Invesco Mutual Fund

Invesco India Nifty India Defence Index Fund

NFO Period: 15 Sep - 29 Sep, 2026

Participate in India's Defence Growth Story

SEBI Registered Name - Invesco Mutual Fund | SEBI Registration Number - MF/052/06/01

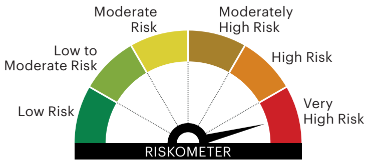
Invesco India Nifty India Defence Index Fund
(An open-ended scheme replicating/ tracking Nifty India Defence Index)

Investment Objective

Passive Investments in equity and equity related securities replicating the composition of Nifty India Defence Index, subject to tracking error.

There is no assurance that the investment objective of the Scheme will be achieved.

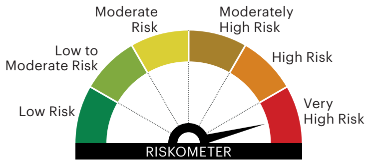
Scheme Risk-o-meter



The risk of the scheme is Very High

As per AMFI Tier 1 Benchmark i.e. **Nifty India Defence Index TRI**

Benchmark Risk-o-meter



The risk of the benchmark is Very High

Note: The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

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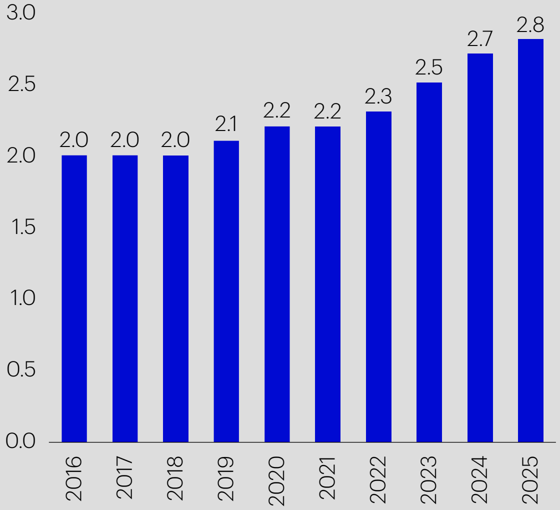
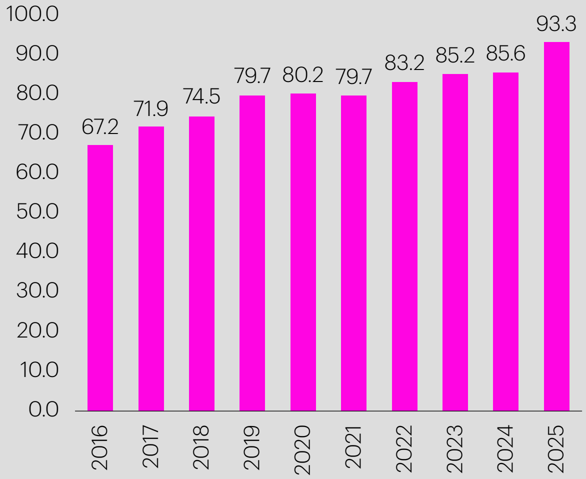
Global military spending is on an upward trajectory and India is no exception

India's military expenditure is the 5th-largest in the world accounting for 2.3% of its GDP

Global Military Expenditure ($ trillion)



India's Military Expenditure ($ Billion)



Top 10 countries by absolute military spend in the year 2025

Country	Expenditure ($ Billion)	% To GDP
USA	929.2	3.1%
China	335.0	1.7%
Russia	158.2	7.5%
Germany	106.7	2.3%
India	**93.3**	**2.3%**
UK	88.0	2.4%
Saudi Arabia	81.5	6.5%
Ukraine	77.6	39.6%
France	64.5	2.0%
Japan	59.5	1.4%

Source: SIPRI Report 2026. Data at constant 2024 prices and exchange rates. GDP - Gross Domestic Product

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Rising geopolitical tensions have made defence readiness imperative, and India's defence transformation has been noteworthy

Key events

1962	1965 & 1971	1999	2016-19	2020	2020 onwards
China War	Pakistan Wars	Kargil conflict	Terror incidents (Uri/Balakot strikes)	Galwan standoff	Emerging Drone warfare era

Defence ecosystem response

1962	1965 & 1971	1999	2016-19	2020	2020 onwards
Military modernization	Expansion of defence PSUs	Procurement reforms	Precision warfare capability	Self-reliance and local manufacturing	Startup and AI ecosystem

Decades of security challenges have driven sustained modernization, indigenisation and private-sector participation in India's defence ecosystem

PSU: Public Sector Undertaking
Source: Internal

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From war-driven capability building to a self-reliant defence industry

Then		Now
Import-dependent military	→	Atmanirbhar defence ecosystem
Defence PSUs dominant	→	PSU + private sector + startups
Foreign equipment procurement	→	Increasing domestic procurement
Technology acquisition	→	Indigenous design & development
Limited exports	→	Growing global exporter

Source: Internal. PSU: Public Sector Undertaking

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The defence growth engine - Key pillars of growth

Domestic manufacturing scale-up

Rising defence expenditure

Growing defence exports

Policy led self-reliance

Technological advancement

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Policy led self-reliance

Atmanirbhar Bharat
Aims to transform the nation from a leading global arms importer into an independent manufacturing and exporting hub.

Innovation
With an outlay of ₹499 crore[1], iDEX Prime has accelerated defence innovation through 551 development contracts awarded to startups and MSMEs.

Defence Acquisition Procedure 2020
Promoted indigenous manufacturing, encouraged Indian companies in design, development and production of defence systems.

Defence Industrial Corridors
Defence industrial corridors aim to strengthen domestic manufacturing, reduce import dependence, and foster indigenous technology development.

Industrial Licensing
Simplified and extended industrial licensing for the defence sector to boost ease of doing business and local manufacturing.

Corporatization of ordinance factory boards
The government restructured the Ordnance Factory Board, consolidating 41 production units into 7 specialized DPSUs.

Defence of exports policy
India's defence export policy promotes domestic manufacturing and global competitiveness to achieve self-reliance under Aatmanirbhar Bharat.

Ease of doing business
The revamped Defence Exim portal streamlines defence trade through end-to-end digital processing, real-time tracking, and automated verification.

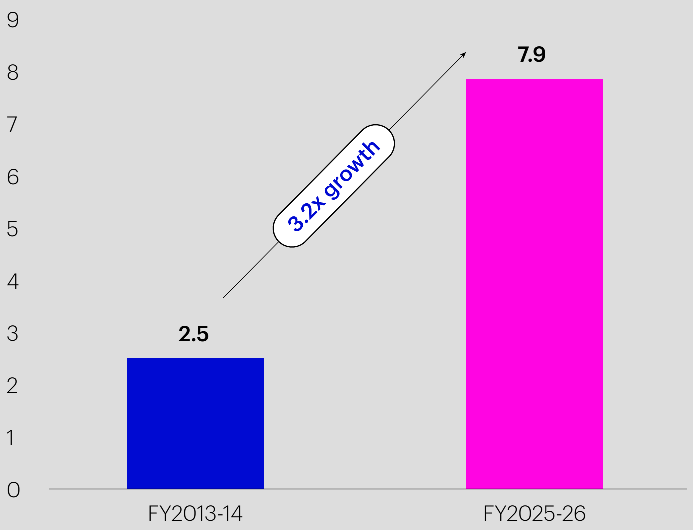
Offset Policy Encouraging Investments
Foreign defence suppliers must reinvest 30% of eligible contract value into domestic defence, aerospace, and security sectors..

Foreign Direct Investment
74% allowed through the automatic route and up to 100% through the government route if it brings access to modern technology.

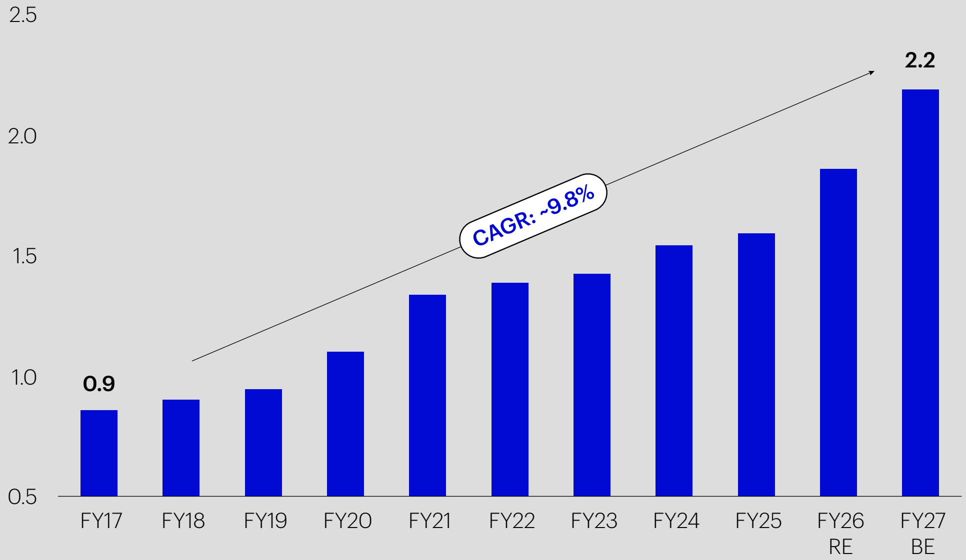
Source: PIB report, iDEX – Innovation for Defence Excellence. [1]For the five-year period from 2021–22 to 2025–26.
DPSU: Defence Public Sector Undertaking

Defence is at the core of government's strategic agenda, fueled by reforms and a record ₹2.2 lakh crores capital outlay in FY27

Defence Budget (INR lakh crore)



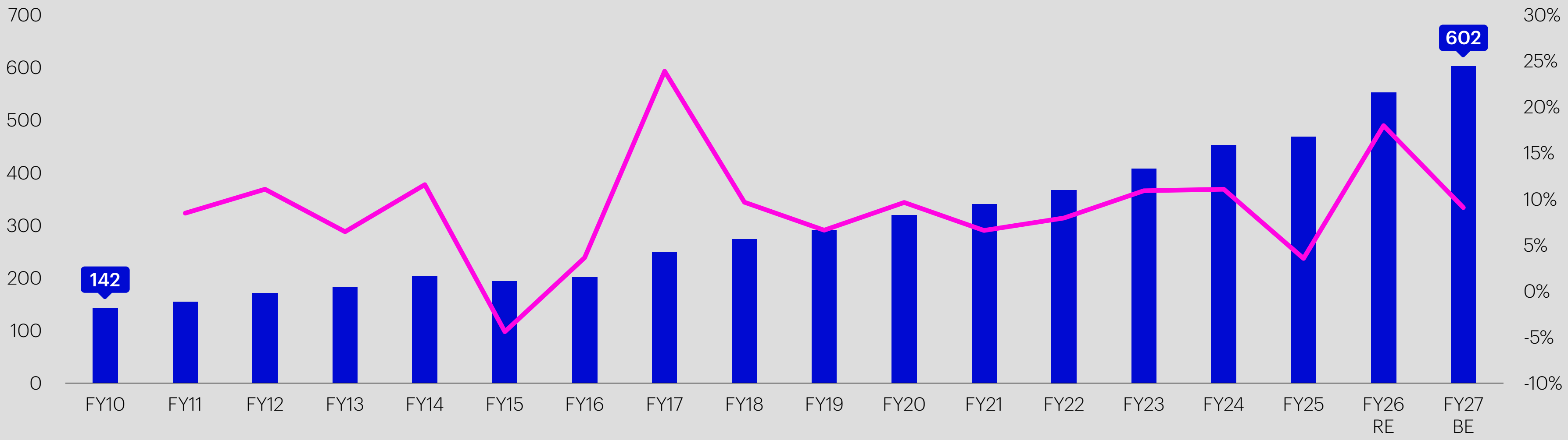
Defence Capital Outlay (INR lakh crore)



Source: Crisil Intelligence, Union Budget, Elara Securities Research, Avendusspark. RE are Revised Estimates. BE are Budget Estimates. CAGR: Compounded Annualized Growth Rate.

Rising defence expenditure provides strong demand visibility and long-term growth momentum

Annual defence budget expenditure (in '000 crores) and YoY growth rate



Source: Crisil Intelligence, RE: Revised Estimates. BE: Budgeted Estimates.

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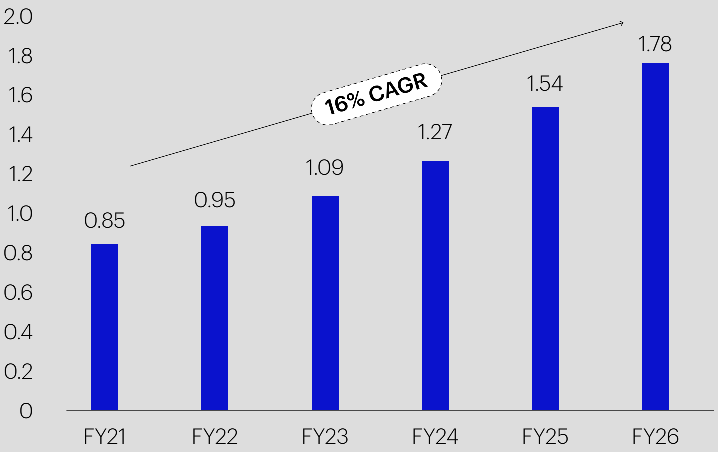
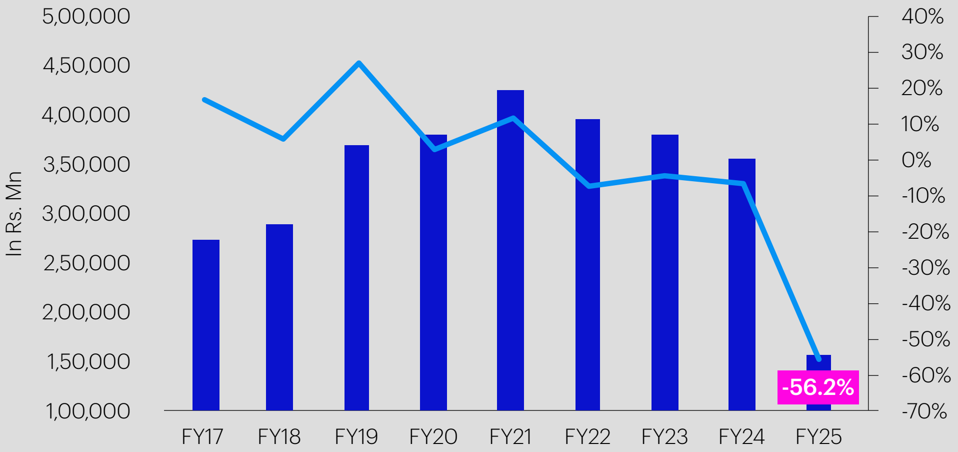
Scale-up in domestic manufacturing is accelerating indigenization and reducing reliance on imports

Defence production value in India (in lakh crore)



Reducing foreign procurement and buying in defence



Source: CRISIL Intelligence, Ministry of defence.

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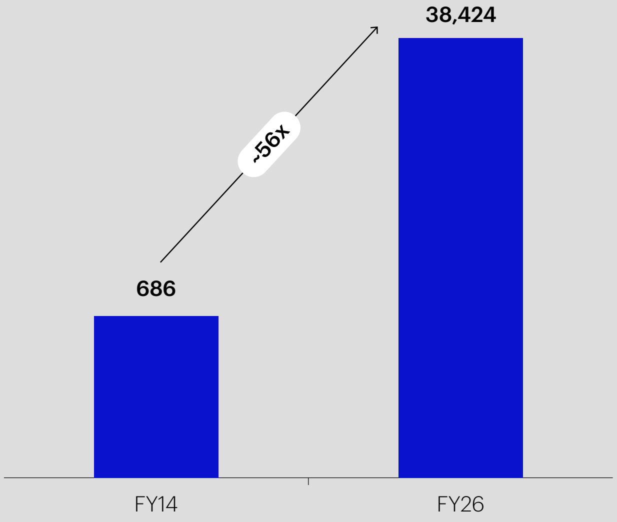
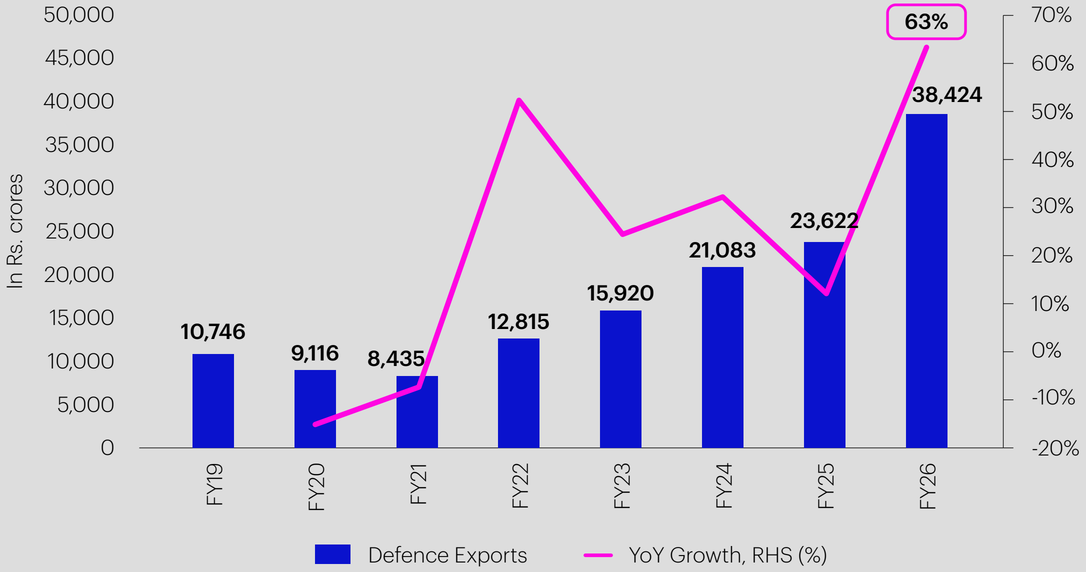
Growing defence exports expand market access

Defence Exports (₹ In crores)





Source: CRISIL Intelligence, PIB

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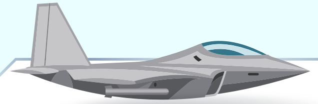
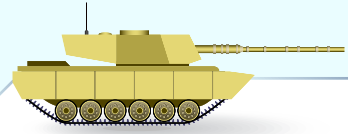
Technological advancements



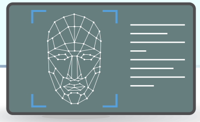
Indigenous Fighter Aircraft: Tejas

The indigenous Tejas fighter aircraft received final operational clearance in February 2019, and 83 aircraft were approved for induction into the Indian Air Force.



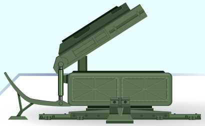
Arjun Mk-IA Battle Tank

The Arjun Mk-IA battle tank was inducted into the Indian Army in February 2021.



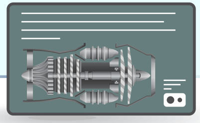
Artificial Intelligence

In 2022, 75 Artificial Intelligence-based technologies were introduced for defence applications, including surveillance, cybersecurity, logistics, autonomous systems, and battlefield support.



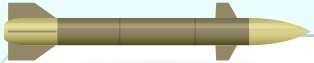
Advanced Propulsion Systems

India made important progress in developing advanced propulsion systems for next-generation long-range missiles.



Advanced Jet Engines

On 9 January 2026, DRDO successfully conducted a long-duration ground test of an actively cooled scramjet full-scale combustor for over 12 minutes at the Scramjet.



High Speed Missile Technologies

A new Hypersonic Wind Tunnel was established in Hyderabad to support the development of future high-speed missile technologies.

Source: PIB report. DRDO - Defence Research and Development Organisation.

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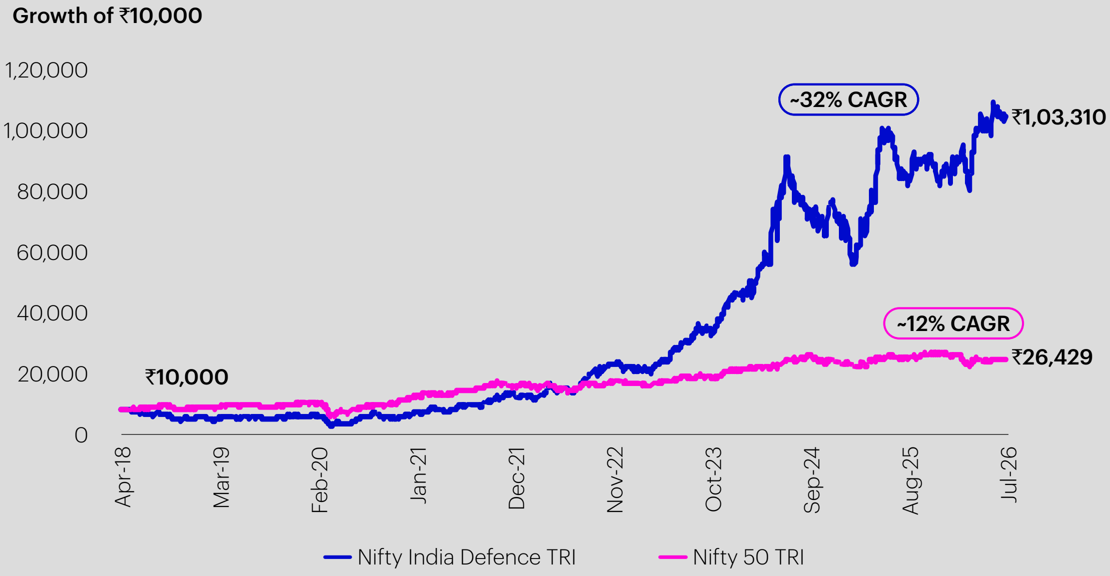
Wealth creation journey

₹10,000 invested in Nifty India Defence Index in April 2018 has grown to ₹1.03 lakhs



Period	Nifty India Defence Index TRI (Returns)	Nifty 50 TRI (Returns)
1 Year	20.7%	-0.4%
3 Years	47.4%	8.6%
5 Years	54.3%	10.4%
7 Years	45.9%	13.2%
Since Base date of Nifty India Defence Index TRI (2 April 2018)	32.3%	12.4%

Past performance may or may not be sustained in future.
Data period: 2 April 2018 till 31 July 2026.Less than 1-year are Absolute returns, Greater than or Equal to 1 year are Compound Annualized returns. Source: MFIE.

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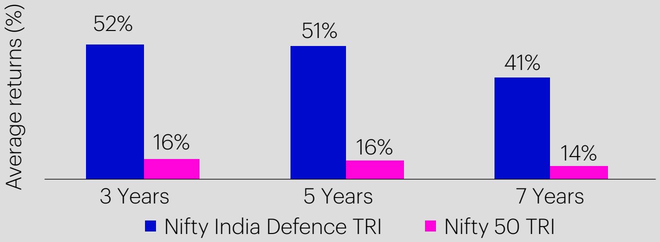
Outperformance over long-term

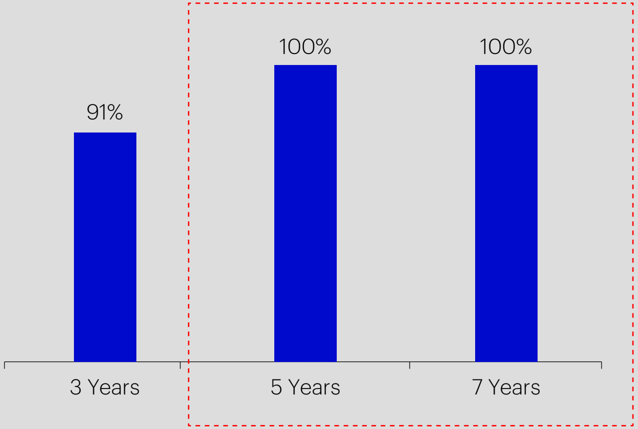
Nifty India Defence Index TRI has beaten the broader market across time periods

Nifty India Defence Index TRI has outperformed broader index albeit at a higher volatility (based on daily rolling returns)
Date range: 02 Apr 2018 – 31 July 2026



Years	Min	Max	Average	Standard deviation (Annualized)
3 years	-2.4%	99.0%	52.3%	22.8%
5 years	17.7%	76.1%	51.4%	13.0%
7 years	30.2%	46.3%	41.3%	3.4%

% of times Nifty India Defence Index TRI has beaten Nifty 50 TRI (based on daily rolling returns)
Date range: 02 Apr 2018 – 31 July 2026



Past performance is not guarantee of future returns.
Source: MFIE. Data as 02 April 2018 - 31 July 2026. The rolling returns are calculated on daily basis for various time frame. Data Period: 3 years rolling-01 April 2021 – 31 July 2026, 5 years rolling-03 April 2023 – 31 July 2026, 7 years - 02 Apr 2025 – 31 July 2026, Returns are Compounded Annualised Growth Rate (CAGR).
Disclaimer: The above simulation is for illustration purpose only and should not be construed as a promise on minimum returns and safeguard of capital. Invesco Asset Management (India) Private Limited /Invesco Mutual Fund is not guaranteeing or promising or forecasting any returns

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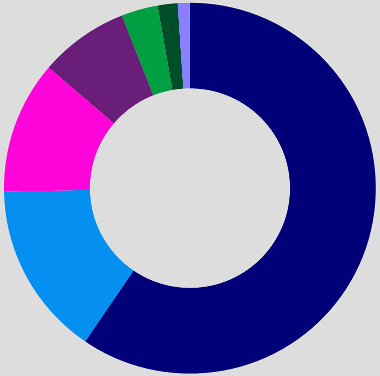
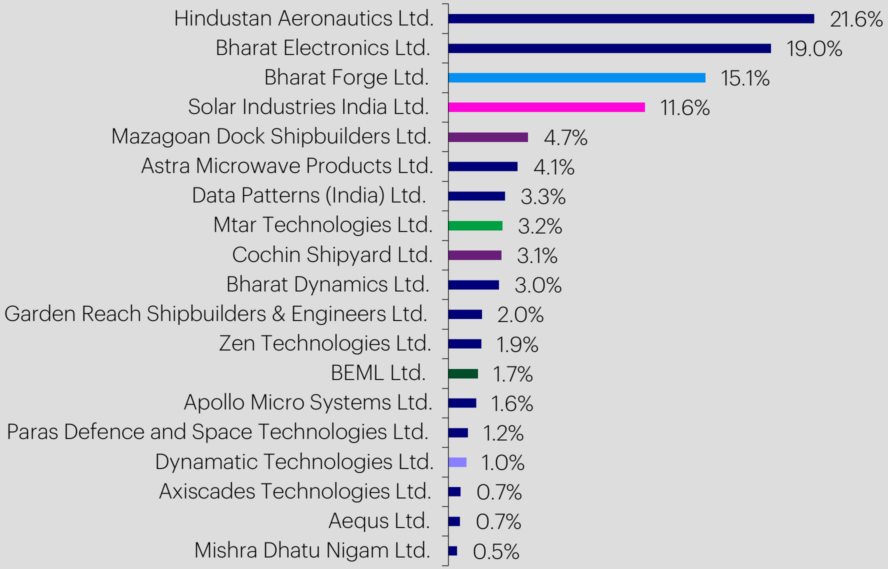
Nifty India Defence Index: A diversified defence play



Aerospace & Defence	**59.5%**
Auto Components & Equipments	**15.2%**
Explosives	**11.6%**
Ship Building & Allied Services	**7.8%**
Other Electrical Equipment	**3.2%**
Construction Vehicles	**1.7%**
Industrial Products	**1.0%**



Source: NSE, Data as on 31 July'26

Disclaimer: The sectors/stocks referred above are illustrative and not exhaustive. They should not be construed as recommendations from Invesco Asset Management (India) Pvt. Ltd. / Invesco Mutual Fund. The Scheme may or may not have any present or future positions in these sectors/stocks.

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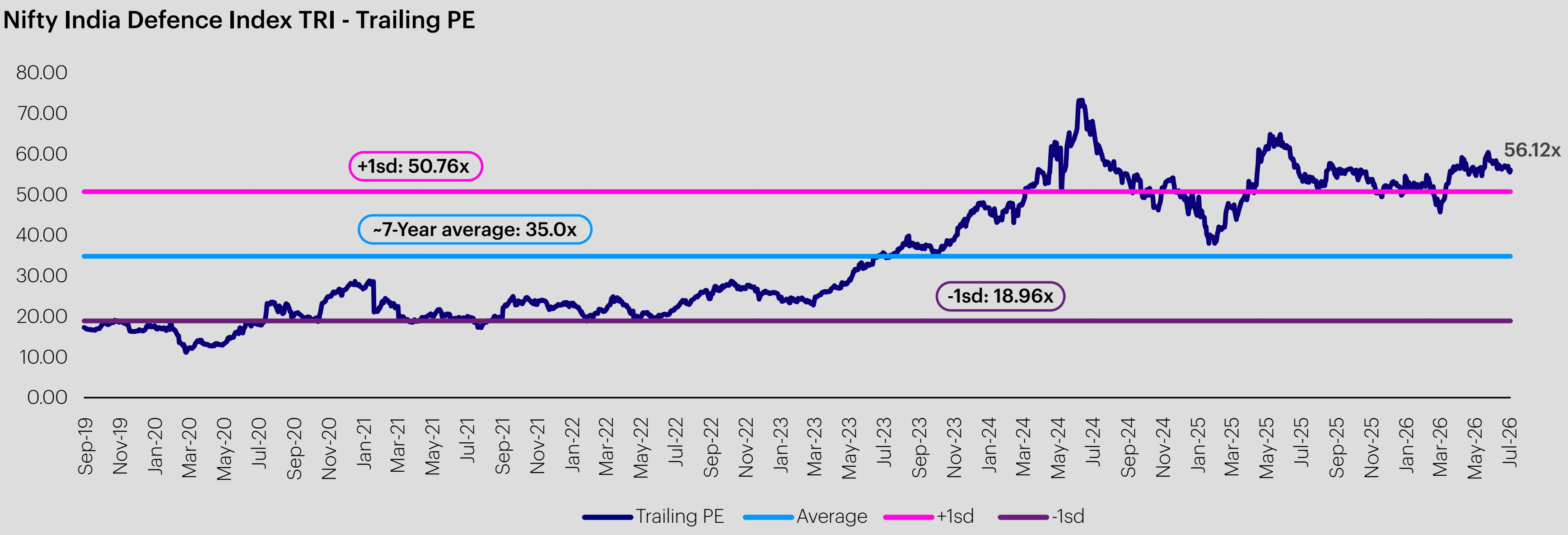
Elevated multiples reflect sector potential; Future returns will be earnings-led



Source: NSE. Invesco Asset Management (India) Research. PE: Price to Earning- Trailing PE. Data as on 31 July 2026.

Note: +1 Standard deviation is calculated by adding standard deviation of trailing PE to its own average.

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Sector outlook: India's defence transformation is creating a multi-year growth runway

Multi-year budget visibility

Record defence spending, growing at **~9.8%** CAGR[1], is translating into multi-year order visibility. Unlike most industrial sectors, growth is supported by long-duration government procurement rather than discretionary capex cycles.

Earnings remain strong and will be the key driver of returns from here on

5 year average EPS growth at ~25% and 5 year average ROCE at ~20% for the Index reflect fundamental growth, not just valuation re-rating.

Exports growth

Exports have grown ~56x between FY14 to FY26 (40% CAGR), creating a dual opportunity.

Self-reliance policy is a structural tailwind

Atmanirbhar Bharat is accelerating localization, while exports broaden the sector's opportunity set.

Defence ministry approved the transfer of DRDO-developed conventional missile technologies to Indian industry, accelerating indigenous production and strengthening India's defence self-reliance.

Capital discipline across the Index

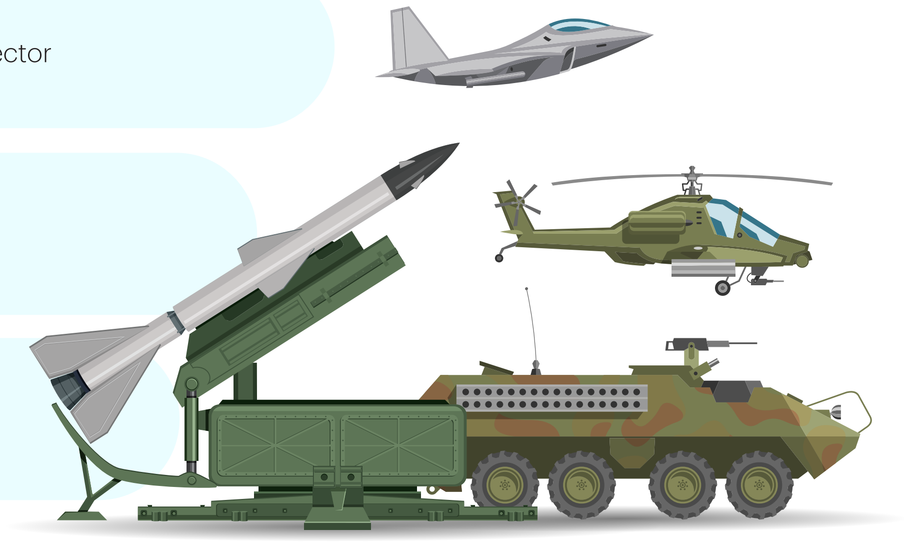
The index carries a free-float weighted **debt-to-equity of ~0.2x and ROE of ~21%,** highlighting strong clean balance sheet profile for a capex-heavy, order-book-driven sector.

However, order delays, budget reprioritisation, or indigenisation cost overruns could pose risk to our views

Note: Based on our current views. Source: Union Budget; IAMI. Data as on Q1FY27. [1]For the period FY17-FY27. ROE – Return on Equity, ROCE – Return on Capital Employed, EPS - Earning per share.
Index: Nifty India Defence Index.
The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

Fund suitability

- Investors who are bullish on long term prospects of India's defence sector
- Investors looking for a simple, low-cost investment option
- Investors seeking unbiased sector exposure through index tracking



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Key Facts

Type of Scheme	An open ended scheme replicating/tracking Nifty India Defence Index.
Investment Objective	Passive Investments in equity and equity related securities replicating the composition of Nifty India Defence Index, subject to tracking error. There is no assurance that the investment objective of the Scheme will be achieved.
Asset Allocation	Under normal circumstances, the asset allocation of the Scheme would be as follows: (see table below)
Minimum Application Amount	**During NFO and on Continuous basis:** ₹100/- per application and in multiples of Re. 1 thereafter. For Systematic Investment Plan (SIP): (see table below)
Plans / Options (Applicable to Direct Plan also)	Regular Plan and Direct Plan • Growth Option • Income Distribution cum Capital Withdrawal (IDCW) option • IDCW Payout • IDCW Reinvestment Option (If IDCW under payout of IDCW is equal to or less than ₹100/- then the IDCW would be compulsorily reinvested in the respective plan/option of the scheme)
Exit Load	Nil
Fund Manager	Mr. Abhisek Bahinipati
Benchmark	Nifty India Defence Index TRI

Asset Allocation

Type of Instruments	Indicative Allocation (% of Net Assets)	
	Minimum	**Maximum**
Equity and Equity related securities covered by Nifty India Defence Index	95	100
Money Market Instruments and other liquid Instruments#	0	5

#For the purpose of managing liquidity.

Note: Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as specified by SEBI from time to time.

Minimum Application Amount – SIP

Options	Minimum Amount	Minimum Installments
Daily*	₹20 and in multiples of Re.1/- thereafter.	60
Weekly	₹100 and in multiples of Re.1/- thereafter.	12
Monthly	₹100 and in multiples of Re.1/- thereafter.	12
Quarterly	₹300 and in multiples of Re.1/- thereafter.	4

*Available only through Digital Platforms

Annexure- Investment strategy

- The Scheme will follow a passive investment strategy and will invest in companies which are constituents of Nifty India Defence Index in the same weights as in the Index with an endeavor to track the benchmark index with as low tracking error as possible.
- The Scheme may also invest in money market instruments to meet liquidity and expense requirements.
- The Scheme may, for a temporary period, take exposure to derivatives of the index or its constituent stocks when equity shares are unavailable, insufficient or for rebalancing in case of corporate actions and when it makes economic benefit for the Scheme.

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Annexure- Index methodology

- Eligible Universe: The Nifty India Defence Index aims to track the performance of portfolio of stocks that broadly represent the Defence theme. From the Nifty Total Market index, stocks forming part of eligible basic industries or those which obtain at least 10% of revenues from the defence industry are eligible to be included in the index and are chosen based on 6 month average free-float market capitalisation. The weight of the stocks in the index is based on their free-float market capitalization. Stocks weights are capped at 20% each.
- Stocks part of / going to form part of the Nifty Total Market index at the time of review are eligible for inclusion in the index. The Nifty India Defence Index aims to track the performance of portfolio of stocks that broadly represent the Defence theme. Stocks forming part of the certain eligible 'basic industries' based on AMFI Industry Classification or stocks which are present in the Society of Indian Defence Manufacturers (SIDM) member list and obtain at least 10% of revenues from the defence segment are eligible to be included from the universe at the time of review. The weight of the stocks in the index is based on their free-float market capitalization.
- Minimum number of stocks within the index is 10.
- The weight of each stock in the index is based on its free float market capitalization.
- The Index is reconstituted semi-annually along with Nifty Broad-based indices.
- Index is re-balanced on semi-annual basis.

Disclaimer

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

Invesco Mutual Fund

Get in touch

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