

**Registered Office:** 12<sup>th</sup> Floor, Narain Manzil, 23, Barakhamba Road, New Delhi - 110 001.

**Corporate Office:** One BKC, 13<sup>th</sup> Floor, Bandra Kurla Complex, Mumbai - 400 051.  
Tel.: +91 22 2652 5000, Fax: +91 22 2652 8100, Website: www.icicipruamc.com,  
Email id: enquiry@icicipruamc.com

**Central Service Office:** 2<sup>nd</sup> Floor, Block B-2, Nirlon Knowledge Park, Western Express Highway, Goregaon (E), Mumbai - 400 063. Tel.: 022 2685 2000 Fax: 022 26868313

**Notice-cum-Addendum to the Scheme Information Document (SID)/Key Information Memorandum (KIM) of various schemes of ICICI Prudential Mutual Fund.**

NOTICE is hereby given that pursuant to SEBI circular no. CIR/IMD/DF/19/2011 dated November 11, 2011 and circular no. CIR/IMD/DF/23/2012 dated November 15, 2012, the Board of Directors of ICICI Prudential Trust Limited (the Trustee) have approved participation of the below stated schemes in repos in corporate debt securities, as per the guidelines issued by SEBI and RBI from time to time.

Schemes	
ICICI Prudential Banking & Financial Services Fund	ICICI Prudential Liquid Fund
	ICICI Prudential Medium Term Bond Fund
ICICI Prudential Equity & Debt Fund	ICICI Prudential All Seasons Bond Fund
ICICI Prudential Banking & PSU Debt Fund	ICICI Prudential Ultra Short Term Fund
ICICI Prudential Value Discovery Fund	ICICI Prudential Overnight Fund
ICICI Prudential Multi-Asset Fund	ICICI Prudential Multicap Fund
ICICI Prudential Equity-Arbitrage Fund	ICICI Prudential Credit Risk Fund
ICICI Prudential Balanced Advantage Fund	ICICI Prudential Exports and Services Fund
ICICI Prudential Equity Savings Fund	ICICI Prudential Short Term Fund
ICICI Prudential Savings Fund	ICICI Prudential Money Market Fund
ICICI Prudential Floating Interest Fund	ICICI Prudential Focused Equity Fund
ICICI Prudential Bluechip Fund	ICICI Prudential Long Term Equity Fund (Tax Saving)
ICICI Prudential Gilt Fund	
ICICI Prudential Large & Mid Cap Fund	ICICI Prudential Technology Fund
ICICI Prudential Regular Savings Fund	ICICI Prudential Corporate Bond Fund
ICICI Prudential Long Term Bond Fund	ICICI Prudential Bond Fund

In view of the above, below stated provisions shall be incorporated in SID and KIM of the above mentioned schemes of ICICI Prudential Mutual Fund.

**1. Intention to participate in repo in corporate debt securities**

The scheme(s) may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. Such investment shall be made subject to the guidelines which may be prescribed.

**2. Exposure limit/Other provisions**

Below stated conditions and norms shall apply to repo in corporate debt securities, which are subject to change as may be prescribed by SEBI and/or RBI from time to time:

- Any scheme shall not lend/borrow more than 10% of its net assets in repo against corporate debt securities.
- The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt, derivatives and any other permitted assets shall not exceed 100% of the net assets of the Scheme.
- The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
- The exposure limit/investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate debt securities.
- Counterparty selection & credit rating  
The AMC follows an issuer selection and approval process for fixed income investments and the same shall be used for selection of counterparties for repo in corporate debt securities. Repo transactions shall be carried out with only those counterparties who have a credit rating of 'AA- and above' (Long term rating) or 'A1+' (Short term rating) provided by any credit rating agency as accredited by SEBI from time to time.
- Tenor of Repo  
Tenor of repo shall not exceed 6 months. There shall be no restriction/limitation on the tenor of collateral.
- Applicable haircut  
The AMC would be guided by the parameters for applying haircut as may be specified by RBI and/or SEBI for undertaking repo in corporate debt securities, from time to time.
- Rating of underlying instruments  
The schemes shall participate in repo transactions only in AA (or equivalent short term rating) and above rated corporate debt securities.

**3. The risk factors associated with repo transactions in Corporate Debt**

**Lending transactions:**

The scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However in repo lending transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk may be further mitigated through over-collateralization (the value of the collateral being more than the repo amount). Further, the liquidation of underlying securities in case of counterparty default would depend on liquidity of the securities and market conditions at that time. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation and over-collateralization to cushion the impact of market risk on sale of underlying security.

**Borrowing transactions:**

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin). This risk is normally mitigated by better cash flow planning to take care of such repayments. Further, there is also a Credit Risk that the Counterparty may fail to return the security or Interest received on due date. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation.

**4. Disclosure**

The details of repo transactions of the schemes in corporate debt securities, including details of counterparties, amount involved and percentage of the net asset value shall be disclosed to investors in the half yearly portfolio statements.

The provisions of this addendum shall be effective from March 18, 2019.

**This Notice-cum-addendum forms an integral part of the SID/KIM of the above mentioned Schemes of the Fund, as amended from time to time.**

**All the other provisions of the SID/KIM except as specifically modified herein above remain unchanged.**

**For ICICI Prudential Asset Management Company Limited**

Place: Mumbai

Sd/-

Date : March 12, 2019

**Authorised Signatory**

No. 010/03/2019

**CALL MTNL/BSNL: 1800 222 999 • Others : 1800 200 6666 • Or, apply online at www.icicipruamc.com**

As part of the Go Green Initiative, investors are encouraged to register/update their e-mail id and mobile number with us to support paper-less communications.

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