

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. 5,000/- 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 December 19 2025, the scheme shall accept Fresh Systematic Investment Plan (SIP) registrations from December 23, 2025. Systematic transactions already registered will continue to be processed

## AUM

January 2026
INR 7,793.88 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 January, 2026)

Company	Industry*	% to NAV
Bharat Electronics Ltd.	Aerospace & Defense	19.49
Hindustan Aeronautics Limited	Aerospace & Defense	13.63
Bharat Forge Ltd.	Auto Components	12.32
Solar Industries India Ltd.	Chemicals & Petrochemicals	10.64
BEML Limited	Agricultural, Commercial & Construction Vehicles	6.57
Bharat Dynamics Limited	Aerospace & Defense	5.92
Astra Microwave Products Ltd.	Aerospace & Defense	5.19
Eicher Motors Ltd.	Automobiles	3.66
Premier Explosives Ltd.	Chemicals & Petrochemicals	3.02
MTAR Technologies Limited	Aerospace & Defense	3.01

\* 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 16.13%
Total Turnover 14.60%
Total Turnover = Equity + Debt + Derivative

## Sectoral Trend (as on 31st January, 2026)

Industry	% to NAV					
	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
Capital Goods	70.2	70.8	68.4	66.8	67.0	65.7
Automobile and Auto Components	3.9	10.8	14.2	16.2	17.6	17.8
Chemicals	16.6	15.4	15.3	14.3	13.5	13.7
Construction	3.3	1.6	1.0	1.0	0.9	0.8

## Quantitative Data (Risk Ratios)

Standard Deviation	30.058%
Beta	0.806
Sharpe Ratio*	1.088

Computed for the 3 - year period ended January 31, 2026. Based on month end NAV. \* Risk free Rate: 5.53% (Source: FIMMDA MIBOR)

## Market Cap Segment wise Exposure

	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026
Large Cap	52.0%	49.4%	49.0%	48.4%	48.8%	52.9%
Mid Cap	8.1%	9.2%	15.8%	17.4%	19.3%	18.2%
Small Cap	34.5%	35.3%	33.8%	33.2%	30.2%	26.8%

% of Net Assets (As per AMFI classification as on June 2025)

## Fund Facts

Category of Scheme	SECTORAL FUND
Fund Manager*	Rahul Bajjal & 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 January 2026 vs 31st December 2025)

Entry	
Company Name	Industry
Nil	Nil

Exit	
Company Name	Industry
The Anup Engineering Ltd.	Industrial Manufacturing

Increased Exposure	
Company Name	Industry
Bosch Ltd.	Auto Components
Mazagon Dock Shipbuilders Ltd.	Industrial Manufacturing
Eicher Motors Ltd.	Automobiles
Centum Electronics Ltd.	Industrial Manufacturing
Bharat Dynamics Ltd.	Aerospace & Defense

Decreased Exposure	
Company Name	Industry
MTAR Technologies Ltd.	Aerospace & Defense
Avalon Technologies Ltd.	Electrical Equipment

## 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>	<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](http://www.hdfcfund.com)

Scheme riskometer as of January 31, 2026

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.

**\$\$ Exit Load:** (i) No Exit Load shall be levied for switching between Plans / Options within the Scheme. However, exit load will be applicable if the units are switched-out / redeemed from the Scheme within the exit load period from the initial date of purchase. (ii) No Exit load will be levied on bonus Units and on units allotted on Re-investment of Income Distribution cum Capital Withdrawal. (iii) No Exit load will be levied on Units allotted in the Target Scheme under the Transfer of Income Distribution cum Capital Withdrawal (IDCW) Plan Facility (TIP Facility). (iv) In case of Systematic Transactions such as Systematic Investment Plan (SIP), Flex Systematic (Flex STP), HDFC Swing Systematic Transfer Plan (Swing STP), HDFC Flexindex Plan (Flexindex) etc., Exit Load, if any, prevailing on the date of registration / enrolment shall be levied.

2/2

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

**Mission: To be the wealth creator for every Indian**

**Vision: To be the most respected asset manager in the world**