



ICICI Prudential Asset Management Company Limited

Corporate Identity Number: U99999DL1993PLC054135

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

Notice-cum-addendum is hereby given to investors of the schemes of the Fund that consequent to the discontinuation of Collateralized Borrowing and Lending Obligations (CBLO) and introduction of Tri-party Repo by Clearing Corporation of India Limited (CCIL), risk factors pertaining to CBLOs as appearing in the SID/KIM of the schemes shall stand replaced with risks associated with investing in Tri-Party Repo, as provided below:

"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."

This Notice-cum-addendum forms an integral part of the SID/KIM/addenda of all the schemes of the Fund, as amended from time to time.

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

For ICICI Prudential Asset Management Company Limited

Place: Mumbai

Sd/-

Date : December 5, 2018

Authorised Signatory

No. 002/12/2018

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.