ANNUAL EQUITY OUTLOOK 2025

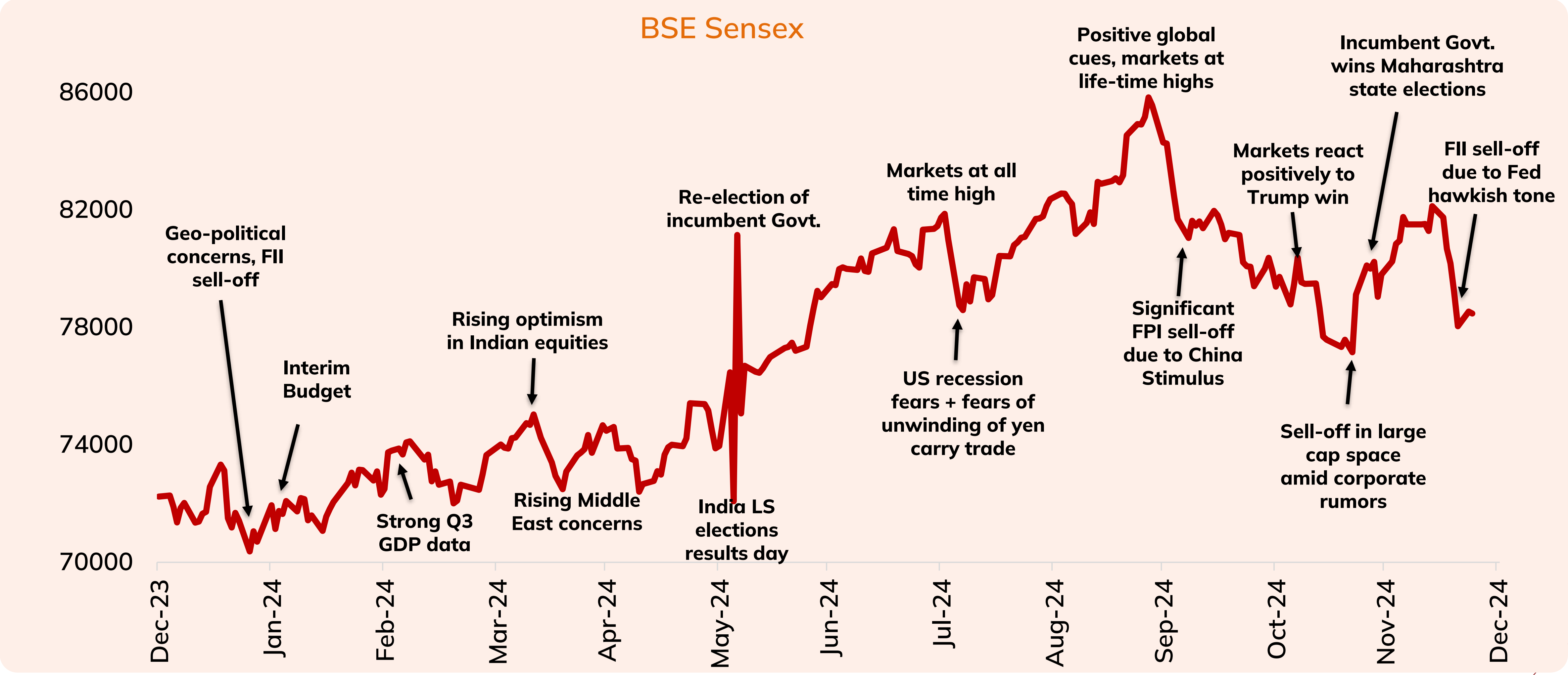
Global Setbacks

India Shines

A TALE OF TWO HALVES

ICICI PRUDENTIAL MUTUAL FUND

Recap 2024:
The Highs & Lows of Equity Markets



Source: BSE. Data as of Dec 30, 2024. Q3 – Quarter 3, FII – Foreign Institutional Investors, LS – Lok Sabha. Fed – US Federal Reserve, GDP – Gross Domestic Product, US – United States. Past performance may or may not sustain in future

Global Equity Markets: Taiwan leading the race

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CY 2024 Returns


Taiwan: 28%


Japan: 16%


Germany: 19%


Hongkong: 18%


Singapore: 17%


US: 13%


China: 13%


India: 10%


UK: 5%


Eurozone: 4%


Switzerland: 4%


France: -2%


Indonesia: -3%


Brazil: -9%

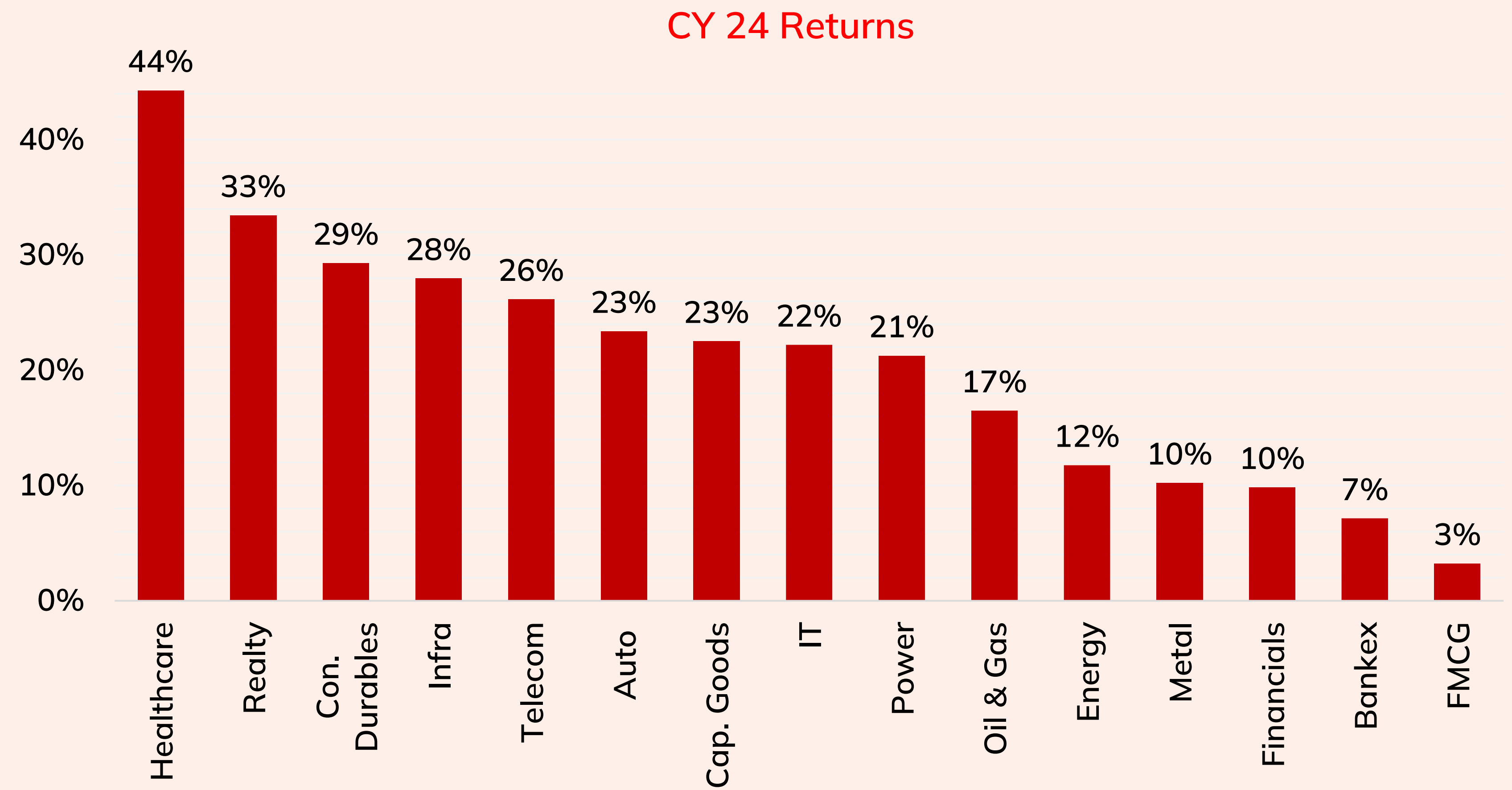

South Korea : -9%


Russia : -25%

- Market's interest in tech boosted Taiwan's equity markets
- 'Corporate Value Up Program' and political uncertainty in Korea resulted in weak equity markets
- Brazilian markets captured the gloom of swelling budget deficit and high interest rates
- Indian markets celebrated 9 successive years of positive returns

The above graphics are for illustrative purpose only. CY: Calendar Year. Tech: Technology. Germany - DAX Index; China - SSE Composite Index; Japan - Nikkei; Eurozone - Euronext 100; Hong Kong - HangSeng; US - Dow Jones; U.K. - FTSE; Brazil - Ibovespa Sao Paulo Index; Taiwan – Taiwan Stock Exchange Corporation; India –BSE Sensex; Data Source: MFIE Research. MFI Explorer is a tool provided by ICRA Analytics Ltd. For their standard disclaimer please visit https://icraanalytics.com/home/Disclaimer. Returns are absolute returns for the index calculated between Dec 31, 2023 – Dec 31, 2024. Past performance may or may not sustain in the future. The returns are mentioned in respective domestic currencies

Indian Markets: Dream run continues!



Market Cap Performance CY-24 (%)

10%
Large Cap

24%
Mid Cap

27%
Small Cap

Data as on Dec 31,2024. Data Source: BSE. Returns have been calculated on absolute basis. CY: Calendar Year. For Power Sector- BSE Power TRI , Bankex Sector- BSE Bankex TRI , FMCG Sector- BSE FMCG TRI , Energy Sector- BSE Energy TRI , For CG Sector - BSE CG Index , Auto Sector- BSE AUTO Index , Oil & Gas Sector- BSE Oil & Gas TRI Index , Finance Sector- BSE Financial Services TRI , Metal Sector BSE METAL TRI , Infra Sector - BSE India Infrastructure Index , Telecom Sector- BSE Telecom TRI , HC Sector- BSE HC TRI , Realty Sector- BSE Realty TRI , CD Sector - BSE CD TRI , IT Sector- BSE IT TRI is considered. For Large Cap: Nifty 50, Mid Cap: Nifty Midcap 150 Index and Small Cap: Nifty Smallcap 250 Index is considered. Cap Goods: Capital Goods, Con. Durables: Consumer Durables, IT: Information Technology, FMCG: Fast moving Consumer Goods. The returns are mentioned in INR Terms

Asset class wise performance: Golden year for GOLD!

Asset Class / Index ($ Returns)

Gold (USD/oz)	Silver (USD/oz)	Brent Crude (USD Barrel)	US Dollar Index (DXY)	MSCI World Index	MSCI India Index	MSCI Emerging Market Index	India 10Y G-Sec*	US 10Y Treasury*
26%	22%	3.4%	6.7%	17%	14%	5%	6.2%	-0.5%

CY 2024 Absolute Returns

Data Source: Nuvama Research. Data as on Dec 30,2024 is considered. Oz: Ounce, G-sec: Government Securities, Y: year, USD: US Dollar, *BLOOMBERG INDIAN GOVT BOND 10 Year Total Return (USD) used for India 10 Year G-Sec returns & Bloomberg US GOVT. 10 Year Term Index Total Return used for US 10Y Treasury Returns. CY: Calendar Year

What did we say in 2024?
Hits & Misses

HITS

Recommend multi-asset strategy for dynamic markets

- Gold & Silver delivered 26% & 22% respectively
- Composite index having a blend of Equity, Debt & Gold/Silver delivered 13.8%

Schemes with diversified asset classes to do well

Indices diversified across equity & debt delivered 12.0% returns

Existing investors to invest in flexible mandate schemes

Indices with broad universe delivered 13.8% v/s Nifty 50 TRI delivered 10%

MISSES

Mid / Smallcaps may underperform

Nifty Midcap 150 TRI & Nifty Smallcap 250 TRI delivered 24.2% & 27.0% returns respectively due to positive sentiments & flows

IPRU – ICICI Prudential, TRI – Total Returns Index. Data as of Dec 30, 2024. Source: NSE, Crisil Research, Value research and Nuvama Research. All returns are in absolute terms. Returns calculated from Dec 29,2023 to Dec 30,2024. For Composite Index having a blend of Equity, Debt & Gold/Silver: 'Nifty 200 TRI (65%) + Nifty Composite Debt Index (25%) + Domestic Price of Gold (6%) + Domestic Price of Silver (1%)+ iCOMDEX Composite Index (3%)' has been considered. For Indices diversified across equity & debt: 'CRISIL Hybrid 50+50 - Moderate Index' has been considered. For indices with wider universe: 'BSE 500 TRI' has been considered. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation and ICICI Prudential Mutual Fund may or may not have any future position in these stock(s)/sector(s).


A TALE OF TWO HALVES
Global Setback
India Steps Forward
ICICI PRUDENTIAL MUTUAL FUND

A tale of two halves

2024 was full of surprises – Markets scaled record highs which was reversed in the later half, foreign investors became wary of high valuations and diverted money to other Emerging Economies, domestic retail investors supported markets like never before and international relations got more and more tense. Amidst all this noise, there is a point that is hard to miss. World economy is strikingly getting bifurcated into two parts. On one hand, we have Developed Economies which are struggling to stay afloat post the pandemic. On the other, is Indian economy that to everyone's surprise is not only able to insulate itself from global chaos but is also growing organically thanks to domestic demand

In our Annual Outlook for 2024 titled 'Paradigm Shift', we had mentioned how global economies were turning fragile & Indian economy was doing good. We were unsure of the sustainability of this trend last year.

However, as we approach 2025, the confidence we have in Indian economy is becoming firm. And this reminds us of the phrase – **'A tale of two halves'** wherein global economy is on a downhill and Indian economy is continuing its upward trend

Having said that, there are near term challenges too that Indian markets are facing currently i.e., high valuations and moderate earnings. Even though long-term prospects appear decent, managing intermittent volatility is also of utmost importance. To sum up, 2025 will be **'A tale of two halves'** with global and domestic economy moving in opposite direction. Hence, a combination of asset allocation strategies and equity schemes with flexibility to move across market cap / sectors may help deliver risk-adjusted returns

Our Past Annual Outlooks:

Turning Points Ahead: 2021

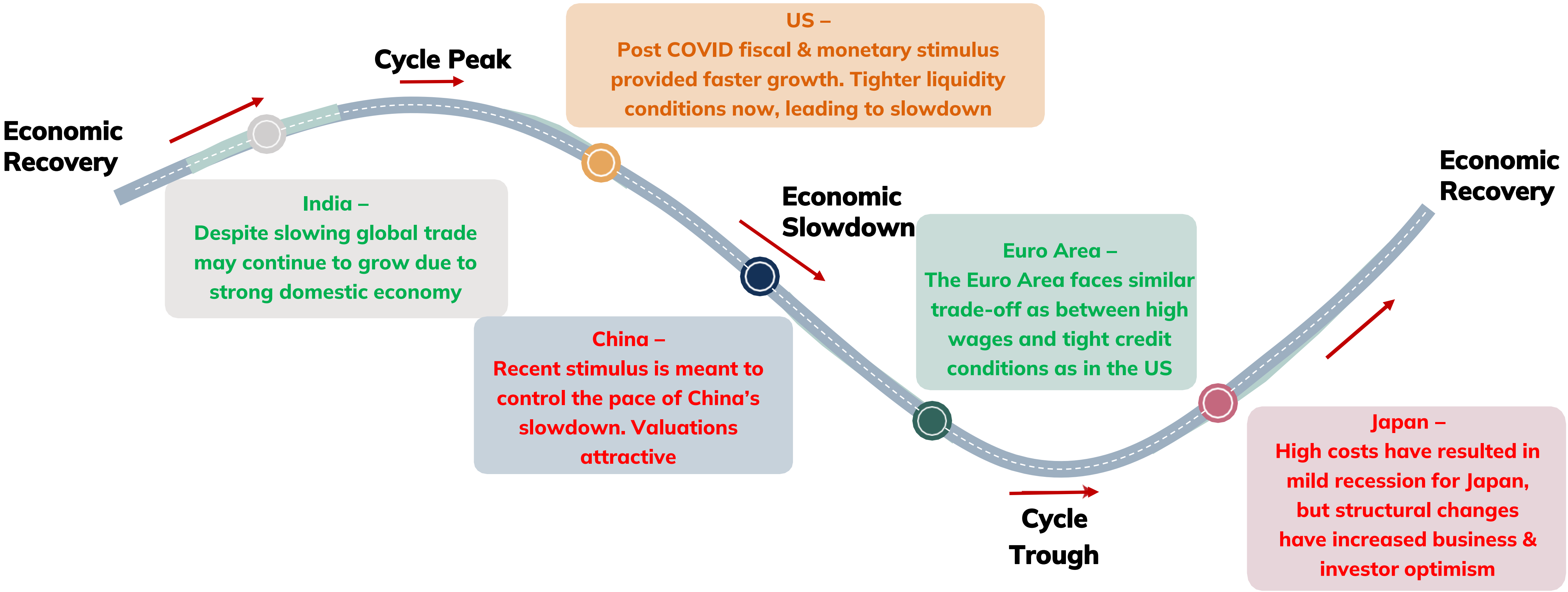
Shifting Sands: 2022

Beginning of A New Era: 2023

A Paradigm Shift: 2024

A tale of two halves (Global Economy): De-synchronized Economic Cycle

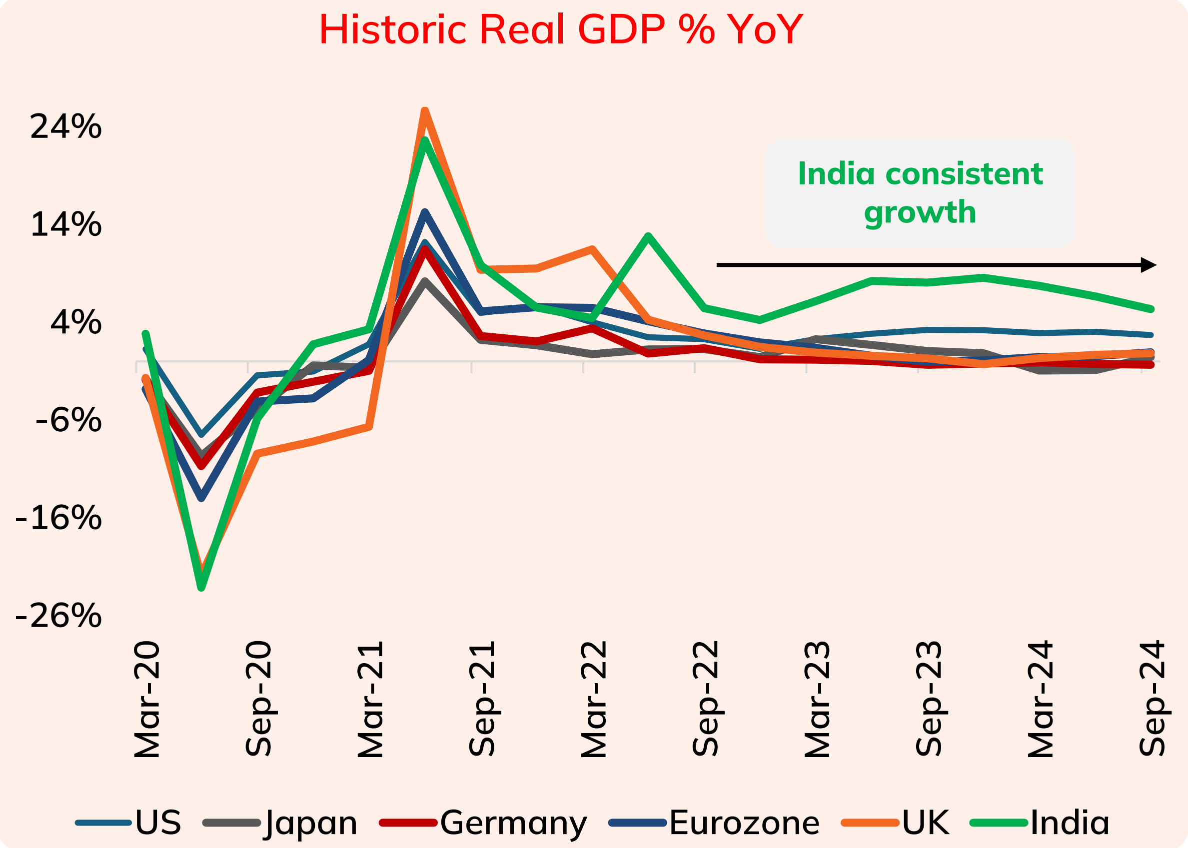
Major countries and regions face disharmonious economic growth dynamic and policy approaches; India's business cycle still continues to remain in the expansion phase

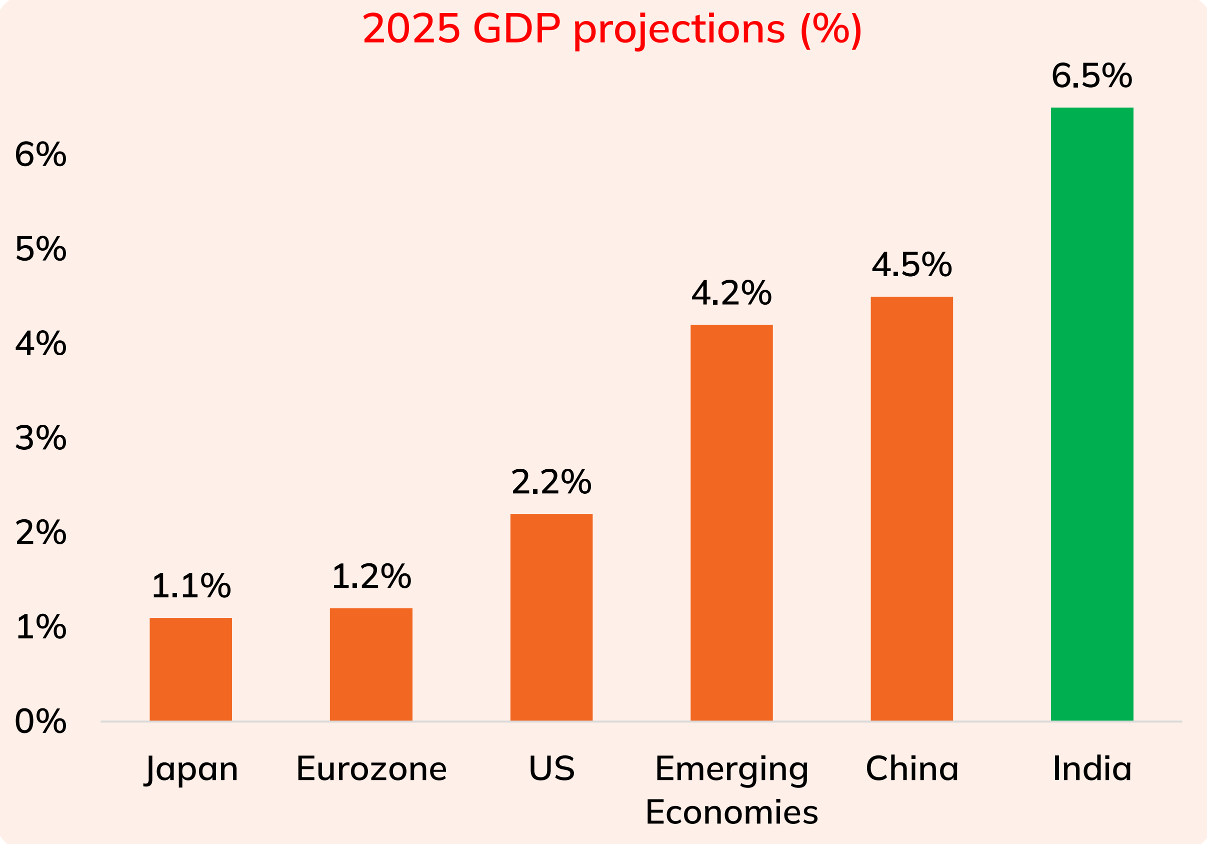


Source: Max New York Life Investments. Covid: Coronavirus Disease 2019, US: United States

A tale of two halves (Global Economy): Feeble Growth

While growth has been stunted across Developed Economies post pandemic, India has consistently been able to grow at relatively higher rate and is expected to maintain course





Source: Equirus Research. Data as of Sep 30, 2024. GDP – Gross Domestic Product, Q2 – Quarter 2. YoY: Year on Year. US: United States, UK: United Kingdom. Data source for projections – IMF. Past performance may or may not sustain future

A tale of two halves (Global Economy): Chinese economy out of the woods?

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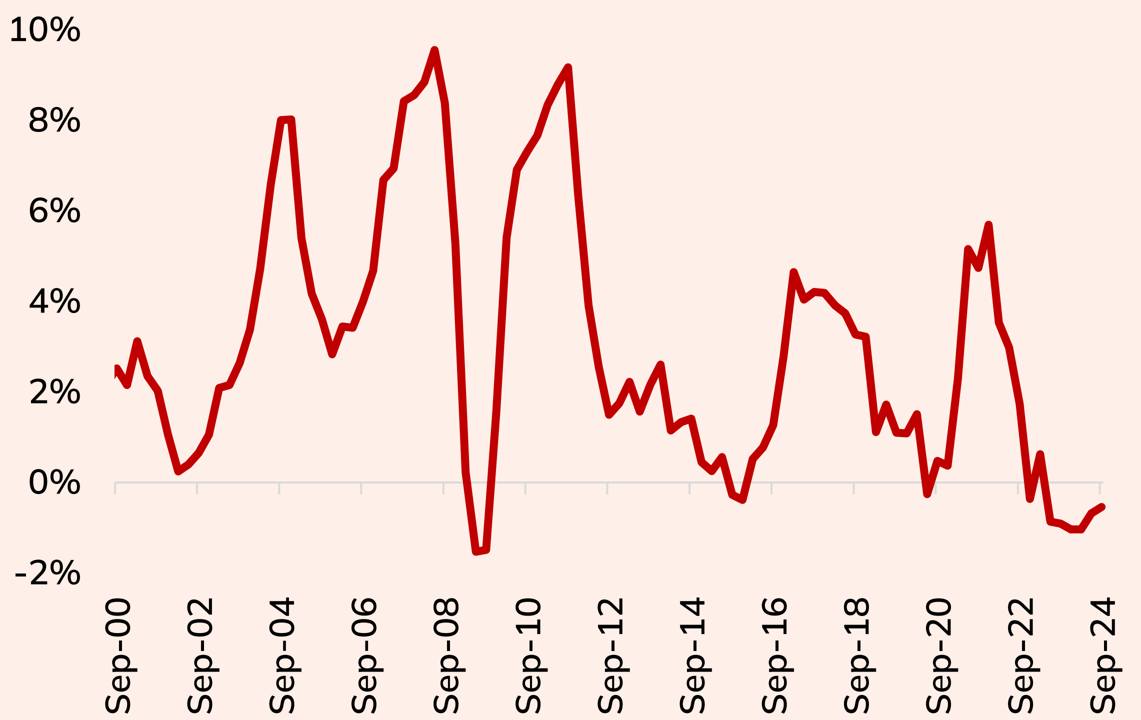
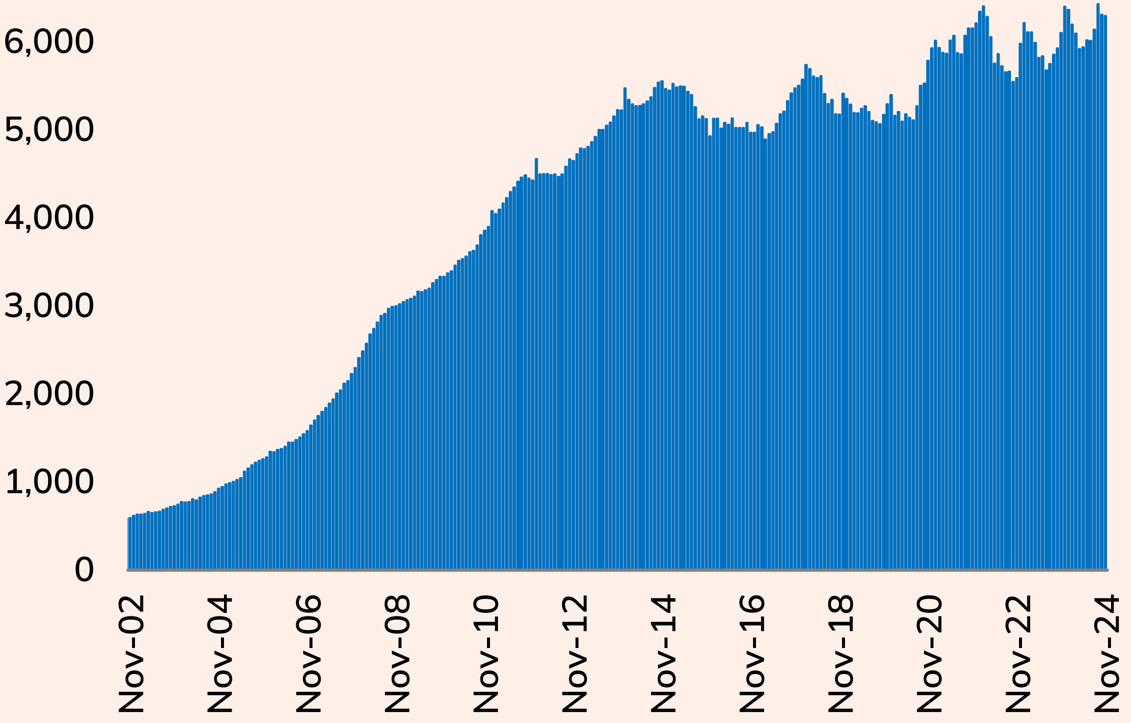
Chinese economy has been facing deflation issues for over two years now. PBoC in response has announced significant stimulus measures off late which is expected to revive inflation & growth

China GDP Deflator (YoY %)



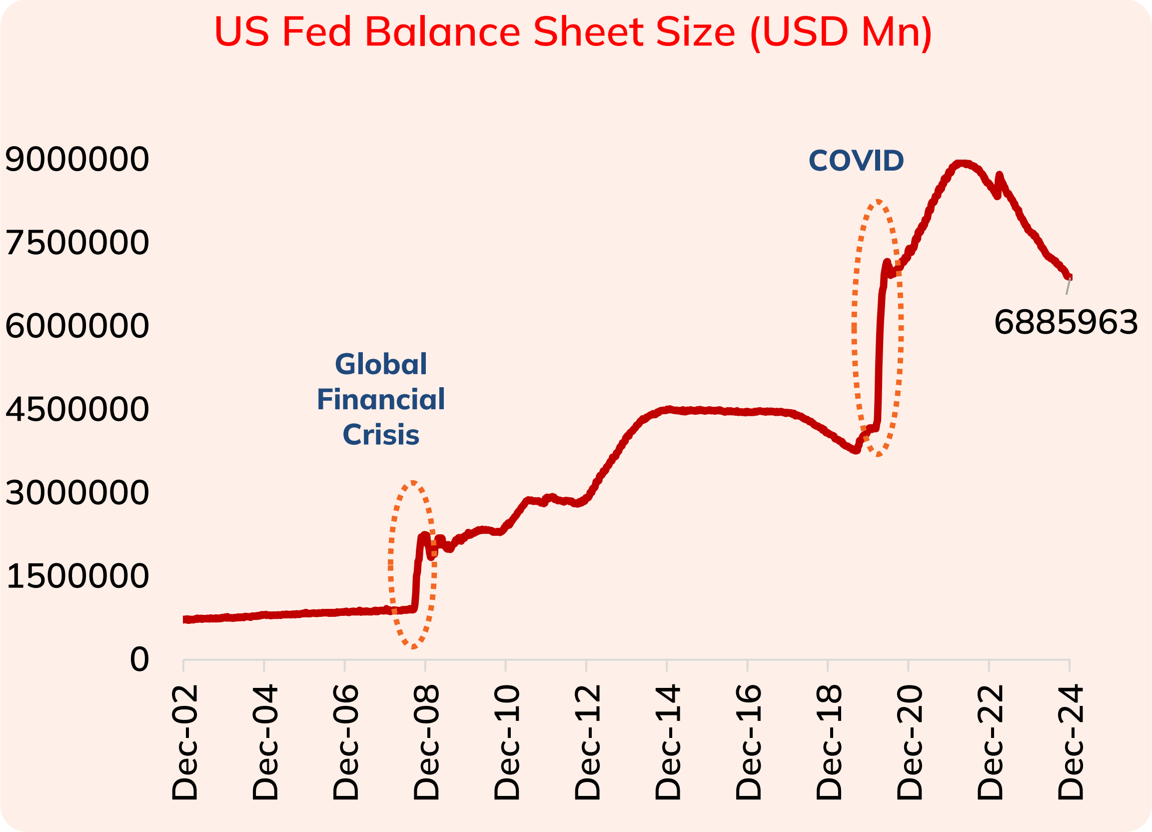
PBoC Total Asset (USD Bn)

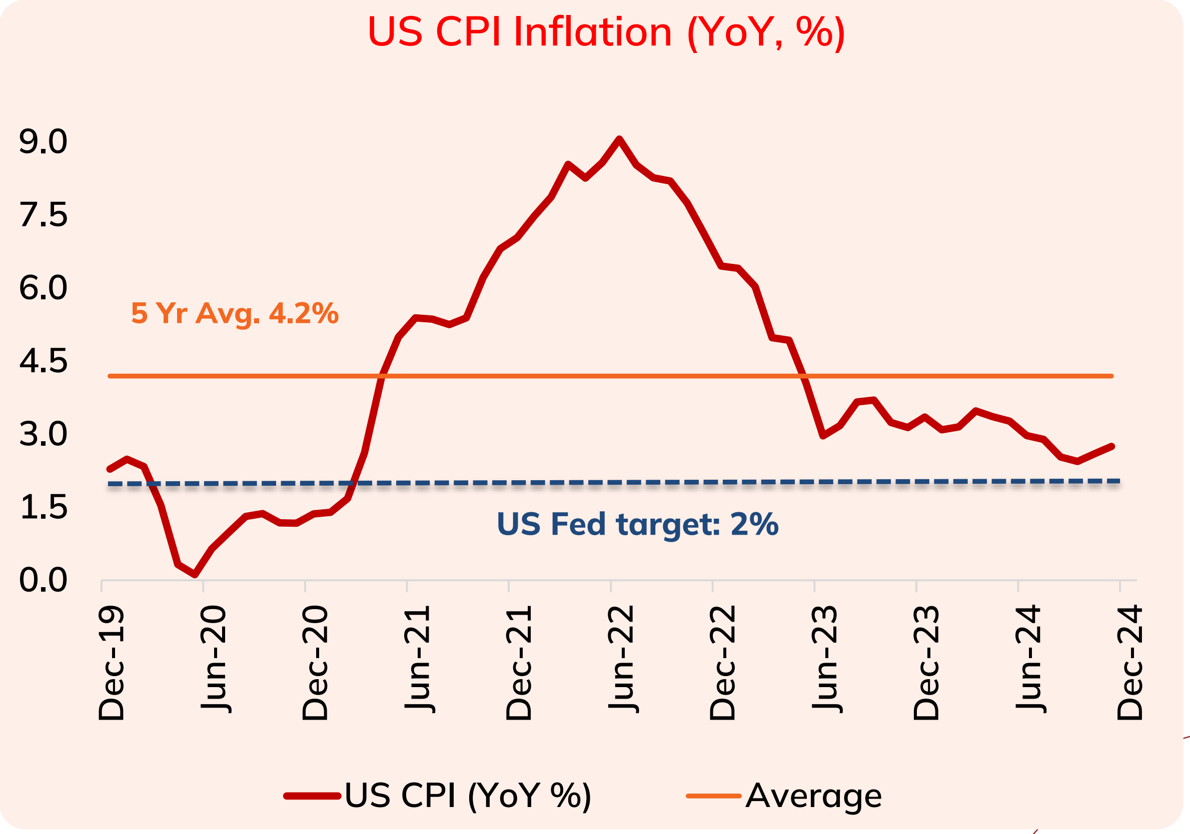


Source: Morgan Stanley Research. GDP – Gross Domestic Product, USD Bn – US Dolar Billion, PBoC – Peoples Bank of China, YoY – Year on Year

A tale of two halves (Global Economy): US – Haunted by its own past of easy policy

Loose monetary and fiscal policies by the US, post Global Financial Crisis and mainly during COVID, did prevent the economy from hard landing but also resulted in invincible inflation and high debt

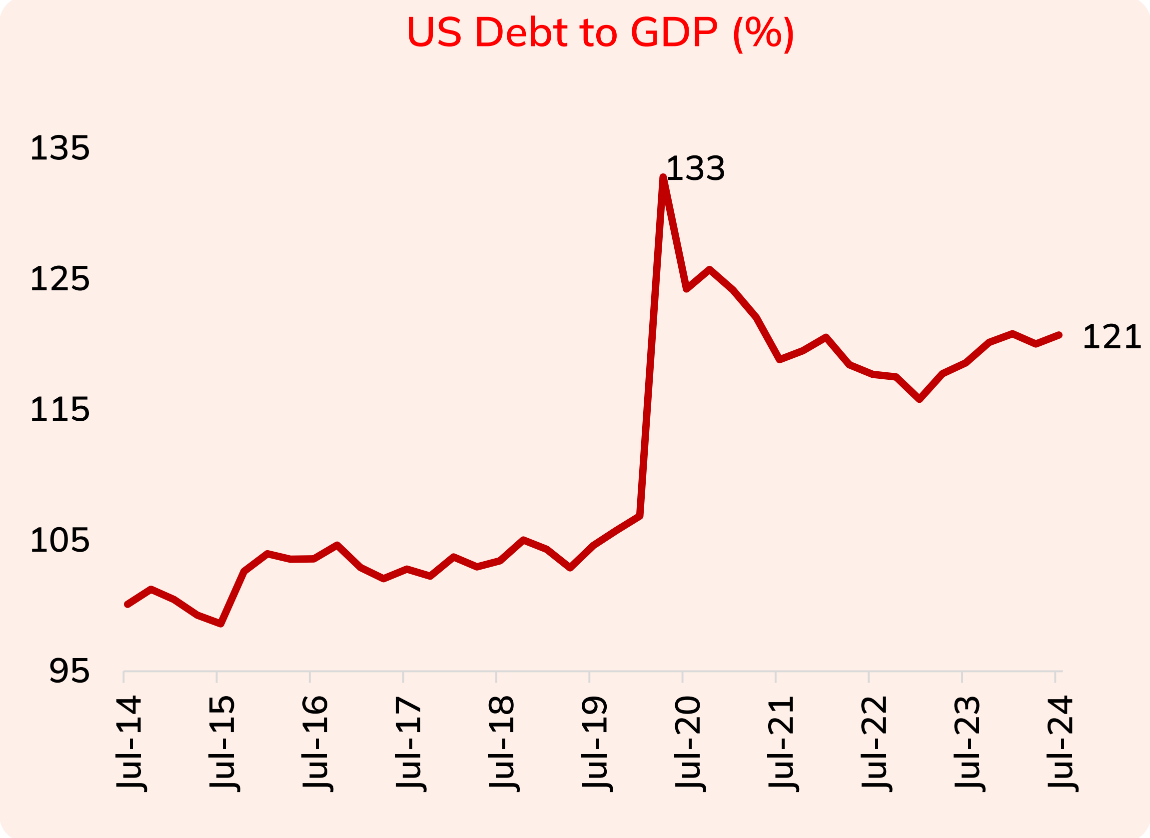


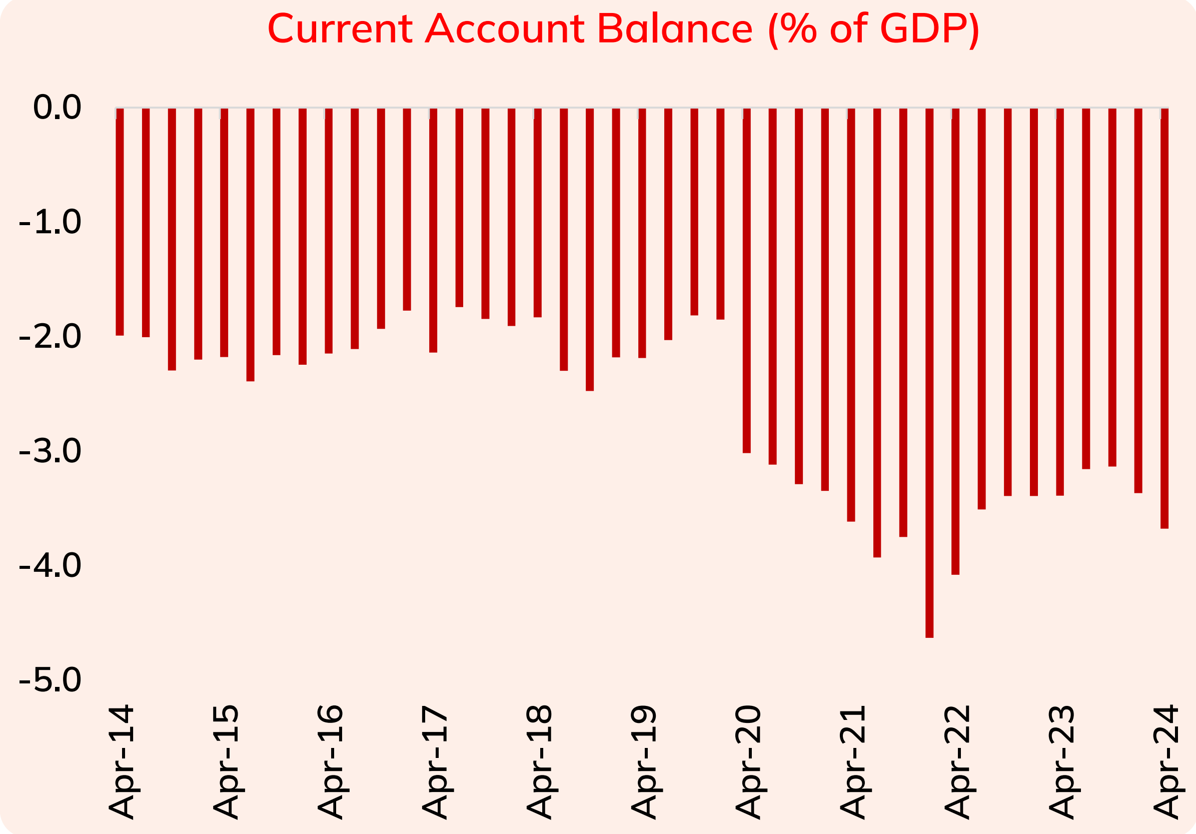


Source: Federal Reserve Bank of St. Louis, US Fed – US Federal Reserve, CPI – Consumer Price Inflation, USD Mn – US Dollar Million, US: United States.

A tale of two halves (Global Economy): US soaring CAD & ballooning debt

Because of expansionary policies, debt levels have risen manifold and Current Account Balance too has been in deficit

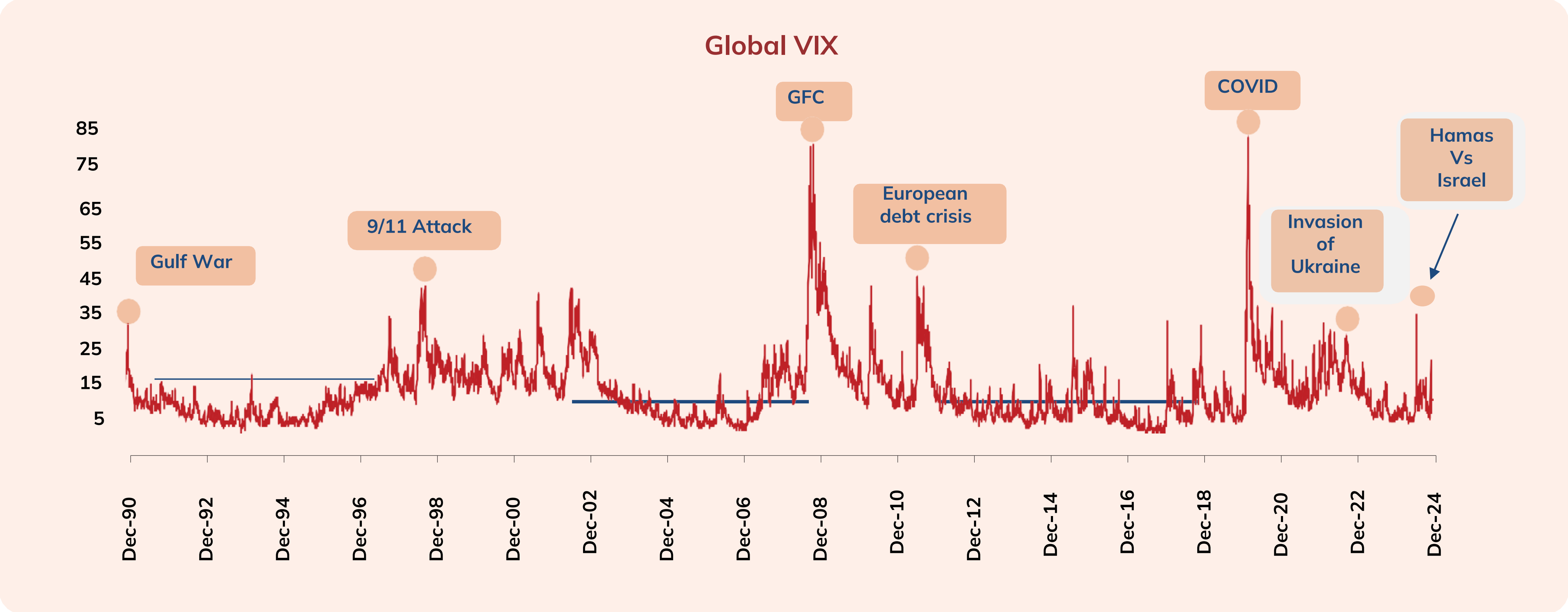




Source: Federal Reserve Bank of St. Louis, GDP – Gross Domestic Product. US Fed – US Federal Reserve, CAD: Current Account Deficit

A tale of two halves (Global Economy): Steep rise in volatility

Geo-political tensions are much higher today than it was in 2010s causing higher volatility than ever before



Source: Max New York Life investments, www.cboe.com. VIX – Volatility Index. Data as of Dec 31, 2024. Covid: Coronavirus Disease 2019

A Tale of Two Halves

Global growth has been in dire straits due to lingering effects of Covid-19, supply chain disruptions, high inflation and on going geo-political tensions. Globally economies did rebound thanks to fiscal & monetary stimulus. However, sustainability of the stimulus-led growth is in question. On the other side, India's response to Covid-19 was much more judicious, as a result of which the growth appears much more sustainable

This is in contrast to India's past where Global sneeze would result in India catching cold. This shift can be attributed to strong macros, steady domestic demand & structural reforms. Govt.'s focus on building a self-reliant nation has also helped India achieve a steadfast economic growth.

In the absence of significant global tail winds going forward, India will have to row its own boat in order to consistently perform well. In the subsequent slides, we would like to bring your attention to the macro factors that are at play and that can help India build a strong boat that is difficult to be capsized by global winds

Covid-19: Coronavirus Disease 2019

India to row its own boat

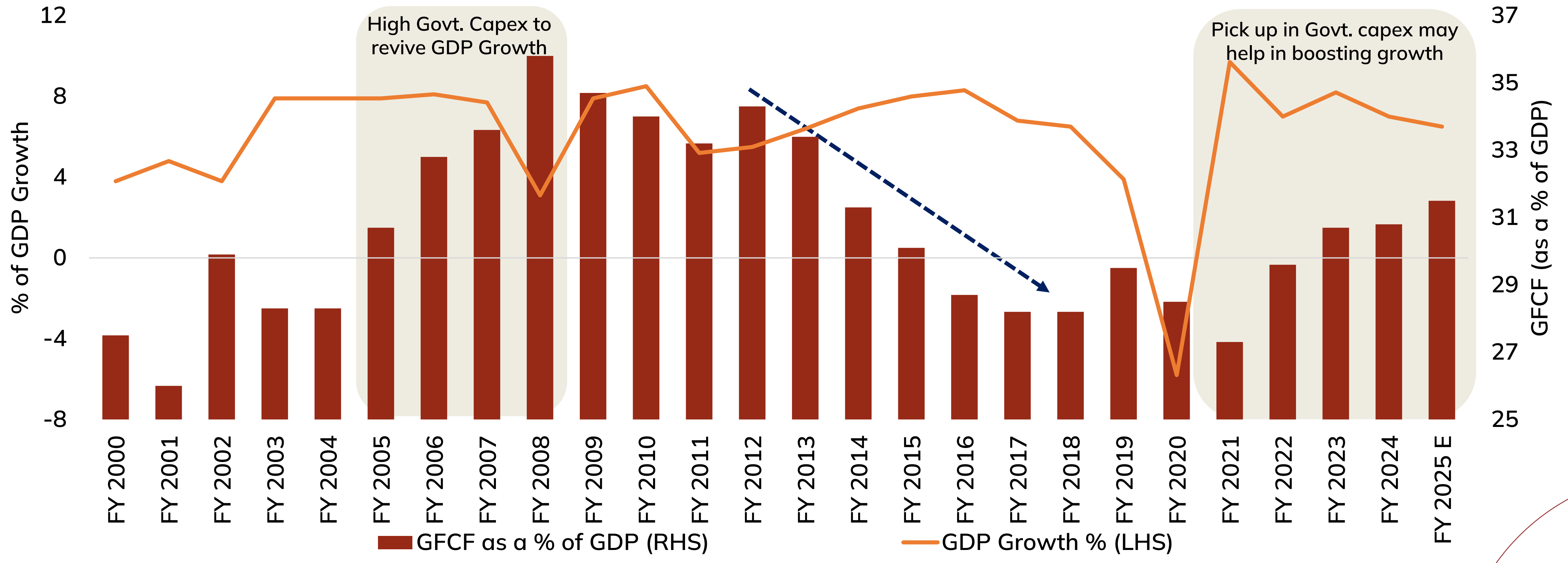
In the past, global growth was also supportive for India's ascent. But going forward the global tailwinds are missing, which may require India to row its own boat for sustaining the growth trajectory

Catalysts at play	Factors
The Capex Energy	▪ Govt. Capex in 5th gear ▪ Private Capex picking up
Sound Balance Sheets	▪ Bank ▪ Corporate ▪ Government
Prompt Policy Reforms	PLI, Make in India, IBC, GST etc.
Dominating Demand	Demographic Dividend and Penetration & Premiumization

Capex: Capital expenditure, Govt.: Government, GST: Goods & Services Tax Act 2017, IBC: Insolvency & Bankruptcy Code 2016; PLI: Production Linked Incentive Scheme 2020

A tale of two halves (Domestic Economy) : The Capex Energy

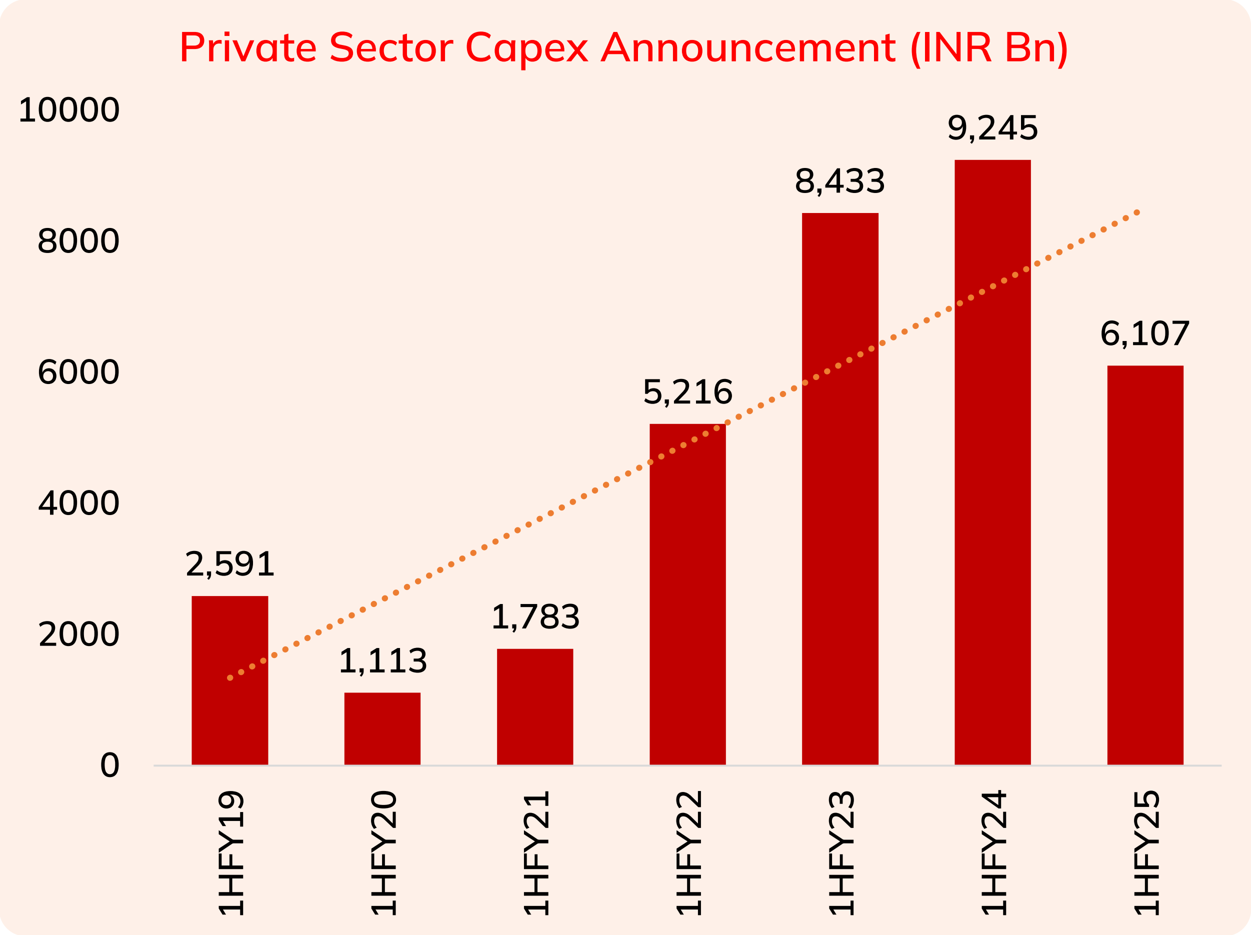
After a decade of decline in capital formation (2011 to 2021),
Govt. capex is finally picking up resulting in multiplier effect on economic growth



Data Source: Jefferies Research and IMF. GFCF: Gross Fixed Capital Formation, GDP: Gross Domestic Product, FY: Financial Year, Capex: Capital Expenditure, Govt.: Government, E: Estimates, RHS: Right Hand Side, LHS: Left Hand Side

A tale of two halves (Domestic Economy) : The Capex Energy

Healthy corporate balance sheets, funding acceleration and strength in domestic demand are key drivers of an uptick in private capex cycle

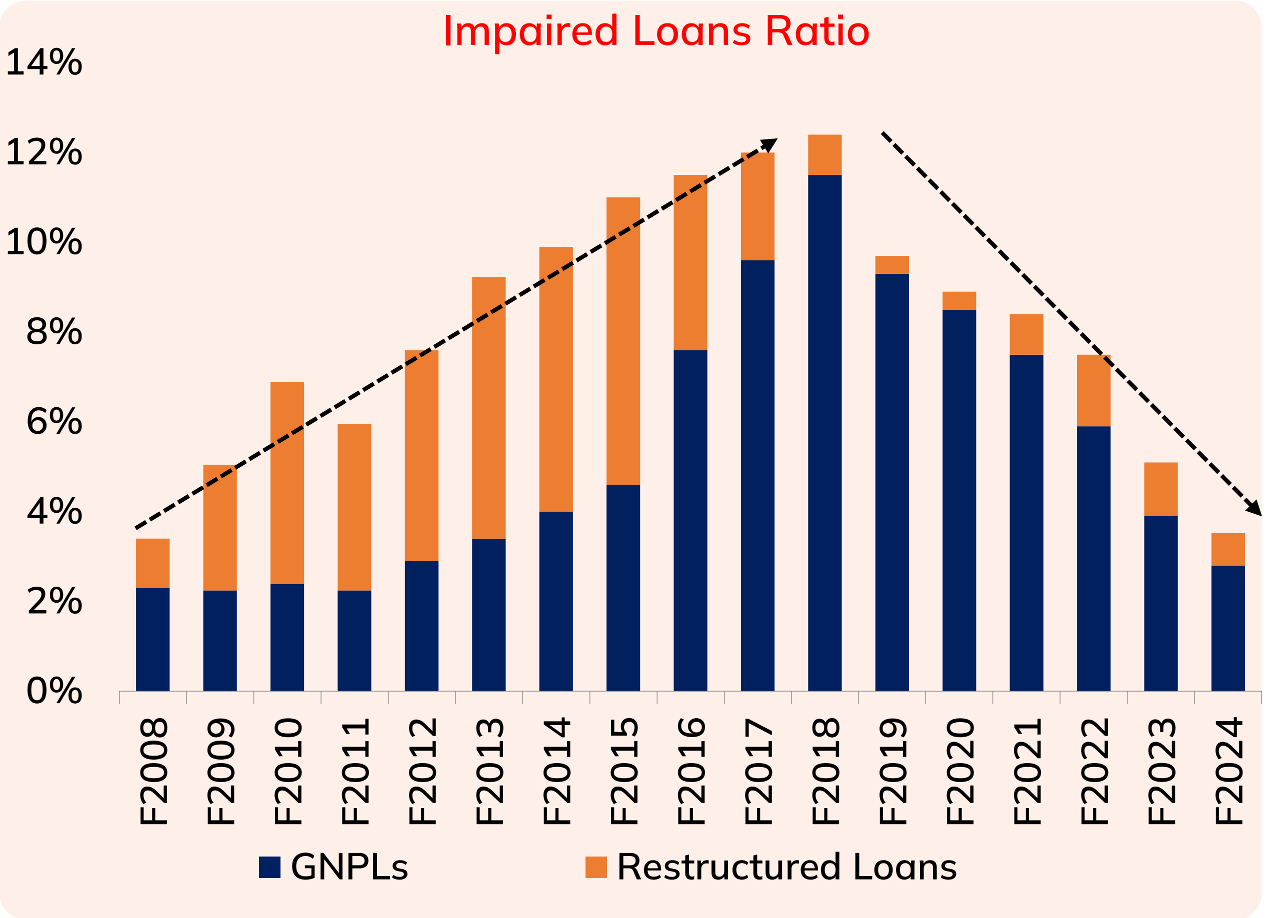


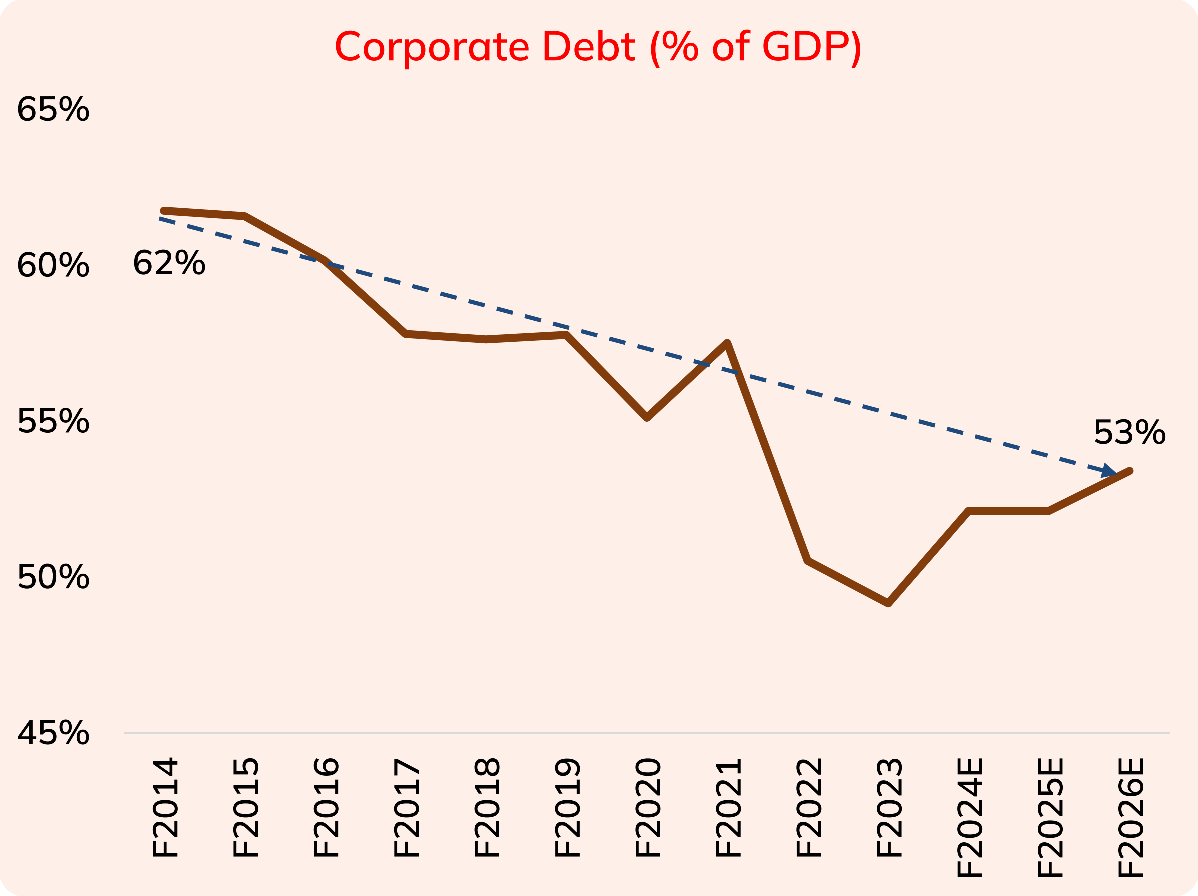
Sectors witnessing Private Capex (1HFY25)	No of Projects	Value (INR Bn)
Renewable Energy	49	1053
Housing	190	841
Chemicals	97	780
Auto	23	720
Conventional Electricity	8	598
Electronics	62	463
Metals	67	459
Commercial Complex	46	254
Storage Batteries	3	250
Cement	12	103

Data Source: Nirmal Bang Institution & Jefferies Research. H: Half, FY: Financial Year, Bn: Billion, Capex: Capital Expenditure

A tale of two halves (Domestic Economy) : Sound Balance Sheets

Balance Sheets are the healthiest in about a decade demonstrating the progressively rising resilience of Indian economy

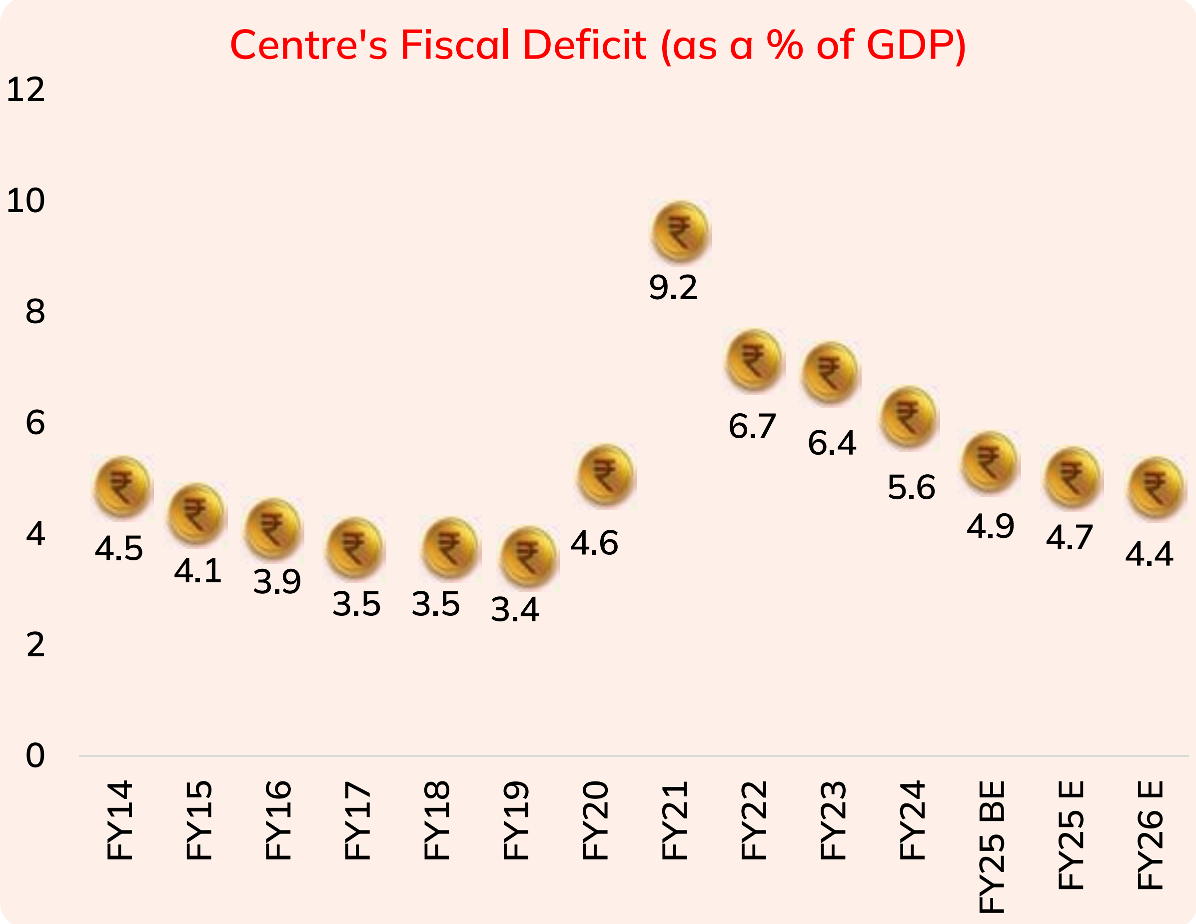


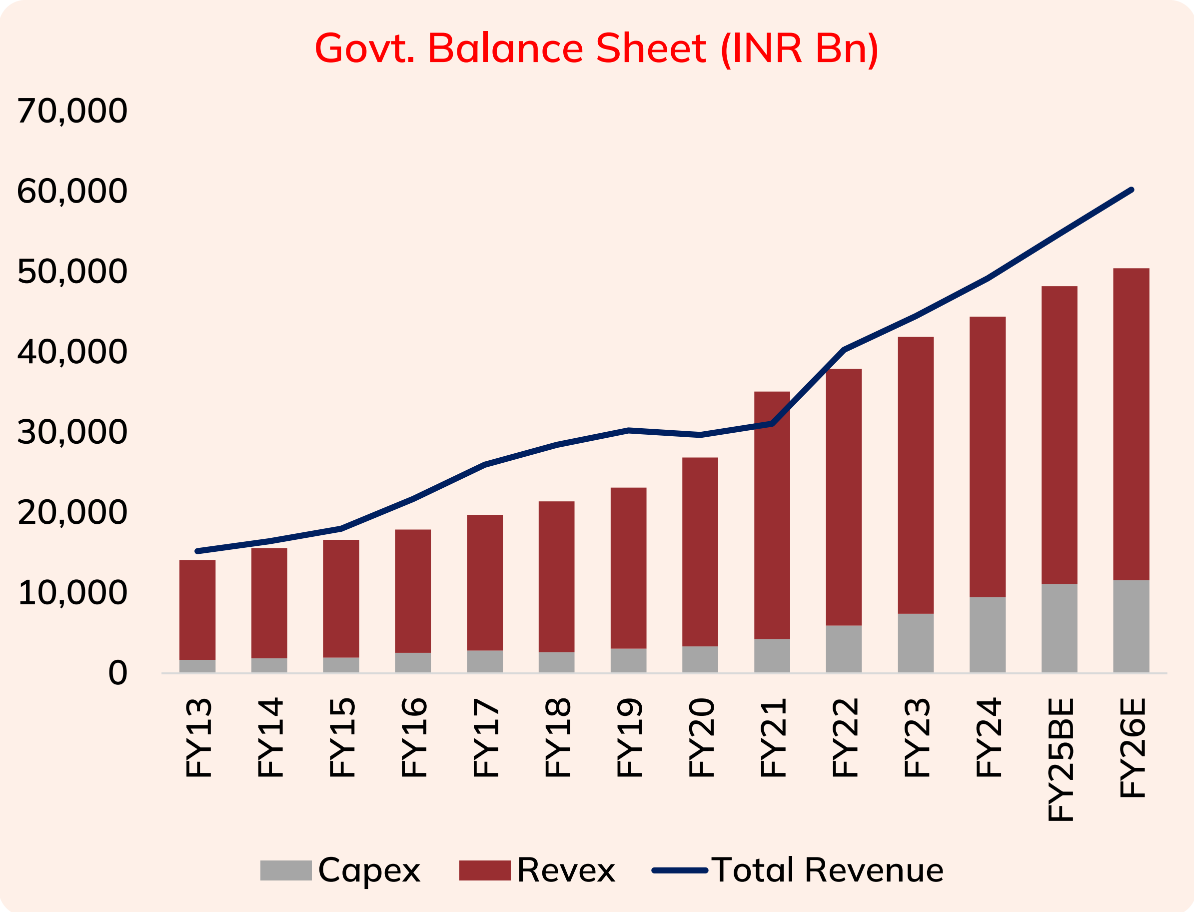


Data Source: Morgan Stanley Research. GNPLs: Gross Non Performing Loans, F; Financial Year, GDP: Gross Domestic Product, E: Estimates

A tale of two halves (Domestic Economy) : Sound Balance Sheets

Govt.'s Budgeted Fiscal consolidation is well anchored on the back of (a) Improving tax compliance (b) Strong govt. revenue and (c) rationalization of spending





Data Source: Jefferies Research and Avendus Spark. GDP : Gross Domestic Product, Bn: Billion, Capex: Capital expenditure, Revex: Revenue Expenditure, BE: Budgeted Estimates, E: Estimates, FY: Financial Year, Govt.: Government

A tale of two halves (Domestic Economy) : Prompt Policy Reforms

ICICI PRUDENTIAL MUTUAL FUND

Employee Linked Incentive Scheme

Outlay : Rs 2 Tn

To facilitate employment & skilling of 41 Mn beneficiaries

Infra Push

Outlay : Rs 10 Tn

50 yr interest free loan to States

Direct Benefit Transfers

Transferred directly to citizens living below poverty line

PLI

Boost domestic manufacturing of goods for import substitution & global penetration

GST

Simplified indirect tax regime to avoid cascading of taxes

IBC

To facilitate reorganization and insolvency resolution

RERA

Regulating the real estate sector & protecting home buyers

UPI

To facilitate online transactions by merging several bank accounts in one app.

Tax Compliances

Corporate tax rate reduced from 25% to 15% for manufacturing companies

Data Source: Morgan Stanley and National Payments Corporation of India. GST: Goods & Services Tax Act 2017, IBC: Insolvency & Bankruptcy Code 2016; PLI: Production Linked Incentive Scheme 2020; RERA: Real Estate Regulation & Development Act, 2016; UPI: Unified Payment Interface Act 2016. Mn: Million, Tn: Trillion, Yr: Year, Infra: Infrastructure, app.: Mobile Application

A tale of two halves (Domestic Economy) : Dominating Demand

High frequency Indicators across segments suggest strong underlying demand

Industry

	Today	A year ago	Dec-19
IIP Index Growth (3 Yr CAGR)	3.4%	3.5%	3.6%
Electricity Consumption (3 Yr CAGR)	7.4%	4.7%	3.3%
E-way Bills per day (in 000s)	3393	2073	1787
Railway Freight Traffic (3Yr CAGR)	3.7%	5.5%	4.8%

Auto & Consumption

	Today	A year ago	Dec-19
PV Sales (3 Yr CAGR)	7.1%	-1.2%	6.0%
Two Wheeler Sales (3 Yr CAGR)	17.8%	-4.0%	11.8%
Domestic Air Passenger Traffic (3 Yr CAGR)	15.8%	23.6%	10.9%
Petrol Consumption (3Yr CAGR)	9.0%	3.4%	8.0%

Inflation & Activity

	Today	A year ago	Dec-19
CPI (YoY)	5.5%	5.7%	7.4%
WPI (YoY)	1.9%	0.9%	2.8%
Manufacturing PMI	56.5	54.9	52.7
Services PMI	58.4	59.0	53.3

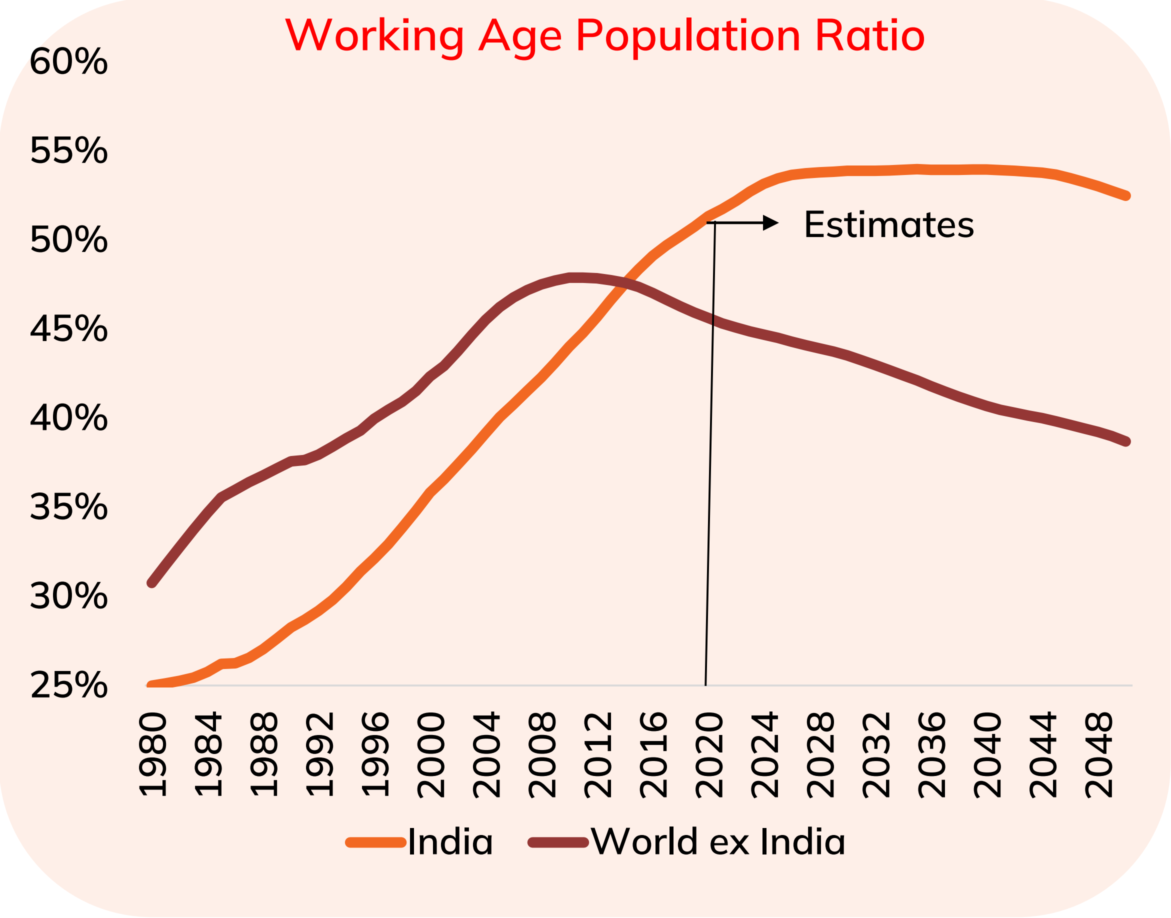
Employment

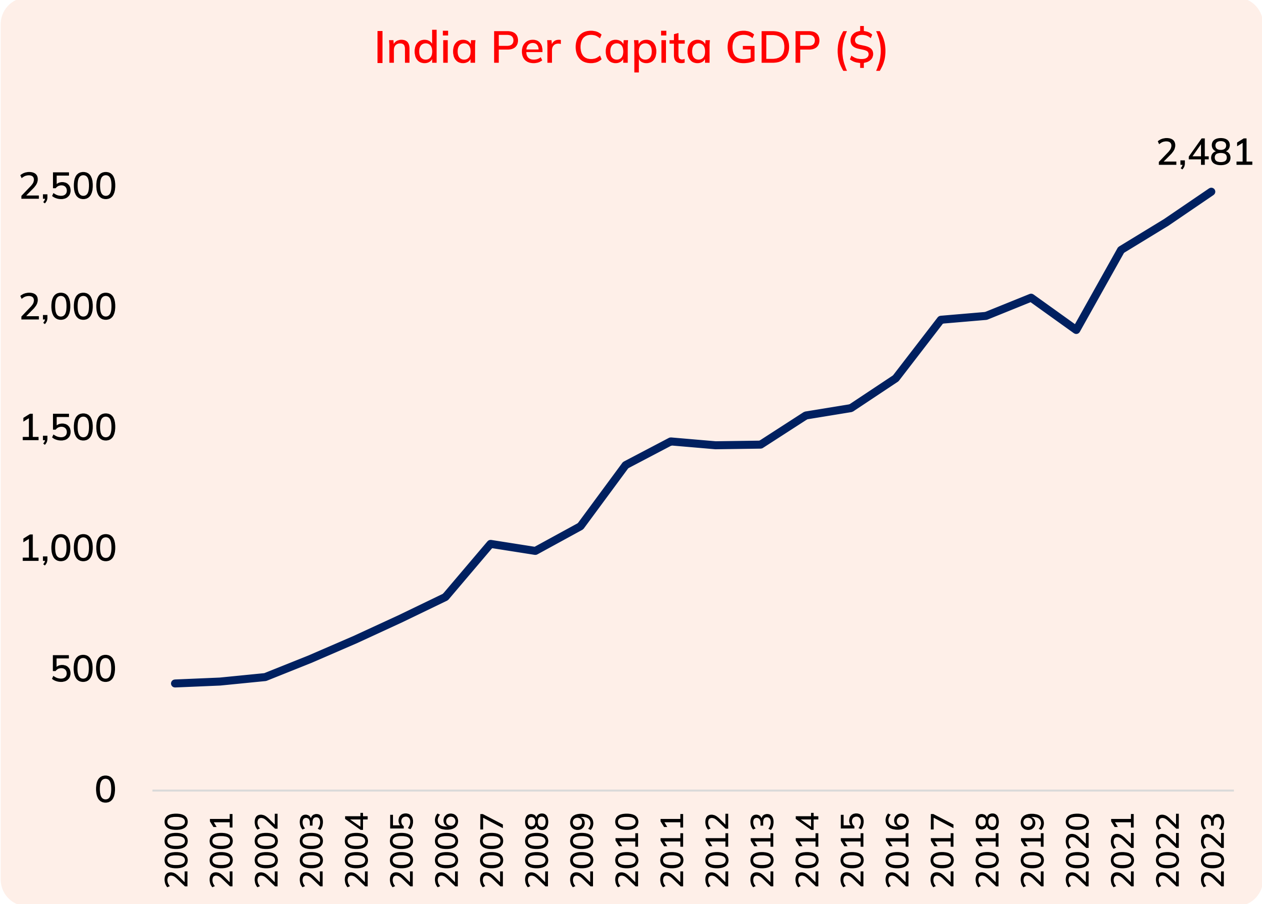
	Today	A year ago	Dec-19
CMIE Unemployment Rate	8.0%	8.7%	7.6%
CMIE Total Employed (Mn) (Farm + Salaried)	414	414	395
MNREGA Job Demand (3Yr CAGR)	-5.4%	-11.7%	13.9%
Naukri Job Speak Index (Points)	2,430	2,439	2,195

Data Source: IIFL Securities, IIP: Index of Industrial Production, Yr; Year, PV: Passenger Vehicles, CPI: Consumer Price Index, WPI: Wholesale Price Index, PMI: Purchasing Manager Index, Mn: Million, MNREGA: Mahatma Gandhi National Rural Employment Guarantee Act, YoY: Year on Year

A tale of two halves (Domestic Economy) : Dominating Demand

Younger population mix , rising income levels, changing consumption patterns, hiring trends etc are likely to uphold the demand momentum





Data Source: Morgan Stanley & World Bank. GDP: Gross Domestic Product

A tale of two halves (Domestic Economy) : Dominating Demand

Underpenetrated market along with rapidly expanding desire for premium products can do wonders to the domestic demand dynamics

India has wider scope for penetration

Products	India	China	USA
Auto	4%	15%	81%
Outbound Trips	6%	9%	42%
Air Conditioners	8%	60%	90%
Refrigerators	18%	94%	100%
Smartphone Users	37%	54%	83%
Internet Users	58%	60%	95%

Category	Premium Products Growth		Normal Products Growth	
	Sub category	10 Yr CAGR (%)	Sub category	10 Yr CAGR (%)
Cleansing	Body Wash / Liquid Soaps	15.8	Bar Soap	8.1
Haircare	Premium Hair care	14.7	Mass Hair Care	7.1
Tea	Green Tea	26.3	Normal Tea	9.4
Deodorant	Premium Deodorant	18.9	Mass Deodorant	12
Beverages	Nutrition Drink	7.1	Non alcoholic beverages	9.2
Homecare	Air care	10.1	Dishwashing	9.9
Footwear	Sports Footwear	16.1	Normal Footwear	9.2

Data Source: Avendus Spark and CLSA Research. Data for white goods consumption is for Calendar Year 2021. Data for Premium & Normal Products is as on March 2024. Yr: Year. Past performance may or may not sustain in future.

From macro lens, India is in a sweet spot. Let us further delve into Indian equities through our ‘VCTS’ framework

V — Valuations

C — Cycle

T — Triggers

S — Sentiments

The Acronym “VCTS” denotes only the indicative factors to analyze the market performance. The above factors are not exhaustive.

'V'aluations – Longest Bull Market

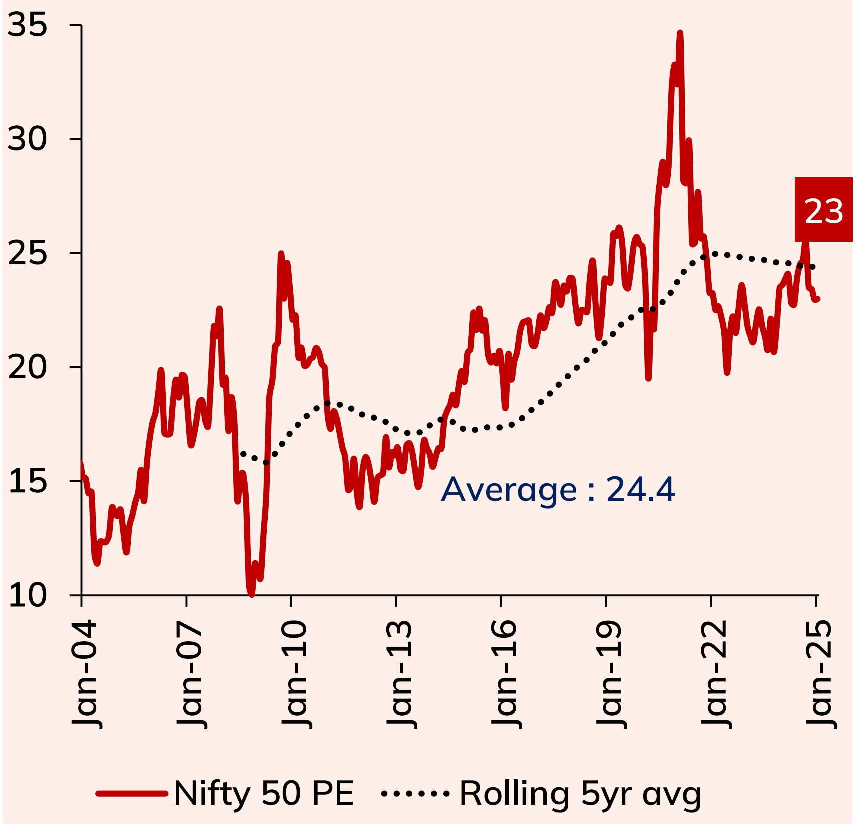
The ongoing bull market has overtaken the 2003-08 bull market in terms of duration

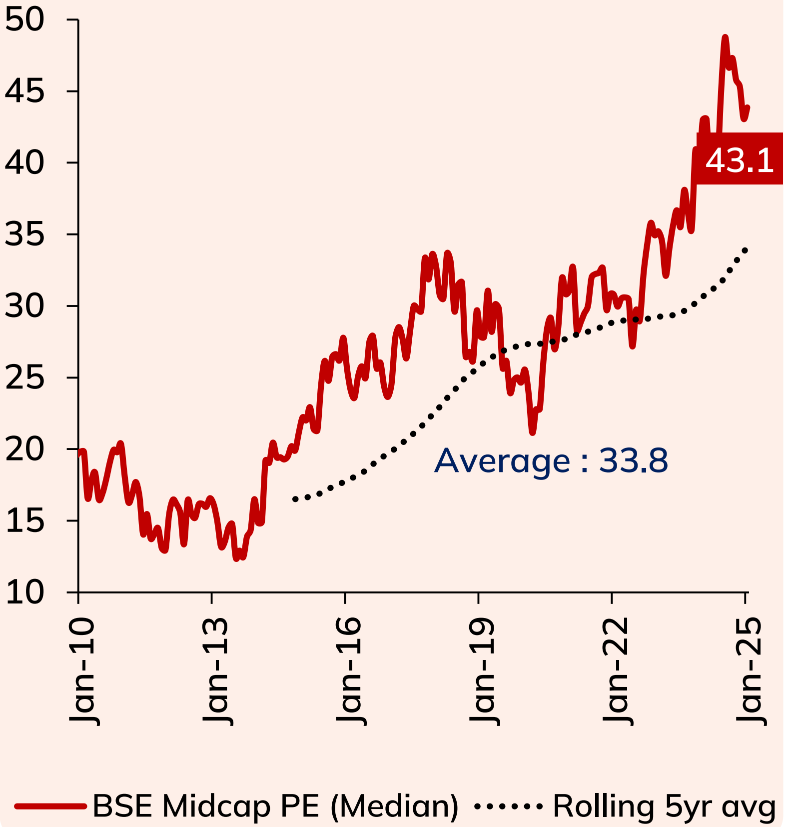
Particulars	1991-92	1993-94	1998-00	2003-08	2009-10	Mar 20 – Till Date
Duration in Weeks	62	72	67	246	87	246
Absolute Returns (%)	380%	128%	122%	630%	158%	235%
Starting Market Cap ($ Bn)	24	54	104	119	549	1,363
Peak Market Cap ($ Bn)	113	135	266	1,900	1,698	NA
6M Return from the peak	-28.6%	-26.3%	-31.2%	-34.3%	-11.7%	NA
FPI Flows to Market Cap (%)	NA	2.9%	1.3%	9.6%	3.9%	1.1%

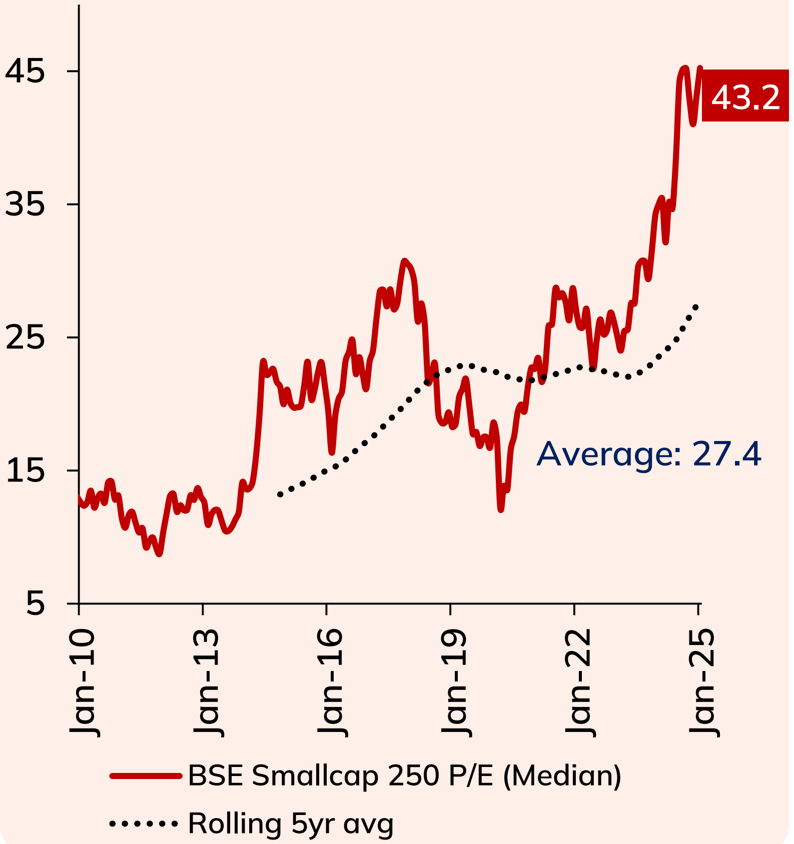
Data as on Dec 11,2024. Data Source: Morgan Stanley. Bn: Billion, M: Months, FPI: Foreign Portfolio Investment. Past Performance may or may not be sustained in the future

‘V’aluations – Segment Scanner

Large caps appear reasonable in contrast to the Mid & Smallcaps which continue to trade above its historical average





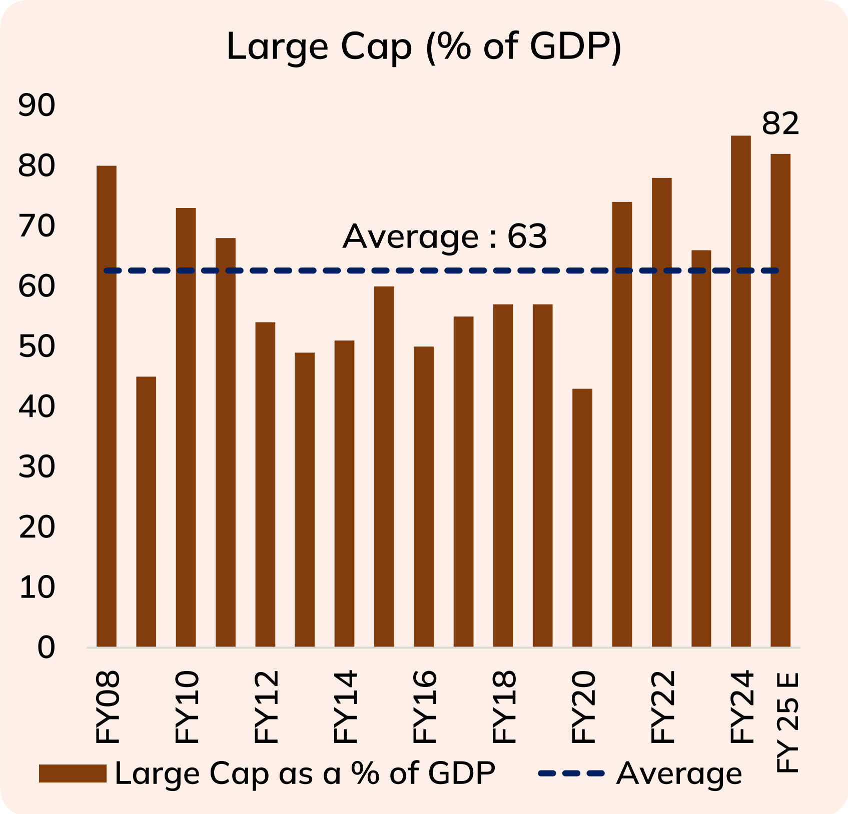


Data as on Jan 07,2025. Data Source: Ambit Research. PE: Price to Earnings Ratio. Avg: Average. Y: Year. Nifty 50 PE: PE of Nifty 50 Index, BSE Midcap PE: OE of BSE Midcap Index, BSE Smallcap 250 P/E: PE of BSE Smallcap 250 Index. Past performance may or may not be sustained in the future.

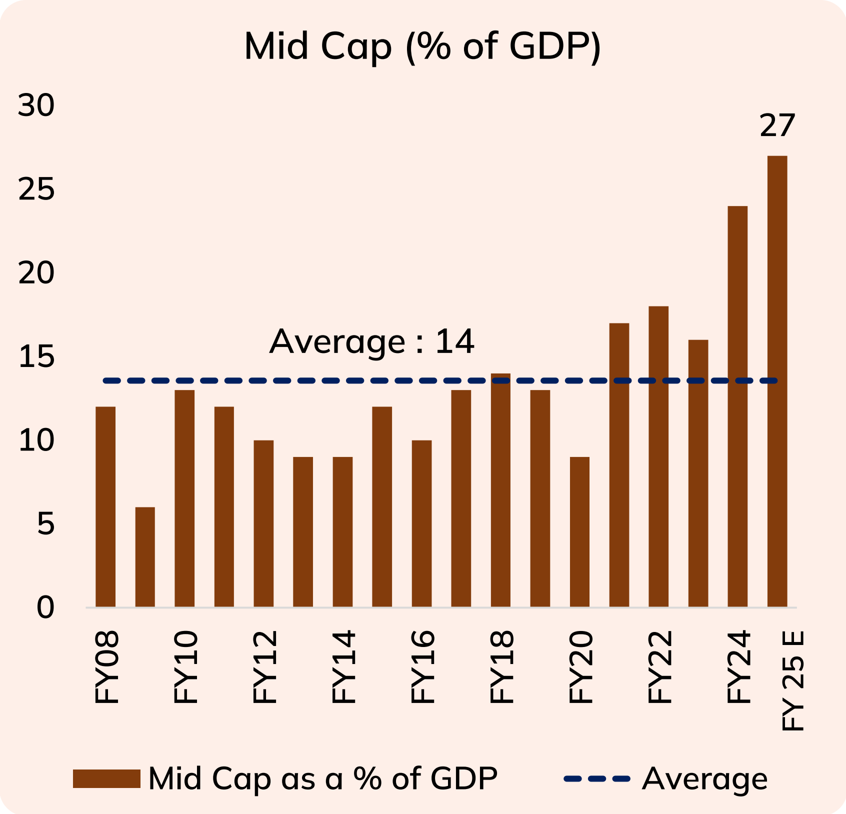
'V'aluations – Segment Scanner

We do not expect mean reversion, as we expect equity markets to deepen with more supply, but the overvaluations in mid and smallcap segment may moderate

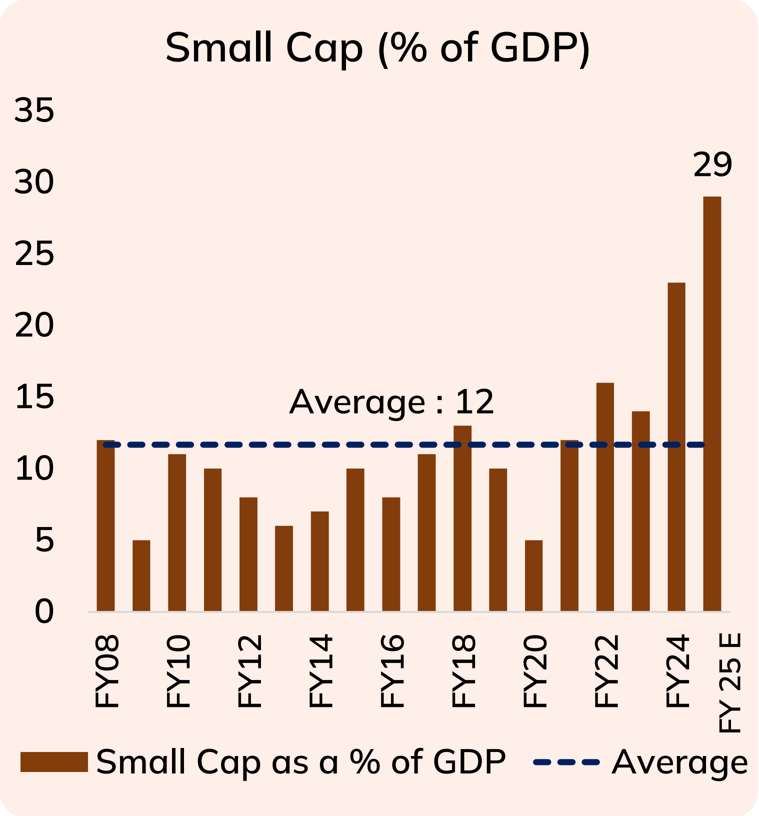
31% Higher from the average



99% Higher from the average



149% Higher from the average



Data Source: Motilal Oswal Research. FY : Financial Year, GDP: Gross Domestic Product, E: Estimates. Percentages are calculated on absolute basis. Past performance may or may not be sustained in the future.

‘V’aluations – Segment Scanner

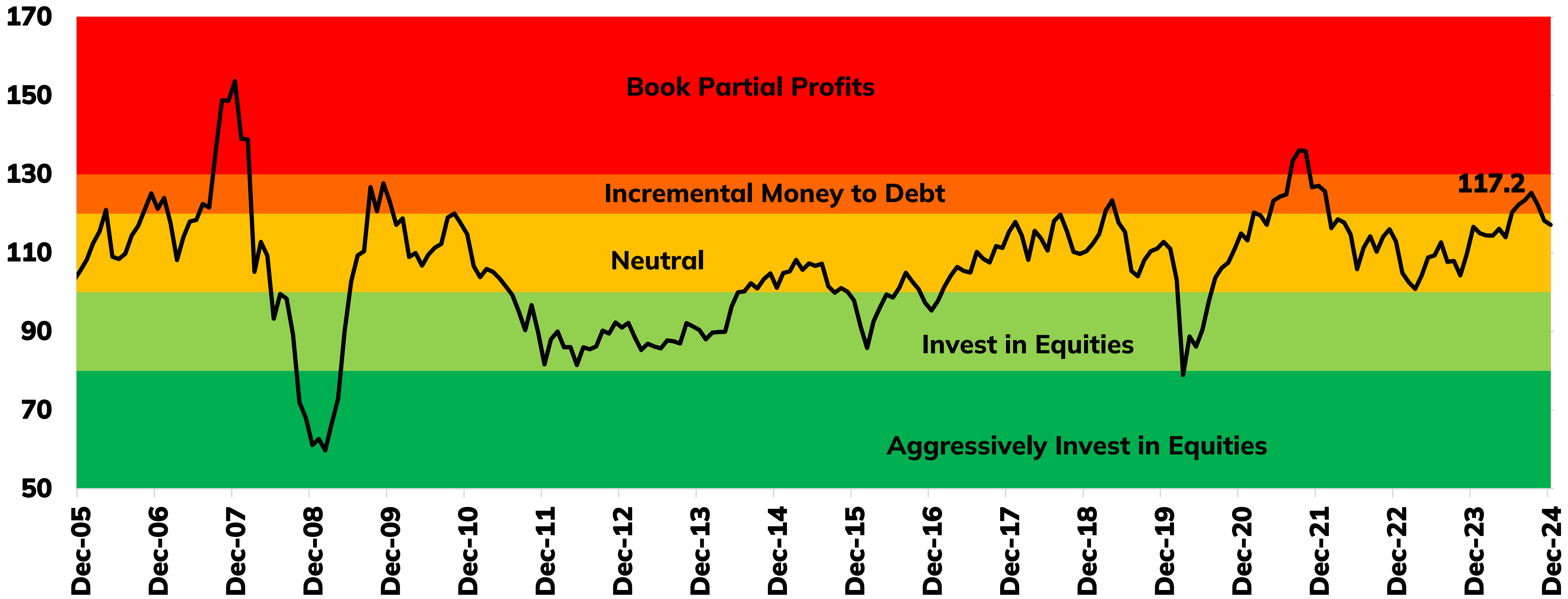
Valuations in the mid & smallcap space continue to expand resulting in increased share in total market cap

Period	As a % of Total Market Cap			
	Top 50	Next 50	Midcap 150	Smallcap 250
2014	62.5	14.3	14.1	9.1
2015	59.8	14	15.2	11
2016	58.8	14.1	15.3	11.8
2017	53.4	14.7	17.3	14.6
2018	58.3	13.7	16.3	11.7
2019	61.8	13.1	15.6	9.5
2020	60.9	13.3	15.5	10.2
2021	55.6	13.1	16.8	14.4
2022	56.7	12.5	16.1	14.7
2023	51.4	13.1	17.6	17.8
2024	46.1	13.8	19.3	20.8
% change from 2023	-10%	5%	10%	17%
% change from 2014	-26%	-3%	37%	129%

Source: NSE. Data as on Dec 31,2024. Data is on calendar year basis. Past performance may or may not sustain in future. Red indicates high valuations, Amber indicates neutral valuations and Green indicates attractive valuations. % changes are shown on absolute basis.

‘V’aluations – In the Neutral Zone

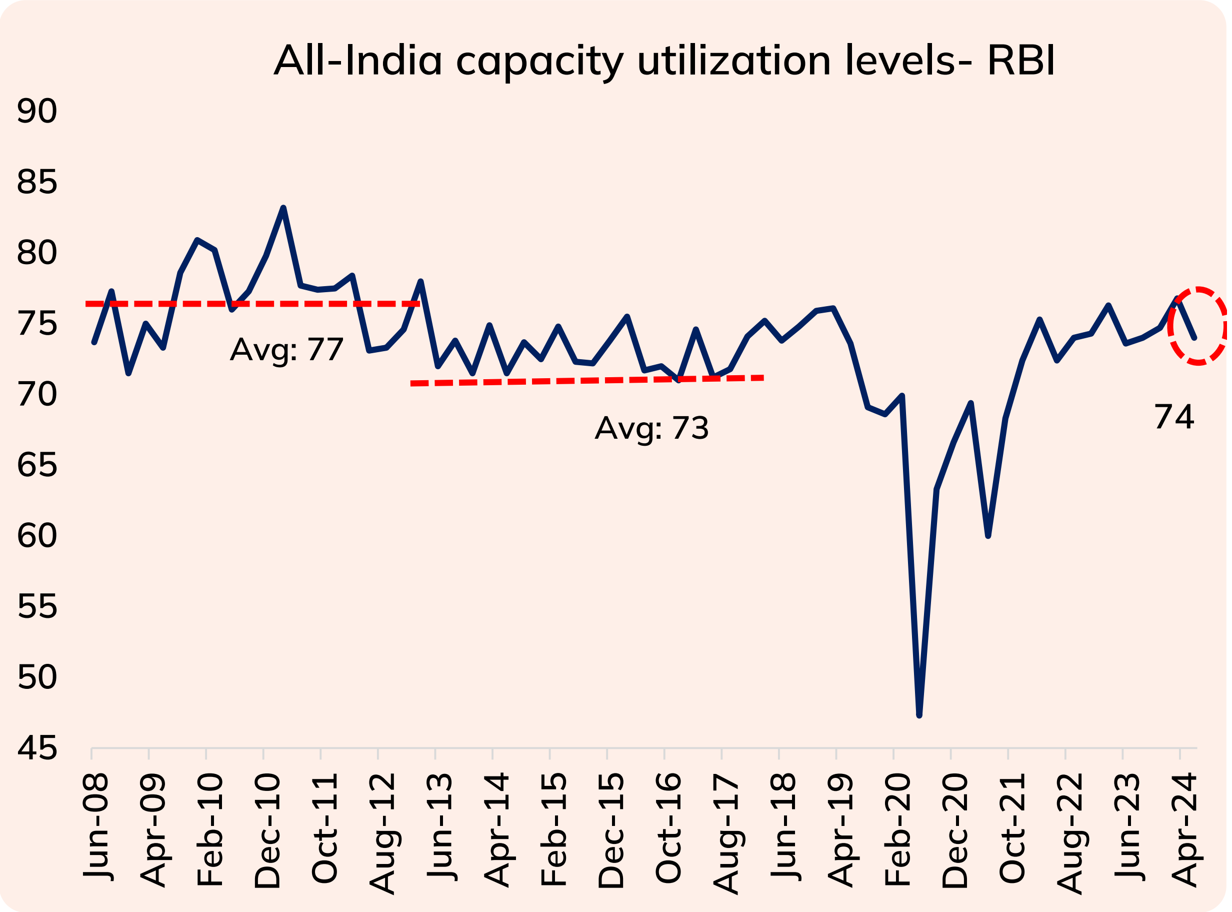
Our in-house Equity Valuation Index (Large-cap based) suggests that market valuations are in the neutral zone



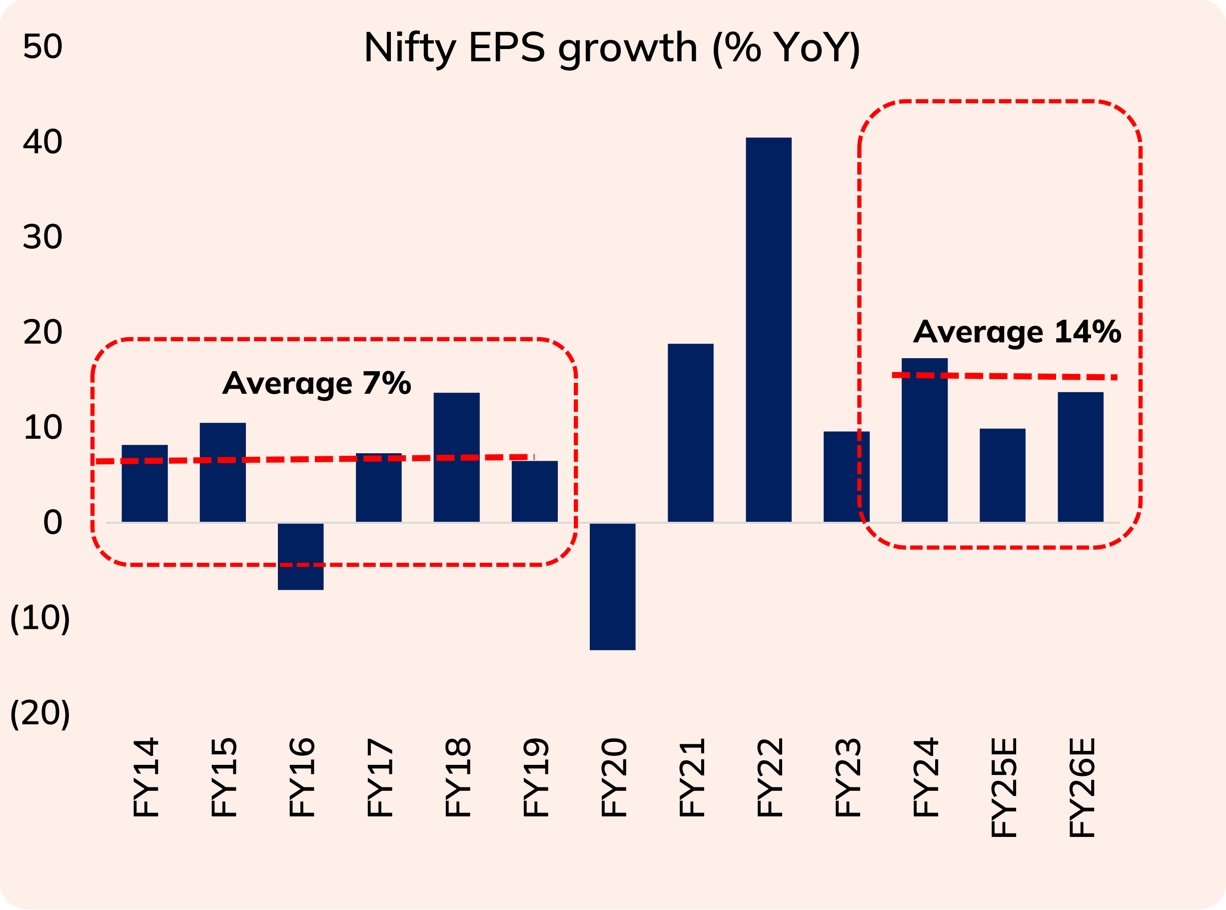
Data as on Dec 31,2024 is considered. Equity Valuation index is calculated by assigning equal weights to Price-to-Earnings (PE), Price-to-Book (PB), G-Sec*PE and Market Cap to GDP ratio and any other factor which the AMC may add/delete from time to time.. G-Sec – Government Securities. GDP – Gross Domestic Product,. 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

'C'ycle – Moving ahead positively

India's capacity utilization is currently trading at average reflecting sustained economic activity

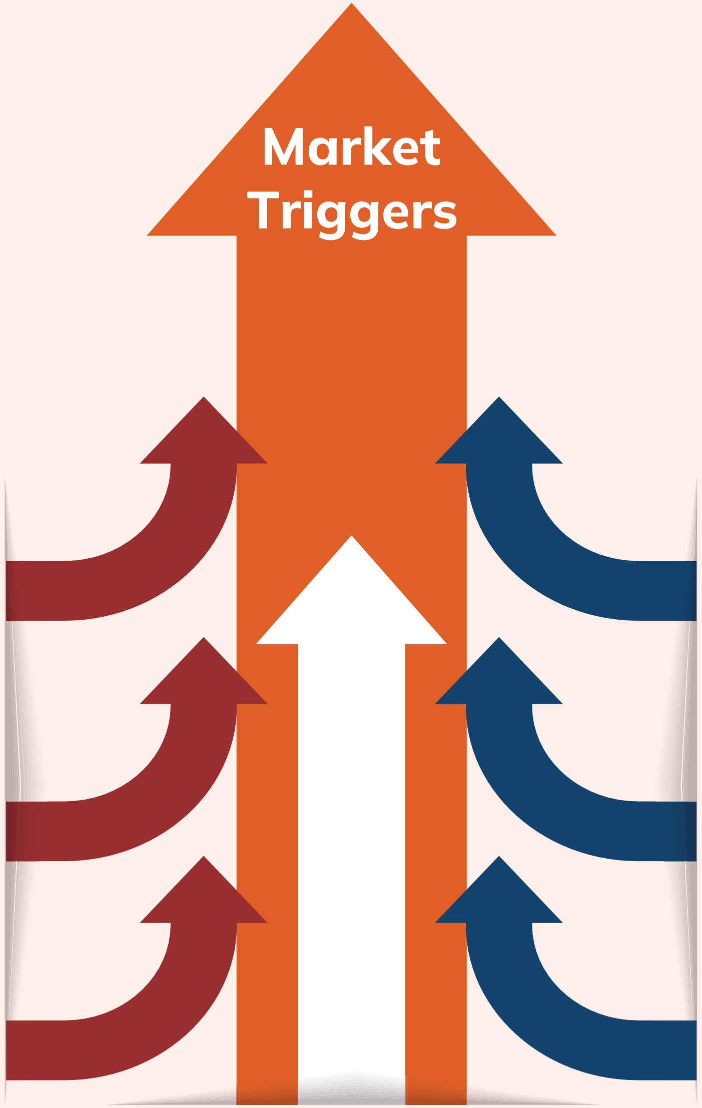


As the period of high growth is behind us, near term earnings may remain moderate



Source: RBI & Jefferies Research. Avg: Average, RBI: Reserve Bank of India, YoY: Year on Year, FY: Financial Year, EPS: Earnings Per Share and E: Estimates. Past performance may or may not sustain in future.

Key triggers that may impact markets in the near term



Heightened Geo-political tensions

US Trade Policies

High Valuations

FPIs making a come back

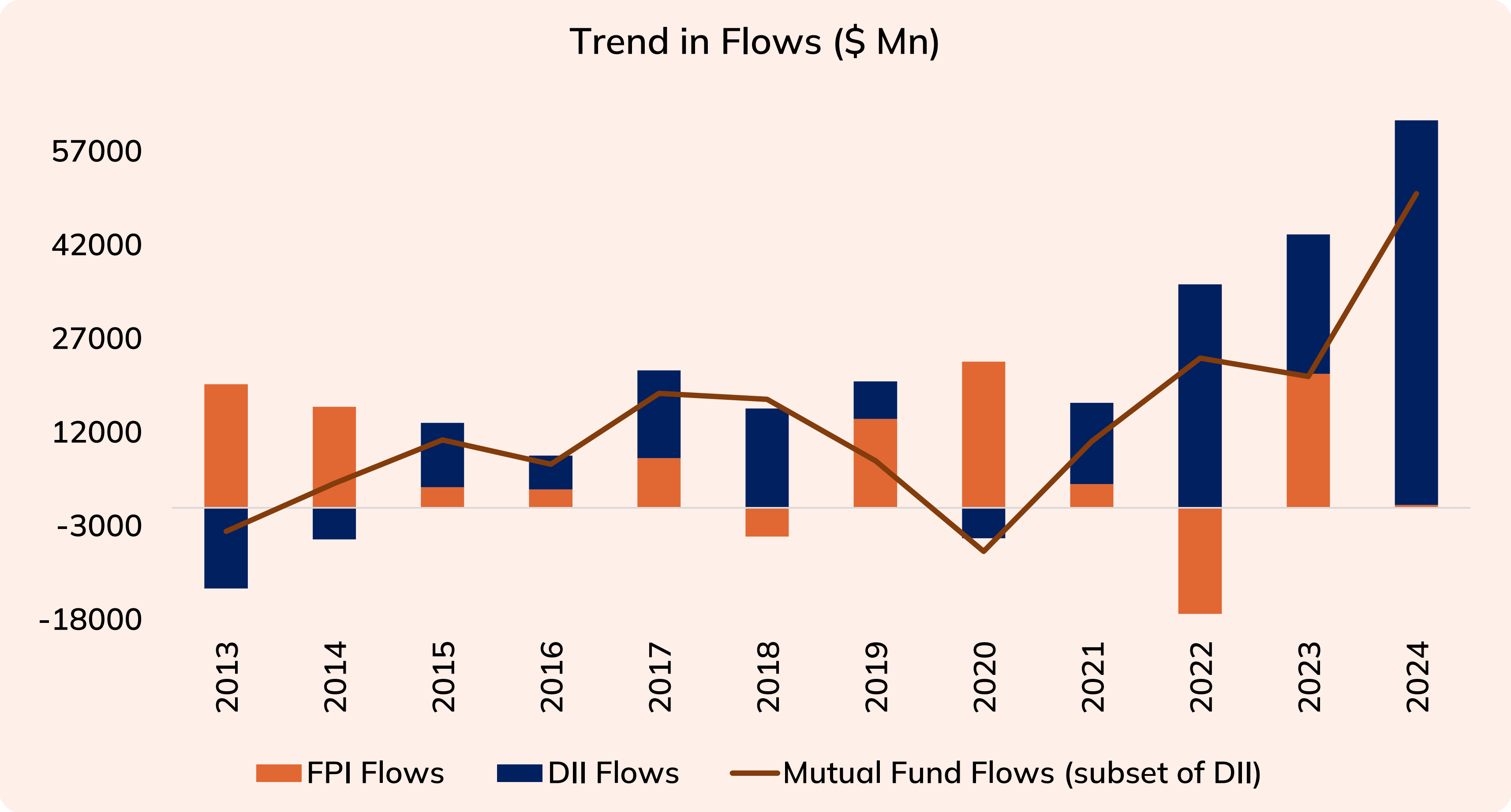
Govt. focus on capex

Domestic Consumption demonstrating resilience

US: United States, FPI: Foreign Portfolio Investment

'S'entiment – DIIs Standing Strong

Robust domestic flows reflect deeper investor confidence and positive sentiments

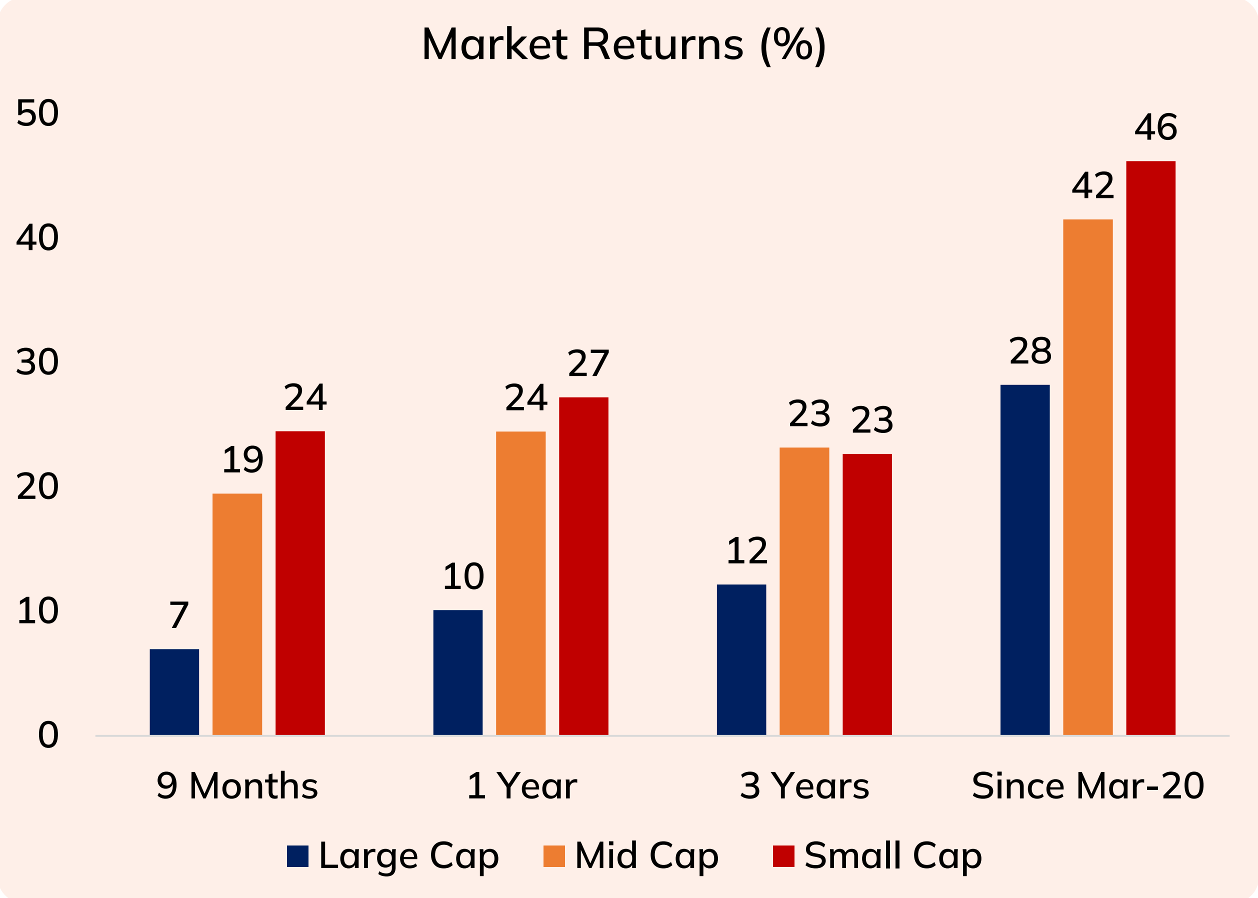


Particulars	Remarks
DII Flows	CY 24 Inflow ($62 Bn) is 6% higher than combined inflows of CY 22 & CY 23
FPI Flows	Marginal FPI buying of $0.4 Bn for CY 24
Increase in Mutual Fund Folios	36%
Total Demat accounts	180.5 Mn
Approx Monthly SIP Flows	INR 120 Bn

Data as on Dec 27,2024. Data Source: Kotak Institutional Research and Motilal Research. FPI: Foreign Portfolio Investment, DII: Domestic Institutional Investors, Mn: Million, Bn Billion, CY: Calendar Year, SIP: Systematic Investment Plan,

'S'entiment – Mounting with flows

Whopping returns by mid & small cap stocks have caught investors' interest in this space

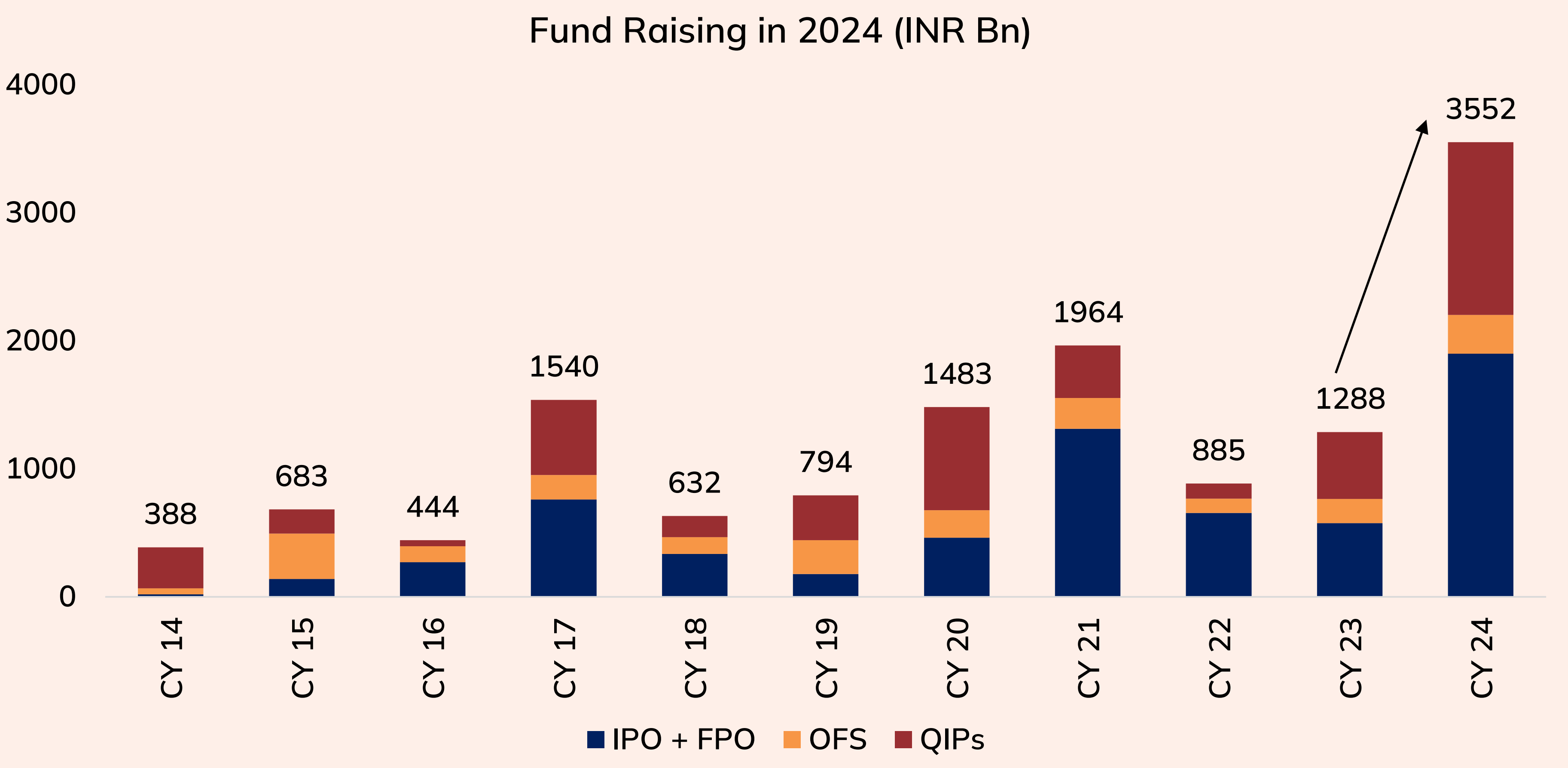


Category	Net Flows into Mutual Funds (INR Bn)			
	CY21	CY22	CY23	CYTD24
Large Cap Funds	29	137	-30	174
Midcap Funds	106	205	229	292
Smallcap Funds	38	198	410	296
Other Funds	794	1070	1006	2769

Data as on Dec 31,2024 is considered for Market Returns. Data as on Nov 30,2024 is considered for Net Flows into Mutual Funds. Data Source: Kotak Institutional Research and Ace MF. FPI: Foreign Portfolio Investment, DII: Domestic Institutional Investor, Bn: Billion, YoY: Year on Year, CYTD: Calendar Year Till Date. Returns for less than 1 year are shown on absolute basis and 1 year or more are shown in CAGR basis. For returns of Large Cap: Nifty 50 TRI; For returns of Midcap: Nifty Midcap 150 TRI and for returns of Smallcap: Nifty Smallcap 250 TRI has been considered. Other Funds include: Flexicap Funds, Large & Midcap Funds, Sectoral / Thematic Funds, Value / Contra Funds, Focused Funds, Dividend Yield Funds, Equity Linked Savings Schemes Funds and Multicap Funds. Past performance may or may not be sustained in the future.

‘S’entiment – IPO Frenzy

2024 was a block buster year for fund raising as positive sentiments continued to drive the IPO rally



IPO + FPO

Rs 1889 Bn raised in CY 24 through primary market which far exceeds last year’s fundraising of Rs 576 Bn

Offer for sale

An indicator of dilution of promoter’s holding, jumped to Rs 305 Bn in CY 24 v/s Rs189 Bn last year

QIPs

Fund raising via QIPs also jumped as 99 QIPs raised atotal of Rs 1,348 Bn (2.6 x of CY 23)

Data as on Dec 30,2024. Data Source: Motilal Oswal Research. IPO: Initial Public Offer, FPO: Further Public Offer, OFS: Offer for Sale, QIPs: Qualified Institutional Placement, Bn Billion, CY: Calendar Year

Summary

Globally things are more challenging due to ballooning debt, complex growth-inflation dynamics, supply chain disturbances post COVID & geo-political tensions

India's fundamental attributes are strong and sustainable – Clean Govt. / Corporate / Household – Balance sheets, strong growth, rising capex, unwavering domestic demand, fiscal prudence. Hence the long term structural story remains intact

Valuations have cooled-off in the last few months, although still remains high

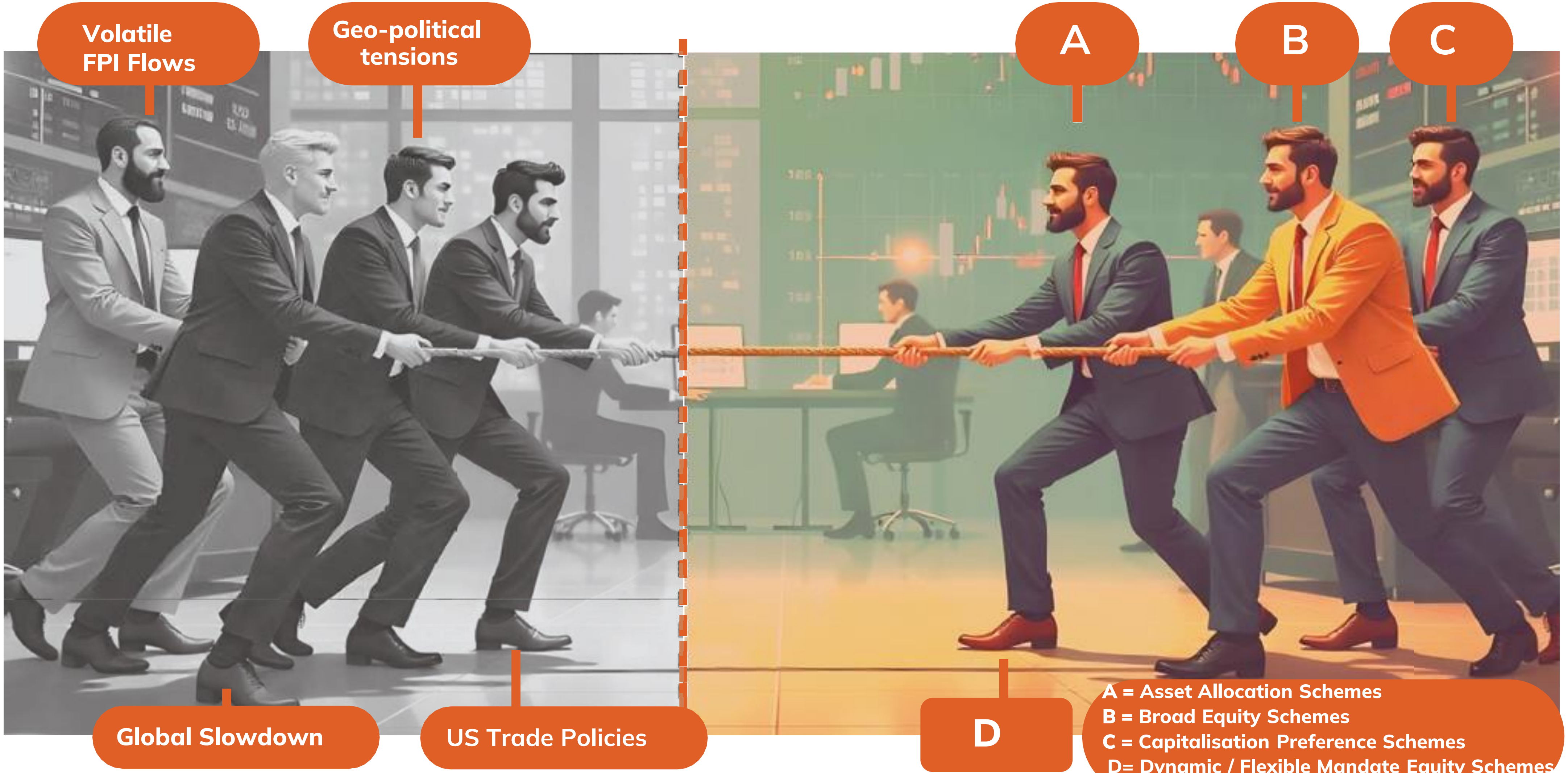
Strong fundamentals coupled with high valuations creates a strong case for investing in Hybrid and Multi asset allocation schemes

For long-term investing in equity schemes, we would prefer schemes which have flexibility to move across asset classes / sectors / market-cap / themes

We prefer, Large-caps over mid and smallcap schemes due to reasonable valuations plus possibility of FPIs making a coming back which may result in outperformance

Covid: Coronavirus Disease , FPI: Foreign Portfolio Investment, Govt.: Government. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation and ICICI Prudential Mutual Fund may or may not have any future position in these stock(s)/sector(s).

Investment Playbook



A = Asset Allocation Schemes
B = Broad Equity Schemes
C = Capitalisation Preference Schemes
D= Dynamic / Flexible Mandate Equity Schemes

Recommendations

A

'A'sset allocation schemes
(to manage volatility)

- IPRU Balanced Advantage Fund
- IPRU Multi-Asset Fund
- IPRU Equity & Debt Fund
- IPRU Asset Allocator Fund (FOF)
- IPRU Passive Multi-Asset Fund of Fund

B

'B'road Equity Schemes
(for long term systematic investments)

- IPRU Business Cycle Fund
- IPRU India Opportunities Fund
- IPRU Thematic Advantage Fund (FOF)
- IPRU Rural Opportunities Fund
- IPRU Innovation Fund

C

'C'apitalization preference
(large cap biased schemes to manage volatility & for wealth creation)

- IPRU Bluechip Fund
- IPRU Equity Minimum Variance Fund

D

'D'ynamic / Flexible Mandate Equity Schemes
(for long term wealth creation)

- IPRU Value Discovery Fund
- IPRU Flexicap Fund
- IPRU Large & Midcap Fund
- IPRU Focused Equity Fund

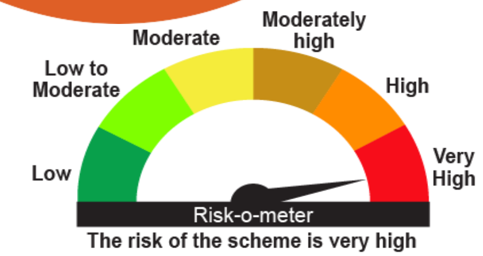
IPRU – ICICI Prudential, FOF – Fund of Funds. The asset allocation and investment strategy will be as per Scheme Information Document. For ICICI Prudential Rural Opportunities Fund: The NFO period is from Jan 09,2025 to Jan 23,2025

Riskometers

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

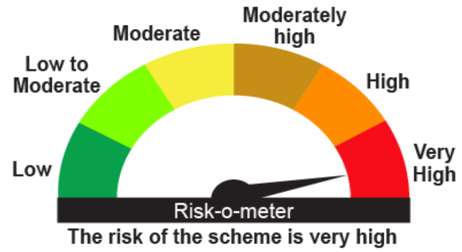
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



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

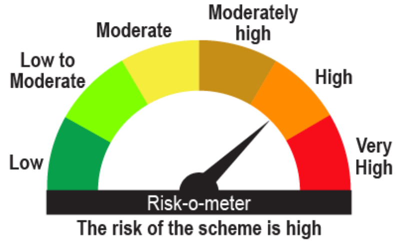
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



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 REITs & InvITs/Preference shares.) is suitable for investors who are seeking*:

- ❑ Long Term Wealth Creation
- ❑ An open ended scheme investing across asset classes

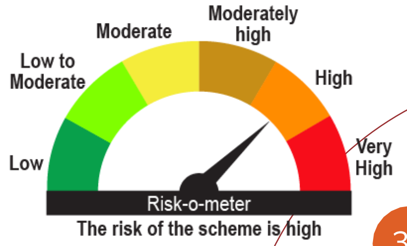
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



ICICI Prudential Asset Allocator Fund (FOF) (An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETFs/schemes.) is suitable for investors who are seeking*:

- ❑ Long term wealth creation
- ❑ An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETF/schemes.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. Investors may please note that they will be bearing the recurring expenses of this Scheme in addition to the expenses of the underlying Schemes in which this Scheme makes investment.



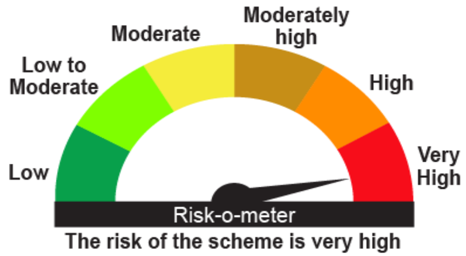
Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. The above riskometers are as on Dec 31, 2024. Please refer to https://www.icicipruamc.com/news-and-updates/all-news for more details.

Riskometers

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

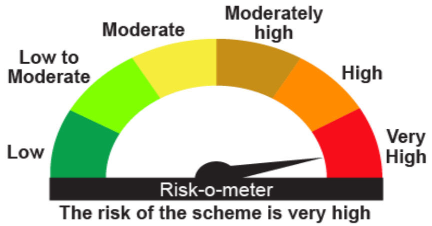
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



ICICI Prudential Balanced Advantage Fund (An open ended dynamic asset allocation fund) is suitable for investors who are seeking*:

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

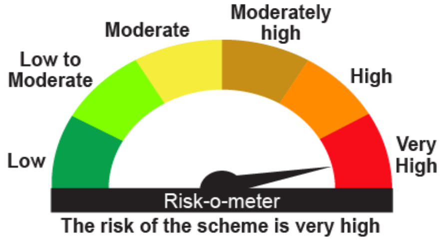
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



ICICI Prudential Equity & Debt Fund (An open ended hybrid scheme investing predominantly in equity and equity related instruments) is suitable for investors whoare 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

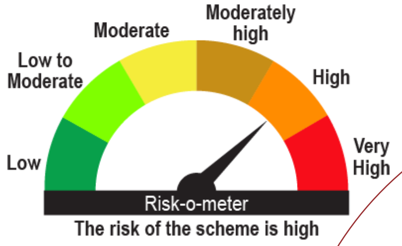
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



ICICI Prudential Passive Multi-Asset Fund of Funds (An open ended fund of funds scheme investing in equity, debt, gold and global index funds/exchange traded funds) is suitable for investors whoare seeking*:

- Long term wealth creation
- An open ended fund of funds scheme investing in equity, debt, gold and global index funds/exchange traded funds

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. Investors may please note that they will be bearing the recurring expenses of this Scheme in addition to the expenses of the underlying Schemes in which this Scheme makes investment.



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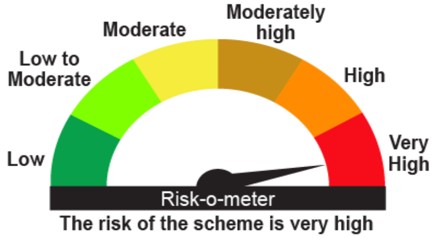
Riskometers

ICICI Prudential Innovation Fund (An open ended equity scheme following innovation theme) is suitable for investors who are seeking*:

- ❑ Long term capital creation
- ❑ An equity scheme that invests in stocks adopting innovation strategies or themes.

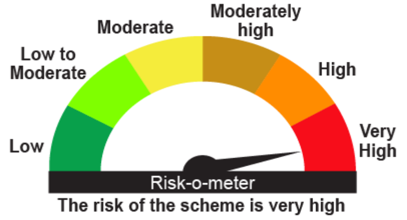
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



ICICI Prudential Equity Minimum Variance Fund (An open ended equity scheme following Minimum Variance theme) is suitable for investors who are seeking*:

- ❑ Long Term Wealth Creation
- ❑ To generate long term capital appreciation by investing in Equity & Equity related instruments through a diversified basket with an aim to minimize the portfolio volatility.

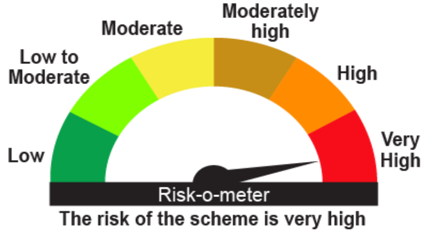
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Bluechip Fund (An open ended equity scheme predominantly investing in large cap stocks) is suitable for investors who are seeking*:

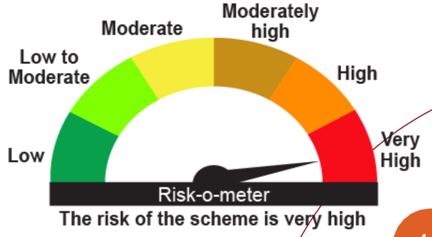
- ❑ Long term wealth creation
- ❑ An open ended equity scheme predominantly investing in large cap stocks

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



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



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

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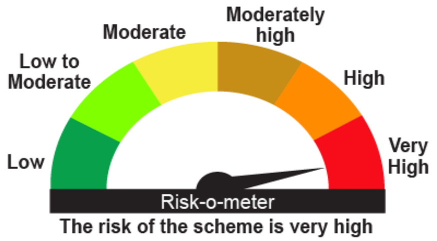
Riskometers

ICICI Prudential Thematic Advantage Fund (FOF) (An open ended fund of funds scheme investing predominantly in Sectoral/Thematic schemes) is suitable for investors who are seeking*:

- ❑ Long term wealth creation
- ❑ • An open ended fund of funds scheme investing predominantly in Sectoral/Thematic equity oriented schemes.

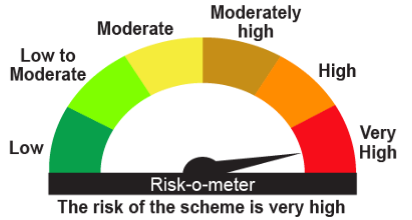
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. Investors may please note that they will be bearing the recurring expenses of this Scheme in addition to the expenses of the underlying Schemes in which this Scheme makes investment.



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

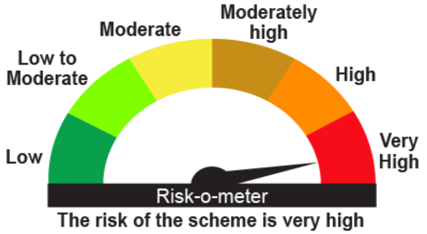
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Focused Equity Fund (An open ended equity scheme investing in maximum 30 stocks across market-capitalization i.e. focus on multicap) is suitable for investors who are seeking*:

- ❑ Long Term Wealth Creation
- ❑ An open ended equity scheme investing in maximum 30 stocks across market-capitalisation.

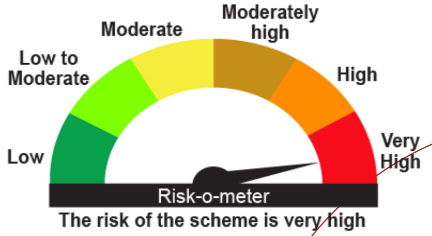
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



ICICI Prudential Rural Opportunities Fund (An open ended equity scheme following Rural and allied theme) is suitable for investors who are seeking*:

- ❑ Long Term Wealth Creation
- ❑ An equity scheme following Rural and allied theme

It may be noted that the scheme risk-o-meter specified above is based on the internal assessment of the scheme characteristics and may vary post NFO when the actual investments are made. The same shall be updated on ongoing basis in accordance with clause 17.4 of the Master Circular.



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Disclaimer

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

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