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OWN INDIA'S *DEFENCE* CAPABILITIES

From aerospace to electronics, invest in businesses shaping India's defence capabilities.

- Aerospace & Defence
- Defence Electronics
- Industrial & Engineering
- Shipbuilding & Marine
- UAVs & Unmanned Systems
- Surveillance & Communication

NFO PERIOD

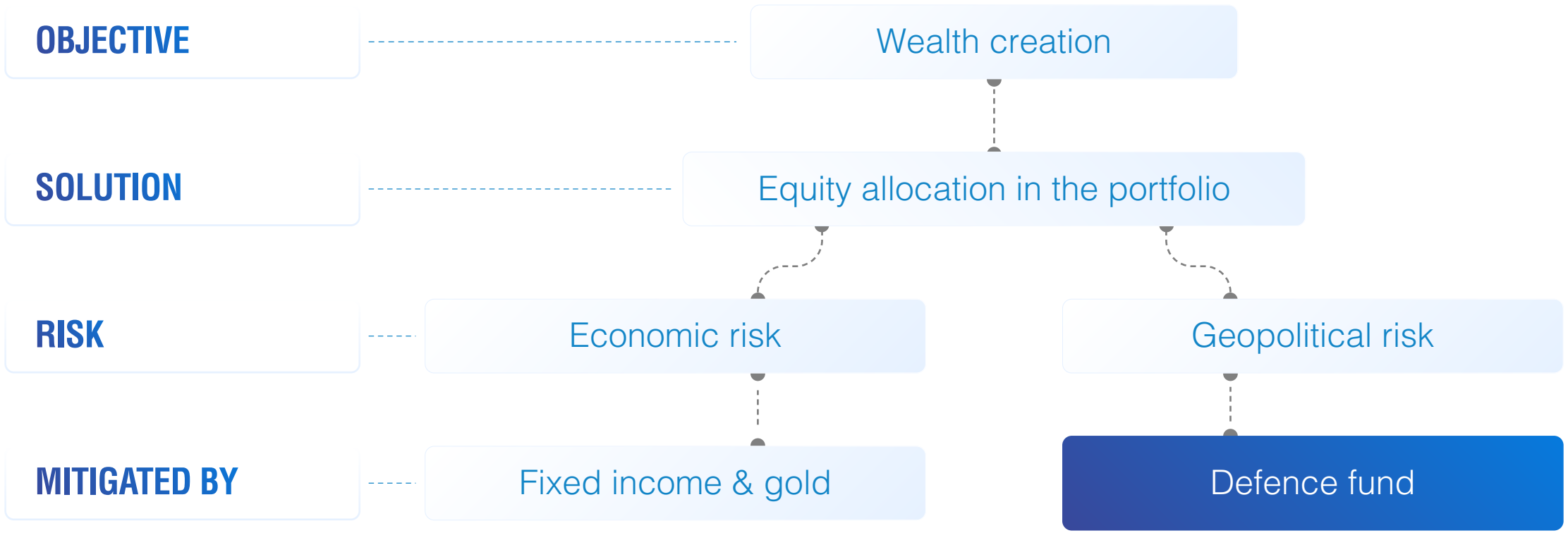
16th - 30th November 2026



For a view you cannot predict,

For a risk you cannot avoid

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Governments are the biggest spenders in this industry

Identified with the deep pockets

Priority segment for most governments

A changing world

Four shifts are putting national security at the centre of policy

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Deglobalisation

Countries are reducing their dependence on others for strategic goods and supply chains.



Trade and tariffs

Tariffs and trade barriers are making global supply less certain.



Regional conflict

Conflicts between states have returned, raising the priority of national security.



Self reliance

Nations want critical defence equipment designed and built at home.

Together, these push governments to spend more on defence, and to buy more of it at home.

Structural backdrop

A global rearmament cycle is underway, and it is broad-based

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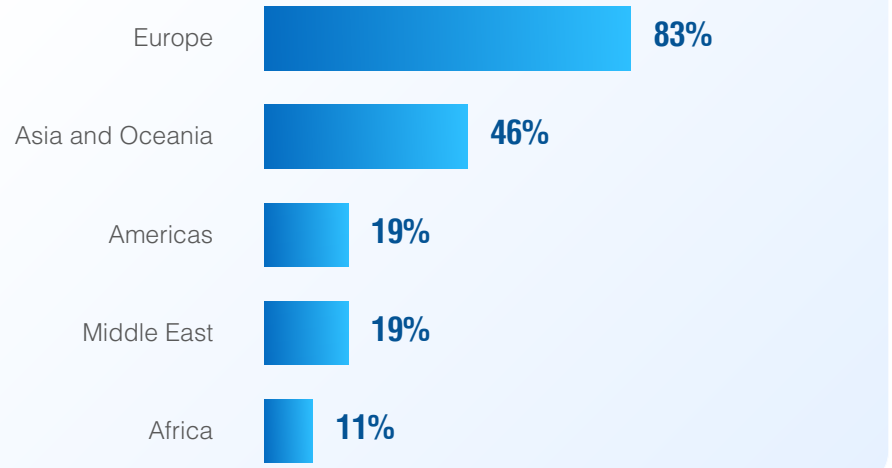
$2.7 tn
World military spending in 2024, a record and the steepest annual rise since the end of the Cold War

+9.4%
Real growth in 2024, the tenth consecutive year of rising global defence spending

5th
India ranked as the fifth largest defence spender in the world in 2024

5%
Of GDP by 2035, the new NATO commitment: at least 3.5% on core defence, plus up to 1.5% on related security

Military spending growth by region, 2015 to 2024 (%)





Spending rose across every region for a second year running, with Europe up 17%. More than one hundred countries raised outlays in 2024. This is a sustained reordering of national priorities, not a one year spike.

Source: SIPRI, Trends in World Military Expenditure 2024 - Latest Available Data is as on the end of 2024.

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Demand engine one

India defence outlay has risen about three-fold since FY14, and FY27 sets a fresh record

+15.2%
FY27 allocation growth over the prior year

~2.0%
Of estimated GDP, anchoring spending to a growing economy

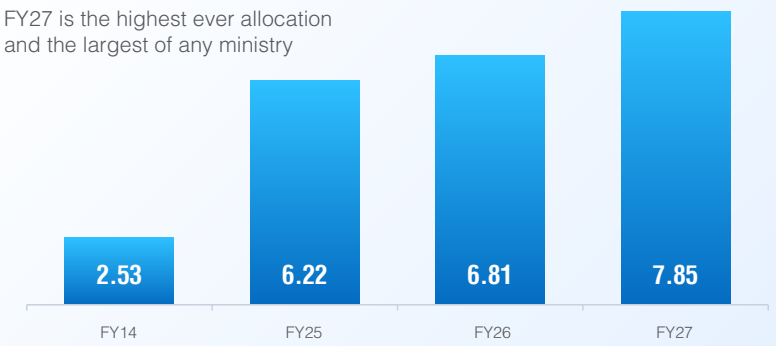
14.7%
Of the entire Union Budget, the single largest ministry share

₹1.85 Lakh Cr
Earmarked for capital acquisition in FY27, up about 24%



Ministry of Defence allocation, '₹' Lakh Crore

FY27 is the highest ever allocation and the largest of any ministry



Source: Union Budget documents, Press Information Bureau, Ministry of Defence. FY denotes the year ending March.

Demand engine two

From import dependence toward a credible export engine

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~56x

Rise in annual defence exports since FY14, from under ₹1,000 crore

₹1.54 Lakh Cr

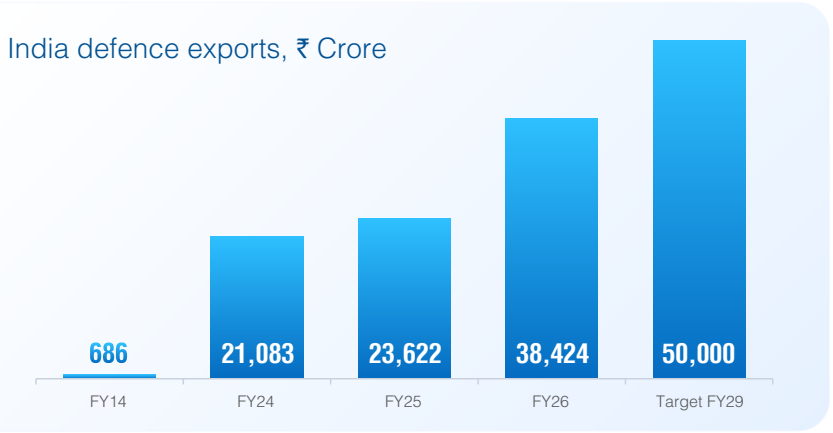
Record defence production in FY25, with a target of ₹3 lakh crore by 2029

80+

Countries now buying Indian defence equipment, with the private sector at about 45% of exports

~65%

Share of defence equipment now manufactured within India, against roughly 65% to 70% imported a decade ago





Source: Ministry of Defence, Press Information Bureau. Country count as per the April 2026 PIB note on FY26 exports; earlier Ministry notes cited 100-plus. Target figures are government stated goals for FY29.

Why now

India's listed defence universe is recent: many of its companies came to market only between 2017 and 2021

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Listing dates on NSE and BSE



Cochin Shipyard

Aug 2017

Mar 2018



Bharat Dynamics



Hindustan Aeronautics

Mar 2018

Oct 2018



Garden Reach Shipbuilders



Mazgaon Dock Shipbuilders

Oct 2020

Mar 2021



MTAR Technologies



Paras Defence and Space

Oct 2021

Dec 2021



Data Patterns

A short listed history

Investors could not own most of this universe through the listed market until recently. The BSE India Defence Index itself was launched on 13th August 2025.

Why our data starts in 2021

The analysis in this presentation uses data from January 2021, as this listed universe took shape.

This is not a market view product, and it should not be judged on past returns. The data that follows shows how the index has behaved around geopolitical events.

Listing month on NSE and BSE. Companies shown are selected listed defence and defence linked companies; inclusion here does not indicate index membership.

Financial year returns

BSE India Defence TRI against Nifty 50 TRI, by financial year

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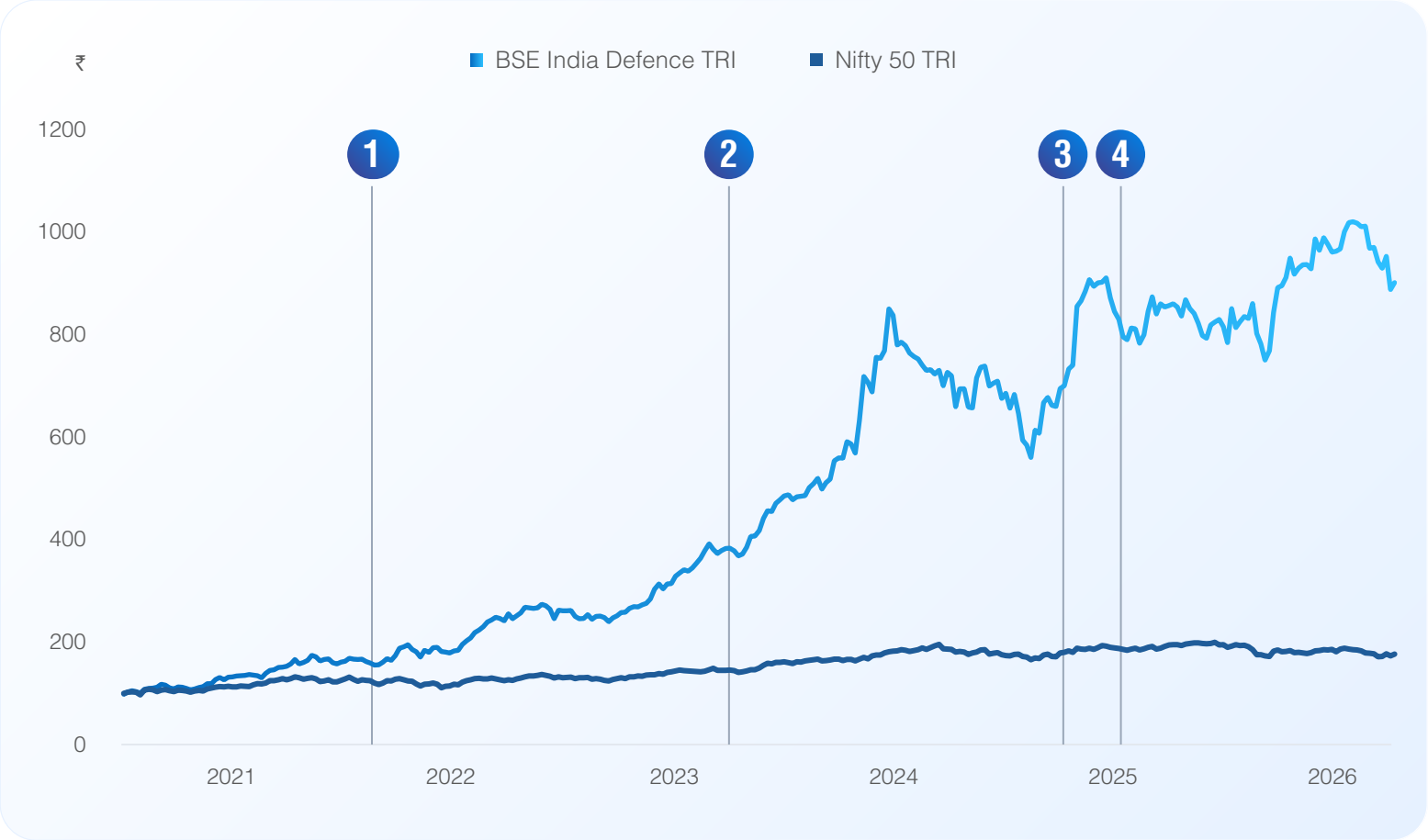


Absolute returns %. FYTD is FY27 to 30th October 2026. Source - MFI360 Explorer. Financial year runs April to March. Past performance may or may not be sustained in future. The above is for illustration purposes only and should not be construed to be indicative of scheme performance in any manner. The Index was launched on 14th August 2025 and the Index Values before 14th Aug 2025 have been back-calculated by the Index Provider.

Defence index vs Nifty 50

Growth of ₹100 since January - ₹955 vs ₹173

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Returns to 30 Oct 2026

	Defence	Nifty 50
1 year	6.31%	-9.99%
3 years	34.92%	7.63%
Since Jan 2021	45.82%	10.21%
Volatility	24.2%	14.1%

1 year is absolute. Longer periods are CAGR. Volatility is annualised from daily returns.

The chart shows the growth of ₹100 invested in both the Indices from 1st Jan 2021 to 30th October 2026.

Markers
1. Russia invades Ukraine (24 Feb 2022)
2. Hamas attack, Gaza war (7 Oct 2023)
3. Operation Sindoor (7 May 2025)
4. Israel-Iran Twelve-Day War (13 Jun 2025)

Weekly closes of daily TRI values, rebased to 100 on 1st Jan 2021. Source: MFI360 Explorer, data as on 30th October 2026. Past performance may or may not be sustained in future. The above is for illustration purposes only and should not be construed to be indicative of scheme performance in any manner. The Index was launched on 14th August 2025 and the Index Values before 14th Aug 2025 have been back-calculated by the Index Provider.

Around conflicts

After 3 of 4 conflicts, the defence index did better than Nifty 50 over the following one and three months

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Operation Sindoor

+22.9% in one month
against +1.3% for Nifty 50

Russia invades Ukraine

+17.5% in three months
while Nifty 50 moved -2.1%

Israel-Iran war

Lagged Nifty 50
one month: -1.4% vs +1.3%;
three months: -7.4% vs +1.0%

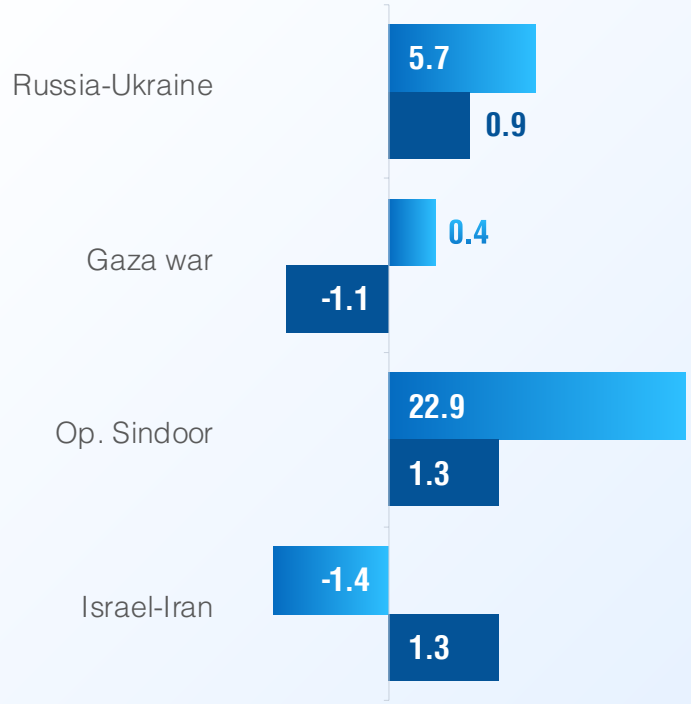
Returns from the close on the last trading day before each event to 5, 21 and 63 trading days later. TRI. Source: MFI360 Explorer. The above is for illustration purposes only and should not be construed to be indicative of scheme performance in any manner. The Index was launched on 14th August 2025 and the Index Values before 14th Aug 2025 have been back-calculated by the Index Provider.

Around conflicts

After 3 of 4 conflicts, the defence index did better than Nifty 50 over the following one and three months

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Return in the first month (21 trading days) after each event, %



Event	Date	1 week	
		Def	Nifty
Russia invades Ukraine	24 Feb 2022	+0.9%	-3.3%
Hamas attack, Gaza war	07 Oct 2023	+0.2%	+0.5%
Operation Sindoor	07 May 2025	+5.8%	+0.8%
Israel-Iran Twelve-Day War	13 Jun 2025	+0.3%	-0.4%

Event	Date	1 month	
		Def	Nifty
Russia invades Ukraine	24 Feb 2022	+5.7%	+0.9%
Hamas attack, Gaza war	07 Oct 2023	+0.4%	-1.1%
Operation Sindoor	07 May 2025	+22.9%	+1.3%
Israel-Iran Twelve-Day War	13 Jun 2025	-1.4%	+1.3%

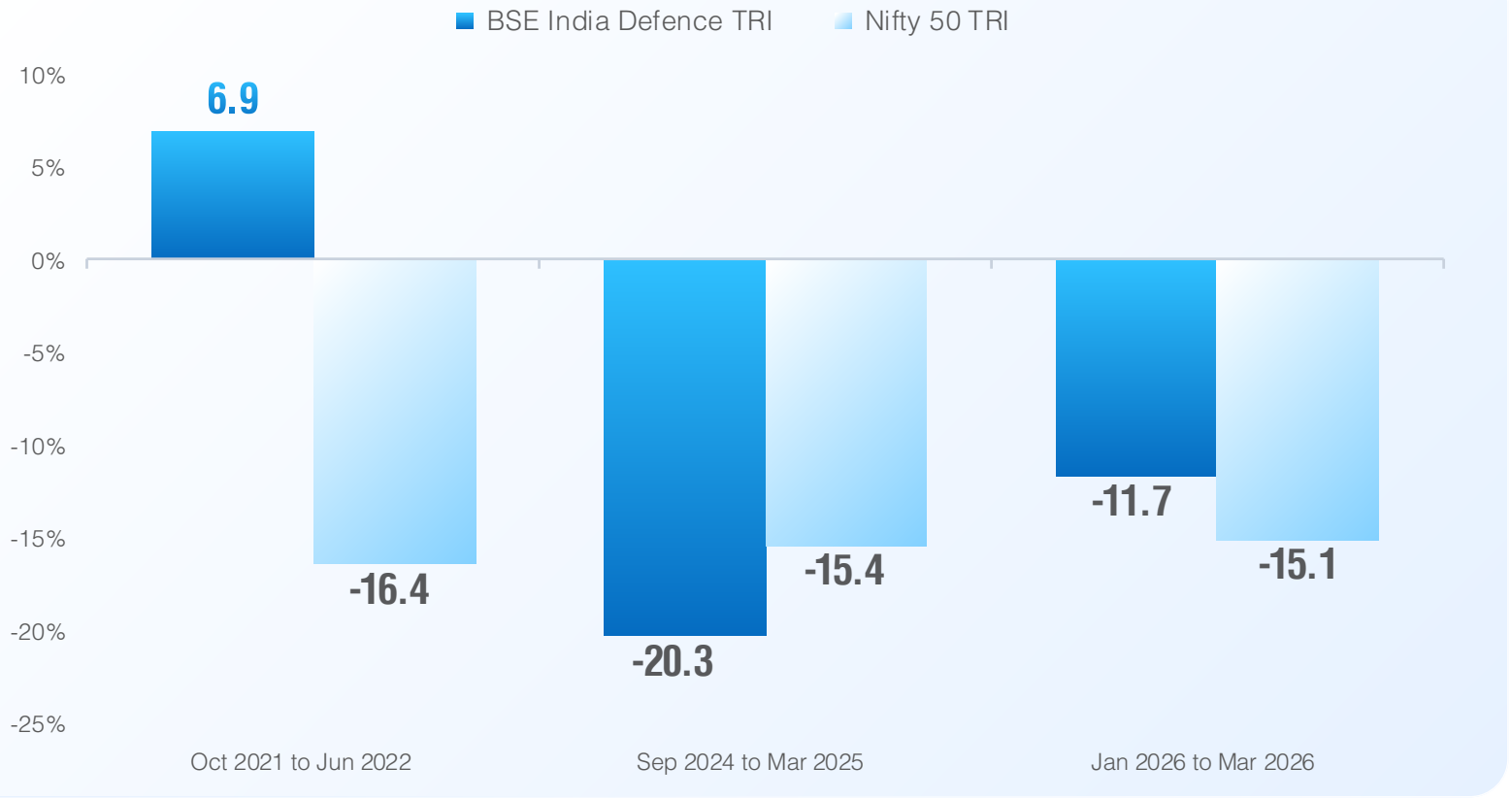
Event	Date	3 months	
		Def	Nifty
Russia invades Ukraine	24 Feb 2022	+17.5%	-2.1%
Hamas attack, Gaza war	07 Oct 2023	+23.7%	+9.7%
Operation Sindoor	07 May 2025	+8.5%	+1.4%
Israel-Iran Twelve-Day War	13 Jun 2025	-7.4%	+1.0%

Returns from the close on the last trading day before each event to 5, 21 and 63 trading days later. TRI. Source: MFI360 Explorer. The above is for illustration purposes only and should not be construed to be indicative of scheme performance in any manner. The Index was launched on 14th August 2025 and the Index Values before 14th Aug 2025 have been back-calculated by the Index Provider.

In market falls

Defence fell less than Nifty 50 in 2 of 3 major market falls since 2021

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Oct 2021 to Jun 2022

+6.9% vs -16.4%

Defence rose while Nifty 50 fell. This window spans the start of the Russia-Ukraine war.

Jan 2026 to Mar 2026

-11.7% vs -15.1%

Defence fell less than Nifty 50. Nifty 50 had not regained its January 2026 peak by 30 Sep 2026.

Sep 2024 to Mar 2025

-20.3% vs -15.4%

In this fall, the defence index fell more than Nifty 50.

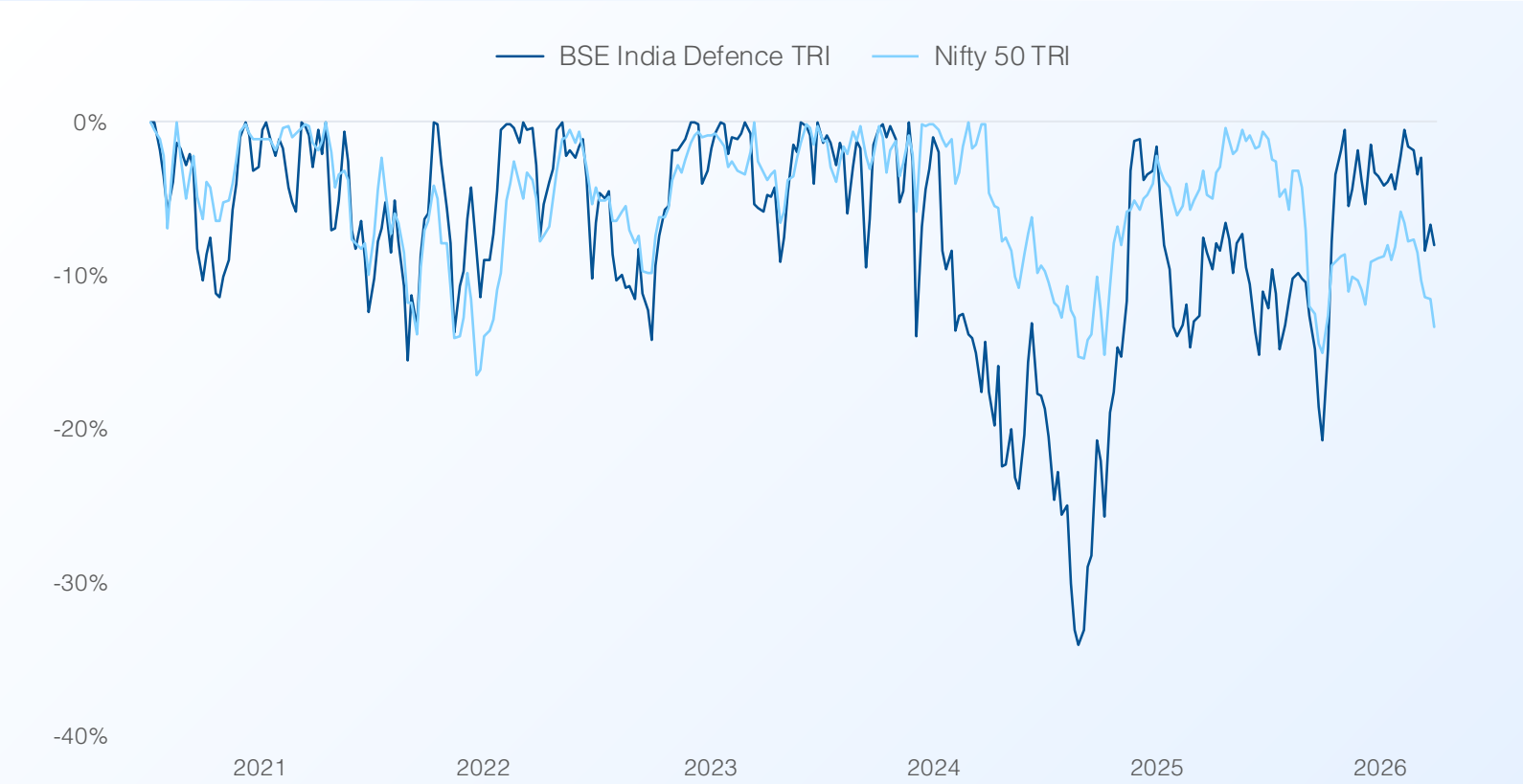
Each window runs from a Nifty 50 TRI peak to its lowest close before a new high, from 1st Jan 2021. Both indices measured over thesame window. TRI. Source: MFI360 Explorer. The above is for illustration purposes only and should not be construed to be indicative of scheme performance in any manner. Index Values before 13th Aug 2025 have been back-calculated by the Index Provider.

The other side

Volatile than Nifty 50

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Fall from previous peak, %



Maximum fall

-34.0%

for the defence index, 05 Jul 2024 to 28 Feb 2025. Nifty 50's worst fall was 16.4%.

Volatility

24.2%

annualised, against 14.1% for Nifty 50.

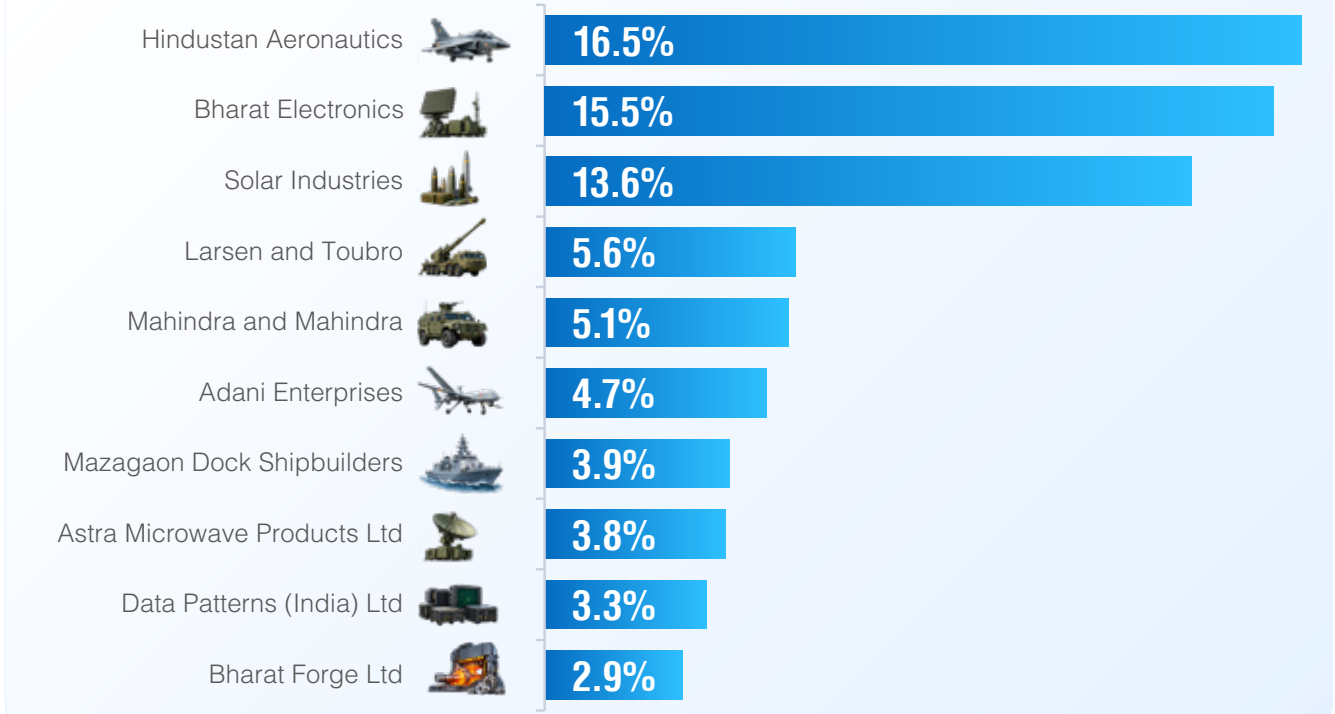
As on 30th October 2026. Drawdown is the fall from each index's previous highest value since 1st Jan 2021, weekly lows of daily TRI values. Source: MFI360 Explorer. The above is for illustration purposes only and should not be construed to be indicative of scheme performance in any manner. Index Values before 13th Aug 2025 have been back-calculated by the Index Provider.

The underlying index

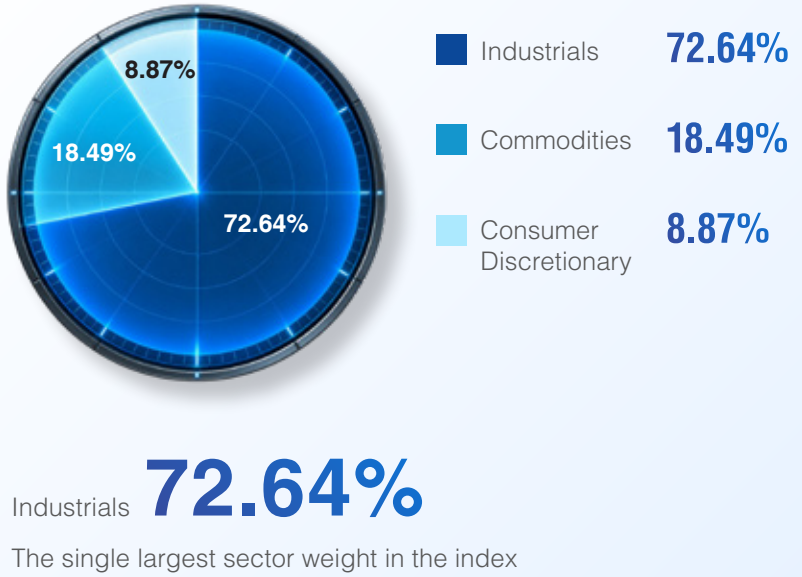
The BSE India Defence Index, a rule-based basket of defence and defence-linked companies

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Top 10 constituents by weight, (%)



Sector mix



Industrials **72.64%**

The single largest sector weight in the index

Index data as on 30th October. 2026. Source: BSE Index Services.

Scheme snapshot

Fund facts and asset allocation at a glance

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Scheme Name	SBI BSE India Defence ETF FOF
Type	Open ended fund of fund scheme investing in SBI BSE India Defence ETF
Benchmark	BSE India Defence Total Return Index
NFO Dates	NFO Open -16th November 2026 I NFO Close - 30th November 2026
Face value	₹10 per unit.
Listing Details	The Units under the Scheme will be listed on NSE and BSE.
Fund Manager	Mr. Viral Chhadva

Asset allocation pattern

Indicative allocation as percent of total assets

Securities covered by BSE India Defence Index

95% to 100%

Government securities including Triparty Repo and liquid mutual fund units

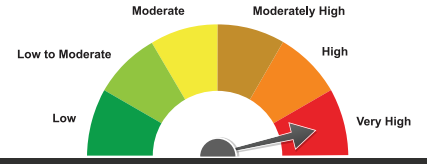
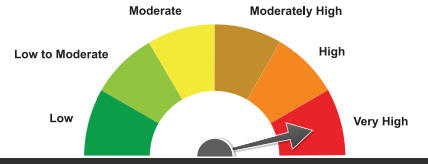
0% to 5%

Government securities include G Secs, SDLs and treasury bills. Pending deployment after the NFO, the scheme may park funds in these instruments. Limited equity derivative exposure is permitted for short durations during rebalancing. For detailed Asset Allocation Pattern, please refer SID.

Product labelling

This product is suitable for investors who are seeking

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SBI BSE India Defence ETF FOF is suitable for investors who are seeking*:		
• Long-term capital appreciation • Investment in SBI BSE India Defence ETF	Scheme Riskometer	Benchmark Riskometer As per AMFI Tier I BSE India Defence TRI
		
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	RISKOMETER	RISKOMETER
	The risk of the scheme is Very High	The risk of the benchmark is Very High

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. Investors may please note that they will be bearing the expenses of the fund of funds scheme in addition to the expenses of the underlying scheme in which the fund of funds scheme makes investment.

Next steps

How investors can participate

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Who could consider this fund

- Investors seeking long-term capital appreciation from the India defence theme
- Those who prefer a diversified, rule-based way to take thematic exposure
- Investors comfortable with a Very High risk, concentrated sector profile
- Allocators using a satellite sleeve alongside a diversified core portfolio

Participating in the New Fund Offer

1

Apply during the NFO

Units are offered at a face value of ₹10 each during the New Fund Offer period, 16th to 30th November 2026.

2

How the scheme invests

The scheme invests 95 to 100 percent of its assets in units of SBI BSE India Defence ETF.

Important information

Disclaimer

Investors should note that This scheme being a Fund of Funds scheme, the investors are bearing the recurring expenses of the scheme in addition to the expenses of underlying scheme in which the scheme shall make investment. This presentation is for information purposes only and is not an offer to sell or a solicitation to buy any mutual fund units/securities. These views alone are not sufficient and should not be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. All opinions and estimates included here constitute our view as of this date and are subject to change without notice. Neither SBI Funds Management Limited, nor any person connected with it, accepts any liability arising from the use of this information. The recipient of this material should rely on their investigations and take their own professional advice. For complete details, refer Scheme Related Documents available on https://www.sbimf.com/.

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Registered Name: SBI Mutual Fund, SEBI Registration Number: MF/009/93/3

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