



Dear Investor,

We thank you for your investments in ICICI Prudential Advisor Series – Passive Strategy Fund (the Scheme).

We continue on our journey of striving to bridge the gap between savings and investments to help create long term wealth and value for our investors. In this regard, we are proposing to make certain changes in features of the Scheme. As an investor in the Scheme, we would like to share with you the details of changes so that you can take an appropriate and informed decision. These changes will be effective from closure of business hours on February 01, 2019.

The proposed changes are as follows:

	Existing Provisions	Proposed Provisions
Change in Name, if any	ICICI Prudential Advisor Series – Passive Strategy Fund	ICICI Prudential Passive Strategy Fund
Type of Scheme	An open ended fund of funds scheme investing predominantly in Exchange Traded Funds of ICICI Prudential Mutual Fund	An open ended fund of funds scheme investing predominantly in Exchange Traded Funds
Investment Objective	<p>A Fund of Funds scheme that seeks to generate long term capital appreciation from a portfolio that is invested in following Exchange Traded Funds and debt schemes of ICICI Prudential Mutual Fund.</p> <p>Exchange Traded Fund</p> <ul style="list-style-type: none"> • ICICI Prudential Nifty 100 ETF • ICICI Prudential Nifty ETF • ICICI Prudential Nifty Low Vol 30 ETF • ICICI Prudential NV20 ETF • ICICI Prudential Midcap Select ETF • ICICI Prudential Sensex ETF • BHARAT 22 ETF <p>Debt Oriented Schemes</p> <ul style="list-style-type: none"> • ICICI Prudential Liquid Fund <p>However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.</p>	<p>The primary objective of the Scheme is to generate capital appreciation primarily from a portfolio that is invested in Exchange Traded Funds.</p> <p>However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.</p>

ICICI Prudential Asset Management Company Limited

Corporate Identity Number: U99999DL1993PLC054135

Corporate Office: One BKC 13th Floor, Bandra Kurla Complex, Mumbai - 400051.



Tel: +91 22 2652 5000, **Fax:** +91 22 2652 8100, website: www.icicipruamc.com, email id: enquiry@icicipruamc.com

Central Service Office: 2nd Floor, Block B-2, Nirlon Knowledge Park, Western Express Highway, Mumbai - 400063.

Tel: 022 2685 2000 Fax: 022 26868313

Registered Office: 12th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi 110 001

	Existing Provisions	Proposed Provisions																								
Asset Allocation	<p>Under normal circumstances, the asset allocation under the Scheme will be as follows:</p> <table border="1"> <thead> <tr> <th>Type of Security</th> <th>Approximate Allocation (% of Corpus)</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Particulars</td> <td></td> <td>Low/Medium/High</td> </tr> <tr> <td>Exchange Traded Funds</td> <td>95-100%</td> <td>High</td> </tr> <tr> <td>Units of Liquid schemes/ Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party repo, cash & cash equivalents.</td> <td>0-5%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>The cumulative gross exposure through investment in various Funds shall not exceed 100%.</p> <p>The portfolio would be rebalanced periodically to address any deviations from the aforementioned allocations due to market changes. Further subject to the asset allocation pattern stated above, the maximum asset allocation to one scheme of a Mutual Fund may be to the extent of 100% of the investible corpus under the Scheme.</p> <p>In case of any variance from the above asset allocation, the fund manager will carry out portfolio rebalancing within 30 Days. Further, in case the portfolio is not rebalanced within the period of 30 days, justification for the same shall be placed before the investment committee and reasons for the same shall be recorded in writing. The investment committee shall then decide on the course of action.</p>	Type of Security	Approximate Allocation (% of Corpus)	Risk Profile	Particulars		Low/Medium/High	Exchange Traded Funds	95-100%	High	Units of Liquid schemes/ Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party repo, cash & cash equivalents.	0-5%	Low to Medium	<table border="1"> <thead> <tr> <th>Type of Security</th> <th>Approximate Allocation (% of Corpus)</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Particulars</td> <td></td> <td>Low/Medium/High</td> </tr> <tr> <td>Exchange Traded Funds</td> <td>95-100%</td> <td>High</td> </tr> <tr> <td>Units of Liquid schemes/ Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo*, cash & cash equivalents.</td> <td>0-5%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>*or similar instruments as may be permitted by RBI/SEBI.</p> <p>The Scheme can invest in the schemes managed by ICI Prudential Mutual Fund or any other Mutual Fund(s) as per the above stated asset allocation. The cumulative gross exposure should not exceed 100% of the net assets of the Scheme.</p> <p>At all points of time, the scheme will remain invested at least 95% (minimum allocation) in the underlying schemes. However, on account of rebalancing or certain liquidity requirements, the exposure to the underlying mutual fund schemes may fall below 95%. In such cases the same shall be rebalanced as per the provisions stated below. The portfolio would be rebalanced periodically to address any deviations from the aforementioned allocations due to market changes.</p> <p>In case of the situation specified in the aforesaid paragraph or in the event of change in the asset allocation, the fund manager will carry out portfolio rebalancing within 30 Days. Further, in case the portfolio is not rebalanced within the period of 30 days, justification for the same shall be placed before the Internal Investment Committee and reasons for the same shall be recorded in writing. The Internal Investment Committee shall then decide on the future course of action.</p>	Type of Security	Approximate Allocation (% of Corpus)	Risk Profile	Particulars		Low/Medium/High	Exchange Traded Funds	95-100%	High	Units of Liquid schemes/ Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo*, cash & cash equivalents.	0-5%	Low to Medium
Type of Security	Approximate Allocation (% of Corpus)	Risk Profile																								
Particulars		Low/Medium/High																								
Exchange Traded Funds	95-100%	High																								
Units of Liquid schemes/ Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party repo, cash & cash equivalents.	0-5%	Low to Medium																								
Type of Security	Approximate Allocation (% of Corpus)	Risk Profile																								
Particulars		Low/Medium/High																								
Exchange Traded Funds	95-100%	High																								
Units of Liquid schemes/ Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo*, cash & cash equivalents.	0-5%	Low to Medium																								
Investment Strategy	<p>The Fund manager will invest based on the investment objective and asset allocation pattern of the Scheme. The fund manager based on their outlook will decide on the weightage of each scheme.</p> <p>Exchange Traded Funds</p> <ul style="list-style-type: none"> • ICI Prudential Nifty 100 ETF • ICI Prudential Nifty ETF • ICI Prudential Nifty Low Vol 30 ETF • ICI Prudential NV20 ETF • ICI Prudential Sensex ETF • ICI Prudential Midcap Select ETF • BHARAT 22 ETF 	<p>Subject to the Regulations and other prevailing laws as applicable, the Scheme can invest in any (but not exclusively) of the following category of schemes:</p> <ol style="list-style-type: none"> 1. Units of Exchange Traded Funds; 2. Units of Liquid Schemes. 																								

	Existing Provisions	Proposed Provisions
	Debt Oriented Schemes <ul style="list-style-type: none"> • ICICI Prudential Liquid Fund 	
Benchmark	Nifty 50 Index	Nifty 200 Index
Riskometer	<p>ICICI Prudential Advisor Series – Passive Strategy Fund is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term wealth creation • An open ended fund of funds scheme investing predominantly in Exchange Traded Funds of ICICI Prudential Mutual Fund  <p>Investors understand that their principal will be at moderately high risk</p> <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>	<p>ICICI Prudential Passive Strategy Fund is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term wealth creation • An open ended fund of funds scheme investing predominantly in Exchange Traded Funds  <p>Investors understand that their principal will be at moderately high risk</p> <p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>

Note:

1. Risks associated with investing in Tri Party Repo through CCIL (TREPS)

The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments.

CCIL maintains prefunded resources in all the clearing segments to cover potential losses arising from the default member. In the event of a clearing member failing to honour his settlement obligations, the default Fund is utilized to complete the settlement. The sequence in which the above resources are used is known as the “Default Waterfall”.

As per the waterfall mechanism, after the defaulter’s margins and the defaulter’s contribution to the default fund have been appropriated, CCIL’s contribution is used to meet the losses. Post utilization of CCIL’s contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members.

Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

However, it may be noted that a member shall have the right to submit resignation from the membership of the Security segment if it has taken a loss through replenishment of its contribution to the default fund for the segments and a loss threshold as notified have been reached. The maximum contribution of a member towards replenishment of its contribution to the default fund in the 7 days (30 days in case of securities segment) period immediately after the afore-mentioned loss threshold having been reached shall not exceed 5 times of its contribution to the Default Fund based on the last re-computation of the Default Fund or specified amount, whichever is lower.

Further, it may be noted that, CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury bills are accepted as collateral by CCIL. The risk

factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

A notice-cum-addendum detailing all the modifications is also available on the AMC's website i.e. www.icicipruamc.com.

While the Board of Trustees of ICICI Prudential Mutual Fund has approved the above change, we would request you to note that the aforesaid changes constitutes change in the fundamental attributes of the Scheme and requires compliance with Regulation 18(15A) of Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 (the Regulations). Securities and Exchange Board of India (SEBI) has communicated its no-objection for the above changes vide its letter no. IMD/DF3/OW/P/2018/34965/1 dated December 21, 2018.

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 the existing unitholders (i.e. whose names appear in the register of unitholders as on close of business hours on December 27, 2018) under the Scheme are hereby given an option to exit, i.e. either redeem their investments or switch their investments to any other schemes of ICICI Prudential Mutual Fund, within 32 days (at least 30 days) exit period starting from January 1, 2019 till February 01, 2019 (both days inclusive and up to 3.00 pm on February 01, 2019) at Applicable NAV, without payment of any exit load. The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption/switch request at any Official Point of Acceptance of the Fund. For list of Official Points of Acceptance, please visit our website. Unitholders who do not exercise the exit option by 3.00 pm on February 01, 2019 would be deemed to have consented to the proposed modification. It may also be noted that no action is required in case Unitholders are in agreement with the aforesaid changes, which shall be deemed as consent being given by them for the proposed changes. Kindly note that an offer to exit is merely optional and is not compulsory.

All the valid applications for redemptions/switch received under the Scheme shall be processed at Applicable NAV of the day of receipt of such redemption/switch request, without payment of any exit load, provided the same is received during the exit period mentioned above. Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges/encumbrances prior to the submission of redemption/switch requests. Unitholders should ensure that their change in address or bank details are updated in records of ICICI Prudential Mutual Fund as required by them, prior to exercising the exit option for redemption of units. Unit holders holding Units in dematerialized form may approach their Depository Participant for such changes. In case units have been frozen/locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze/lock order is vacated/revoked within the period specified above. The redemption proceeds shall be dispatched within 10 (ten) business days of receipt of valid redemption request to those unitholders who choose to exercise their exit option. Redemption/switch of units from the scheme, during the exit period, may entail capital gain/loss in the hands of the unitholder. Similarly, in case of NRI investors, TDS shall be deducted in accordance with the applicable Tax laws, upon exercise of exit option and the same would be required to be borne by such investor only. In view of individual nature of tax implications, unitholders are advised to consult their tax advisors.

The updated Scheme Information Document (SID) & Key Information Memorandum (KIM) of the Scheme containing the revised provisions shall be made available with our Investor Service Centres and also displayed on the website immediately after completion of duration of exit option.

We hope that you will provide us your support; in case of any queries you can reach our call centre on 18002006666/1800222999. We assure you that the proposed change is in line with our best endeavors to serve you better.

We shall continue to work towards your investment success and keep you updated on our views in the future.

**Yours sincerely,
ICICI Prudential Asset Management Company Limited**

**Sd/-
Nimesh Shah,
Managing Director**

Date: December 27, 2018

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