

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

July 2025

INR 6,497.99 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 July, 2025)

Company	Industry*	% to NAV
Bharat Electronics Ltd.	Aerospace & Defense	19.36
Hindustan Aeronautics Limited	Aerospace & Defense	15.70
Solar Industries India Ltd.	Chemicals & Petrochemicals	14.20
BEML Limited	Agricultural, Commercial & Construction Vehicles	9.51
Astra Microwave Products Ltd.	Aerospace & Defense	5.97
Bharat Dynamics Limited	Aerospace & Defense	4.26
Cyient DLM Limited	Aerospace & Defense	3.89
Bharat Forge Ltd.	Auto Components	3.06
Premier Explosives Ltd.	Chemicals & Petrochemicals	2.46
InterGlobe Aviation Ltd.	Transport Services	2.41

\* Industry classification as recommended by AMFI. For complete portfolio details please refer to the website [www.hdfcfund.com](http://www.hdfcfund.com)

## Portfolio Turnover Ratio

Equity Turnover 10.79%
Total Turnover 10.79%
Total Turnover = Equity + Debt + Derivative

## Sectoral Trend (as on 31st July, 2025)

Industry	% to NAV					
	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25
Capital Goods	72.0	70.3	68.7	67.3	65.8	69.1
Chemicals	14.8	15.3	17.3	18.8	19.1	16.7
Construction	7.3	6.7	5.9	4.3	3.3	3.3
Automobile and Auto Components	0.0	0.0	0.0	2.9	2.9	3.1
Services	3.1	2.7	2.5	2.1	2.2	2.4
Power	0.8	0.9	0.8	0.3	0.0	0.0

## Quantitative Data (Risk Ratios)

Standard Deviation	32.652%
Beta	0.837
Sharpe Ratio*	1.206

Computed for the 3 - year period ended July 31, 2025. Based on month end NAV.\* Risk free Rate: 5.54% (Source: FIMMDA MIBOR)

## Market Cap Segment wise Exposure

	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	July 2025
Large Cap	48.3%	47.4%	46.1%	40.2%	37.7%	52.0%
Mid Cap	11.6%	12.8%	14.5%	20.5%	20.8%	8.1%
Small Cap	38.1%	35.6%	34.6%	35.2%	34.8%	34.5%

% 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"> <li>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.</li> <li>No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.</li> </ul>

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

## What's In What's Out (31st July 2025 vs 30th June 2025)

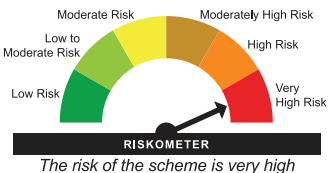
Entry	
Company Name	Industry
Cummins India Ltd.	Industrial Products

Exit	
Company Name	Industry
Bansal Wire Industries Ltd.	Industrial Products

Increased Exposure	
Company Name	Industry
Bharat Dynamics Ltd.	Aerospace & Defense
Data Patterns (India) Ltd.	Aerospace & Defense
Bharat Forge Ltd.	Auto Components
Astra Microwave Products Ltd.	Aerospace & Defense

Decreased Exposure	
Company Name	Industry
BEML Ltd.	Agricultural, Commercial & Construction Vehicles
JNK India Ltd.	Industrial Manufacturing
Diffusion Engineers Ltd.	Industrial Products
Rishabh Instruments Ltd.	Electrical Equipment
Power Mech Projects Ltd.	Construction

## Product labelling and Riskometer

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

# For latest Riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. [www.hdfcfund.com](http://www.hdfcfund.com)

Scheme riskometer as of July 31, 2025

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.