' association formed
- **1970s-80s** P.J. Towers becomes home
- **1986** SENSEX launched
- **1995** BOLT brings screen trading
- **Today** A 30-company market barometer

How the SENSEX has performed over 40 years

Expansion, correction and recovery across four decades



THE BIG PICTURE

- Despite repeated ups and downs, the SENSEX's overall trend from 1986 to September 2026 was upward.
- The index recorded a CAGR of 12.73% over the period.
- The journey included sharp rallies and major corrections, including the 1992 securities scam, the 2008 global financial crisis and the COVID-19 crash in 2020.
- More recently, geopolitical tensions, higher crude prices and US bond yields, and foreign investor selling have added to market volatility.

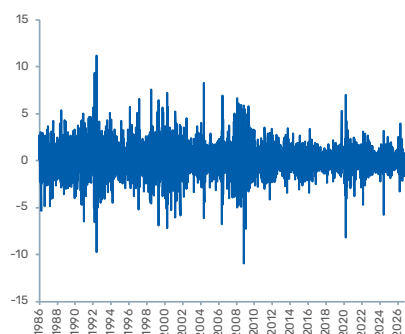
Sources: MFI360, BSE | All index values are for PRI version | Data as on September 30, 2026. | Past performance may or may not be sustained in future.

How returns varied along the way

Point-to-point CAGR shows the return between one start date and one end date. Rolling returns look at many different start and end dates across the same period, giving a fuller picture of how return experiences varied over time.

1. Sharp swings in short term

1-day rolling returns

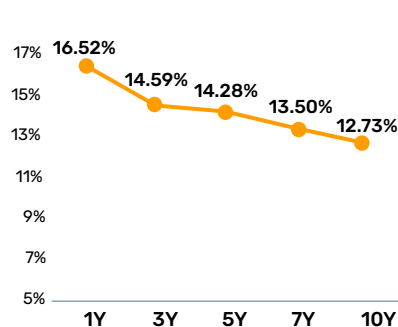


WHAT IT SHOWS

- When looking at one-day rolling returns, you can see sharp swings in the index's movement.
- This highlights the high unpredictability of equities in the short term.
- However, when you zoom out and see the view over 3 years or more, returns become more palatable.

2. Average returns comparable over longer horizons

Average annualised return (%)

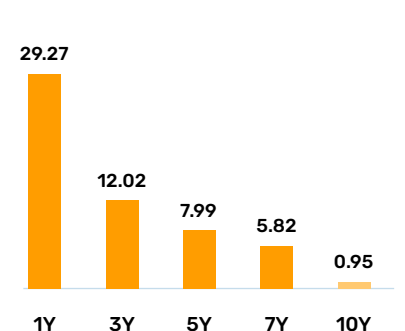


WHAT IT SHOWS

- Average annualised returns remained within a relatively narrow range of 12.7% to 14.6% over 3, 5, 7 and 10-year holding periods.
- Sharp rallies pushed up the one-year average, while longer periods reflected a mix of market rises and falls.

3. Negative returns less frequent over time

Share of negative observations (%)

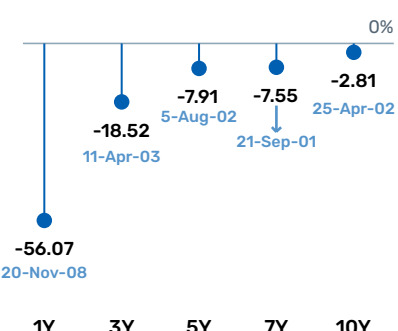


WHAT IT SHOWS

- Negative observations declined at every successive holding period.
- Fell from 29.27% for one-year returns to 7.99% at five years and 0.95% at ten years.
- Over a 10-year period, returns were positive approx. 99.05% of the time.

4. Less severe falls for longer periods

Worst annualised return (%)



WHAT IT SHOWS

- Alongside fewer negative observations, longer periods also recorded less severe losses.
- The lowest annualised return changed from -56.07% for a one-year rolling period to -2.81% at 10 years.

5. Returns became more concentrated over longer periods

Share of rolling-return observations (%)

Period	Below 0%	0% to <5%	5% to <10%	10% to <15%	15% to <20%	20% or more
1Y	29.27	8.10	9.68	9.27	8.60	35.09
3Y	12.02	14.11	19.35	19.98	10.18	24.37
5Y	7.99	12.98	18.55	26.47	10.65	23.36
7Y	5.82	5.80	23.47	32.01	11.39	21.52
10Y	0.95	8.00	19.16	37.97	26.17	7.74

WHAT IT SHOWS

- Longer holding periods saw fewer observations at either extreme: below 0% and at 20% or more.
- Annualised returns between 10% and below 20% became more common.
- Over 10-year periods, annualised returns of 10% or more were observed 72% of the time, compared with 53% over one-year periods.

KEY TAKEAWAYS

- Long-term growth was not linear, the SENSEX moved through repeated cycles of volatility, correction and recovery.
- Negative return periods became less frequent as the holding period increased.
- Worst annualised outcomes became less severe over longer horizons.
- Average annualised returns moderated over longer holding periods, alongside a narrowing of extreme outcomes.

Sources: MFI360, Internal Analysis | All values are based on Sensex PRI version | Data as on September 30, 2026.
Past performance may or may not be sustained in future.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.