

Invest in the forces that strengthen our nation

Presenting

Axis Nifty India Defence Index Fund

NFO Period : 10th Apr to 24th Apr 2026



Screens Details

Axis Nifty India Defence Index Fund



Axis Nifty India Defence Index Fund

Scheme Details

Axis Nifty India Defence Index Fund

An Open-Ended Index Fund tracking the Nifty India Defence TRI



NFO Dates

Open - 10th April 2026
Closes - 24th April 2026



Minimum Investment

During NFO: Rs 100 & In multiples of Rs.1/- thereafter
Ongoing basis: Rs 100 & In multiples of Rs.1/- thereafter

Inception Date

To be announced

AUM (In Cr)

NA as NFO period



Investment Objective

To provide returns before expenses that closely corresponds to Nifty India Defence - TRI subject to tracking errors. There is no assurance that the investment objective of the scheme will be achieved.

Entry Load

NA

Exit Load

0.25% if redeemed / switched out within 15 days from the date of allotment. NIL afterwards.



Benchmark

Nifty India Defence TRI



Total Expense Ratio*

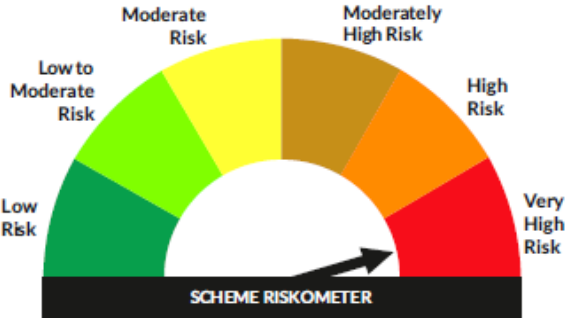
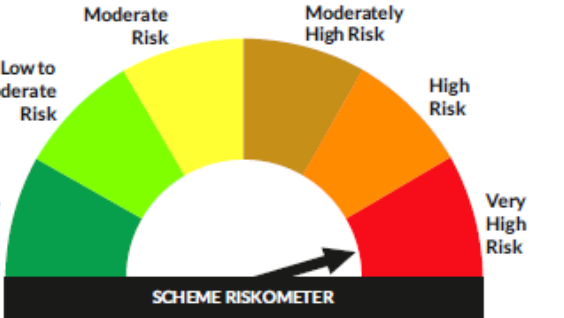
Direct - To be announced
Regular - To be announced



Fund Manager

Rohit Gautam
Nandik Mallik

Axis Nifty India Defence Index Fund

Investment Objective	Scheme Risk-o-meter	Benchmark Risk-o-meter
<p>Axis Nifty India Defence Index Fund (An open-ended Index Fund tracking Nifty India Defence TRI)</p> <ul style="list-style-type: none"> To provide returns before expenses that correspond to the performance of Nifty India Defence TRI subject to tracking error. There is no assurance that the investment objective of the scheme will be achieved. 	 <p>SCHEME RISKOMETER</p> <p>The risk of the scheme is very high</p>	 <p>SCHEME RISKOMETER</p> <p>The risk of the scheme is very high</p> <p>Nifty India Defence TRI</p>

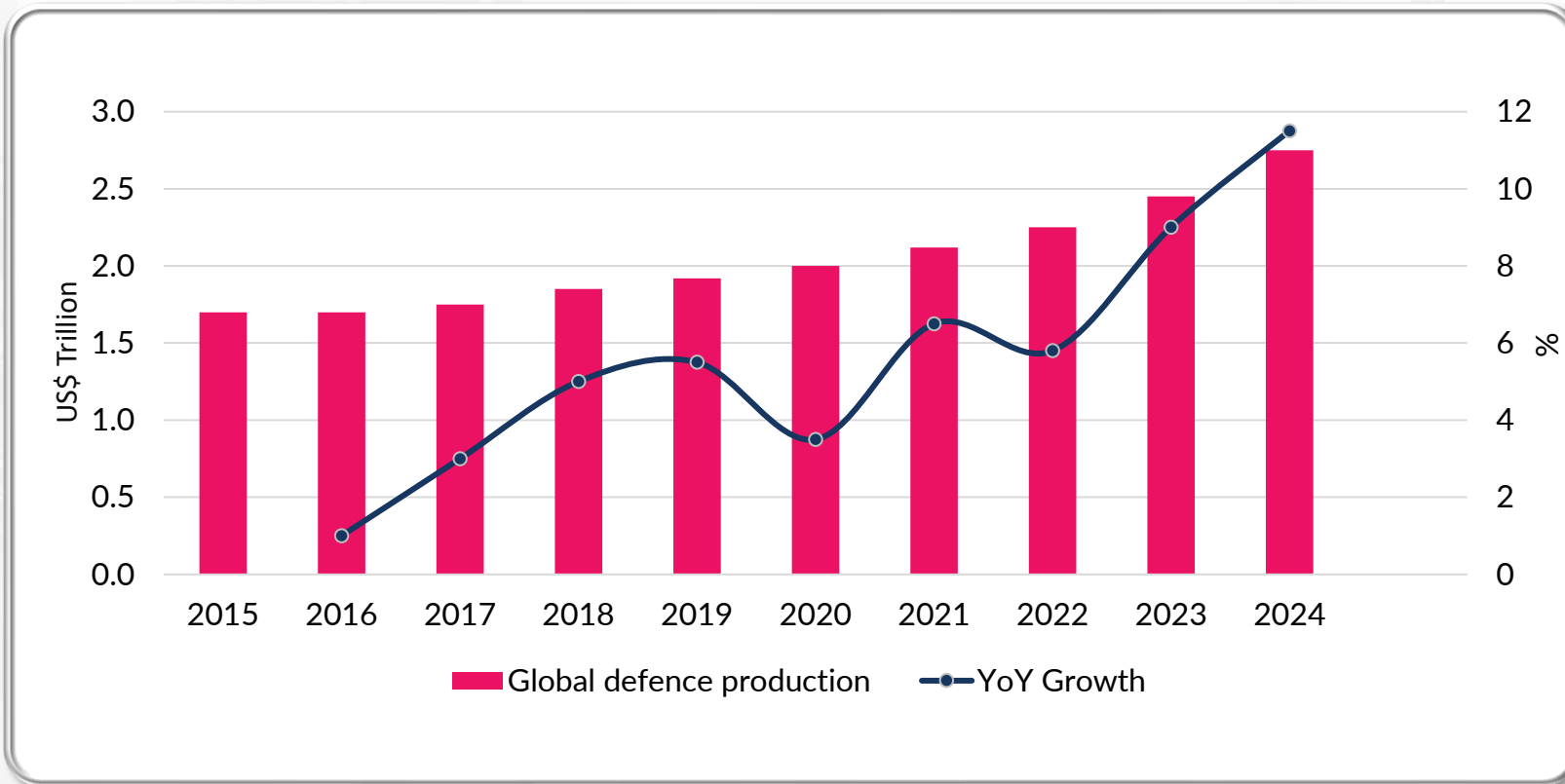


Rise of Defence Sector Deep Dive



Global: Rise of Military Expenditure

Global military spending reached a record ~\$2.7 trillion in 2024; while the last couple of year noted acceleration in the spending globally.



- Events like the Russia-Ukraine war, US-China friction, and instability in West Asia and the Indo-Pacific have led many countries to boost security investments.
- As a result, worldwide military expenditures surpassed US\$2.7 trillion in 2024.

Source : SIPRI, B&K Research https://www.sipri.org/sites/default/files/2025-04/2504_fs_milex_2024.pdf; Information mentioned above are used to explain the concept and is for illustration purpose only

Global: Why defence spending is on rise?



Global defence spending has risen sharply in the past decade, driven by geopolitical tensions, regional conflicts, and new military technologies.



Heightened Geopolitical Tensions / Border Conflicts



Modernization of Armed Forces



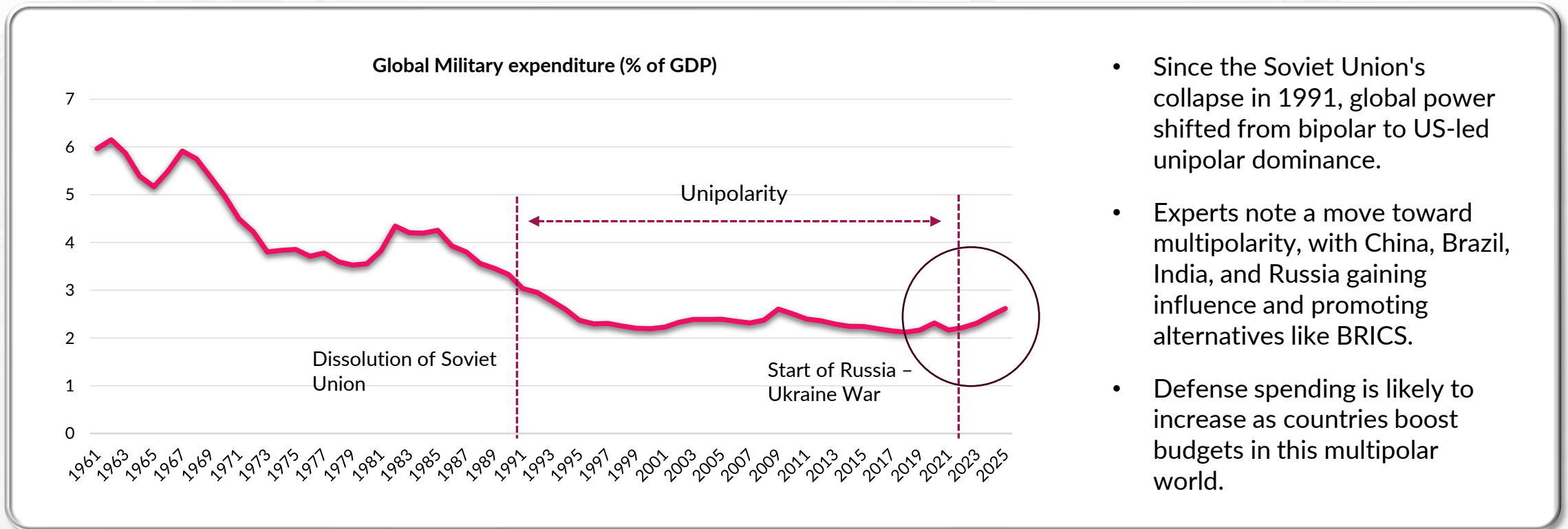
Push for Self-Reliance & Indigenous Manufacturing



Global Military Buildup & Strategic Competition

Global: World moving from unipolar to multipolar

Rising tariffs and trade wars and supply-chain disruptions have started shifting the global economy from a unipolar world (dominated by US) to a multipolar world order.



- Since the Soviet Union's collapse in 1991, global power shifted from bipolar to US-led unipolar dominance.
- Experts note a move toward multipolarity, with China, Brazil, India, and Russia gaining influence and promoting alternatives like BRICS.
- Defense spending is likely to increase as countries boost budgets in this multipolar world.

<https://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS?end=2024&start=1960&view=chart>; *2025 data is estimated from IISS (defence spending) percentage rise of global military spend. Information mentioned above are used to explain the concept and is for illustration purpose only

Global: Europe and Asia leading defence spending

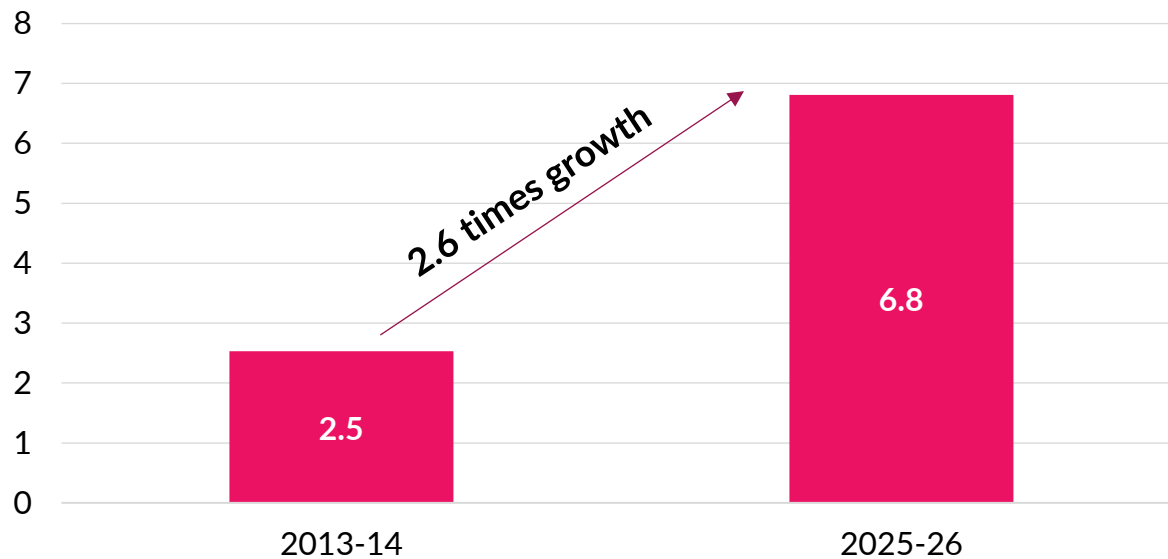
Region	Defence Spending 2025 (USD bn)	YoY Growth	Key Point
Europe	~563	12.6%	Fastest-growing region (Germany is one of the top defence spender)
Asia	~573	5.7%	China dominant driver of military spend in the region
Middle East & North Africa (MENA)	~219	4.5%	Ongoing regional conflicts

- NATO's new defence commitment of 5% of GDP by 2035 has anchored a multi-year spending upcycle in Europe, reinforcing visibility of sustained defence outlays beyond 2025.
- China remains the dominant defence spender in Asia with **China's sustained military modernization**, accounting for ~44% of Asia's total defence spending in 2025.



India: Defence budget grew 2.6 times since 2013-14

Defence Budget (INR Lakh Crore)



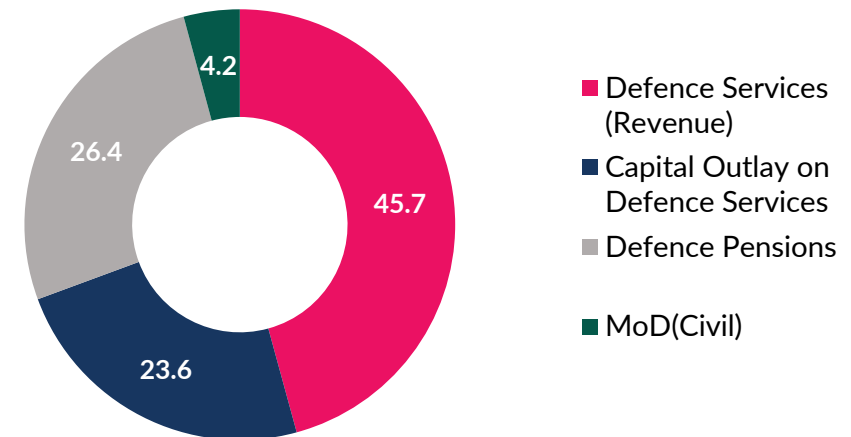
Consistent uptrend: India's defence budget has grown 2.7 times with CAGR of ~9% since FY13-14 to FY25-26.

The defence budget has grown from **₹2.53 lakh crore in 2013-14 to ₹6.81 lakh crore in 2025-26**, reflecting the government's focus on strengthening military infrastructure and promoting domestic production through policy reforms and better business conditions.

India: Highest Allocation of Total Budgeted Expenditure

Department	Allocation as a % of total budget expenditure	
	FY 2019-20	FY (2026-27) * (Estimated)
Ministry of Defence	14%	15%
Road Transport & Highways	3%	6%
Railways	4%	5%
Home Affairs	4.5%	5%

Breakdown on fund allocation in Defence Industry as per Budget FY25 (%)



- India's defence budget has increased from 13-14% (over last to close to 15% of overall budget expenditure).
- This can be attributed to increasing efforts to strengthen the defence capability on account of potential war on two fronts and efforts to modernise the military

India: Policy Shift Towards Domestic Manufacturing



**100% Private
Participation
allowed**



**Up to 74%
FDI permitted
in defence**

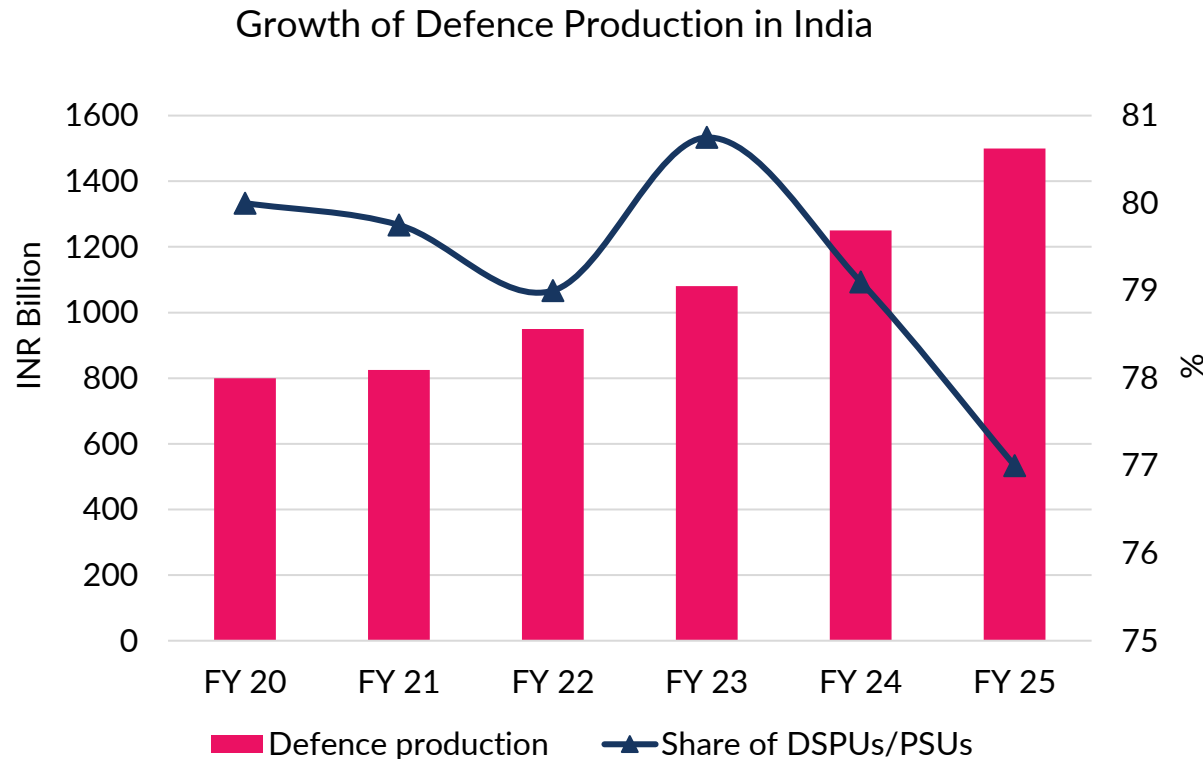


**Active
defence
export push**

Clear policy intent: Build, innovate and export from India



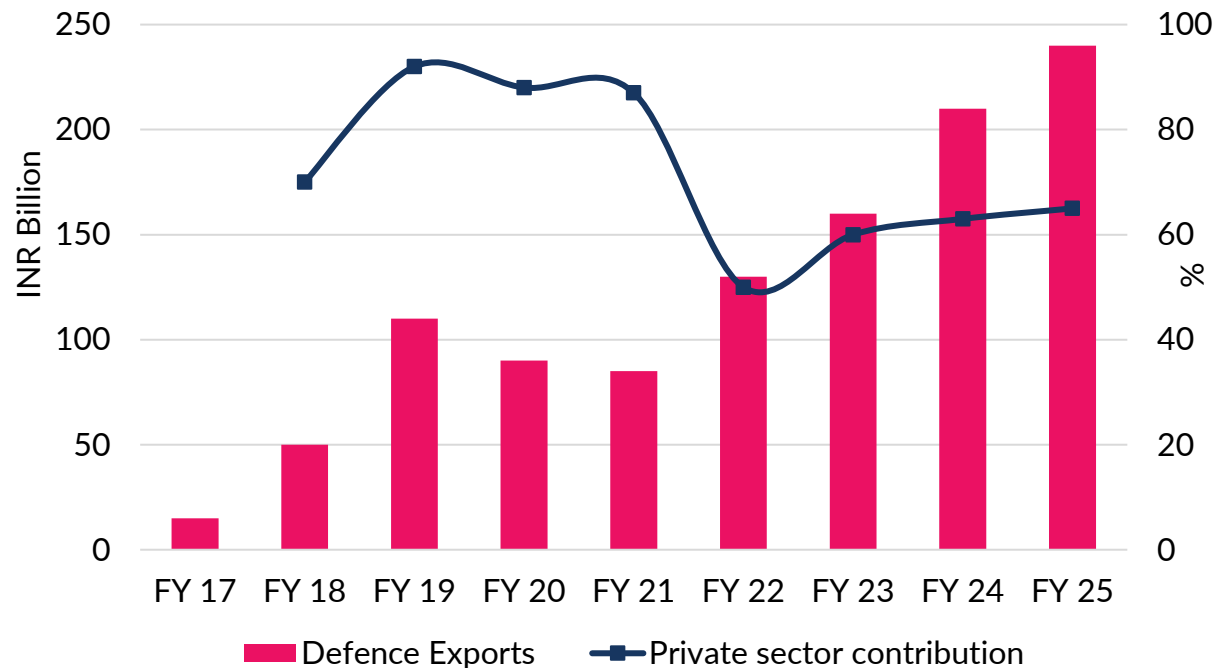
India: Defence Production doubled over last 5 years; estimated to double by 2029



INR 100 Billion = 10,000 Crores

- Increased Production Capacity:** India's defense production has almost doubled, rising from INR 80,000 crore in FY20 to INR 1,50,000 crore by FY25, reflecting robust growth in domestic manufacturing.
- Double by 2029:** The Govt aim to achieve defence manufacturing to INR 3,00,000 crore by 2029.
- Growing Role of Private Sector:** Although Defence Public Sector Undertakings (DPSUs) still hold a dominant share of approximately 77%, private companies have been steadily increasing their presence and market share in defense production over the past few years.

India: Defence Exports continue to hit new highs



INR 100 Billion = 10,000 Crores

- **Exports experience significant growth:** India's defence exports have risen dramatically from approximately INR 2,000 crore in FY17 to INR 23,622 crore in FY25, reflecting increasing acceptance of domestically produced defence equipment.
- Government aims to achieve defence exports to INR 50,000 crores by 2029.
- **Private sector as a vital contributor:** The private sector's involvement remains robust, showing a strong recovery after FY22 and emphasizing its essential role in propelling export-driven growth.

India: Key defence equipment exported

- India's defence exports reached a record ₹23,622 crore in FY 2024 25 from less than ₹1,000 crore in 2014.
- India exports a diverse range of defence products, from complete systems to components.
- **Major platforms include:** Missile Systems (Akash, BrahMos, Pinaka), Artillery, Helicopters, Dornier Aircraft, Naval Vessels and crafts, Armoured vehicles, radars among others

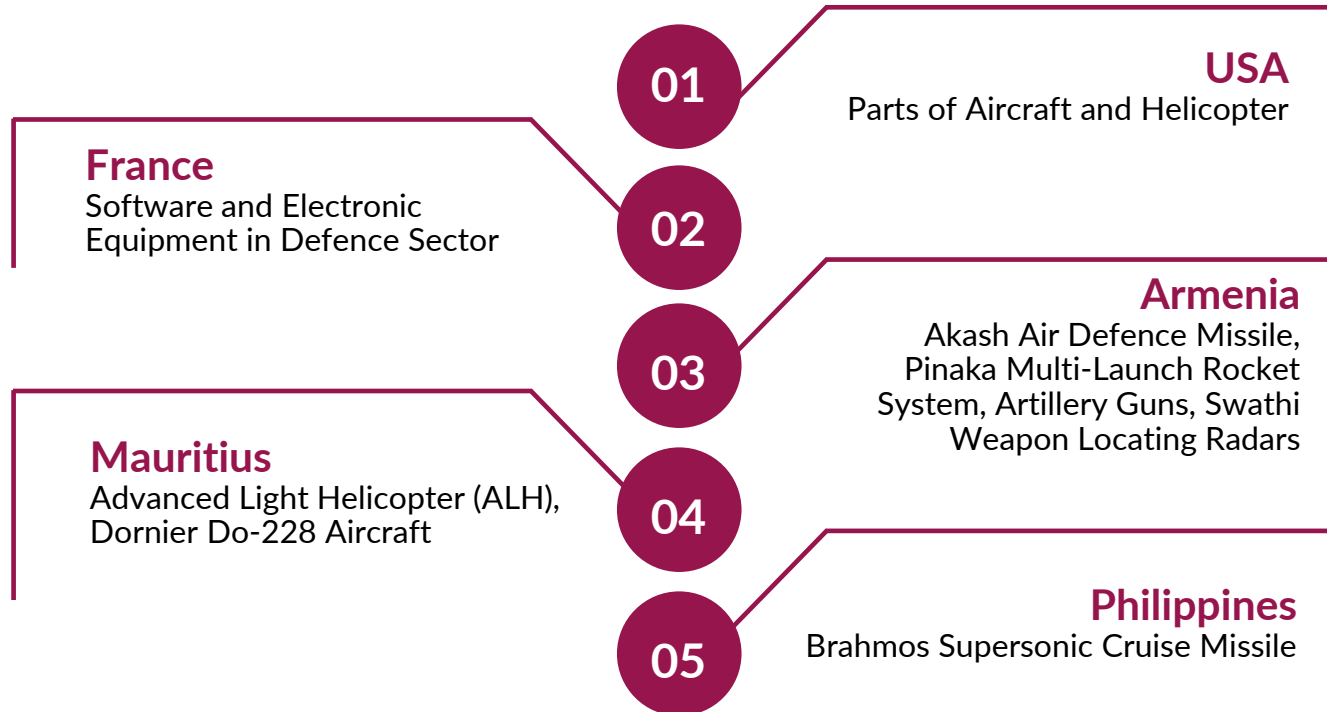


India: Leading importer of India's defence equipment

India is exporting military equipment to more than 85+ nations across the world

Top three countries - U.S., France and Armenia

India' Defence Equipment Export

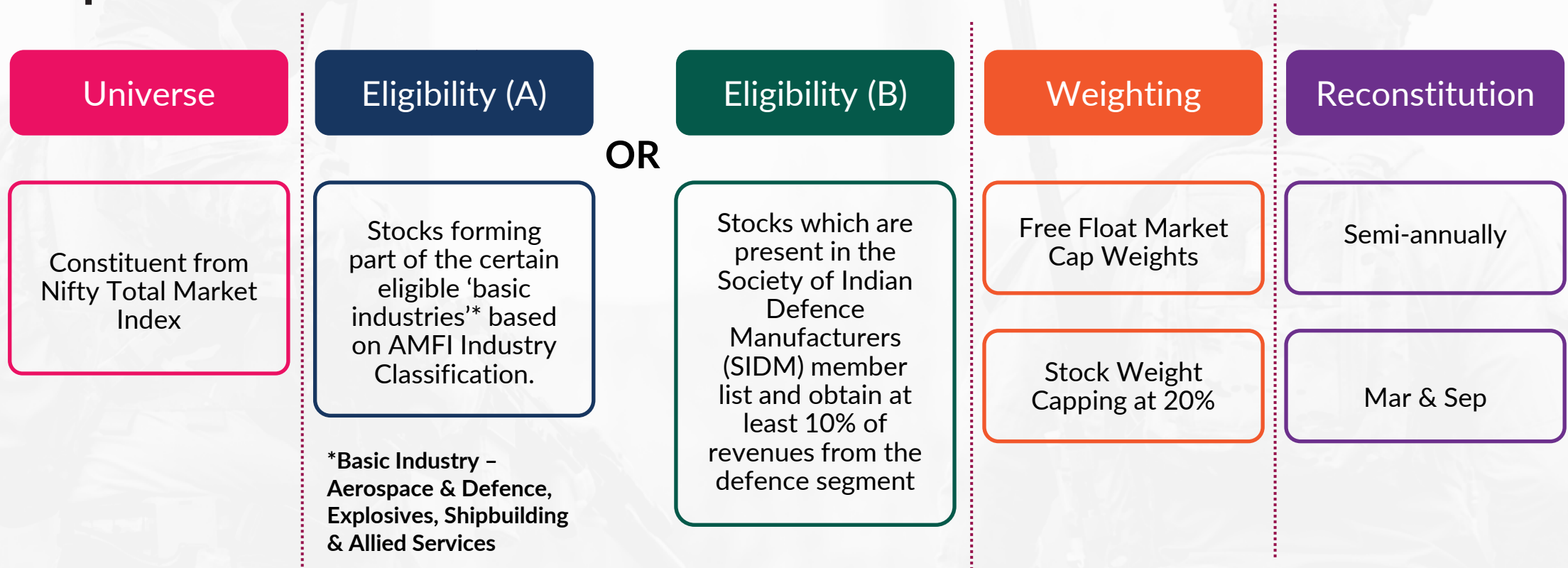


Nifty India Defence Index Deep Dive



Index Methodology : Nifty India Defence Index

Snapshot



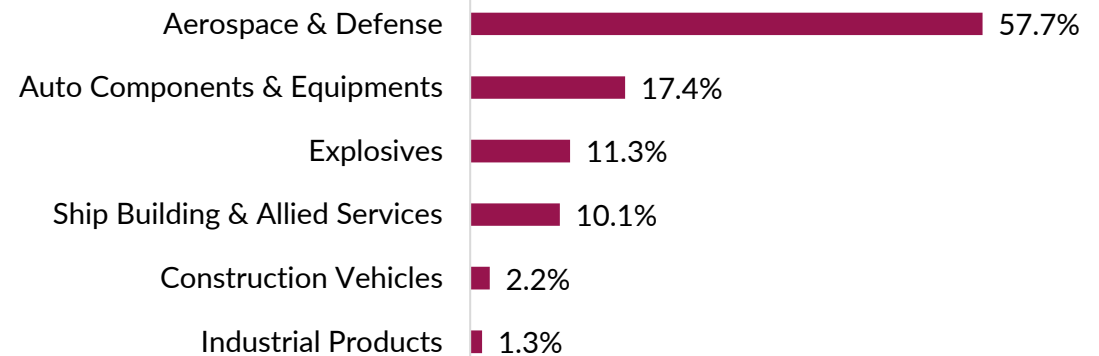
Source: Nifty Indices, Data as of 28-Feb-2026. Past performance may or may not be sustained in the future. The above information should not be construed as promise, guarantee or forecast of returns. Table / Charts mentioned above are used to explain the concept and is for illustration purpose only.*Find the list in annexure <https://niftyindices.com/indices/equity/thematic-indices/nifty-india-defence>

Index Composition : Nifty India Defence Index

Top 10 Constituents

Company Name	Weight
Bharat Electronics Ltd.	21.4%
Bharat Forge Ltd.	17.4%
Hindustan Aeronautics Ltd.	17.0%
Solar Industries India Ltd.	11.3%
Mazagoan Dock Shipbuilders Ltd.	5.8%
Cochin Shipyard Ltd.	4.3%
Bharat Dynamics Ltd.	4.0%
Data Patterns (India) Ltd.	3.3%
Astra Microwave Products Ltd.	2.8%
MTAR Technologies Ltd.	2.8%
Top 10 Total Weight	89.9%

Basic Industry



SEBI Size	Index Weight
Large Cap	55.4%
Mid Cap	25.7%
Small Cap	18.9%
Total	100.0 %

Index Performance Comparison

	Data Label	Nifty 500 - TRI	Nifty India Defence - TRI
Annualized Returns	1 Year	17.6%	59.3%
	3 Year	18.0%	57.9%
	5 Year	14.9%	55.6%
	7 Year	15.7%	44.0%
	Since Mar-2018	14.0%	31.9%
Annualized Volatility	5 Year	14.1%	27.4%

- **Performance:** Government Policy Push, Export Surge, Geopolitical Tailwinds, and Private Sector Momentum have helped Nifty India Defence TRI deliver exceptional returns compared to Nifty 500 TRI
- **Risk:** The sector being thematic has also experienced higher volatility compared by Nifty 500 TRI

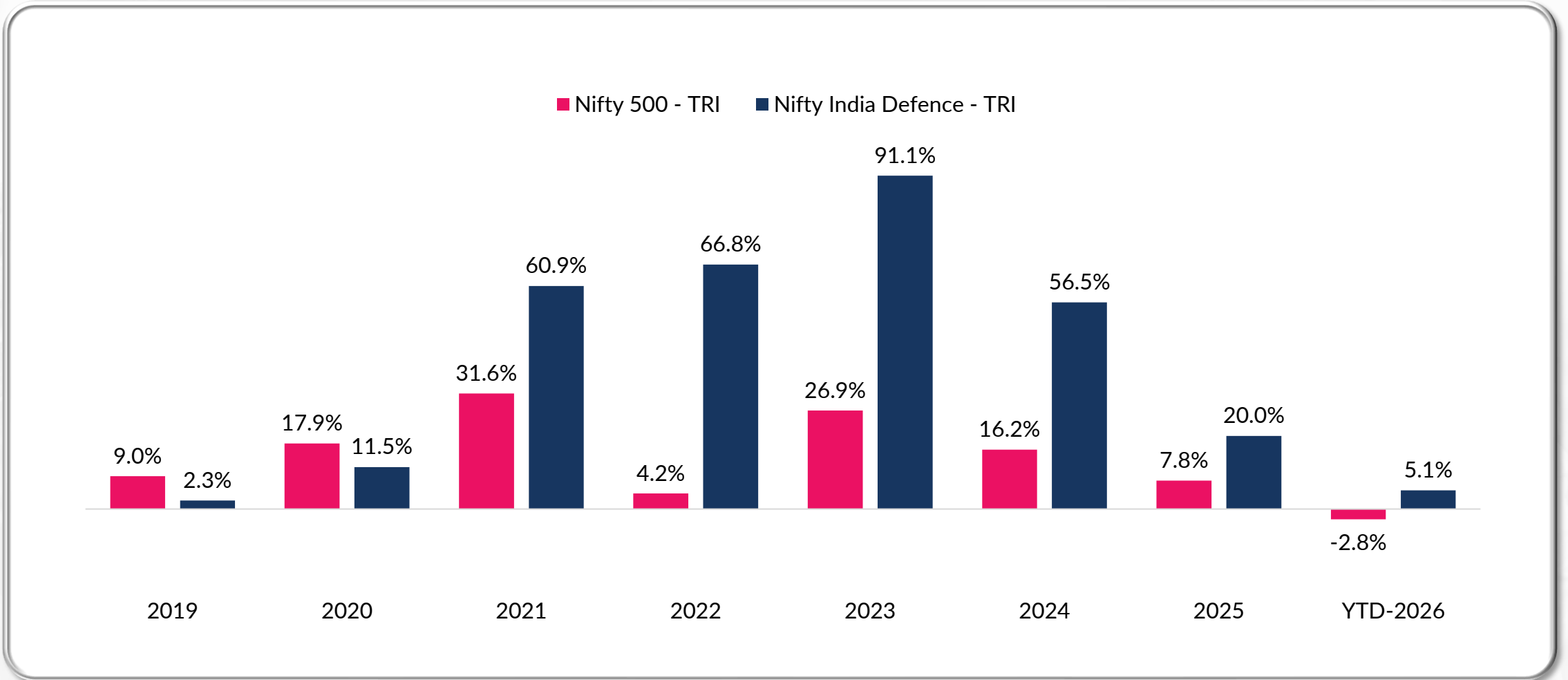
Index SIP Performance

SIP tends to offer stability to investment growth

Nifty India Defence Index -TRI	1 Year	3 Year	5 Year
XIRR (Returns)	18.6%	40.7%	52.8%
Amount Invested	1,20,000	3,60,000	6,00,000
Market Value	1,31,548	6,34,727	21,03,132

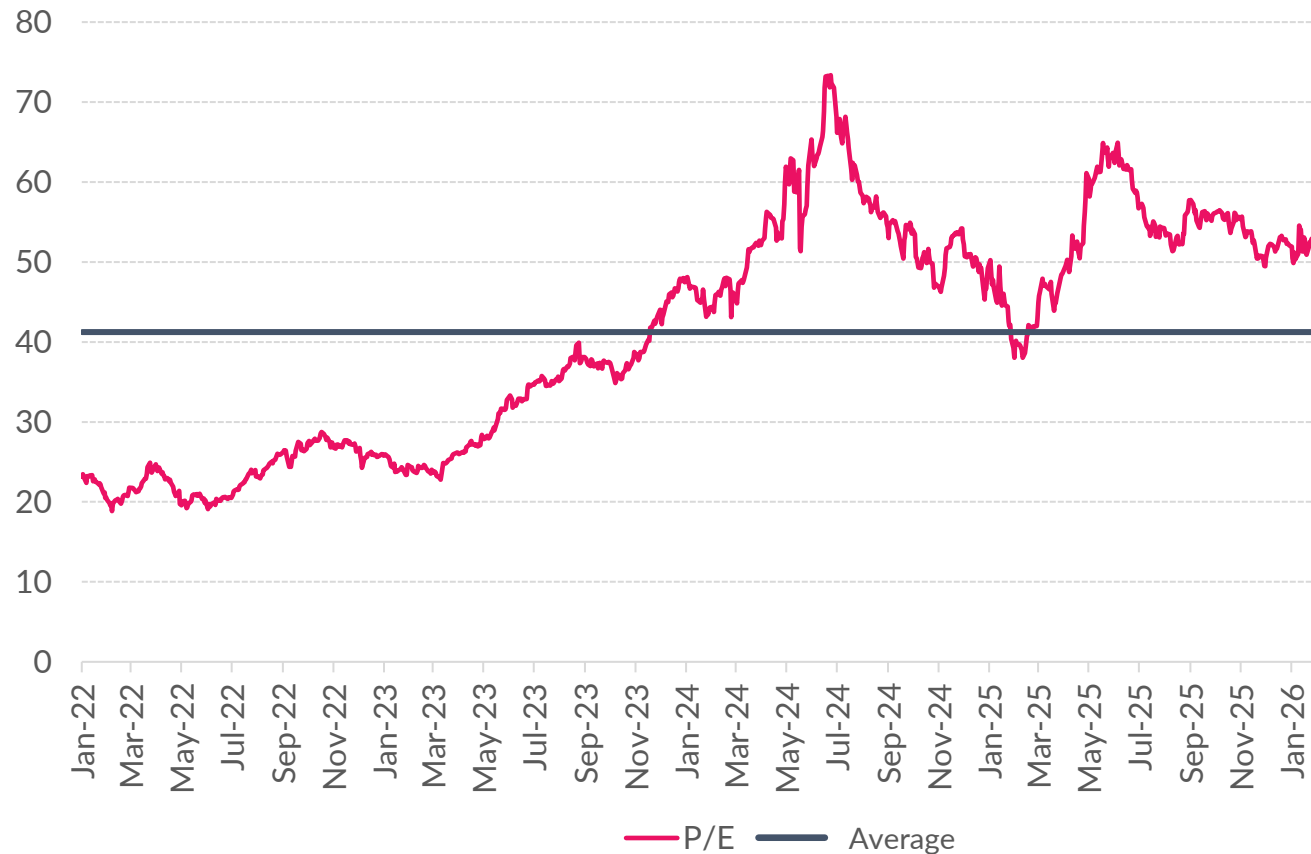
Note : For SIP returns, monthly investment of INR 10,000 invested on the first business day of every month has been considered. Performance is calculated using Total Return Index (TRI), with zero cost / expenses and tracking difference / error into consideration. Past Performance may or may not be sustained in future.

Calendar Year Performance



Data as of 28-Feb-2026. Past performance may or may not be sustained in the future. The above information should not be construed as promise, guarantee or forecast of returns. Table / Charts mentioned above are used to explain the concept and is for illustration purpose only.

Valuations



- The companies within the Nifty India Defence Index **benefit from a 'strategic moat,'** characterized by **limited direct competitors or peers in specialized segments.**
- With potential to experience **sustained growth driven by government initiatives and export opportunities,** which could lead to earnings growth and potentially **justify premium valuations.**
- It is important to also note that, sudden policy shift may trigger re-rating of the sector

Potential Benefits & Risks

	Benefits	Risks
Index-based approach	Low Cost, Transparent Stock Selection Criteria, No fund manager bias	No active decision to reduce exposure when valuations are stretched
Simplicity	Easy way to get exposure to basket of defence stocks, helping avoid individual's effort to screen companies in defence sector	Concentration among stocks would depend upon index composition
Time horizon	Suitable for very long term, patient investor	Might experience volatility in short to medium term

Other Key Points to Note :

- **Policy and government-dependence:** Defence is heavily driven by government budgets, procurement policy and export rules. Any change in defence spending, delay/cancellation of big projects, or regulatory changes might impact the sector quickly.
- **Event risk:** Tensions or conflicts can initially boost sentiment, but sudden de-escalation or diplomatic shifts might change the outlook for the sector.

Key Takeaways

Atmanirbhar Bharat:

India is focused on self reliance (Atmanirbhar) which is critical in case of any conflict or war, offers increasing opportunity available for Indian defence players.

Peace through Strength:

India's strong economic growth and ongoing geopolitical tensions requires strong defence capabilities, which is being supported by growth in defence expenditure.

Export Boost:

India's defence equipment exports has shown robust growth, although from a smaller base.

Structural changes in World Order:

Shift from unipolar to multipolar world to aid increase in global defence expenditure over long term, which would help companies which export defence equipment.

Performance:

Nifty India Defence TRI has noted outperformance to Nifty 500 TRI, while the recent market correction offers relatively better valuation multiples.





Why Axis AMC?



Why Axis AMC

- Axis AMC is one of the **prominent asset management companies** with an overall AUM exceeding INR 3,50,000 crore and close to 1 crore active investor accounts, enjoying strong brand recognition and investor
- A **diverse selection of passive funds**, featuring a total of 37 options across equity, debt, and commodities
- A committed and skilled **leadership team concentrating on Passive Funds**.
- Continuous research accompanied by **valuable data insights** tailored to monitor and advise on established & emerging investment ideas
- Research initiatives spearheaded by professional with extensive experience of over 15 years working domestic and international index providers, NSE, BSE, and S&P Dow Jones Indices.



Annexure



Global Military Spending During Major Wars

Period	Major Conflict	Military Spend as a % of Global GDP
1914-1918	World War I	15-20%(*E)
1939-1945	World War II	35-40%(*E)
1965-1975	Vietnam War	6-7%
1979-1989	Iraq-Iran War	4-5%
1990-1991	Gulf war	3-4%
2022-Present	Russia Ukraine War	2.5-3%



<https://www.cambridge.org/core/books/economics-of-world-war-i/> ; <https://comptroller.defense.gov/Budget/> ; <https://www.sipri.org/databases/milex> ;

* These are estimated numbers by Cambridge University Press – Broadberry & Harrison, The Economics of World War I and II.

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