IPRU SNIPPETS

ICICI PRUDENTIAL MUTUAL FUND

A **VOYAGE** TO REMEMBER

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A Ship Like No Other

The world's largest and most luxurious ship was built in April 1912.

It was deemed 'unsinkable' due to its structure, that included sixteen watertight compartments.

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Maiden Trip to New York City

Over 2,000 passengers and crew boarded the ship for the voyage from Southampton to New York.

The Alarm Bell for the Ship

During the journey, **the radio operators received six warnings from other ships about icebergs** in their path.

Despite the peril, the Captain continued to sail at a high speed, with the belief that the ship was huge enough to mitigate the impact of any iceberg.

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The Ship Hit An Iceberg

During the journey, the sailor spotted a massive ice formation in the North Atlantic Ocean.

He steered to the left to avert the disaster but it was too late – the ship collided with the iceberg, which was larger than the size of a normal iceberg.

The Fate of the Ship

Water gushed inside rapidly, damaging the compartments of the ship. The chaos intensified as **limited lifeboats were available** to rescue the survivors.

The engines stopped functioning and the **ship began to sink into the depths of the ocean** within just three hours of the collision.

Diving into the lessons learned

1

Being vigilant about imminent risks could have helped dodge the mishap.

2

It is misleading to assume that all icebergs would be of the same size and that the ship could withstand any adverse condition.

3

Availability of sufficient lifeboats on board is necessary for **better crisis management.**

Just because the ocean is calm on one day, does not signify that it will not be stormy tomorrow.

In the investing parlance, a portfolio should be well-equipped to handle erratic market conditions.

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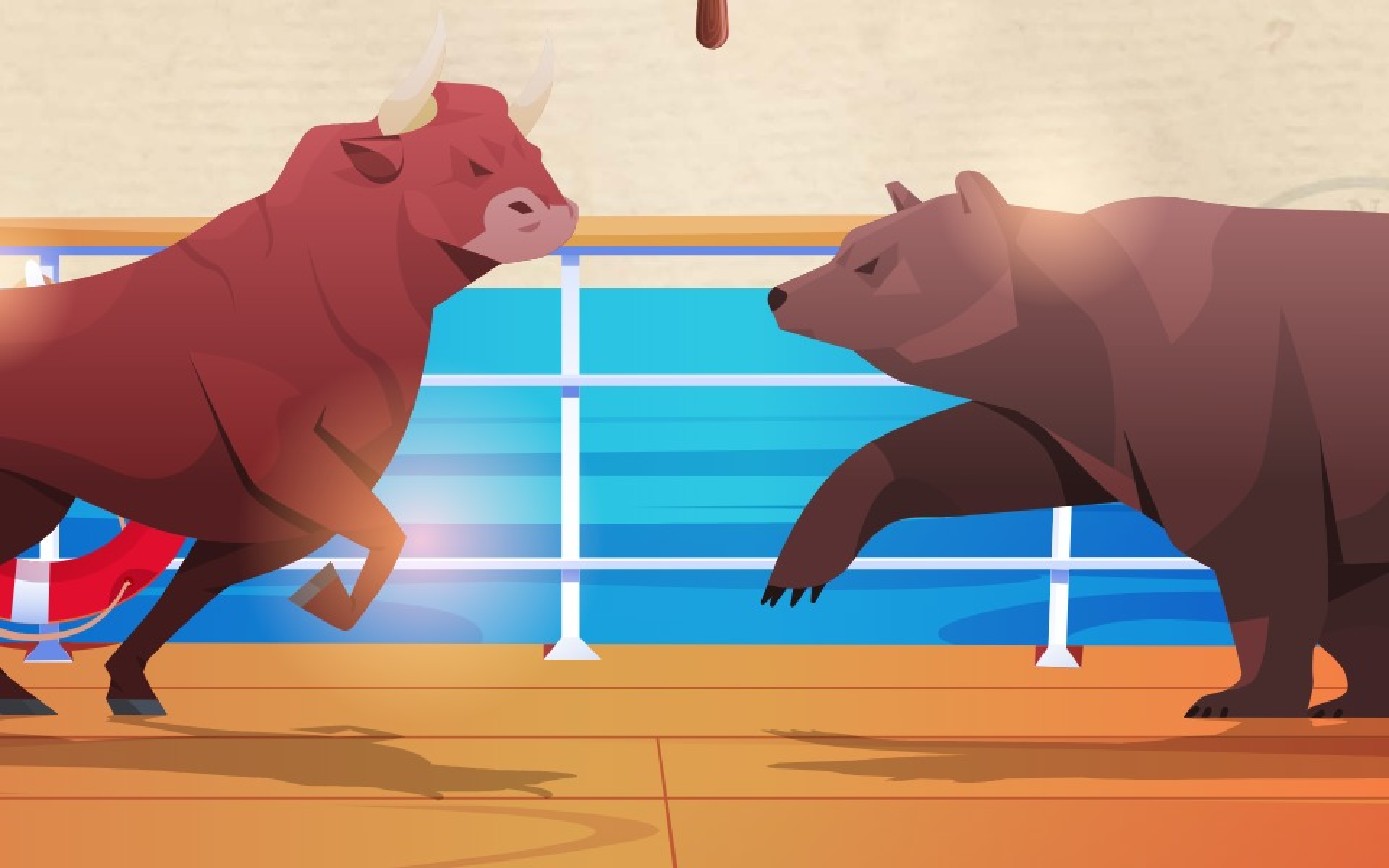
THE INVESTMENT VOYAGE



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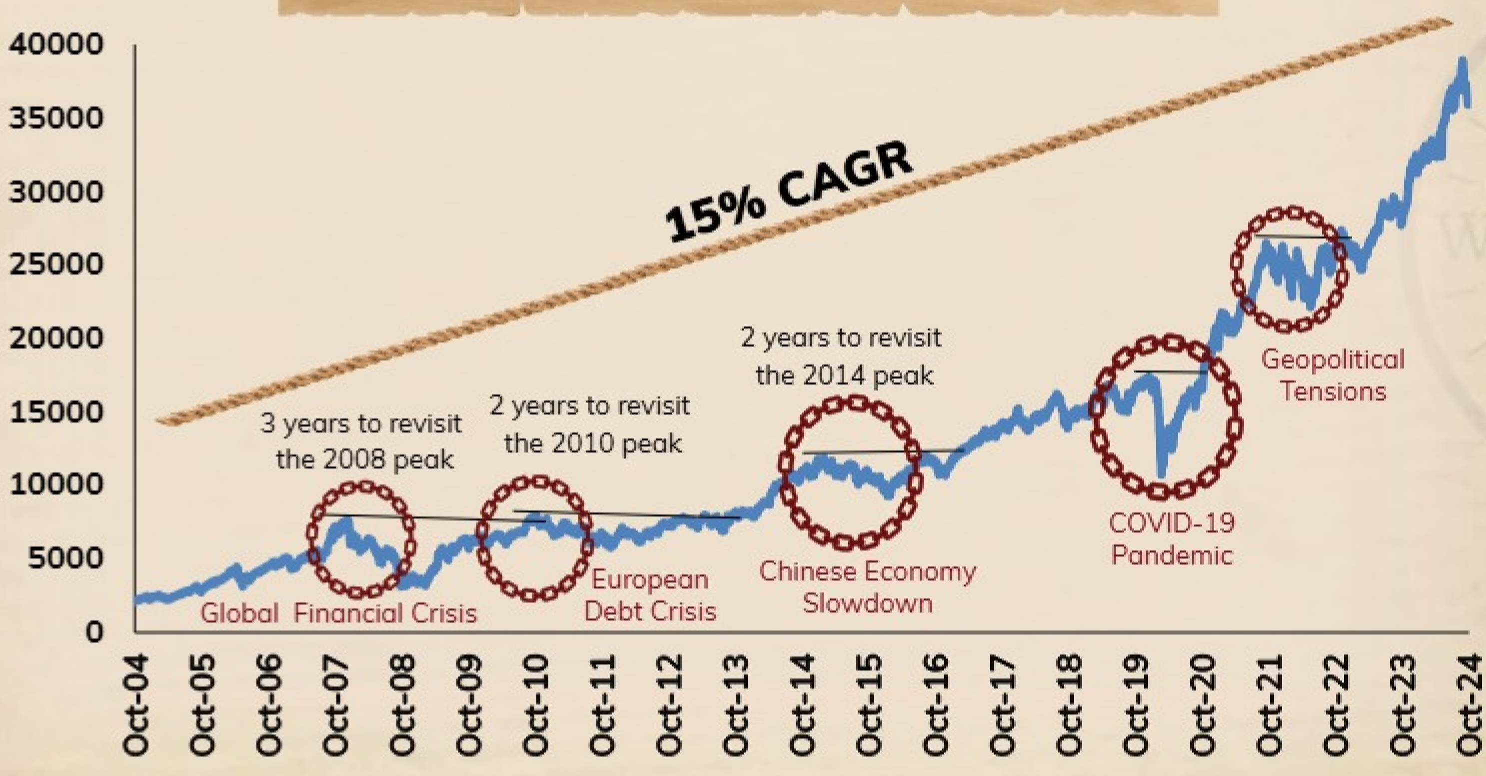
Unraveling the Broader Picture

Just as how a ship encounters choppy waters, markets also face turbulent seas induced by financial crisis, black-swan events and geopolitical turmoil, that could lead to deviations from the normal returns expected.

Discipline may be challenging to maintain as investors watch their portfolio sink.

However, markets tend to weather a storm with time – For instance, the Nifty 50 TRI Index took nearly 3 years to revisit the 2008 peak formed during the Global Financial Crisis. Despite setbacks, the Index has delivered a 15% CAGR in 20 years.

NIFTY 50 TRI (CLOSING LEVEL)



Source: MFI Explorer. Data as on October 31, 2024. Past performance may or may not sustain in future. The MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit http://www.icraonline.com/legal/standard-disclaimer.html. CAGR: Compound Annual Growth Rate

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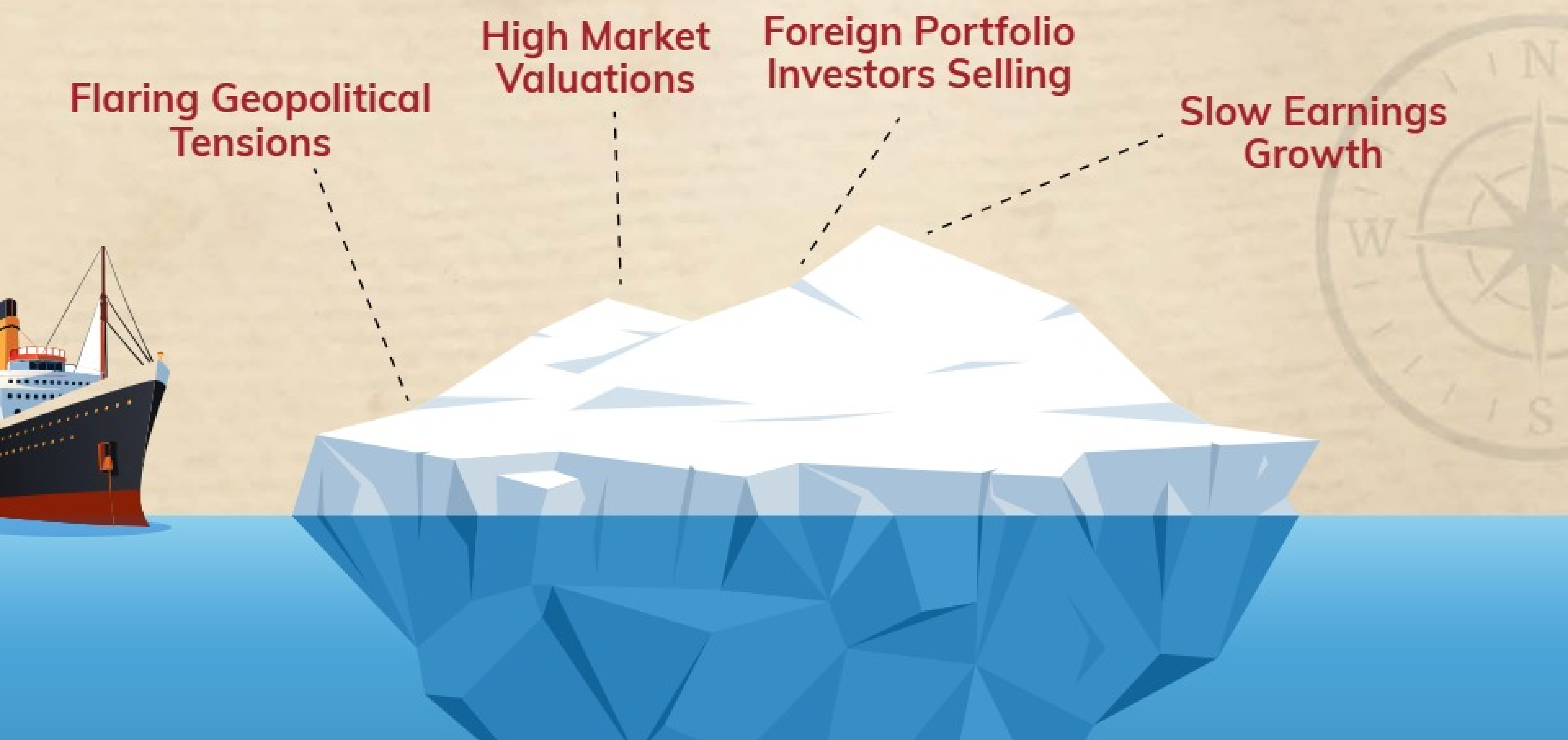
The Warnings One Should Not Ignore

The sailor did not pay heed to the fact that the North Atlantic Ocean contained large pieces of ice - failure to take swift action resulted in a catastrophe.

Similarly, markets are grappling with challenges that warrant attention – Geopolitical unrest in the Middle East pose risks to global oil supply chains. Further, concerns around high market valuations and slow earnings growth prompted Foreign Portfolio Investors to sell ₹94,017 crore* of Indian equities in October 2024.

The moot question is, 'How can you stay in the game while investing in the markets?'



*Source: National Securities Depository Limited (NSDL). October data is up to October 31, 2024.

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When the going gets tough, the tough gets going

To navigate market turbulence, you need a basket of relatively low volatile stocks that may fall lesser compared to the broader market.

For instance, you start with an investment of ₹100, which falls to ₹50 (50% correction). To obtain the capital invested, you would now have to gain 100%. Hence, there is a need to focus not only on the upside but also the downside.

The Nifty 100 Low Volatility 30 TRI has fallen lesser during bear market periods, indicating greater potential to withstand downturns.

		Bear Phase				
Events	**Period**	**Nifty 100 TRI**	**Nifty 100 Low Volatility 30 TRI**	**Nifty 50 TRI**	**Nifty Midcap 150 TRI**	**Nifty Smallcap 250 TRI**
Eurozone Crisis	Nov 10 - Dec 11	-21%	-9%	-19%	-32%	-36%
US Fed Taper Tantrum	Dec 12 - Sep 13	-10%	-8%	-9%	-21%	-28%
Yuan Devaluation	Aug 15 - Feb 16	-18%	-12%	-17%	-17%	-22%
NBFC Crisis	Sep 18 - Oct 18	-13%	-10%	-12%	-16%	-19%
Covid-19	June 19 - Mar 20	-34%	-27%	-34%	-33%	-40%
High Valuations	Oct 21 - June 22	-17%	-14%	-16%	-21%	-23%

Source: MFI Explorer. MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit http://www.icraonline.com/legal/standard-disclaimer.html. Returns for less than 1 year are in absolute basis and more than 1 year are in CAGR terms. Past performance may or may not be sustained in the future. The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of volatility; however, the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor.

It is good to have such a strategy in your portfolio, especially when the bears growl in the market, isn't it?

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ICICI PRUDENTIAL MUTUAL FUND

Aim to Navigate Market Volatility with ICICI Prudential Equity Minimum Variance Fund

ICICI Prudential Equity Minimum Variance Fund is an equity-oriented scheme that aims for lower volatility than the benchmark (Nifty 50 TRI) by investing in Equity & Equity related instruments through a diversified basket while aiming to provide capital appreciation over the long term**.**

Diversified portfolio predominantly investing in large cap companies.

Benefits of Large Caps

- Good Corporate Governance
- Higher Ability to Withstand Market Downturns
- Competitive Edge in the Industry
- Relatively Higher Cash Flows
- Relative Valuations are reasonable
- Relatively Higher Liquidity

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ICICI PRUDENTIAL MUTUAL FUND

Aim to Navigate Market Volatility with ICICI Prudential Equity Minimum Variance Fund

Aims to construct a portfolio with lower volatility

Stocks with low volatility would be assigned higher weightage & vice versa.*

A combination of lower volatility and sound return potential for the risk taken encourages long-term investments.*

*Scheme shall follow an active investment strategy.

5 Y Rolling Return daily basis from April 2005

Returns	Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
Minimum	(0.7)	2.2	(1.0)	(2.3)	(6.2)
Maximum	24.4	27.9	24.2	32.4	34.2
Average	12.5	15.7	12.1	15.3	12.5
Std Deviation	4.6	4.0	4.6	7.0	8.3
Risk Adjusted Returns	2.7	3.9	2.6	2.2	1.5
Total Observations	3598	3598	3598	3598	3598

Data Source: MFI; MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit http://www.icraonline.com/legal/standard-disclaimer.html. Data in % CAGR terms; The above analysis is done considering the investment period between April 01, 2005 and September 30, 2021. Returns are calculated for the period between April 01, 2008 to September 30, 2024. Past performance may or may not sustain in the future. The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of volatility; however, the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor. Investment Strategy will be as per SID.

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ICICI PRUDENTIAL MUTUAL FUND

Aim to Navigate Market Volatility with ICICI Prudential Equity Minimum Variance Fund

Active Allocation

The fund manager would consider various macroeconomic indicators for managing the sector weights.

Macro Parameters

- Current Account Deficit
- IIP Growth
- Fiscal Deficit
- Interest rates
- Credit Growth
- Inflation

Investment Indicators

- Capex Investments
- New Projects cleared, etc.

Business & Consumer Sentiment

- Purchasing Manager Index
- Business Confidence Index
- Sales of various consumer discretionary products, etc.

Global Factors

- DM Growth Outlook
- China Growth Outlook
- DM Policy Outlook
- China Policy Stance

IIP: Index of Industrial Production, Capex: Capital Investments, DM: Developed Markets

Spread across various sectors

The performance of sectors differ based on changing market conditions, making it challenging to gauge which segment would perform.

Investing in a portfolio of various sectors provides the potential to capitalize on opportunities across market cycles.


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Aim to Navigate Market Volatility with ICICI Prudential Equity Minimum Variance Fund

Due to lower volatility and low drawdown, the index has created better experience.

The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of volatility; however, the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor

Index	Value of INR 1,00,000 Invested	CAGR (%)
Nifty 100 Low Vol 30 TRI	27.30 Lakhs	18.4
Nifty Midcap 150 TRI	26.0 Lakhs	18.1
Nifty Smallcap 250 TRI	21.4 Lakhs	16.9
Nifty 100 TRI	15.73 Lakhs	15.1
Nifty 50 TRI	14.91 Lakhs	14.8

Std: Standard. Source: MFI Explorer. MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit http://www.icraonline.com/legal/standard-disclaimer.html. Data as on Oct 27,2024 is considered. CAGR is calculated from April 2005 till Oct 27,2024.

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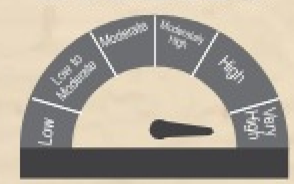
ICICI PRUDENTIAL MUTUAL FUND

Aim to Benefit from Lower Volatility with the Potential for Long-Term Capital Appreciation with **ICICI Prudential Equity Minimum Variance Fund**

NFO Closes: **December 02, 2024**

Riskometer & Disclaimer

ICICI Prudential Equity Minimum Variance Fund (An open ended equity scheme following Minimum Variance theme) is suitable for investors who are seeking*:	SCHEME RISKOMETER
• 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.	Investors understand that their principal will be at **Very High** risk

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.

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

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