

Note: Purchase/ Switch-ins and Additional Purchase:

Not Applicable Currently, the Scheme does not accept fresh lumpsum investments (including Switch-ins). Further, 1. Fresh SIP registrations (including SIP Top Up) only under Monthly frequency shall be registered for upto Rs. 10,000/- per investor (Aggregated at First holder PAN Level). 2. No new Systematic Transfers (STPs) into the Scheme shall be registered

Please note, vide addendum dated July 08 2024, the scheme shall not accept Fresh Systematic Investment Plan (SIP) registrations from July 22, 2024. Systematic transactions already registered will continue to be processed

AUM

May 2025

INR 6,664.73 Cr.

Investment Objective

To provide long-term capital appreciation by investing predominantly in equity and equity related securities of Defence & allied sector companies. There is no assurance that the investment objective of the Scheme will be achieved.

Why invest in HDFC Defence Fund?

- The fund predominantly invests in companies operating in the Defence & allied sector.
- India's strong economic growth and geopolitical considerations support long runway for growth in defence expenditure.
- Indian defence players are well positioned to benefit from Government's focus on (a) indigenization as well as, (b) capitalize on large export opportunity.
- A large increase in Research and Development (R&D) expenditure and strong manufacturing capabilities positions defence companies to tap into domestic as well as export opportunities.
- Indian defence companies display strong order book and growth potential, with healthy balance sheets
- The fund seeks to invest with a focus on growth and quality at reasonable valuations, with a diversified approach across market capitalizations.

Top 10 Equity Holdings (as on 31st May, 2025)

Company	Industry*	% to NAV
Bharat Electronics Ltd.	Aerospace & Defense	19.04
Hindustan Aeronautics Limited	Aerospace & Defense	17.24
Solar Industries India Ltd.	Chemicals & Petrochemicals	15.68
BEML Limited	Agricultural, Commercial & Construction Vehicles	10.25
Astra Microwave Products Ltd.	Aerospace & Defense	6.03
Cyient DLM Limited	Aerospace & Defense	4.07
Premier Explosives Ltd.	Chemicals & Petrochemicals	3.16
Bharat Forge Ltd.	Auto Components	2.86
MTAR Technologies Limited	Aerospace & Defense	2.61
InterGlobe Aviation Ltd.	Transport Services	2.12

Portfolio Turnover Ratio

Equity Turnover 11.34%

Total Turnover 11.34%

Total Turnover = Equity + Debt + Derivative

* Industry classification as recommended by AMFI. For complete portfolio details please refer to the website www.hdfcfund.com

Sectoral Trend (as on 31st May, 2025)

Industry	% to NAV					
	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25
Capital Goods	73.3	73.5	72.0	70.3	68.7	67.3
Chemicals	11.7	13.5	14.8	15.3	17.3	18.8
Construction	7.5	6.8	7.3	6.7	5.9	4.3
Automobile and Auto Components	0.0	0.0	0.0	0.0	0.0	2.9
Services	2.6	2.5	3.1	2.7	2.5	2.1
Power	0.9	0.8	0.8	0.9	0.8	0.3

Quantitative Data (Risk Ratios)

Standard Deviation	32.437%
Beta	0.843
Sharpe Ratio*	1.433

Computed for the 3 - year period ended May 30, 2025.
Based on month end NAV.* Risk free Rate: 5.86%
(Source: FIMMDA MIBOR)

Market Cap Segment wise Exposure

	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025
Large Cap	46.3%	47.7%	48.3%	47.4%	46.1%	40.2%
Mid Cap	7.6%	9.8%	11.6%	12.8%	14.5%	20.5%
Small Cap	42.0%	39.6%	38.1%	35.6%	34.6%	35.2%

% of Net Assets (As per AMFI classification as on December 2024)

Fund Facts

Category of Scheme	SECTORAL FUND
Fund Manager*	Rahul Baijal & Priya Ranjan (w.e.f April 18,2025)
Inception Date	June 02, 2023
Benchmark	Nifty India Defence Index TRI (Total Returns Index)
Investment Plans / Options	Regular Plan, Direct Plan. Under Each Plan: Growth & IDCW Option. The IDCW Option offers following Sub-Options: Payout of IDCW Option; and Reinvestment of IDCW Option.
Exit Load	<ul style="list-style-type: none"> In respect of each purchase/switch-in of units, an Exit load of 1% is payable if units are redeemed/switched-out within 1 year from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.

*Dedicated fund manager for overseas investments : Mr. Dhruv Muchhal (since June 22, 2023)

What's In What's Out (31st May 2025 vs 30th April 2025)

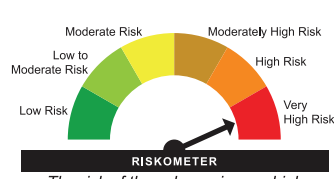
Entry	
Company Name	Industry
Bharat Forge Ltd.	Auto Components
Bharat Dynamics Ltd.	Aerospace & Defense

Exit	
Company Name	Industry
Nil	Nil

Increased Exposure	
Company Name	Industry
Solar Industries India Ltd.	Chemicals & Petrochemicals

Decreased Exposure	
Company Name	Industry
Larsen & Toubro Ltd.	Construction
Hindustan Aeronautics Ltd.	Aerospace & Defense
Bharat Electronics Ltd.	Aerospace & Defense
Adani Energy Solutions Ltd.	Power

Product labelling and Riskometer

This product is suitable for investors who are seeking*	Riskometer#
<ul style="list-style-type: none"> To generate long term capital appreciation/income Investment predominantly in equity & equity related instruments of defence and allied sector companies. <p>*Investors should consult their financial advisers, if in doubt about whether the product is suitable for them.</p>	 <p>The risk of the scheme is very high</p>

For latest Riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com

The Scheme being sectoral in nature carries higher risks versus diversified equity mutual funds on account of concentration and sector specific risks.

Stocks/Sectors/Themes referred should not be construed as an investment advice or a recommendation by HDFC Mutual Fund ("the Fund") / HDFC AMC to buy or sell the stock or any other security covered under the respective sector/stocks/themes. The Fund may or may not have any present or future positions in these stocks/sectors/themes.