

ICICI Prudential PMS Multi-Manager Portfolio

(A series under Multi Manager Portfolio)



September 2017

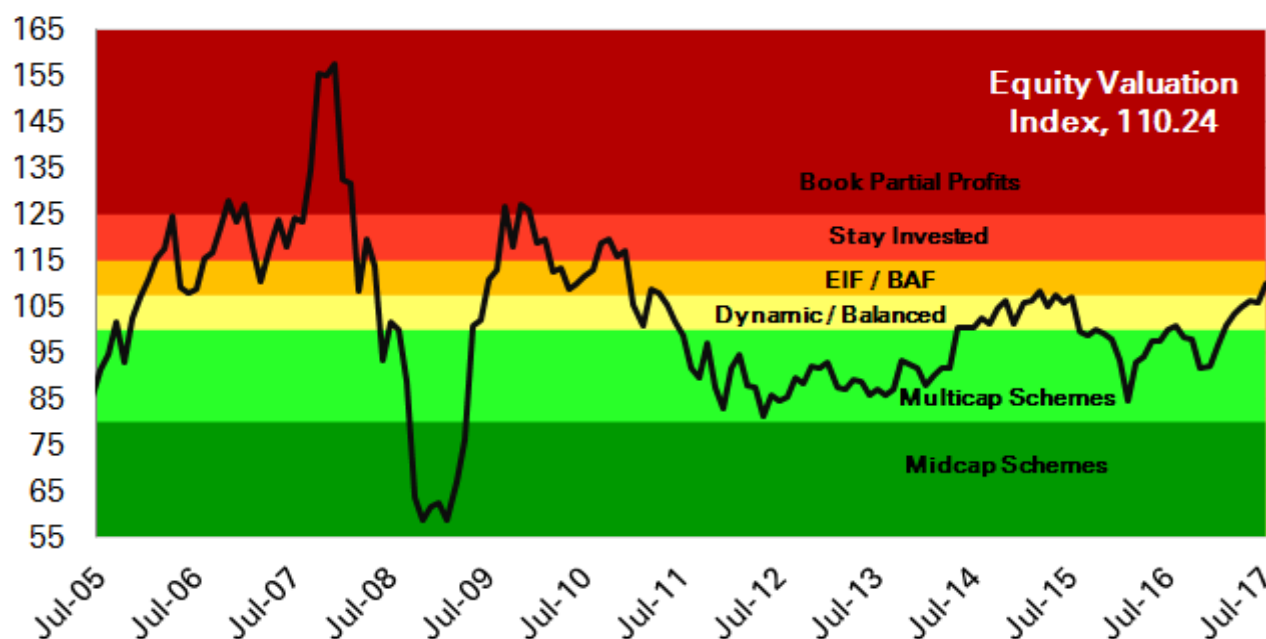
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Objective of ICICI Prudential PMS Multi-Manager Portfolio

- ICICI Prudential PMS Multi-Manager Portfolio seeks to generate long term capital appreciation from a portfolio that invests in the schemes of domestic/ ETF or offshore equity Mutual Funds.
- Aims to outperform the market over 3 year period with yearly reset.

Important factors to look at:

Equity Valuation Index



Equity Valuation index is calculated by assigning equal weights to Price-to-Earnings (PE), Price-to-Book (PB), G-Sec*PE and Market Cap to GDP ratio. G-Sec – Government Securities. GDP – Gross Domestic Product

As per our valuation index it indicates that investors looking to benefit out from volatility could consider investing in dynamic asset allocation funds.

Valuation Matrix

Valuation Ratios	Dec '07	Aug'17
P/E Ratio- Sensex	27.67	23.82
P/E Ratio- Nifty 50	27.62	25.99
P/B Ratio- Sensex	6.71	3.05
P/B Ratio- Nifty	6.39	3.51
ROE Nifty 50	25.5%	13.46%
Dividend Yield – Nifty	0.84%	0.93%

Macro Indicators

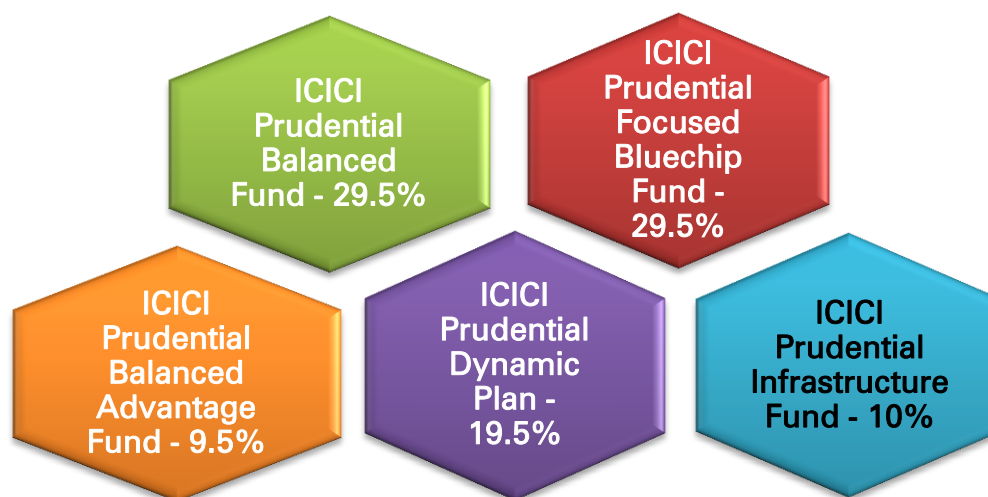
Valuation Ratios	Dec'07	Jul'17
Capacity Utilization (Mar 2017)	91.70%	74.1%
Credit Growth (Jun 24, 2016 – Jun 23, 2017)	23.30%	6.3%
Net FII Flows (TTM in Rs Cr) (12 Months Trailing in Rs. Crore)	80,915	23,938
Market Cap to GDP (Aug 2017)	149%	85%
IIP (TTM)	15.58%	-0.1% (as of June 2017)
GDP Growth	9.60% (Oct-Dec2007)	5.7% (Apr-Jun 2017)

Source: NSE, BSE India, Internal database, Reserve Bank of India, Kotak Securities; P/E: Price to Earnings Ratio; P/B: Price to Book Ratio; CAGR: Compound Annualised Growth Rate; YoY: Year on Year; RoE: Return on Equity; FII: Foreign Institutional Investors; IIP: Index of Industrial Production; GDP: Gross Domestic Product. Past performance may or may not be sustained in future.

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Proposed Portfolio for September 2017 Series



Scheme Recommendation	About The Scheme
<p>ICICI Prudential Focused Bluechip Equity Fund – (29.5% Exposure)</p>	<ul style="list-style-type: none"> • ICICI Prudential Focused Bluechip Equity Fund seeks to invest in large cap companies with a proven track record, quality management and good growth potential. • The Scheme has the highest exposure to the banking sector as we believe that the sector is going to benefit with the recovery in economy and expected pickup in credit growth. • Among the banks, the scheme has higher exposure to private banks as they are better placed in terms of valuation, growth prospect, and asset quality. It also has a slight exposure to public banks due to improvement in performance expected from reduction in NPA slippages. • The scheme has also increased its exposure to non-banking financial companies as the sector is relatively under-penetrated in India and has scope for growth. • The scheme has overweight position in the Pharmaceuticals sector due to reasonably attractive valuations of some quality pharmaceutical companies after recent correction in this space. • The scheme has increased its exposure to Power sector since June month and is currently overweight in the sector vis-à-vis the benchmark. We believe the sector could gain from falling interest rates and good earnings growth is expected over the long term. Exposure is as on 31st July 2017.

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ICICI Prudential Infrastructure Fund – (10% Exposure)	<ul style="list-style-type: none">• The investment focus is on ICICI Prudential Infrastructure Fund as it follows the infrastructure theme and the sectors that directly benefit from growth of infrastructure.• This sector is currently a relatively attractive investment prospect largely because of overall macro environment. With Government expected to increase spending in this space we believe this sector can grow in the long term and help benefit the India growth story.
ICICI Prudential Dynamic Plan – (19.5% Exposure)	<ul style="list-style-type: none">• ICICI Prudential Dynamic Plan has flexibility of higher allocation to cash in an expensive/volatile market and higher allocation to equity during inexpensive market.• ICICI Prudential Dynamic Plan is structured with intent to benefit from volatility.• ICICI Prudential Dynamic Plan invests across market capitalization (large, mid and small) based on attractiveness of valuation across the segments.• The Fund Manager actively manages exposure to those sectors on which he holds a contrarian view.• In a volatile environment, ICICI Prudential Dynamic Plan aims to provide agility and capture upside opportunities in the market across market capitalizations.
ICICI Prudential Balanced Fund – (29.5% Exposure)	<ul style="list-style-type: none">• ICICI Prudential Balanced Fund invests in a blend of large- and mid-cap stocks. While the large cap stocks represent established enterprises with track record, the mid- and small-caps represent businesses with long-term growth potential.• ICICI Prudential Balanced Fund aims to take long-term exposure to stocks, which in the opinion of the Fund Manager, offer reasonable returns over the long term. It proposes to concentrate on business and economic fundamentals driven by in-depth fundamental research.• ICICI Prudential Balanced Fund also invests in fixed income securities, which offer reasonable accrual and tactical allocation to longer maturity papers.• ICICI Prudential Balanced Fund seeks to actively manage the debt portion and currently aims to gain from duration play as the view on interest rates is positive.

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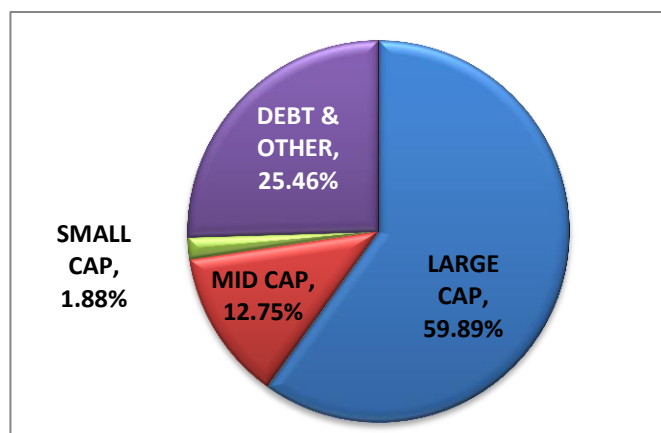
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<p>ICICI Prudential Balanced Advantage Fund – (9.5% Exposure)</p>	<ul style="list-style-type: none"> • ICICI Prudential Balanced Advantage Fund is an open ended equity oriented fund that aims at generating risk-controlled equity linked returns. • The Scheme invests predominantly in equities and uses derivatives to hedge the downside risk of the portfolio. • Blend of large and mid-cap stocks – While the large cap stocks represent established enterprises selected from the Top 100 stocks by market capitalization, the midcaps are smaller business entities with long-term growth potential. The allocation is decided on a tactical basis rather than any predefined ratio. • Asset allocation – The Scheme uses an in-house model, based on a long-term historical mean Price to Book Value (P/BV), with a view to limit the investments during a falling market, while aiming to capture the upside in a rising market. • Derivatives strategy – The Scheme may use derivative instruments for the purpose of hedging or portfolio rebalancing or for any other stock and/or index strategies as allowed under the SEBI Regulations.
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The above exposure for scheme recommendation is Indicative Weightage

Current Portfolio Commentary:

The Portfolio is overweight in Large-caps as Large-caps is providing better risk-reward ratio. Debt and equivalent is ~25%. ICICI Prudential Focused Bluechip Equity Fund was added with 29.5%. ICICI Prudential Focused Bluechip Equity Fund follows benchmark hugging strategy and is well positioned to play mid to late cycle of the market.



Performance of ICICI Prudential PMS Multi-Manager Portfolio

Particulars	Returns (%)		
	Aug 2016 Series	June 2017 Series – I (Inception date: June 01, 2017)	June 2017 Series – II (Inception date: June 16, 2017)
Total Portfolio Weighted Average Return	16.43	2.35	2.51
Nifty 50	13.05	3.08	3.55

Data till 31-Aug-2017. Past performance may or may not be sustained in future. Returns up to 1 year in absolute terms. Greater than 1 year in Compounded Annualized Growth terms. FBE: ICICI Prudential Focused Bluechip Equity Fund

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Particulars	Returns (%)	
	June 2016 Series	July 2016 Series
Total Portfolio Weighted Average Return	19.85	17.13
Nifty 50	16.86	16.59

Data till 31-Aug-2017. Past performance may or may not be sustained in future. Returns up to 1 year in absolute terms, Greater than 1 year in Compounded Annualized Growth terms

Risk Factors & Disclaimer:

Mutual Fund Disclaimers

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

- The Portfolio proposes to invest in schemes of mutual fund. Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Investing in mutual fund schemes will involve certain risks and considerations associated generally with making investments in securities. This shall impact the liquidity of the Portfolio. The value of the portfolio investments may be affected generally by factors affecting financial markets, such as price and volume, volatility in interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws) or other political and economic developments. Consequently, there can be no assurance that the objective of the Portfolio would achieve. The value of the portfolios may fluctuate and can go up or down. The schemes mentioned in this material do not constitute any recommendation of the same by the Portfolio Manager and the portfolios may or may not have any future positions in these Scheme.
- The composition of the portfolio is subject to changes within the provisions of the disclosure document. The benchmark of the portfolio can be changed from time to time in the future. The inability of the underlying schemes to make intended securities purchases due to settlement problems could cause the portfolio to miss certain investment opportunities. By the same rationale, the inability to redeem the units held by the portfolio due to the absence of a well-developed and liquid secondary market for securities would result, at times, in potential losses to the portfolio.
- Please note that past performance of the financial products, instruments and the portfolio does not necessarily indicate the future prospects and performance thereof. Such past performance may or may not be sustained in future. Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. The investors are not being offered any guaranteed or assured returns.
- Individual returns of Clients for a particular portfolio type may vary significantly from the data on performance of the portfolios as may be depicted by the Portfolio Manager from time to time. This is due to factors such as timing of entry and exit, timing of additional flows and redemptions, individual client mandates, specific portfolio construction characteristics or structural parameters, which may have a bearing on individual portfolio performance. No claims
- Private & Confidential. Only for distributors and referral agents of ICICI Prudential PMS may be made or entertained for any variances between the performance depictions and individual portfolio performance. Neither ICICI Prudential Asset Management Company Ltd. (the AMC) nor its Directors, Employees or Sponsors shall be in any way liable for any variations noticed in the returns of individual portfolios. The Client shall not make any claim against the Portfolio Manager against any losses (notional or real) or against any loss of opportunity for gain under the investment made, on account of or arising out of such circumstance/ change in market condition or for any other reason which may specifically affect a particular sector or security.
- Investors may please note that they will be bearing the expenses of this Portfolio in addition to the expenses of the underlying schemes in which this Portfolio makes investment. Past performance may or may not be sustained in future and the same may not necessarily provide the basis for comparison with other investment. The investors may also note that the AMC shall make investments in the schemes of ICICI Prudential Mutual Fund or such other mutual fund as deemed fit. No claims may be made or entertained for any investment in the schemes managed by the AMC.
- The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's investment in any type of security subject to the Agreement and as stated in the Disclosure Document and make such changes in the investments and invest some or all of the Client's investment amount in such manner and in such markets as it deems fit would benefit the Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Clients' account is absolute and final and can never be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force from time to time.
- The recipient(s) alone shall be fully responsible/are liable for any decision taken on the basis of this material. All recipients of this material should before dealing and/or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this may not be suitable for all investors.
- The Portfolio Manager/ the AMC take no responsibility of updating any data/information in this material from time to time. The Portfolio Manager and the AMC (including its affiliates), and any of its officers directors, personnel and employees, shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner.