Annual Fixed Income Outlook 2026

ICICI PRUDENTIAL MUTUAL FUND

Preface

In 2025, the global economy grappled with uncertainty due to trade war led by US President Donald Trump, geopolitical conflicts in the Middle East, Russia-Ukraine, India-Pakistan, Iran-Israel and Israel-Palestine to name a few, all of which contributed to volatility in financial markets and doubts about growth. The US Govt. imposed various levels of reciprocal tariffs on all of its trading partners, which panicked global markets. The impacted countries countered through domestic policy stimulus. India was slapped with a 50% tariff on its exports to the U.S. even as bi-lateral trade agreement was on the way. Despite the challenges, the economy managed to stay on track of its recovery from a mid-cycle slowdown. The govt. and the RBI helped stimulate the economy with various measures such as income tax changes, GST cuts, key interest rate cuts and liquidity infusion, in order to push domestic demand and substitute for anticipated exports slowdown.

Looking ahead to 2026, we expect a transition from an era of uncertainty to potential for greater stability. For the economy, there is optimism around sustained growth alongside moderate inflation. For policymakers, there is hope for lower global turbulence and better global growth outlook. This sets the stage for a continued mid-cycle recovery and would warrant a different approach towards investing.

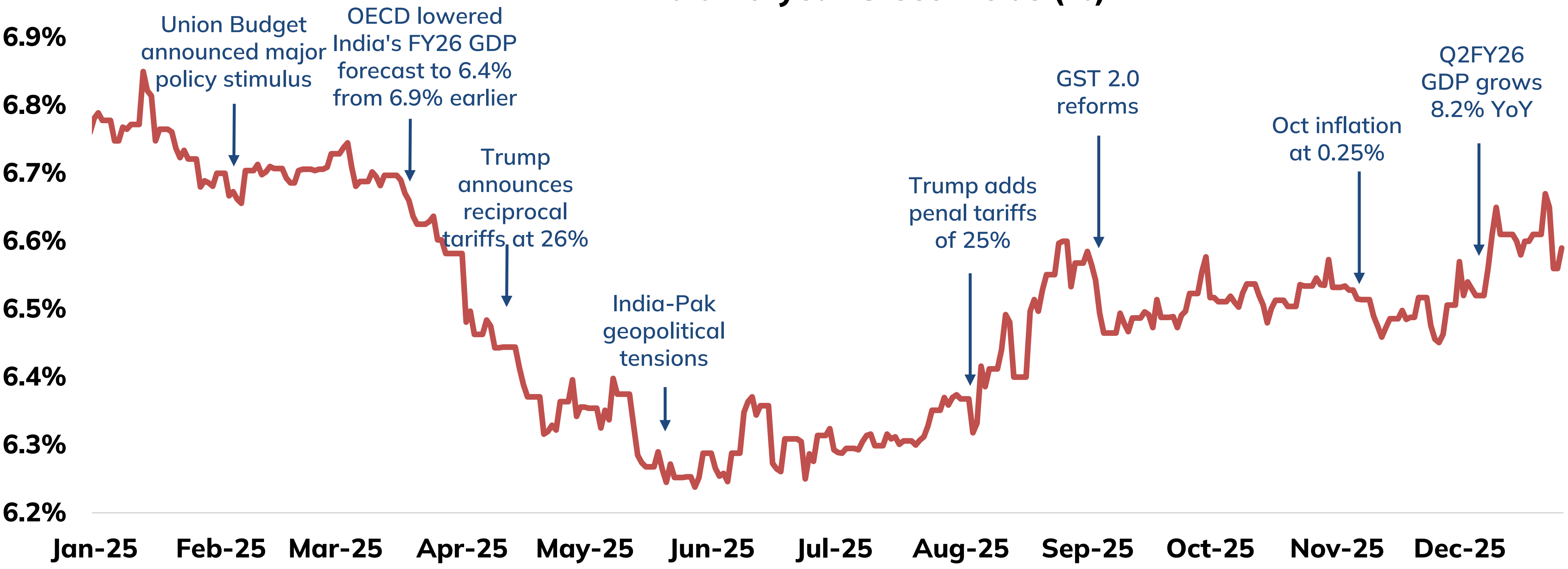
Looking back at 2025: A Year of Uncertainty

You may refer to our past Annual Fixed Income Outlook 2025- 'Uncertain'-The New World Order for more details.

Bond Markets in 2025
Yields Remained Volatile

Bond yields declined in the first half of the year due to slowdown concerns and tariff uncertainty. Yields, however, picked up in the latter half of the year due to optimism about growth.

India 10-year G-sec Yields (%)



Union Budget announced major policy stimulus

OECD lowered India's FY26 GDP forecast to 6.4% from 6.9% earlier

Trump announces reciprocal tariffs at 26%

India-Pak geopolitical tensions

Trump adds penal tariffs of 25%

GST 2.0 reforms

Oct inflation at 0.25%

Q2FY26 GDP grows 8.2% YoY

Data as on Dec 26, 2025. Source: RBI; Moody's; PIB; news.

Monetary Policy in 2025

A Deeper Rate Cut Cycle

In an attempt to push growth, the RBI cut the key policy repo rate in four separate MPC meetings by a cumulative 125 basis points. In addition, the RBI improved banking liquidity conditions to enable credit growth.

Policy Month	Stance	GDP Projections (FY25-26)	CPI Projection (FY25-26)	Repo Rate (FY25-26)
February 6-8, 2025	Neutral	6.7%	4.2%	6.50%
April 7-9, 2025	Accommodative	▼ 6.5%	▼ 4.0%	▼ 6.25%
June 4-6, 2025	Neutral	● 6.5%	▼ 3.7%	▼ 6.00%
August 4-6, 2025	Neutral	● 6.5%	▼ 3.1%	▼ 5.50%
Sep 29 – Oct 1, 2025	Neutral	▲ 6.8%	▼ 2.6%	● 5.50%
December 3-5, 2025	Neutral	▲ 7.3%	▼ 2.0%	▼ 5.25%

Source – rbi.org.in.

RBI Actions in 2025

Liquidity Infusion & Regulatory Relaxations

To ensure transmission, the RBI improved banking liquidity conditions and delivered regulatory relaxations to enable better credit growth.

Liquidity Infusion Announcements

Open Market Operations (OMO) purchases	₹ 7825 bln gov't bond purchases in phases to inject durable liquidity.
Cash Reserve Ratio (CRR) cuts	CRR reduced from 4.00% → 3.00% (₹ 3660 bln) in phases to boost bank's lending and credit growth.
USD/INR Swap	USD 40 bln buy-sell swap to injects rupee liquidity and manage FX markets

Regulatory Relaxation Announcements

The RBI relaxed the loan-to-value (LTV) ratio, allowing borrowers to get more credit against their gold collateral for smaller loans (up to ₹2.5 lakh).

Review of capital market exposure enabling framework for Indian banks to finance acquisitions by Indian corporates.

Revision of risk weights applicable to lending to micro finance institutions and NBFCs.

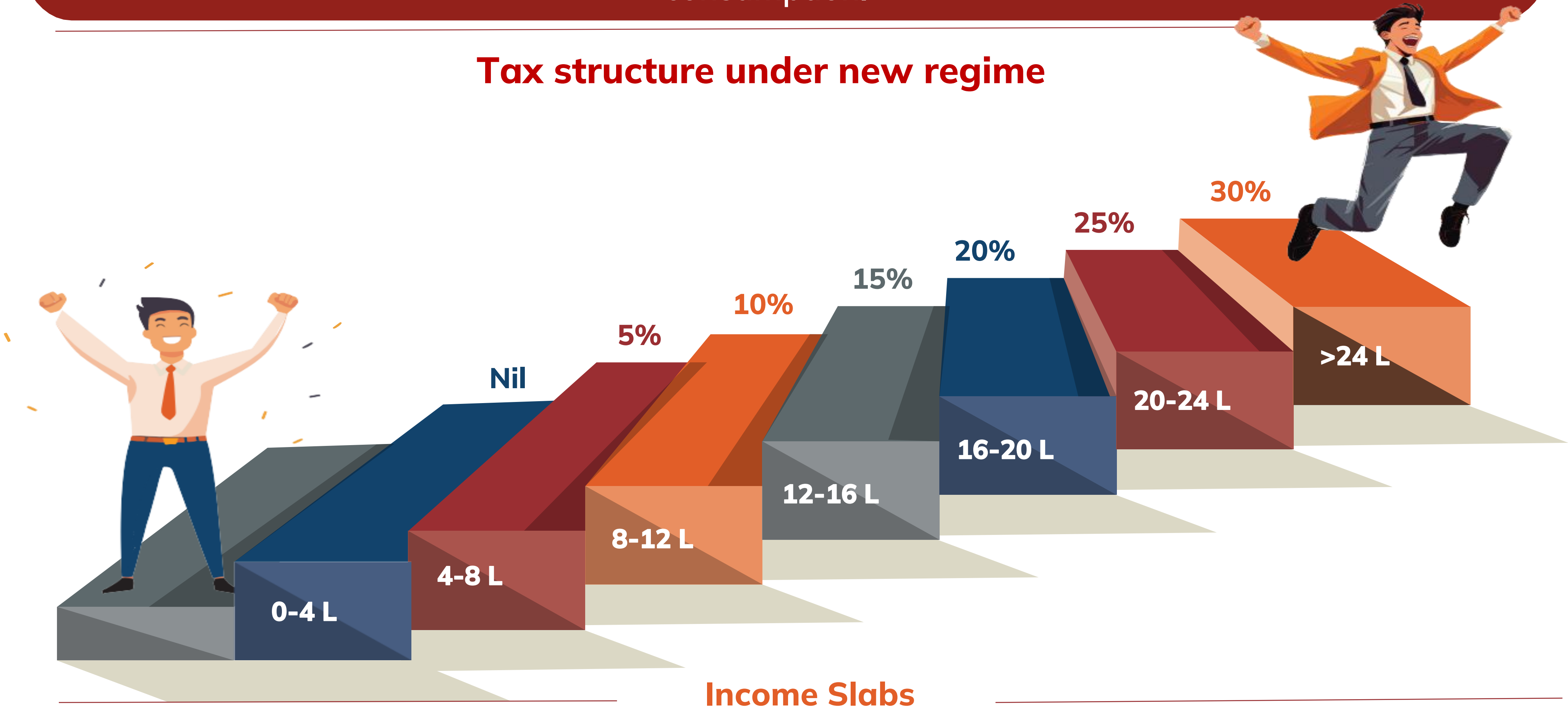
Source – rbi.org.in.

Fiscal Policy in 2025

Tax Slab Rejig Benefitted Middle Class

The Govt. revamped its new income tax regime that led to major savings on taxes for low to mid-income individuals. The move was seen as a policy stimulus aimed at pushing consumption.

Tax structure under new regime



Income Slabs

Tax impact is basis prevailing tax laws. For tax related queries consult your tax Advisor.

Fiscal Policy in 2025

GST Reforms Cut Down Prices

The Govt. cut taxes of many consumption goods and medical goods to lower costs and boost consumption.

Individual Life & Health Insurance

18% → 0%

Household Items

12% or 18% → 5%

Packaged Food Items

12% or 18% → 5%

36 Life Saving Drugs

12% or 5% → 0%

Small cars, 350 cc or below motorcycles

28% → 18%

ACs, TVs and Dishwashers

28% → 18%

Beauty and Physical Well-being Services

18% → 5%

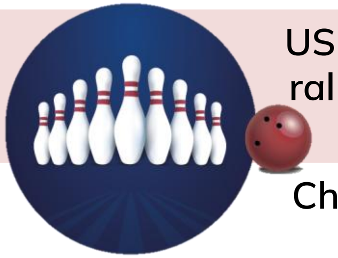
Hotels costing ₹7,500 or less per unit/night

12% → 5%

Source – PIB; GST website. The sector(s)/stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

Our Hits and Misses
from Annual Outlook 2025





	What We Said?	What Actually Happened
Hits	We recommended taking only moderate risks and manage duration actively	Long duration assets remained volatile and short duration assets did well this year
	Tailwinds for term premium compression are behind	Term premiums widened due to rise in long-end yields and due to repo rate cuts
	On global volatility and uncertainty, we expressed that the currency should bear the maximum brunt	The Indian Rupee crossed ₹90 against the US$ against its previous year-end rate of ₹85/US$
	We expected the US Treasury yields to be less volatile	US yields remained range bound with a downward bias
	We expected China to retaliate strongly to US tariffs	China retaliated with reciprocal tariffs and also imposed restrictions on exports of rare earth resources
Partial	Indian economy will grow at its potential and if growth slows down then it would be addressed via a shallow rate cut cycle	During the year, growth slowed down and the RBI cut repo rate by 125 basis points, including a CRR cut of 100 bps. The stimulus was bigger than our expectations
Miss	We expected higher volatility in US equities and high yield bonds	US equity markets performed well due to AI-stock rally and equity risk premium continues to remain very low
	We expected bigger stimulus and recovery from China	China's economy continued to deflate for most of the year

Our Calls in 2025
Tactical Allocation in Duration & Spread Assets

Date	Our Calls	What We Said
June 2025	Mind the duration risk	Called out the bottom of economic growth; labelled it as mid-cycle correction and not a severe slowdown. Gave caution on 5-year and above duration products as we expected a V-shaped recovery.
July 2025	Time for Barbell	We cautioned against duration risk in 3- to 10-year part of the curve.
Aug 2025	Tactical Call on Gilt Funds	Bet on long-dated G-secs (~30Y) and SDLs due to better carry prospects and forward curve at levels similar to past economic recovery highs.
Sep 2025	Tactical Call on Duration	Rise in bond yields had opened up opportunities in long-end G-secs and SDLs and we anticipated some cooling down ahead.

Looking ahead to 2026
A Year of Stability

Map source: Map not to scale. This map has been used for design and representational purpose only, it does not depict the geographical boundaries of the country. Past performance may or may not sustain in future.

Prologue

Our belief suggests that the new year 2026 is a potential return to stability with more certain outcomes viz-a-vis the uncertainty filled previous year. With the US economy maturing, there is much hope for a revival story – a comeback – for many emerging economies.

Why do we think that 2026 is a growth story? Firstly, the US dollar is weak and US real yields have only gone lower. This opens up the door for US dollars to look for better returns elsewhere. Emerging economies are poised to welcome this fresh inflow of capital and reignite domestic growth.

Laterally, we are also seeing huge public sector investments into defence, creating new trade blocs and a local manufacturing theme. Meanwhile, the private sector is quietly investing billions into AI and related tech and creating new supply chains.

All of these mean a positive year for emerging market growth and a return to a stable world.

2026: A Year of Stability
Revival of Global Growth

Despite market doubts on growth, there is much scope for growth to improve globally led by emerging markets. Here are some key reasons we believe that would push the global growth higher as uncertainties settle in 2026.

Areas	Particulars	Global Developments
Public Sector	Populism + Fiscal Expansion	• Germany's military budget has nearly doubled in last five years. • US' 'One Big Beautiful Bill Act 2025' making tax cuts permanent. • Also, most countries in Asia looking to support economies through fiscal measures
Private Sector	New Age Investments	• US major tech giants have committed huge investments in AI infrastructure. • China committing large investments in New Age technologies.
Geopolitics	New trade blocs and supply chains	• New trade blocs getting formed around the world. • China+1 strategy in South East Asia. • US domestic investments in supply chain independent of China.

Source – CRISIL Research

2026: A Year of Stability
Tariff Uncertainties behind

India and Brazil face the highest tariff on exports to the US. Meanwhile, most other trading partners have been given a lower tariff rate. We expect a positive resolution to the tariff-wars in 2026.

Countries	Liberation Day Tariffs	Latest Incl. Secondary Tariffs
India	26%	50%
Brazil	10%	50%
China	34%	30%
Japan	24%	15%
EU	20%	15%
Thailand	36%	19%
Taiwan	32%	20%
South Korea	25%	15%
Indonesia	32%	19%
Malaysia	24%	19%

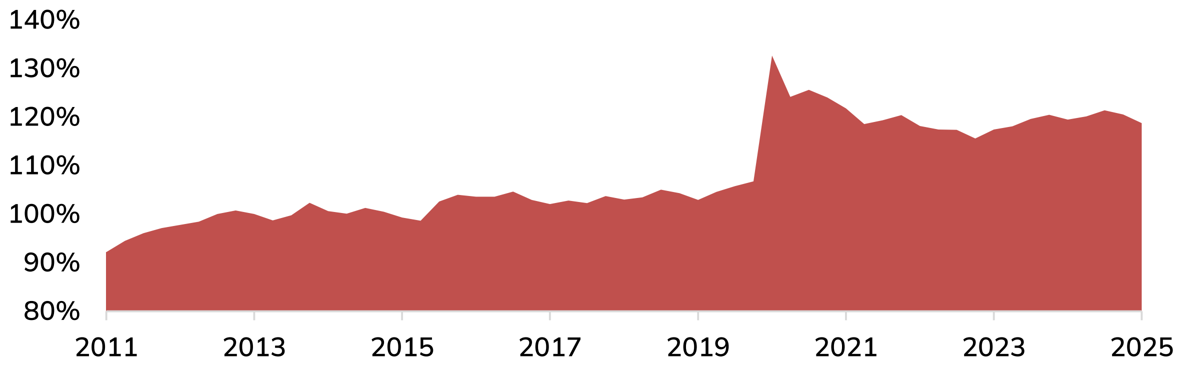
Source – CRISIL Research

2026: A Year of Stability

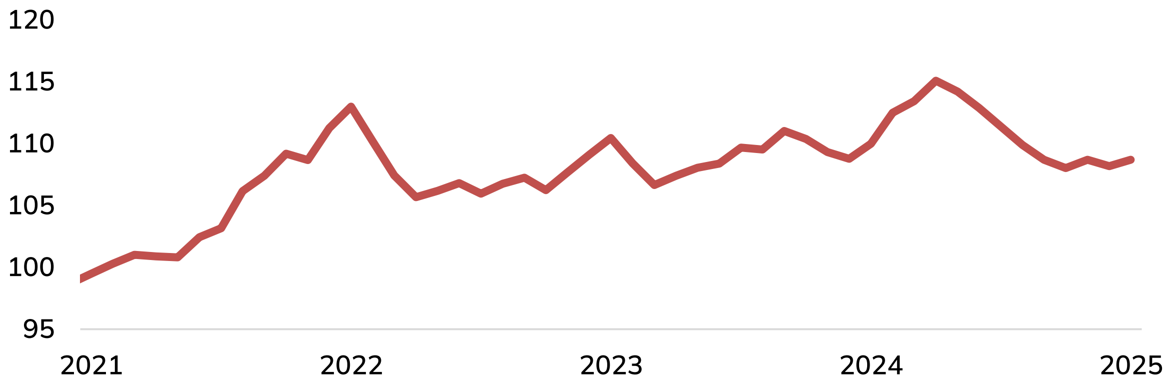
Phase of Weak Dollar to continue

We believe the US dollar may continue to face weakness in 2026 due to below reasons. A softer dollar in combination with lower uncertainty is beneficial for emerging economies.

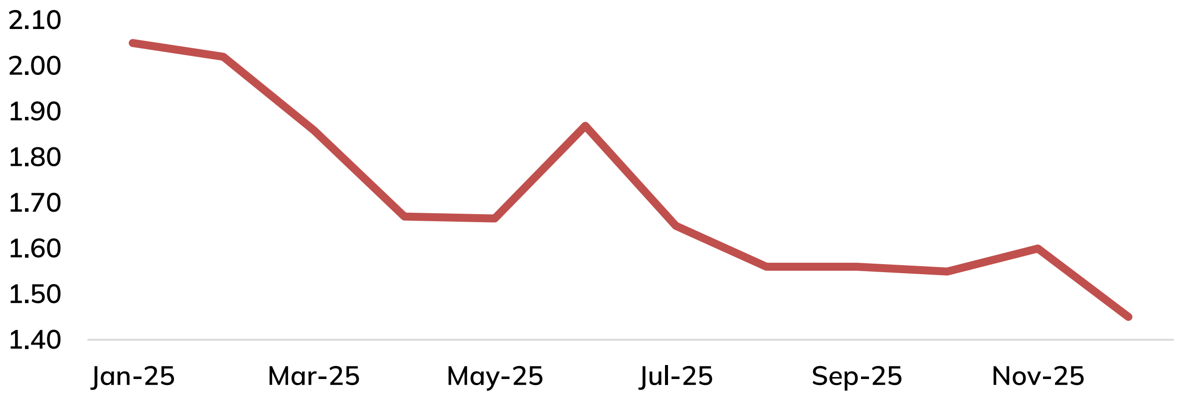
High US Govt Debt to GDP



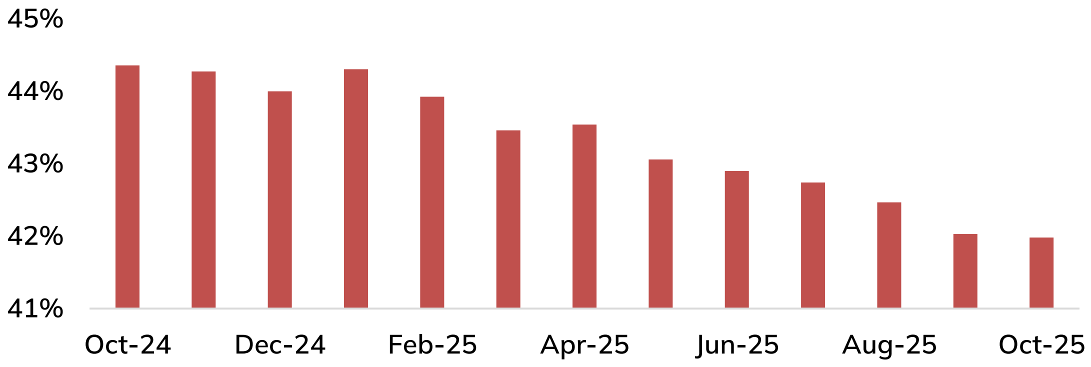
Expensive USD - REER



Falling US 10Y Real Interest Rate



Official (Central Bank) Foreign Holding of US Treasury Securities



Source: FRED; UoM – University of Michigan

2026: A Year of Stability

Beneficiaries of A Weak Dollar

2025

Uncertainties

+

+

2026

Potential Stability

Higher Gold/Silver Prices

Benefits to Emerging Market Assets

2025: A Year of Uncertainty

Beneficiaries of A Weak Dollar

2025 was a year marked by uncertainties resulting in gold and silver doing much better than risk assets.

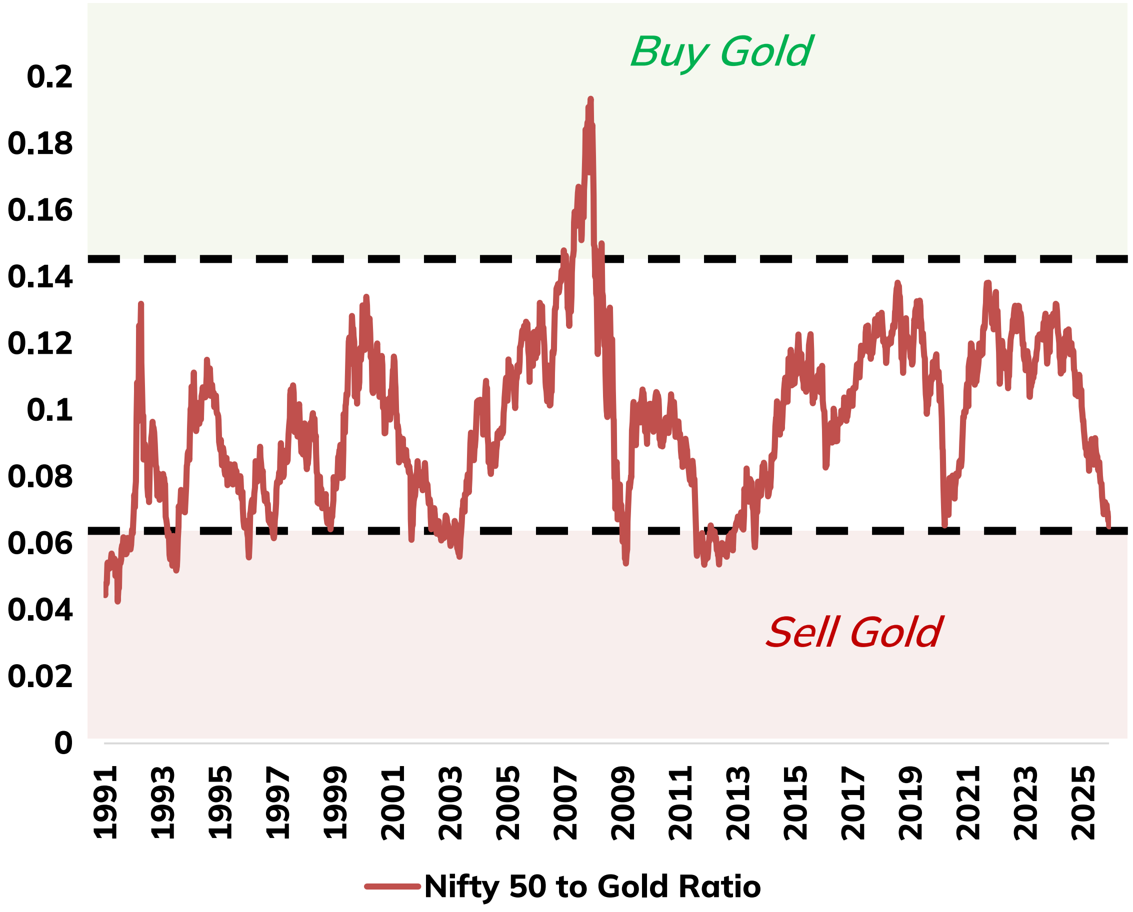
Asset Class	1 Year Returns (USD)
Gold	71.6%
Silver	151.3%
Emerging Markets	28.3%
World Markets	19.1%
US 10 Year Bond	8.8%
India 10 Year Bond	2.9%

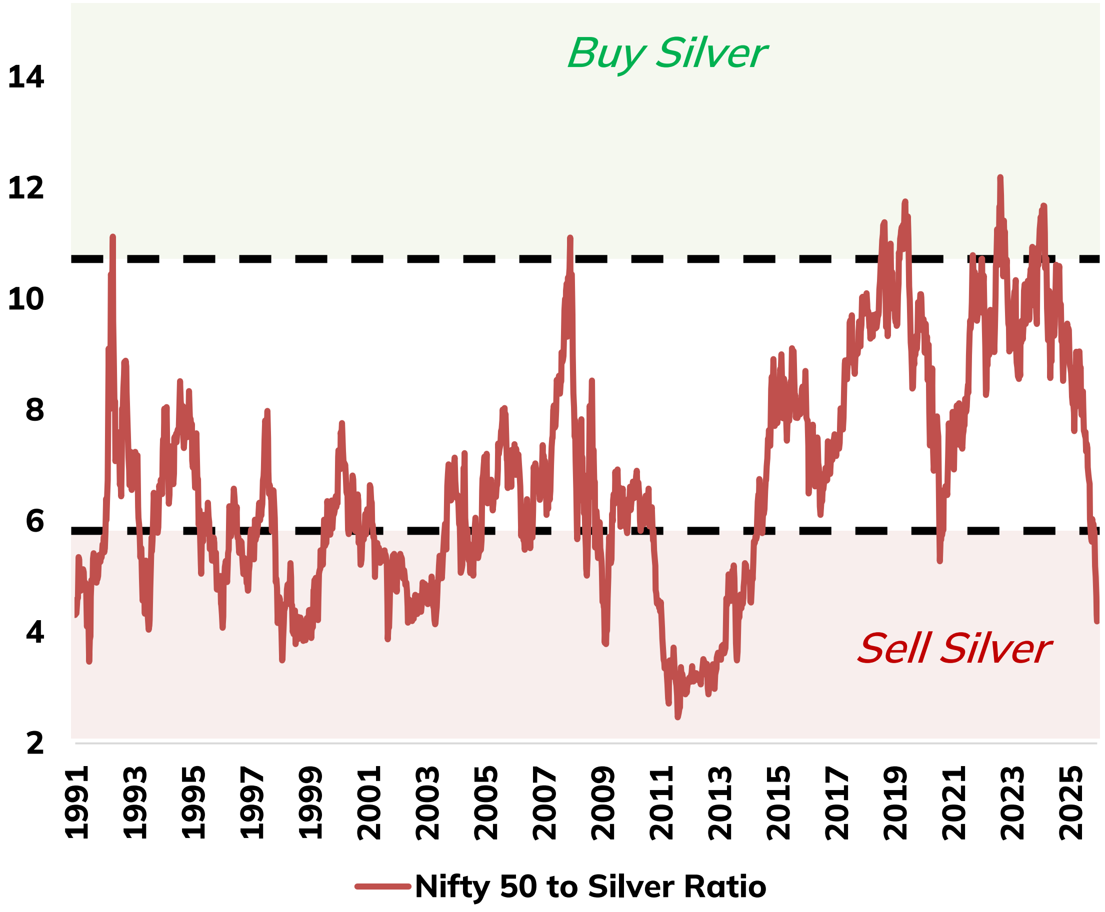
Source: MSCI, Bloomberg, Investing.com

2026: A Year of Stability

Gold & Silver at Extremes

2026 is considered to be a stable year on the back of weaker dollar, this may result in risk assets like emerging market equities doing better. Also, after a steep rally in Gold and Silver in 2025, the attractiveness of precious metals has faded if we compare it to equity markets.





Source – CRISIL Research

2026: A Year of Stability

Countries having Capacity to Stimulate

In terms of fire power, emerging markets macros are better positioned to capitalize on a year of stability amid a weaker dollar. In contrast, barring a few developed markets outside the US, most are being pushed to rely on fiscal expansion following the shift in the global order.

	Real Rates (Monetary Space)	Fiscal Deficit (% of GDP) (Fiscal Space)	Currency Valuations (REER)	Total Debt to GDP (Balance Sheet Space)	IIP (as % of GDP) (External Space)	Asset Valuation (Valuation Space)	Rank	
Brazil	9.84	-8.5	61.4	181%	-43%	5.94%	1	High Potential
South Korea	-0.10	-3.28	89.09	253%	59%	5.65%	2	
Germany	-0.75	-2.66	102.8	203%	79%	9.06%	3	
China	0.93	-4.81	87.94	294%	17%	4.69%	4	
Japan	-1.85	-6.2	68.27	418%	79%	7.82%	5	Relatively Moderate
India	1.88	-4.4	94.95	172%	-25%	10.13%	6	
US	0.10	-6.92	108.73	264%	-86%	13.88%	7	At Risk

IIP: International Investment Position. Source – CRISIL Research

2026: Key Risk
US Success Hinges on AI

The US economy is betting big on Artificial Intelligence (AI) theme with billions of dollars invested towards development of models, AI-infrastructure and data centers.

I. Risk:

Productivity gains delayed or below expectations

The Impact?

A. Economy soft lands. OR

B. Sudden panic in AI stocks leading to sharp fall in markets with possibility of hard landing

II. Opportunity:

Productivity picks up due to AI

The Impact?

Economic growth remains strong and inflation softens.

INDIA

2025

Mid-Cycle Slowdown

2026

Mid-Cycle Recovery

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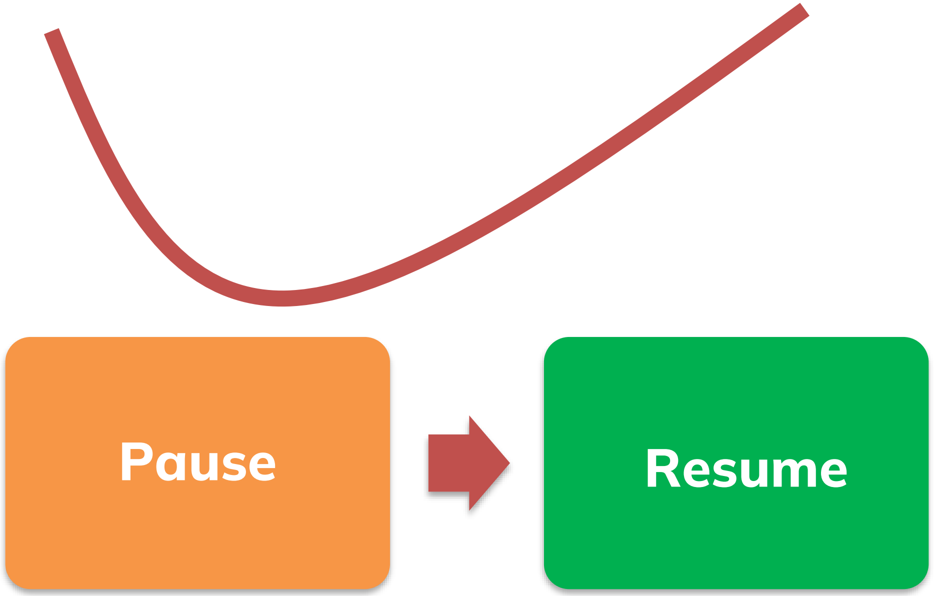
India

How is Mid-Cycle Recovery Different?

Economic recovery following a mid-cycle slowdown is generally V-shaped with growth rebounding sharply subject to appropriate policy stimulus. Comparatively, a post-recession recovery is U-shaped, with growth picking up gradually.

Mid-cycle Recovery

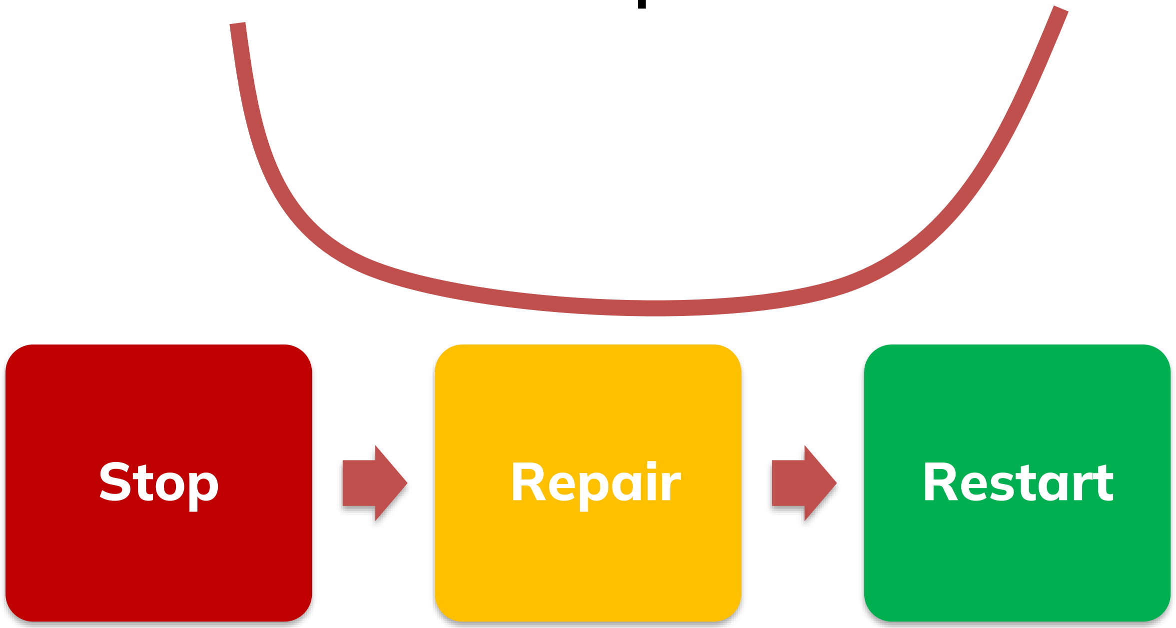
V-shaped



Pause → **Resume**

Recession Recovery

U-shaped



Stop → **Repair** → **Restart**

India
Transitioning to Mid-Cycle Recovery

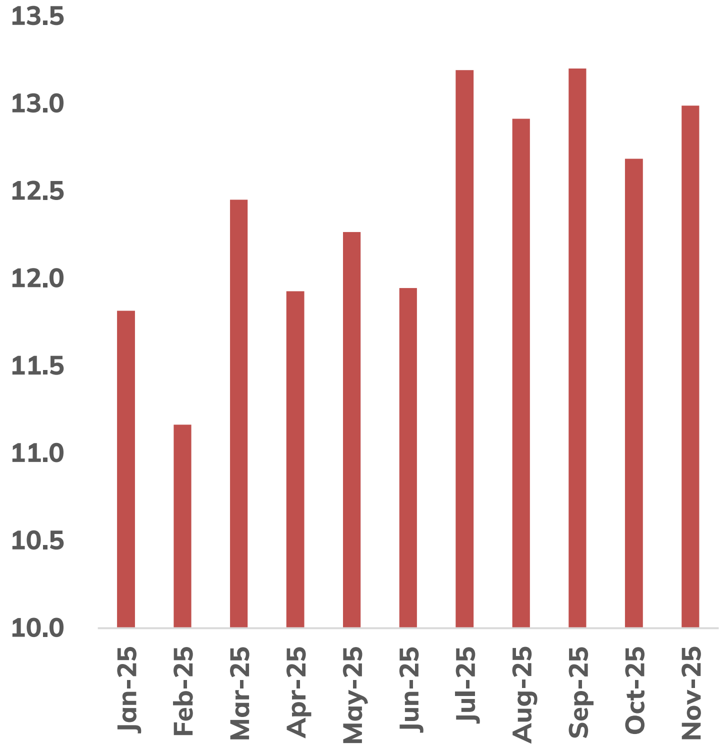
Aspect	2025 Mid-Cycle Slowdown	2026 Mid-Cycle Recovery
Economic Growth	Slowing, not contracting	Re-accelerating
Earnings	Softening	Improving
Policy	Supportive	Neutral
Investor Sentiment	Risk-off	Risk-on

India

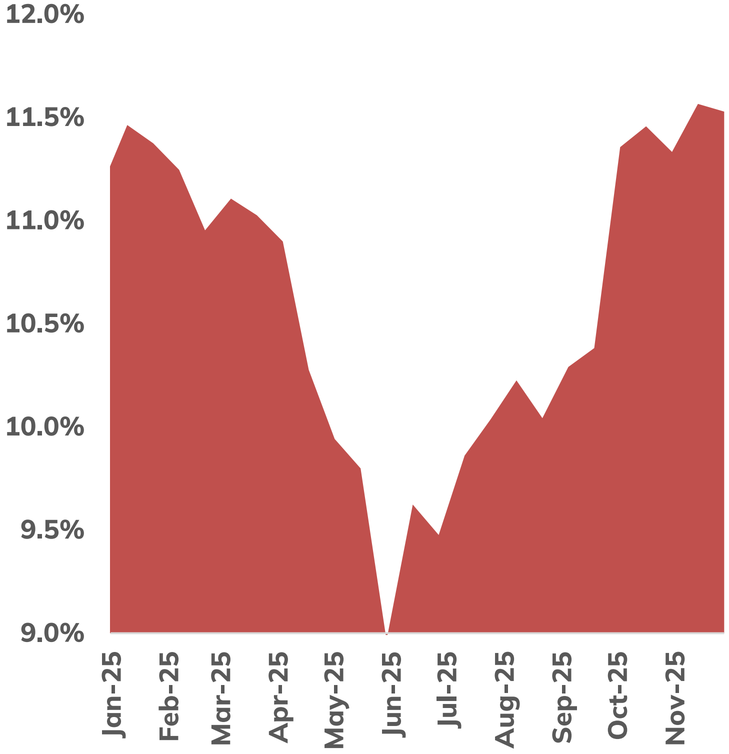
Indicators hinting at a V-Shaped Recovery

Growth indicators of high frequency hint at sharper economic recovery and rising demand. E-way bills continues to remain buoyant. Credit growth is back in double-digits and Auto sales have also been strong.

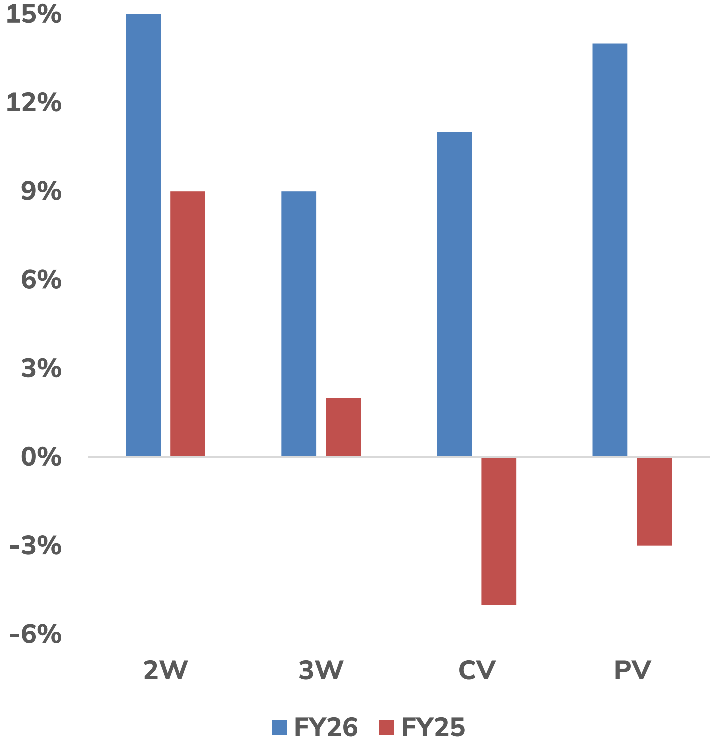
E-way Bills (in Crs)



Credit Growth (YoY)



Auto Sales



Source: CCIL. Data as on Nov 30, 2025. Auto sales data is from Aug 15 to Dec 19 for FY25 and FY 26 respectively. The sector(s)/stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

Mid-Cycle Recovery

Impact on asset class: Equity

A mid-cycle recovery is positive for equities but rewards discipline, not exuberance.

Mid-cycle Recovery

Low Earnings + Moderate/ Expensive Valuations

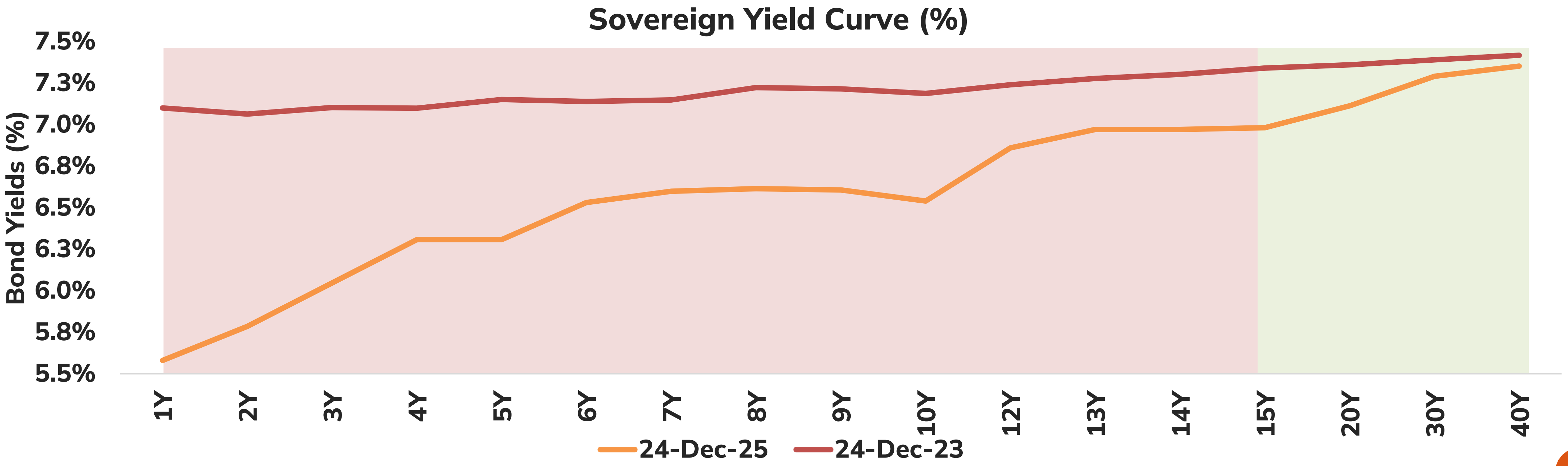
Recession Recovery

Low Earnings + Cheap Valuations

Mid-Cycle Recovery

Impact on asset class: Debt (Sovereign)

2023 marked a phase of normalized growth and inflation, with the yield curve reflecting these expectations through a notably flat structure. In contrast, the current yield curve continues to signal a very early stage of economic recovery, with policy and market pricing still anchored in caution. As the recovery gains momentum in 2026, and both growth and inflation trend back toward normal levels, the yield curve is expected to re-price accordingly. In this context, the 2023 curve serves as a useful benchmark for what a normalized curve may resemble. Segments of the curve that remain significantly away from normalization are therefore more vulnerable to repricing risk, while maturities closer to normalized levels appear relatively defensive, offering better risk-adjusted positioning as the cycle evolves.

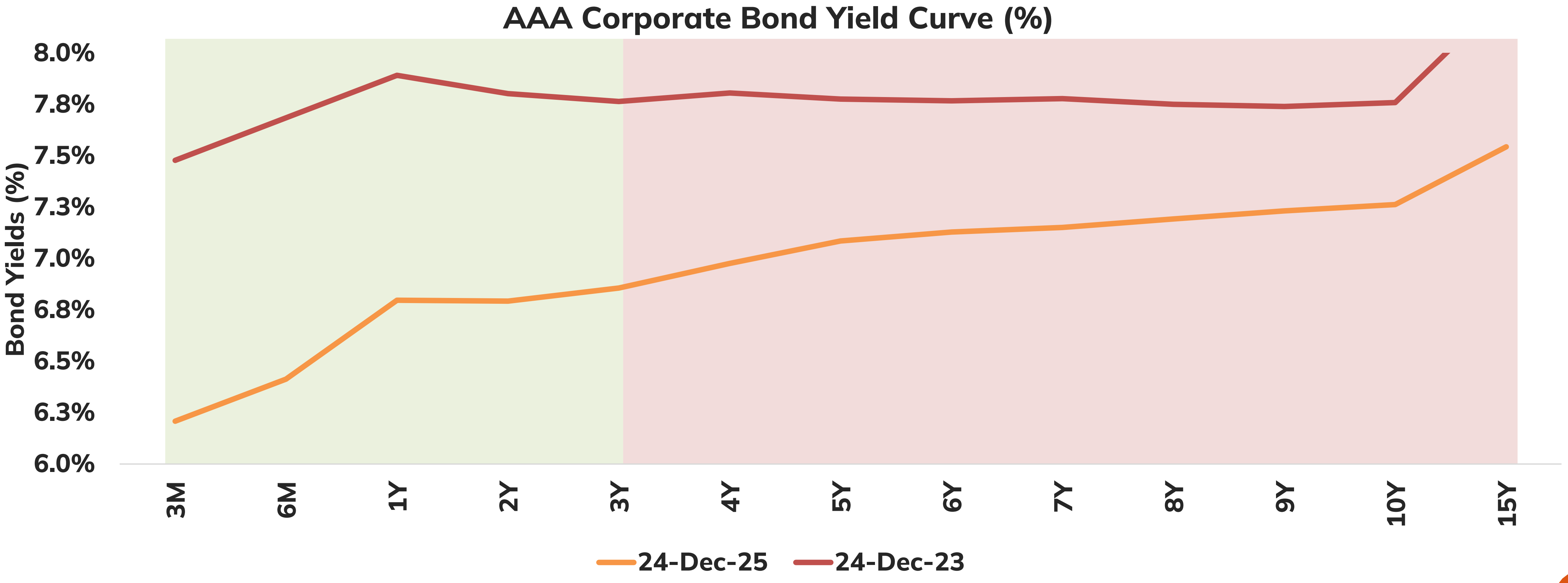


Source – CRISIL Research

Mid-Cycle Recovery

Impact on asset class: Debt (Corporate)

The Corporate Bond Yield curve on the other hand is relatively flat providing an opportunity to invest at the shorter end (up to 2 years) without taking any significant duration risk and any compromise on the carry.

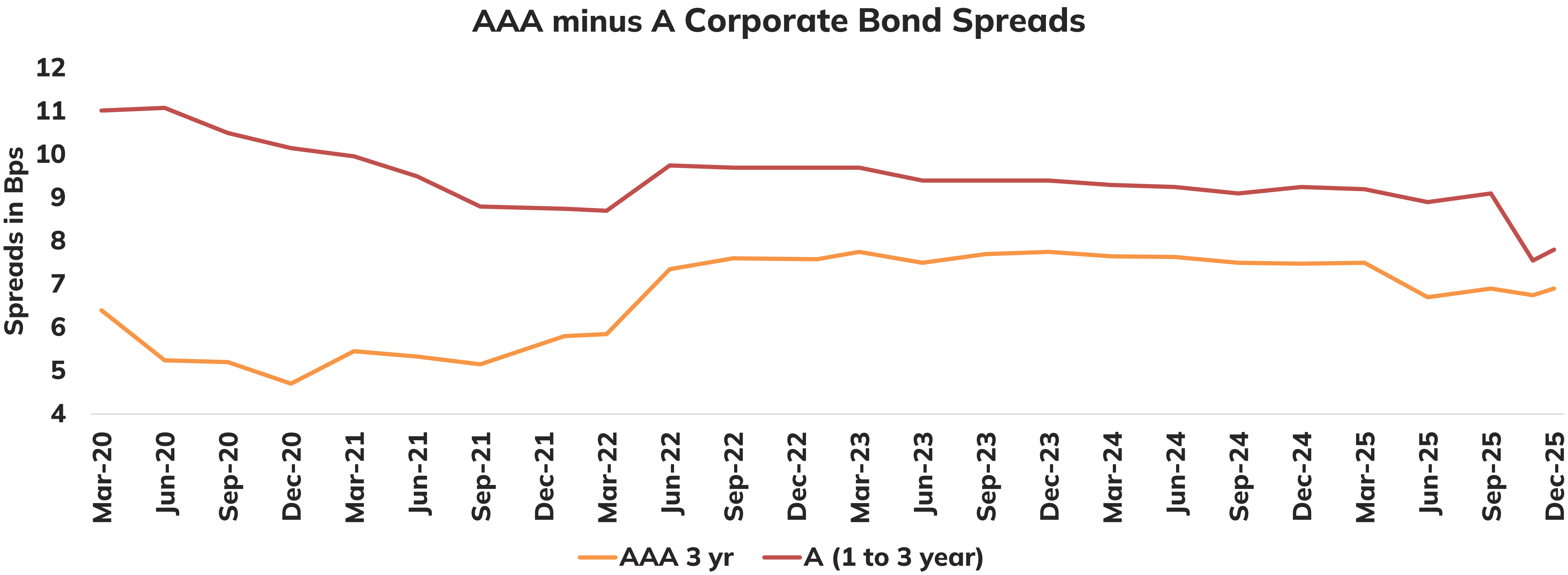


Source – CRISIL Research

Mid-Cycle Recovery

Impact on asset class: Debt (Credit)

We like accrual assets in this part of the economic cycle. However, we recommend to avoid highly leveraged companies as spreads are already low, leaving little space for compression. Also, the inherent credit risk increases as interest rates normalize faster.

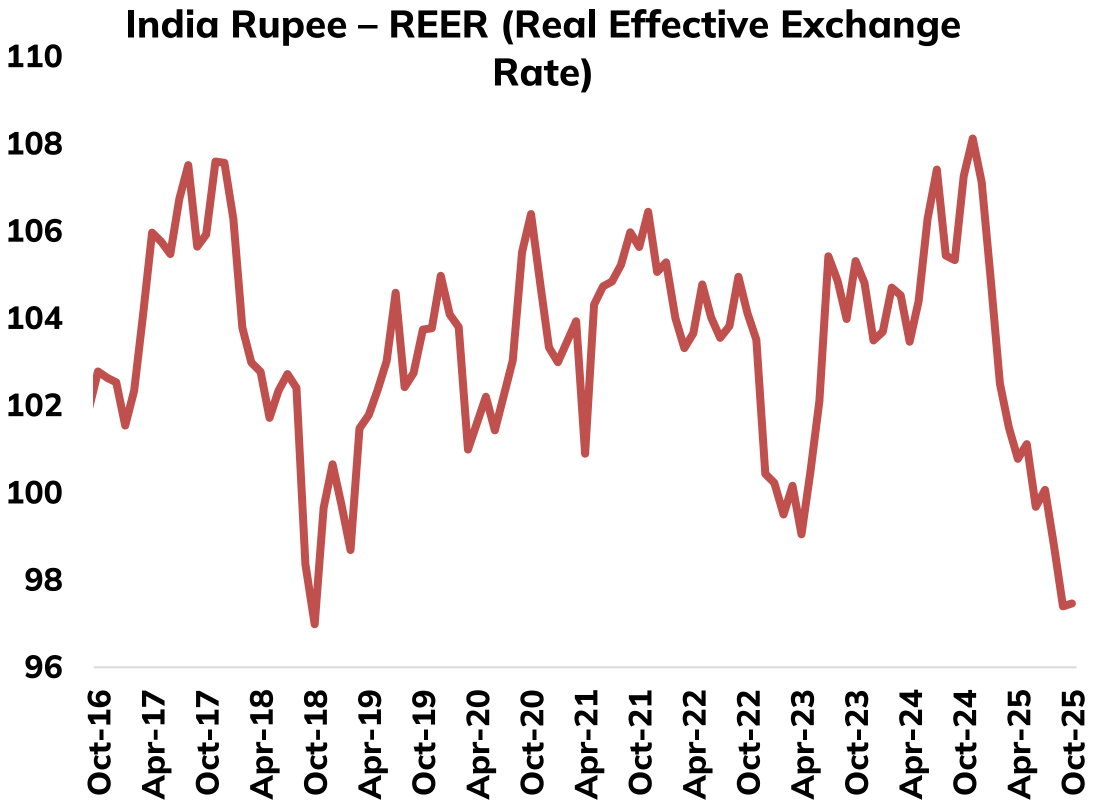


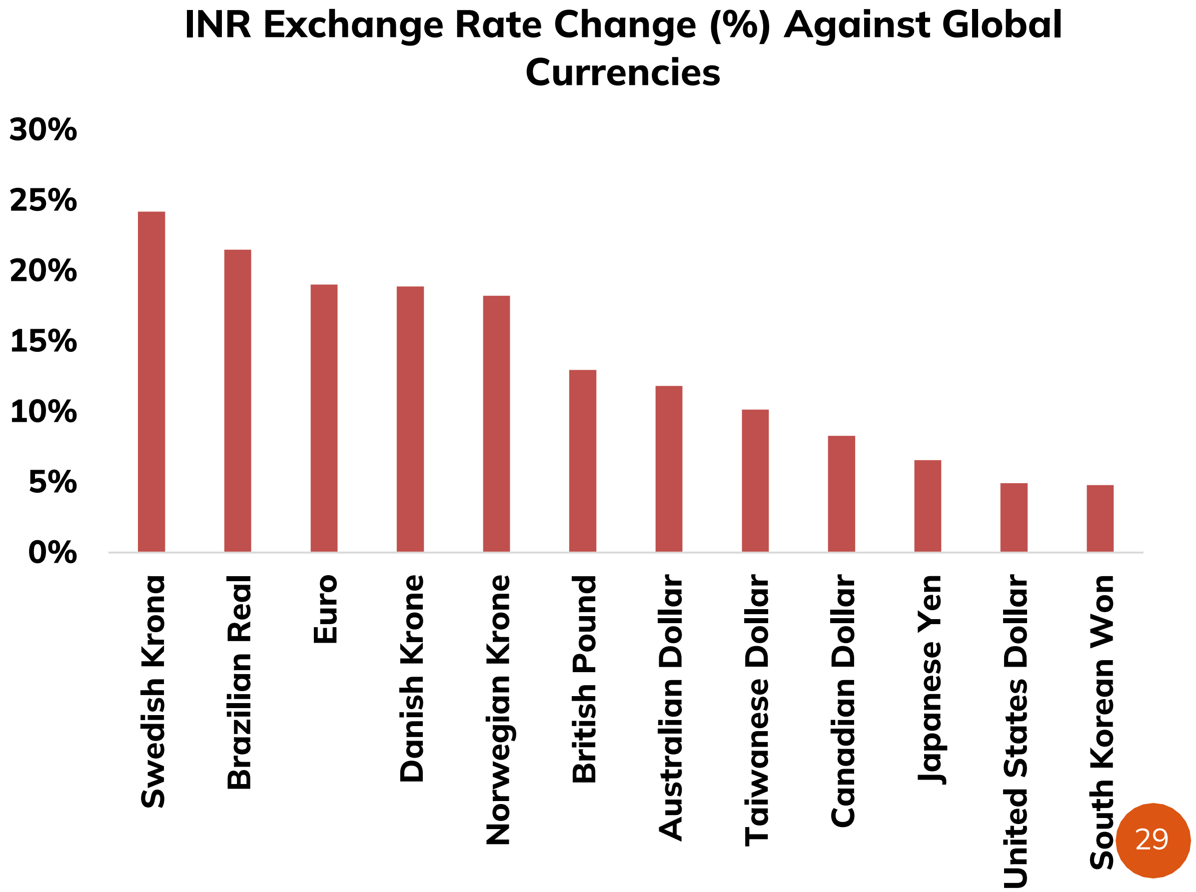
Source – CRISIL Research

2026

Impact on asset class: Currency

Against the backdrop of a weaker US dollar, a revival in emerging market growth, and a more competitive rupee, the outlook for the Indian Rupee appears favorable in 2026





Source – CRISIL Research

2026
Key Risks

01 Risk of Fed independence

02 AI asset meltdown

03 Mid-cycle policy mistakes for India

04 Commodity (oil) shocks

2026

Key Risks-Mid-cycle policy mistakes for India

There is always a risk of misreading Mid-Cycle as a Deep Slowdown. Below mentioned are some key risks associated with this policy mistakes:

- Excessive Monetary stimulus → inflation returns
- Asset bubbles from excess liquidity
- Moral hazard in credit markets
- Fiscal overstretch
- Currency weakness
- Misallocation of Capital

The above list is illustrative.

2026
Outlook and Summary

1

We think that the rate cycle is over

2

The pace and timing of policy normalization will depend on the speed of economic recovery. Our base case view is that it will start from late 2026

3

We expect emerging market risk assets to outperform the US in 2026

4

We expect domestic inflation to move back to 4%-6% range as economic growth picks up and low base effects wane off

5

We are cautious on gold and silver given extreme exuberance

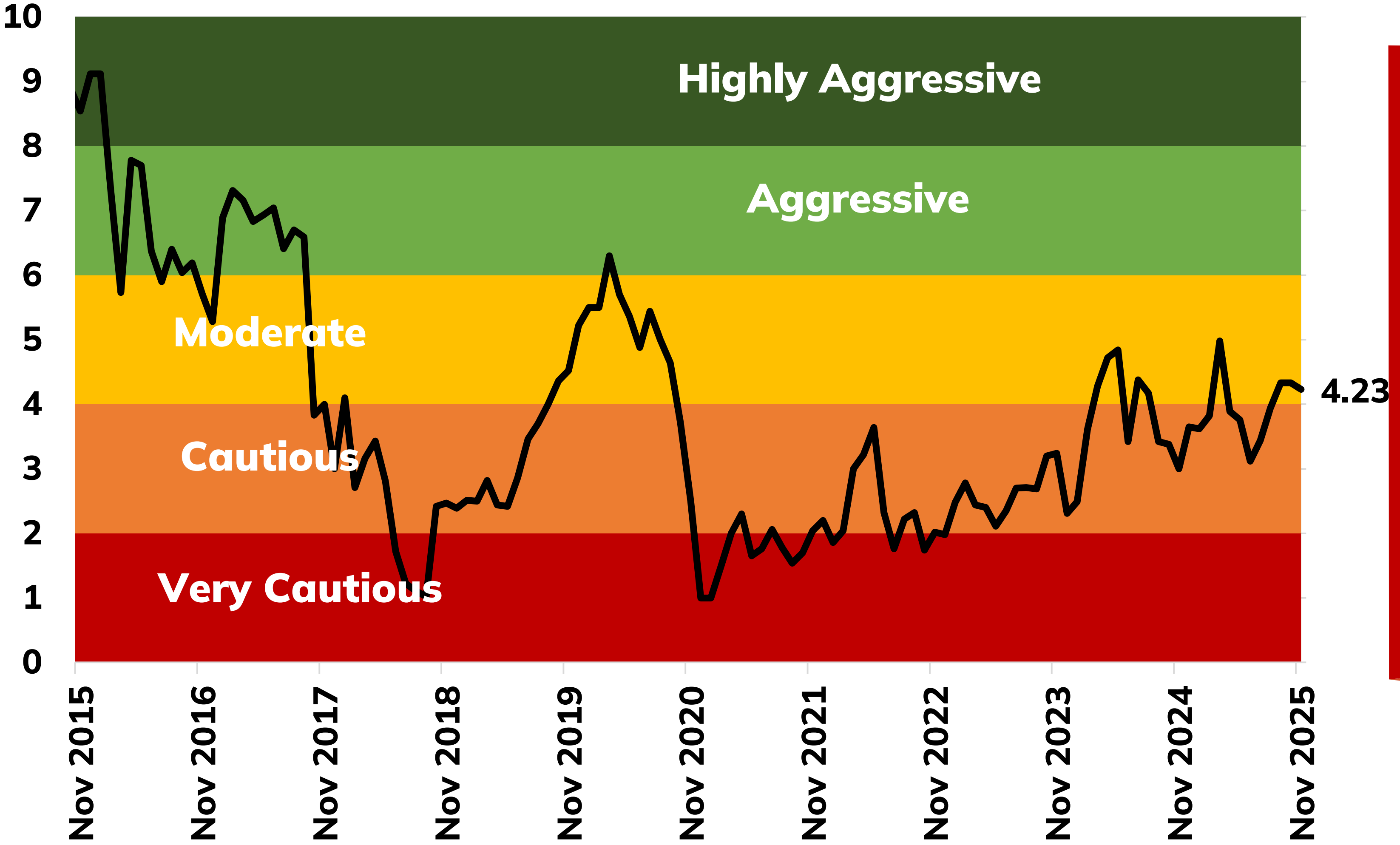
6

We expect the curve to flatten

7

We would recommend short term accrual products and products which can manage duration risk actively

Fixed-Income Approach



While the view is moderate on duration, we would like to express it as a barbell strategy with a combination of long duration G-secs/SDL and short term corporate bonds.

Data as on Nov 30, 2025. Debt Valuation Index considers WPI, CPI, Sensex returns, Gold returns and Real estate returns over G-Sec yield, Current Account Balance, Fiscal Balance, Credit Growth and Crude Oil Movement for calculation. RBI – Reserve Bank of India. Debt Valuation Index is a proprietary model of ICICI Prudential AMC Ltd. (the AMC) used for assessing overall debt 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 Current Portfolio Positioning
Low to Moderate Duration + Accruals

			Spread Assets		
Scheme Name	**Cash & Sovereign**	**AAA & Equivalent**	**AA & Below**	**YTM**	**Macaulay Duration in years**
		(% Holding)			
ICICI Prudential Ultra Short Term Fund	18.4%	65.7%	15.9%	6.71%	0.38
ICICI Prudential Savings Fund	17.9%	69.1%	12.9%	6.82%	0.64
ICICI Prudential Floating Interest Fund	41.9%	46.9%	11.3%	6.73%	0.97
ICICI Prudential Corporate Bond Fund	27.9%	71.7%	0.5%	7.00%	2.76
ICICI Prudential Credit Risk Fund	20.9%	3.6%	75.5%	8.33%	1.86
ICICI Prudential Banking & PSU Debt Fund	15.2%	84.0%	0.8%	6.96%	2.66
ICICI Prudential Short Term Fund	30.2%	51.9%	17.9%	7.17%	2.18
ICICI Prudential Medium Term Bond Fund	24.1%	16.8%	59.2%	7.95%	3.11
ICICI Prudential All Seasons Bond Fund	58.8%	8.7%	32.5%	7.61%	4.74

Data as on Nov 30, 2025. YTM is the rate of return anticipated on a bond if held until maturity. This should not be considered as an indication of the returns that maybe generated by the scheme. The securities bought by the scheme may or may not be held till their respective maturities. Past performance may or may not be sustained in future, *Includes TREPS & Net Current Assets, ^ Includes Treasury Bills, # - Excludes REITs and InvITs.

Our Key Recommendations

PARKING OPTION (3-12 Months)

ICICI Prudential Ultra Short Term Fund

ICICI Prudential Savings Fund

ICICI Prudential Floating Interest Fund

SHORT TERM (1-3 Years)

ICICI Prudential Short Term Fund

ICICI Prudential Corporate Bond Fund

ICICI Prudential Banking & PSU Debt Fund

LONG TERM (More than 3 Years)

ICICI Prudential Income Plus Arbitrage Omni FOF

ICICI Prudential All Seasons Bond Fund

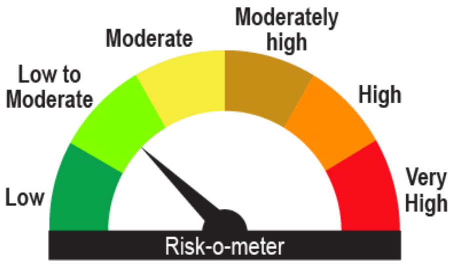
ICICI Prudential Credit Risk Fund

Risk-o-meters

Please note that the Risk-o-meter(s) specified will be evaluated and updated on a monthly basis. The below riskometers are as on Nov 30, 2025. Please refer to https://www.icicipruamc.com/news- and-updates/all-news for more details.

ICICI Prudential Liquid Fund

(An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk.)



The risk of the scheme is low to moderate

This product is suitable for investors who are seeking*:

- Short term savings solution
- A liquid fund that aims to provide reasonable returns commensurate with low risk and providing a high level of liquidity

ICICI Prudential Banking & PSU Debt Fund

(An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal bonds. A relatively high interest rate risk and moderate credit risk.)

The risk of the scheme is moderate

This product is suitable for investors who are seeking*:

- Short term savings
- An open ended debt scheme predominantly investing in debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds

ICICI Prudential Money Market Fund

(An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.)

The risk of the scheme is low to moderate

This product is suitable for investors who are seeking*:

- Short term savings
- A money market scheme that seeks to provide reasonable returns, commensurate with low risk while providing a high level of liquidity

ICICI Prudential Savings Fund

(An open ended low duration debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 6 months and 12 months. A relatively high interest rate risk and moderate credit risk.)

The risk of the scheme is low to moderate

This product is suitable for investors who are seeking*:

- Short term savings
- An open ended low duration debt scheme that aims to maximize income by investing in debt and money market instruments while maintaining optimum balance of yield, safety and liquidity.

Risk-o-meters

Please note that the Risk-o-meter(s) specified will be evaluated and updated on a monthly basis. The below riskometers are as on Nov 30, 2025. Please refer to https://www.icicipruamc.com/news- and-updates/all-news for more details.

ICICI Prudential Floating Interest Fund

(An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/derivatives). A relatively high interest rate risk and moderate credit risk.)

The risk of the scheme is moderate

This product is suitable for investors who are seeking*:

- Short term savings
- An open ended debt scheme predominantly investing in floating rate instruments.

ICICI Prudential All Seasons Bond Fund

(An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.)

The risk of the scheme is moderately high

This product is suitable for investors who are seeking*:

- All duration savings
- A debt scheme that invests in debt and money market instruments with a view to maximize income while maintaining optimum balance of yield, safety and liquidity.

ICICI Prudential Ultra Short Term Fund

(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk.)

The risk of the scheme is moderate

This product is suitable for investors who are seeking*:

- Short term regular income
- An open ended ultra-short term debt scheme investing in a range of debt and money market instruments.

ICICI Prudential Credit Risk Fund

(An open ended debt scheme predominantly investing in AA and below rated corporate bonds. A relatively high interest rate risk and relatively high credit risk.)

The risk of the scheme is high

This product is suitable for investors who are seeking*:

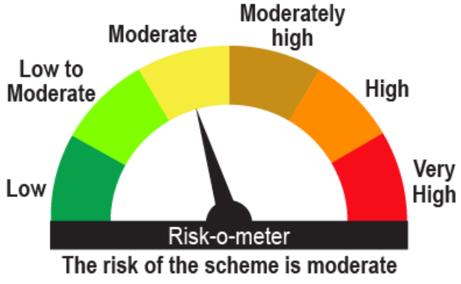
- Medium term savings
- A debt scheme that aims to generate income through investing predominantly in AA and below rated corporate bonds while maintaining the optimum balance of yield, safety and liquidity.

Risk-o-meters

Please note that the Risk-o-meter(s) specified will be evaluated and updated on a monthly basis. The below riskometers are as on Nov 30, 2025. Please refer to https://www.icicipruamc.com/news- and-updates/all-news for more details.

ICICI Prudential Corporate Bond Fund

(An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.)



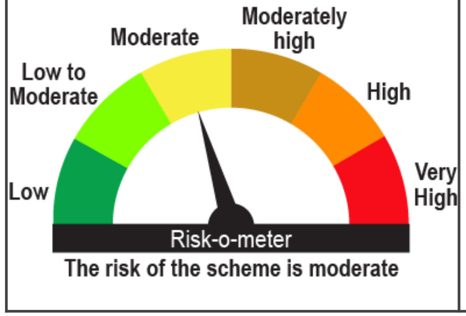
The risk of the scheme is moderate

This product is suitable for investors who are seeking*:

- Short term savings
- An open ended debt scheme predominantly investing in highest rate corporate bonds.

ICICI Prudential Short Term Fund

(An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 Year and 3 Years. A relatively high interest rate risk and moderate credit risk.)



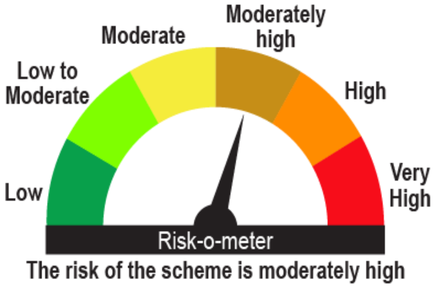
The risk of the scheme is moderate

This product is suitable for investors who are seeking*:

- Short term income generation and capital appreciation solution
- A debt fund that aims to generate income by investing in a range of debt and money market instruments of various maturities.

ICICI Prudential Medium Term Bond Fund

(An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years. The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation. A relatively high interest rate risk and moderate credit risk)



The risk of the scheme is moderately high

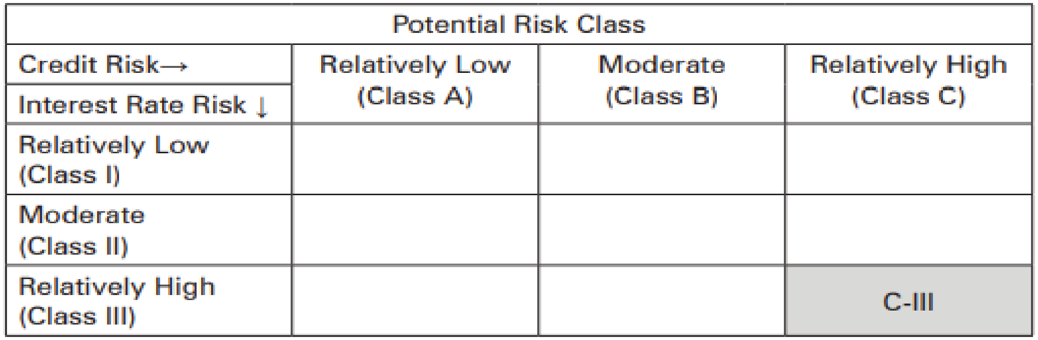
This product is suitable for investors who are seeking*:

- Medium term savings
- A debt scheme that invests in debt and money market instruments with a view to maximize income while maintaining optimum balance of yield, safety and liquidity

Potential Risk Class (PRC)

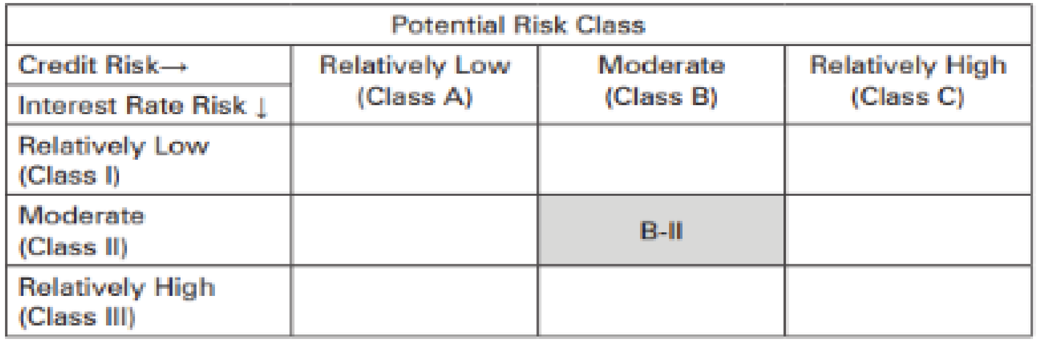
The Potential risk class (PRC) matrix based on interest rate risk and credit risk.

ICICI Prudential Credit Risk Fund



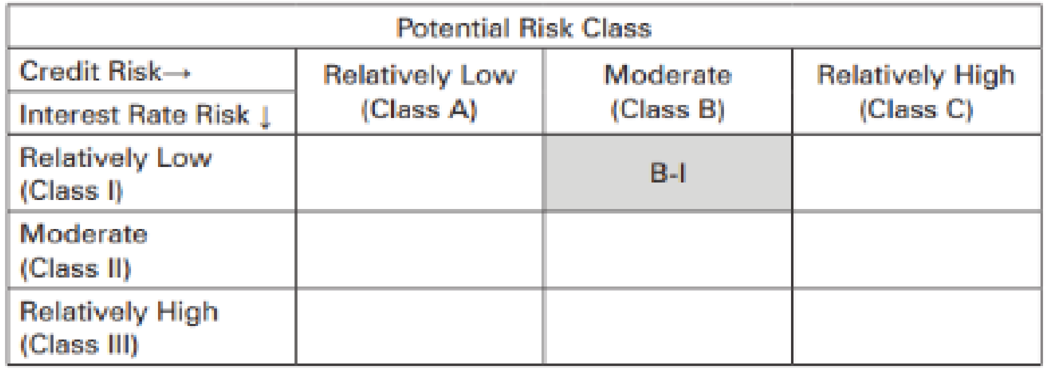
Potential Risk Class			
Credit Risk→ Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)			C-III

ICICI Prudential Ultra Short Term Fund



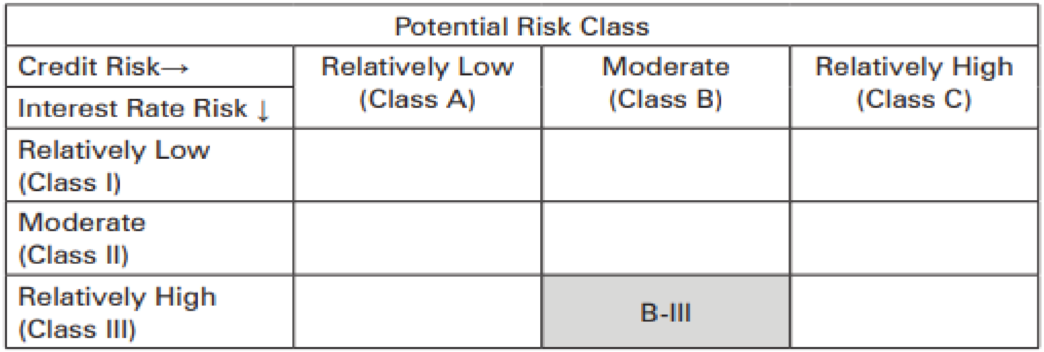
Potential Risk Class			
Credit Risk→ Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)		B-II	
Relatively High (Class III)			

ICICI Prudential Liquid Fund, ICICI Prudential Money Market Fund



Potential Risk Class			
Credit Risk→ Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

ICICI Prudential Savings Fund, ICICI Prudential Floating Interest Fund, ICICI Prudential Medium Term Bond Fund, ICICI Prudential All Seasons Bond Fund, ICICI Prudential Corporate Bond Fund, ICICI Prudential Banking & PSU Debt Fund, ICICI Prudential Short Term Fund



Potential Risk Class			
Credit Risk→ Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)		B-III	

YTM Disclaimer

Scheme Name	ICICI Prudential Money Market Fund	ICICI Prudential Savings Fund	ICICI Prudential Floating Interest Fund	ICICI Prudential Banking & PSU Debt Fund	ICICI Prudential Corporate Bond Fund	ICICI Prudential All Seasons Bond Fund
Description	An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk	An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months. A relatively high interest rate risk and moderate credit risk.	An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/derivatives). A relatively high interest rate risk and moderate credit risk	An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal bonds. A relatively high interest rate risk and moderate credit risk.	An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.	An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.
Annualised Portfolio YTM*:	6.15%	6.69%	6.80%	6.87%	6.89%	7.53%
Macaulay Duration	0.32 Years	0.75 Years	1.17 Years	3.17 Years	3.02 Years	4.97 Years
Residual Maturity	0.32 Years	1.38 Years	3.59 Years	4.50 Years	5.39 Years	12.52 Years

As per AMFI Best Practices Guidelines Circular No. AMFI/ 35P/ MEM-COR/ 72 / 2022-23 dated December 31, 2022 on Standard format for disclosure Portfolio YTM for Debt Schemes, Yield of the instrument is disclosed on annualized basis as provided by Valuation agencies. *in case of semi annual YTM, it will be annualized.

The Yield to Maturity (YTM) mentioned is based on scheme portfolio dated Nov 30, 2025. YTM is the rate of return of a bond if held until maturity. This should not be considered as an indication of the returns that maybe generated by the scheme. The securities bought by the scheme may or may not be held till their respective maturities.

YTM Disclaimer

Scheme Name	ICICI Prudential Short Term Fund	ICICI Prudential Liquid Fund	ICICI Prudential Credit Risk Fund	ICICI Prudential Medium Term Bond Fund	ICICI Prudential Ultra Short Term Fund
Description	An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 Year and 3 Years. A relatively high interest rate risk and moderate credit risk.	An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk.	An open ended debt scheme predominantly investing in AA and below rated corporate bonds. A relatively high interes rate risk and relatively high credit risk	An Open Ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation. A relatively high interest rate risk and moderate credit risk.	An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk
Annualised Portfolio YTM*:	7.06%	5.97%	8.13%	7.73%	6.55%
Macaulay Duration	2.43 Years	0.12 Years	2.01 Years	3.24 Years	0.40 Years
Residual Maturity	4.28 Years	0.12 Years	2.98 Years	5.64 Years	0.49 Years

As per AMFI Best Practices Guidelines Circular No. AMFI/ 35P/ MEM-COR/ 72 / 2022-23 dated December 31, 2022 on Standard format for disclosure Portfolio YTM for Debt Schemes, Yield of the instrument is disclosed on annualized basis as provided by Valuation agencies. *in case of semi annual YTM, it will be annualized.

The Yield to Maturity (YTM) mentioned is based on scheme portfolio dated Nov 30, 2025. YTM is the rate of return of a bond if held until maturity. This should not be considered as an indication of the returns that maybe generated by the scheme. The securities bought by the scheme may or may not be held till their respective maturities.

Disclaimer

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price

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

All figures and other data given in this document are dated as of Nov 30, 2025 unless stated otherwise. The same may or may not be relevant at a future date. The information shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Prudential Asset Management Company Limited (the AMC). Prospective investors are advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of ICICI Prudential Mutual Fund.

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