EQUITY MARKET UPDATE

September 2026

ICICI Prudential Mutual Fund
Registration No.: MF/003/93/6

Global Market Update

Indices	Index Movement in Aug-26	Current PE	10 Yr Average
*US	1.3	23.0	19.9
UK	-0.4	15.0	14.4
Japan	3.0	21.6	21.1
Hong Kong	-1.2	12.4	11.6
Singapore	2.3	19.5	14.3
China	-1.1	11.1	9.0

Data Source: Axiscap Research & Crisil Research; Data till August 31, 2026. PE: Price to Equity Ratio. *US Dow Jones Industrial Average is considered.

- The US economy expanded 1.5% YoY in the Q2CY26, slowing from 2.1% growth in Q1CY26. Fed maintained the federal funds rate target range at 3.50-3.75% at its July meeting.
- Eurozone economy expanded 1.0% YoY in in Q2CY26, accelerating from a revised growth rate of 0.5% in Q1CY26, indicating stronger economic momentum across the region. ECB kept its key interest rates unchanged at its July meeting, maintaining deposit facility rate at 2.25%, main refinancing operations rate at 2.40% and marginal lending facility rate at 2.65%
- UK economy expanded 1.2% YoY in Q2CY26, accelerating from 0.9% growth in Q1CY26. BoE kept interest rates unchanged at 3.75% In July meeting. The decision reflected a balance between easing inflationary pressures and risks from higher energy prices
- Japanese economy expanded 1.1% YoY in Q2CY26, down from a revised 1.9% in the Q1CY26, signaling a moderation in economic activity.
- PBoC maintained the 1-year and 5-year LPR at a record low of 3% and 3.5%, respectively for a 15th consecutive month in its July 26 meeting

(Source: CRISIL Research. US: United States, ECB: European Central Bank; PBoC: People's Bank of China; UK: United Kingdom; GDP: Gross Domestic Product, BoJ: Bank of Japan, LPR: Loan Prime Rate)

Indian Market Update

Indices	Index Movement in Aug 26	Current PE	10 Yr Average
BSE Sensex	-1.5	21.2	23.9
BSE Small Cap	4.3	29.1	29.8
BSE Auto	0.8	31.6	29.1
BSE Bankex	0.4	13.4	20.8
BSE Capital Goods	2.9	48.9	38.3
BSE Consumer Durables	-0.6	62.4	60.7
BSE FMCG	-4.1	32.5	36.8
BSE Healthcare	1.5	42.9	32.5
BSE IT	0.7	19.7	25.2
BSE Metals	2.4	19.0	14.9
BSE Mid Cap	1.4	29.6	30.4
BSE Oil & Gas	-2.1	8.4	10.7
BSE PSU	-0.4	10.4	11.5
BSE Realty	-0.1	40.4	46.1

Data Source: Axiscap Research & Crisil Research; * Data till August 31, 2026 is considered

INDEX PERFORMANCE

- Indian equity markets witnessed a volatile performance in August, with benchmark indices ending in negative territory. The BSE Sensex and Nifty 50 declined 1.49% and 1.20%, respectively, (as on August 27) as persistent global uncertainties and fluctuations in crude oil prices weighed on investor sentiment. Escalating geopolitical uncertainties in West Asia kept markets on the edge. Elevated and volatile crude oil prices raised inflationary concerns, impacting cost expectations and corporate margins. Additionally, profit-booking after intermittent rallies and caution ahead of key global data releases, limited upside during the month.
- Market sentiment remained influenced by global developments, crude oil price movements and foreign fund flows, resulting in a mixed sectoral performance despite broader market resilience.
- Sectoral performance was mixed in August, with cyclical sectors performing well while consumption and technology-oriented sectors lagged. Among the gainers, BSE Metal (+4.2%), BSE Capital Goods (+3.3%), and BSE Healthcare (+1.0%), delivered positive returns, supported by stock-specific buying and improving industrial activity trends.
- On the downside, BSE FMCG (-2.8%) emerged as the worst-performing sector, followed by BSE Teck (-2.2%) and BSE Power (-1.8%), reflecting profit-booking and sector-specific headwinds.

Source: BSE and Crisil Research

INFLATION:

- CPI inflation went up to 4.45% on-year in July 26 from 4.38% in June 26.
- India's WPI inflation fell down to 9.78% in July 26, compared with 9.87% in June 26.

(Source: CRISIL Research; CPI: Consumer Purchase Index; WPI: Wholesale Price Index)

Indian Market Update

Flows	Aug-26	Jul-26	Jun-26
*FPI (Net Purchases / Sales) (Rs Cr)	29,631	20,200	-49,340
MFs (Net Purchases / Sales) (Rs cr)	27,887	17,567	47,608

Earnings Growth (%) (Consolidated)	FY27E	FY28E	FY29E
Sensex	13.9	7.9	16.0

Macro Indicators	Latest Update	Previous Update
GDP (YoY%)	7.8% (Q1FY27)	8.6% (Q4FY26)
IIP (YoY%)	6.7% (July 2026)	7.3% (June 2026)
Crude ($ bbl)	94.6 (July 31)	90.4 (June 30)
Core Sector Growth (YoY%)	5.4% (July 2026)	6% (June 2026)
#Trade Deficit ($ mn)	-31,980 (July 2026)	-30,428 (June 2026)
Current Account Deficit ($ bn)	-4.2 (Q1FY27)	6.5 (Q4FY26)

Note: Data Source: Axiscap Research and Crisil Research; *Sourced from NSDL.
Data till August 31, 2026 is considered. CAD: Current Account Deficit; GDP: Gross Domestic Product, IIP: India Industrial Production; FPI: Foreign Portfolio Investment; MF-Mutual Fund; E-Estimate; FY: Financial Year. #Only merchandise Trade balance has been considered

DOMESTIC & GLOBAL DEVELOPMENTS

- Indian GDP grew 7.8% on-year in Q4FY26, compared with an upwardly revised 8.0% in Q3FY26
- In terms of gross value added, the economy grew 7.9% vs 8.0%
- Indian GDP is expected to slow to 6.6% on-year in FY27, compared with 7.7% in FY26 owing to higher input cost pressures, forecast of below normal monsoon rainfall and softer global growth. Relative resilience in consumption demand and continued government capital expenditure are expected to support growth
- FPIs increased their equity purchases to Rs 296.31 billion in August, compared with Rs 202.00 billion in July. DIIs purchased equities worth Rs 582.68 billion in August from Rs 350.99 billion in July, providing continued liquidity support
- A sharp rise in energy and other input costs, including transportation, is expected to be passed on by producers to consumers, raising core inflation. Below-normal rains amid El Nino conditions are expected to put pressure on food inflation

(Source: Crisil Research and NSDL. DII: Domestic Institutional Investor, FY: Financial year; GDP: Gross Domestic Product; FPI: Foreign Portfolio Investor, FII: Foreign Institutional Investment, GST: Goods & Services Tax)

Outlook & Triggers

Global Update: U.S. equity markets finished August 2026 with solid overall monthly gains, led by the Nasdaq Composite rising approximately 3.9% and the S&P 500 advancing about 2.6%, driven by resilient economic activity, robust corporate earnings growth, and strong technology sector momentum. The index delivered a strong performance despite late-month turbulence driven by rising Treasury yields and geopolitical tensions. In the UK, the FTSE 100 dipped 0.4% during the month primarily because heavyweight mining and commodity stocks retreated alongside a slide in banking and energy sectors, which overshadowed minor, global AI-driven technology gains. The STOXX 600 achieved its fifth consecutive monthly gain, driven by resilient corporate earnings beat and global technology rallies. The pan-European benchmark STOXX 600 index closed 0.3% higher in Aug 2026.

China's equity market barometer index, Shanghai Composite, gained 4.0% in Aug 2026 after encouraging signs of stabilization in industrial manufacturing data and tech-led boom. Japan's Nikkei 225 rallied 2.3% in Aug 2026 due to easing Middle East geopolitical tensions, receding oil price inflation concerns, and robust short-covering in key domestic banking and digital infrastructure sectors.

India Update: Indian equities declined in Aug 2026 due to rising crude oil prices and concerns over persistent global inflation. The Sensex fell 1.5% whereas the Nifty 50 fell 1.2% in Aug 2026. FPIs net inflow was Rs.29,631 crore in Aug 2026 compared to net purchase of Rs.20,220 crore in July 2026. (Source: NSDL)

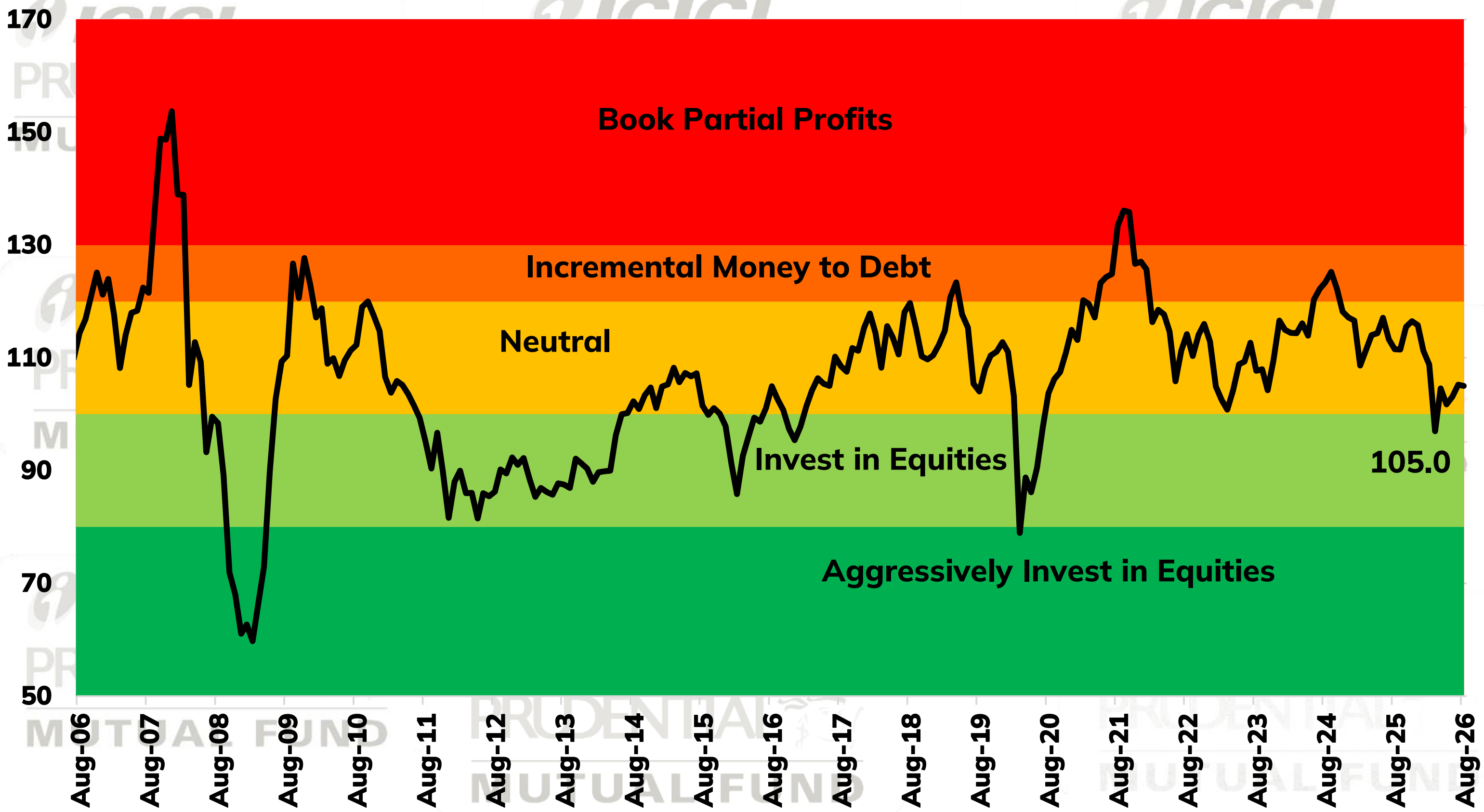
Sector-wise, BSE Capital Goods (+2.9%), BSE Metals (+2.4%) and BSE Healthcare (+1.5%) gained the most, whereas, BSE FMCG (-4.1%), BSE Power (-3.3%) and BSE Oil & Gas (-2.1%) were laggards (Source: BSE)

Our view going forward:

- Indian markets remained volatile in August 2026, given – a) sharp swings in crude oil prices b) renewed West Asia tensions c) Rupee staying at the weaker end.
- Performance during the month, was largely driven by rotation into India due to the Global AI de-risking phase.
- On the macro front, the Rupee has depreciated ~10% in last one year, making it an undervalued currency.
- India's growth momentum remains strong- Q1 FY27 GDP grew 7.8% YoY, supported by higher growth in the services and manufacturing sectors.
- Other macro indicators too remain robust –demand environment is good, in the current fiscal and Govt. capex continues to support economic activity.
- These factors bode well for long term prospects of the economy and markets
- However, in the near term we believe markets will be volatile as the uncertainty around the conclusion of US-Iran war remains high. Also, other triggers which may impact markets in near term include a heavy domestic IPO market and elevated global valuations driven by AI rally
- Equity valuations continue to remain in neutral zone currently. We continue recommending investing in equities in a staggered manner through SIP/STP in schemes that have the flexibility to maneuver across sectors / market cap.
- Since market volatility may persist in the near term, we also continue to recommend investing in Hybrid / Asset Allocation schemes.

U.S. – United States of America; US Fed: Federal Reserve of US; FY: Financial year. FI – Foreign Portfolio Investor. AI – Artificial Intelligence.

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, Data as on August 31, 2026. Equity Valuation Index (EVI) is a proprietary model of ICICI Prudential AMC Ltd. (the AMC) used for assessing overall equity market valuations. The AMC may also use this model for other facilities/features offered by the AMC and any other factor which the AMC may add/delete from time to time.

Our Recommendation

Market is expected to remain volatile due to various macro situations. Hence, we recommend schemes with flexibility to invest across Asset Classes, Market Cap & Sectors/ themes

Asset Allocation Flexibility	Flexibility across Marketcap/Sector/ Theme
1. ICICI Prudential Aggressive Hybrid Fund (Erstwhile ICICI Prudential Equity & Debt Fund)	1. ICICI Prudential Business Cycle Fund
2. ICICI Prudential Multi Asset Allocation Fund (Erstwhile ICICI Prudential Multi-Asset Fund)	2. ICICI Prudential Flexi Cap Fund (Erstwhile ICICI Prudential Flexicap Fund)
3. ICICI Prudential Balanced Advantage Fund	3. ICICI Prudential India Opportunities Fund
4. ICICI Prudential Dynamic Asset Allocation Active FOF (Erstwhile ICICI Prudential Asset Allocator Fund (FOF))	4. ICICI Prudential Diversified Equity All Cap Active FoF
5. ICICI Prudential Aggressive Hybrid Active FOF (Erstwhile ICICI Prudential Thematic Advantage Fund (FOF))	
6. ICICI Prudential Balanced Hybrid Fund	

SIP/STP Strategy

Continue SIP/STP as the long term structural story of India remains intact, strongly recommend ICICI Prudential Booster STP#

Recommended Schemes

1. ICICI Prudential Value Fund (erstwhile ICICI Prudential Value Discovery Fund)
2. ICICI Prudential Large & Mid Cap Fund
3. ICICI Prudential Multi Cap Fund (Erstwhile ICICI Prudential Multicap Fund)
4. ICICI Prudential Focused Fund (Erstwhile ICICI Prudential Focused Equity Fund)

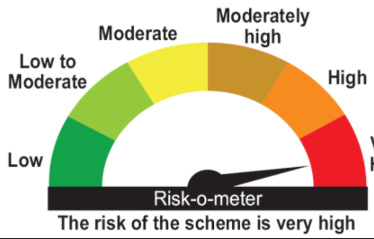
*ICICI Prudential Booster Systematic Transfer Plan (STP) is a facility where in unitholder (s) can opt to transfer variable amount(s) from designated open ended Scheme(s) of ICICI Prudential Mutual Fund to the designated open ended Scheme(s) of ICICI Prudential Mutual Fund. This feature does not in any way give assurance of the performance of any of the Schemes of ICICI Prudential Mutual Fund or provide any guarantee of returns through Transfer plans. Booster STP allows Investors to transfer the amount to Target Scheme basis the EVI calculated and corresponding Trigger Value to the same. Please read the terms & conditions in the application form before investing or visit www.iciciprumf.com. SIP: Systematic Investment Plan, STP: Systematic Transfer Plan. None of the aforesaid recommendations are based on any assumptions. These are purely for reference and the investors are requested to consult their financial advisors before investing. Investors may please note that they will be bearing the recurring expenses of the relevant fund of funds scheme in addition to the expenses of the underlying schemes in which the fund of funds scheme makes investment.

Scheme Riskometers

ICICI Prudential Multi Asset Allocation Fund (Erstwhile ICICI Prudential Multi-Asset Fund) (An open ended scheme investing in Equity, Debt and Exchange Traded Commodity Derivatives/units of Gold ETFs/units of Silver ETFs/units of InvITs) is suitable for investors who are seeking*:

- Long term wealth creation
- An open ended scheme investing across asset classes.

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



ICICI Prudential Value Fund (erstwhile ICICI Prudential Value Discovery Fund) (An open ended equity scheme following a value investment strategy.) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended equity scheme following a value investment strategy.

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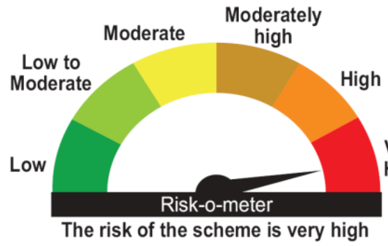

ICICI Prudential Business Cycle Fund (An open ended equity scheme following business cycles based investing theme) is suitable for investors who are seeking*:

- Long Term wealth creation
- An equity scheme that invests in Indian markets with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles.

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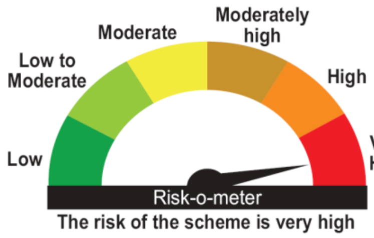

ICICI Prudential Flexi Cap Fund (erstwhile ICICI Prudential Flexicap Fund) (An open ended dynamic equity scheme investing across large cap, mid cap & small cap stocks) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended dynamic equity scheme investing across large cap, mid cap and small cap stocks

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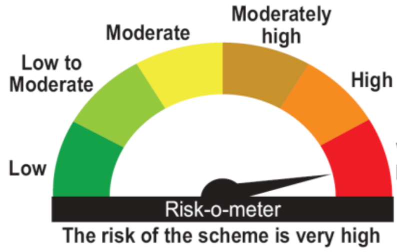
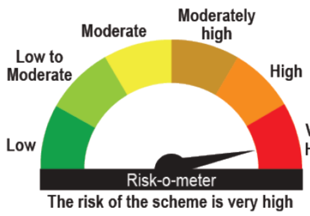


ICICI Prudential Balanced Advantage Fund (An Open ended Dynamic Asset Allocation Fund investing in Debt and Equity Instruments only) is suitable for investors who are seeking*:

- Long term capital appreciation/income
- Investing in equity and equity related securities and debt instruments.

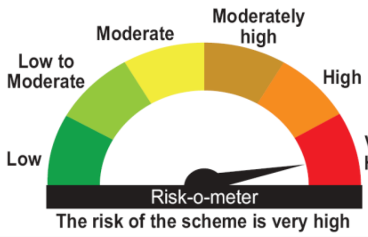
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Focused Fund (erstwhile ICICI Prudential Focused Equity Fund) (An Open Ended Equity scheme investing in maximum 30 stocks. The Scheme intends to focus on multi cap.) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended equity scheme investing in maximum 30 stocks across market-capitalisation.

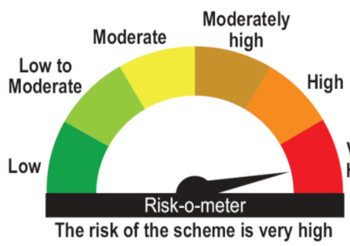
*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.



ICICI Prudential Aggressive Hybrid Fund (erstwhile ICICI Prudential Equity & Debt Fund)An open ended hybrid scheme investing predominantly in equity and equity related instruments) is suitable for investors who are seeking*:

- Long Term wealth creation solution
- A balanced fund aiming for long term capital appreciation and current income by investing in equity as well as fixed income securities.

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



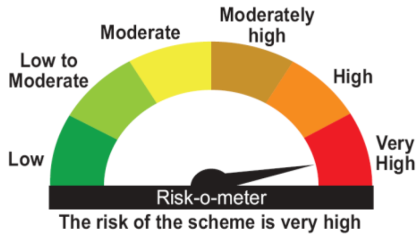
Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. The above riskometers are as on July 31, 2026. Please refer to https://www.icicipruamc.com/news-and-updates/all-news for more details.

Scheme Riskometers

ICICI Prudential Large & Mid Cap Fund (An open ended equity scheme investing in both large cap and mid cap stocks) is suitable for investors who are seeking*:

- Long term wealth creation
- An open ended equity scheme investing in both large cap and mid cap stocks

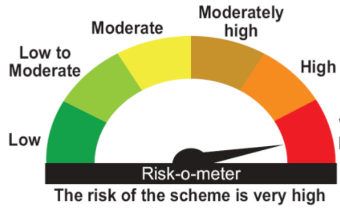
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential India Opportunities Fund (An open ended equity scheme following special situations theme) is suitable for investors who are seeking*:

- Long term wealth creation
- An equity scheme that invests in stocks based on special situations theme

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



ICICI Prudential Multi Cap Fund (erstwhile ICICI Prudential Multicap Fund) (An open ended equity scheme investing across large cap, mid cap, small cap stocks) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended equity scheme investing across large cap, mid cap and small cap stocks

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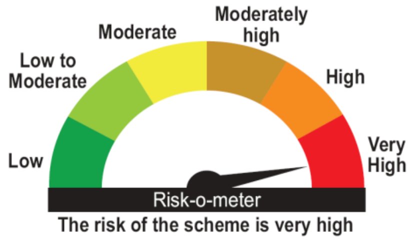
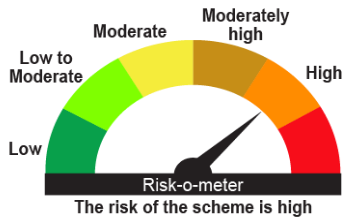


ICICI Prudential Balanced Hybrid Fund (An open ended balanced scheme investing only in equity and debt instruments. No arbitrage is permitted in this Scheme) is suitable for investors who are seeking*:

- Long Term capital appreciation/ income
- Investing only in equity and debt instruments

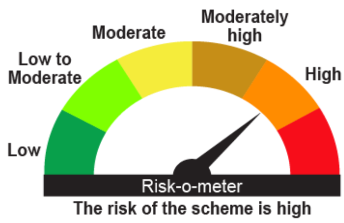
*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.



ICICI Prudential Dynamic Asset Allocation Active FOF (erstwhile ICICI Prudential Asset Allocator Fund (FoF)) (An open ended Fund of Funds scheme investing dynamically in units of active equity and debt oriented schemes.) is suitable for investors who are seeking*:

- Long term wealth creation
- An Open-ended Fund of Funds scheme investing dynamically in units of active equity and debt oriented mutual fund schemes.

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



#ICICI Prudential ICICI Prudential Aggressive Hybrid Active FOF (Erstwhile Thematic Advantage Fund (FOF)) (An open-ended Fund of Funds scheme investing in Active Equity and Debt Oriented schemes.) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open-ended Fund of Funds scheme investing in Active Equity and Debt Oriented schemes

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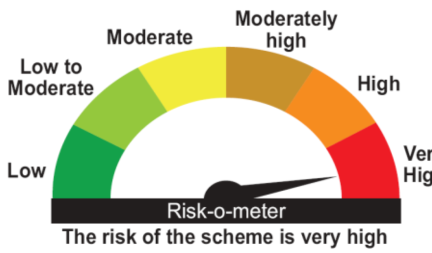
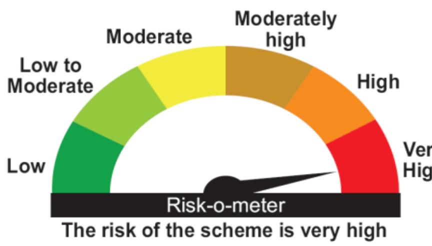


ICICI Prudential Diversified Equity All Cap Active FOF (An open ended Fund of Funds scheme investing predominantly in the units of diversified domestic active equity-oriented schemes based on varied market caps) is suitable for investors who are seeking*:

- Long Term wealth creation solution
- An open ended Fund of Funds scheme investing predominantly in the units of diversified domestic active equity-oriented schemes based on varied market caps

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



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Disclaimer

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

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