Motilal Oswal AMC launches Motilal Oswal Nifty India Defence ETF

MODEFENCE - Motilal Oswal Nifty India Defence ETF India's first Defence ETF listing on the NSE.

Mumbai, 29 August 2024: Motilal Oswal Asset Management Company (MOAMC) has announced listing of Motilal Oswal Nifty India Defence ETF with a trading symbol **MODEFENCE**. This is India's first ETF offering exposure to the growth potential of Defence stocks listed in India. The index comprises 15 companies which also form a part of the Nifty total market. The ETF is listing on the NSE on 27th August 2024.

The index has delivered 159.3% returns in last 1 year & 92.0% in past 3 years as on July 31, 2024. While Defence exhibits strong performance potential, it may also experience higher volatility.

Why Defence?

According to Nomura research, the Defence sector highlights a significant opportunity for India's defence sector, estimating a pipeline of USD138 bn over FY24-FY32F. As India continues to prioritize national security and technological advancement, investors are presented with a unique opportunity to participate in this strategic growth. The recent stellar performance this sector can attribute to various changes in government policies and prioritizing the defence sector. Government of India has put import embargo on 4600+ defence item by Dec 2027 to reduce imports and increase defence manufacturing in India, moving towards 'Atmanirbhar Bharat' (self-reliance). Government is also actively aiming to increase exports of defence goods and services which is estimated to double in coming 3-4 years according to Nomura.

According to market experts, companies in this sector have improved their balance sheets and also their profitability through the continued increase in exports and increase in Defence expenditure by the government. This makes investing in the India Defence Index Fund an attractive investment proposition.

Prateek Agrawal, MD & CEO, Motilal Oswal Asset Management Company Ltd *said, "Defence stocks is preferable investment choice due to India's progress towards Atmanirbharta in defence through advancements in technology infrastructure, government's increased sectoral spending, and the current global political scenario. We believe the sector is well-positioned for long-term growth and a key component of an investment portfolio."*

Pratik Oswal, Chief of Business Passive Funds, Motilal Oswal Asset Management Company Ltd said, *"India's manufacturing capabilities are advancing swiftly, with the defence sector presenting significant long-term opportunities for investors, despite the limited number of stocks available. Through our Defence ETF, we aim to provide a pathway for investors to participate in India's journey towards self-reliance in the sector."*

The investment objective of Motilal Oswal Nifty India Defence ETF is to provide returns that, before expenses, correspond to the total returns of the securities as represented by the Nifty India Defence Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.

Investors can purchase/sell Motilal Oswal Nifty India Defence ETF units on exchange; for more information, please log-in to www.motilaloswalmf.com.

Source: Niftyindices, Factset, ACEMF, Nomura Research

Name of the scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
Motilal Oswal Nifty India Defence ETF (An open-ended scheme replicating/ tracking Nifty India Defence Total Return Index)	• Returns that correspond to the performance of the Nifty India Defence Total Return Index subject to tracking error • Long-term capital growth	Investors understand that their principal will be at Very High risk	Nifty India Defence Total Return Index Benchmark riskometer is at Very High risk

* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

About Motilal Oswal Asset Management Company:

About Motilal Oswal AMC: Motilal Oswal Group possesses legacy in equities for over 3 decades. Motilal Oswal Asset Management Company Ltd. (MOAMC) is registered with SEBI as the Investment Manager for Motilal Oswal Mutual Fund. It was incorporated on November 14, 2008. It provides Investment Management and Advisory Services to investors based within and outside India and having AIF's, Portfolio Management Services business and Mutual Funds.

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