ICICI PRUDENTIAL MUTUAL FUND

ASPIRE TO

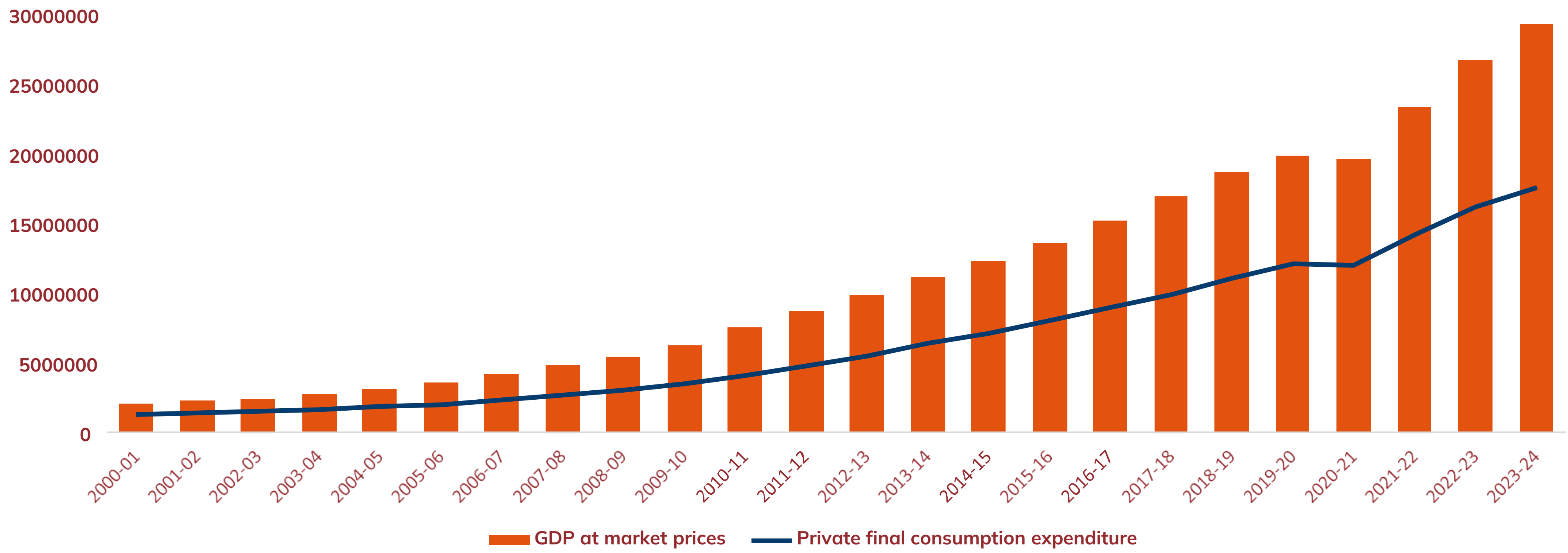
LOOK GOOD

LIVE GOOD

FEEL GOOD

Private Consumption in India witnessed a significant rise since the pre-pandemic era

Nominal Private Final Consumption Expenditure and GDP at Market Prices (Absolute, ₹ Crore)



Source: Centre for Monitoring Indian Economy (CMIE), GDP: Gross Domestic Product

Consumption has been a major contributor to India's Growth

GDP = C + I + G + NX

Gross Domestic Product = Consumption + Investment + Government Spending + Net Exports


=

+

+

+


Paradigm Shift in the Consumption Pattern of Indians

Earlier

Now

Consumers are demanding premium products with a change in lifestyle

Earlier

(Focus on Needs - Roti, Kapda, Makaan)

Demand for
Branded Products

NOW

(Focus on Want - Aspire for Branded Products)

Consumers are demanding premium products with a change in lifestyle

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Earlier

- Conventional watches
- Personal care products included bar soaps, hair oil, etc.
- Groceries from local retail stores
- Limited branded apparel and footwear options
- Cash payments

NOW

- Multiple brands for personal care products, apparel, footwear, smartphones and watches
- Online portals for groceries
- Apps for transport
- Multi-cuisine restaurants, travel and staycations
- Cash, credit cards and UPI Payments

Change in Lifestyle

UPI: Unified Payments Interface

Earlier (Risk-Averse)

Earlier Generation focused on traditional assets such as Gold and Real Estate.

NOW (Higher Risk taking ability)

Growing risk appetite is driven by diverse investment products, chang- ing economic scenarios, technologi- cal advancement and financial liter- acy.

Change in Investment Pattern

Key Factors driving Aspirational Consumption in India

1 Rising Income Levels

2 Rapid Urbanization

3 Favourable Demographics

4 Rising Women Workforce

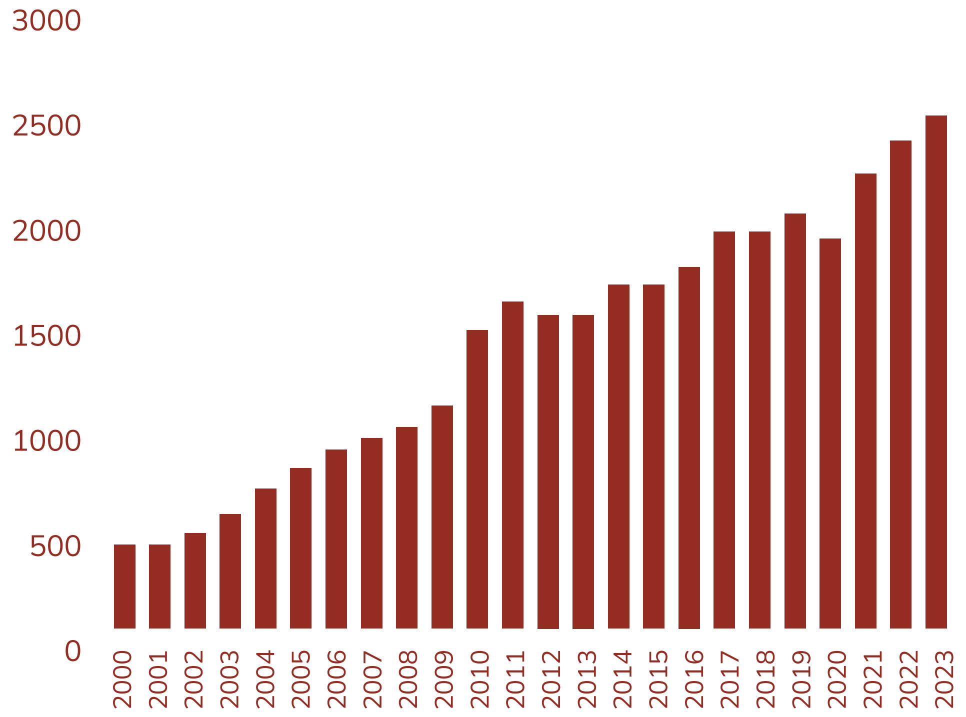
5 Ease in Credit Financing

Aspirational Consumption

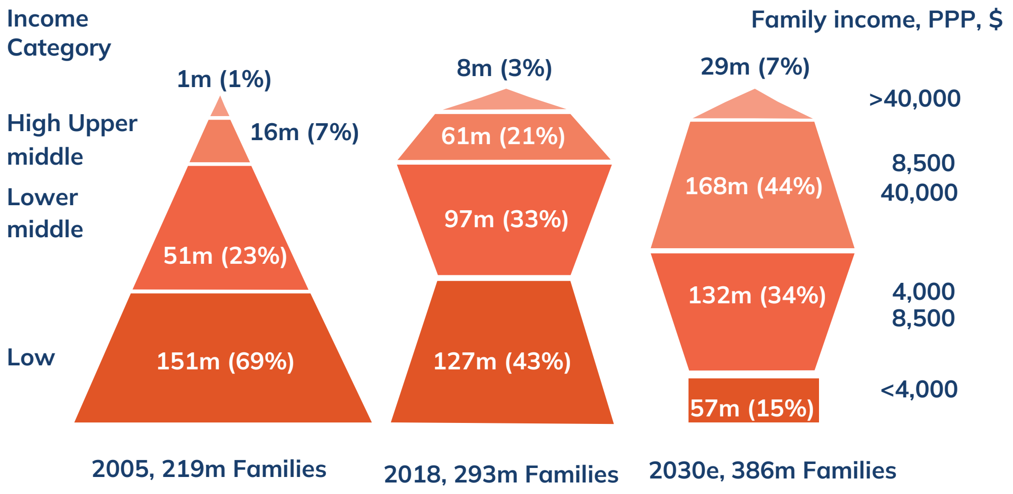
1

Rising income levels and a better standard of living support the Premiumization theme

GDP Per Capita Income of India (US $)



Rise in High & Middle Class Income



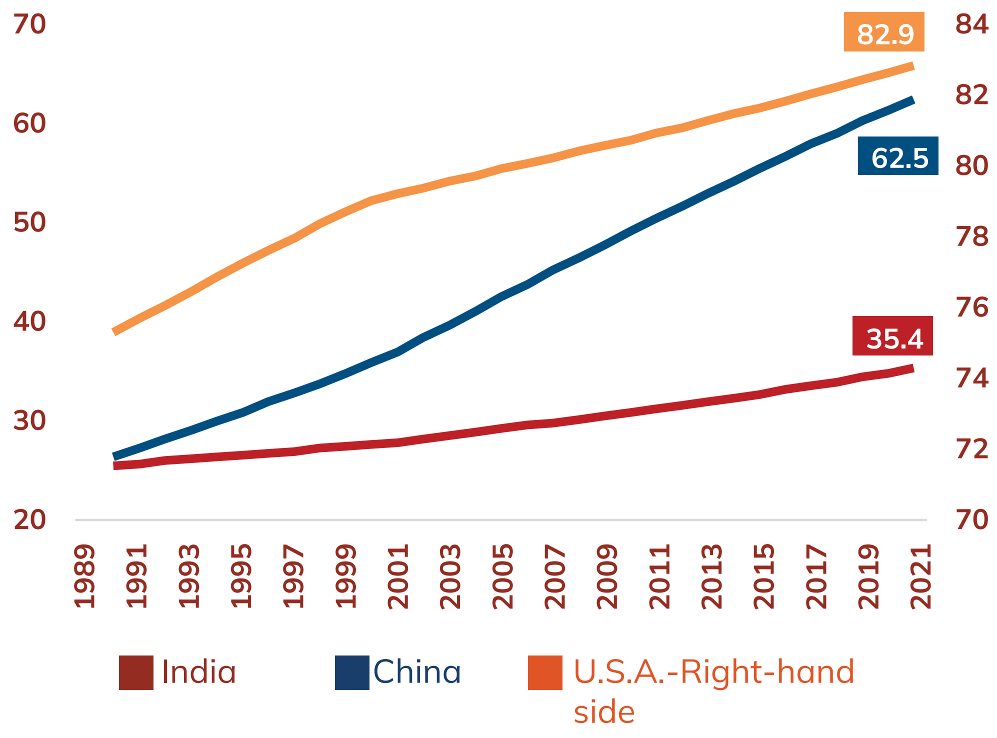
Source: World Bank

Source: WEF, Anand Rathi Research m: million e: estimate

Urbanization is a key driver for consumption

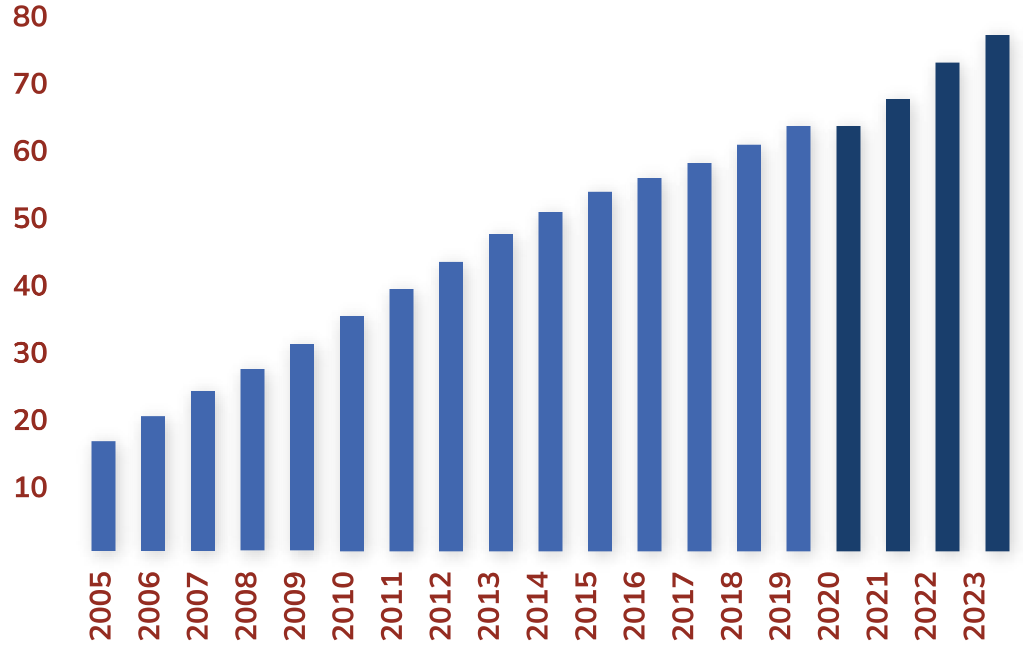
Urbanization has picked up in India, which could lead to higher consumption as witnessed in China

Urbanization Trends (%)



China - Final consumption expenditure

Continued urbanization in China contributes to the consumption growth

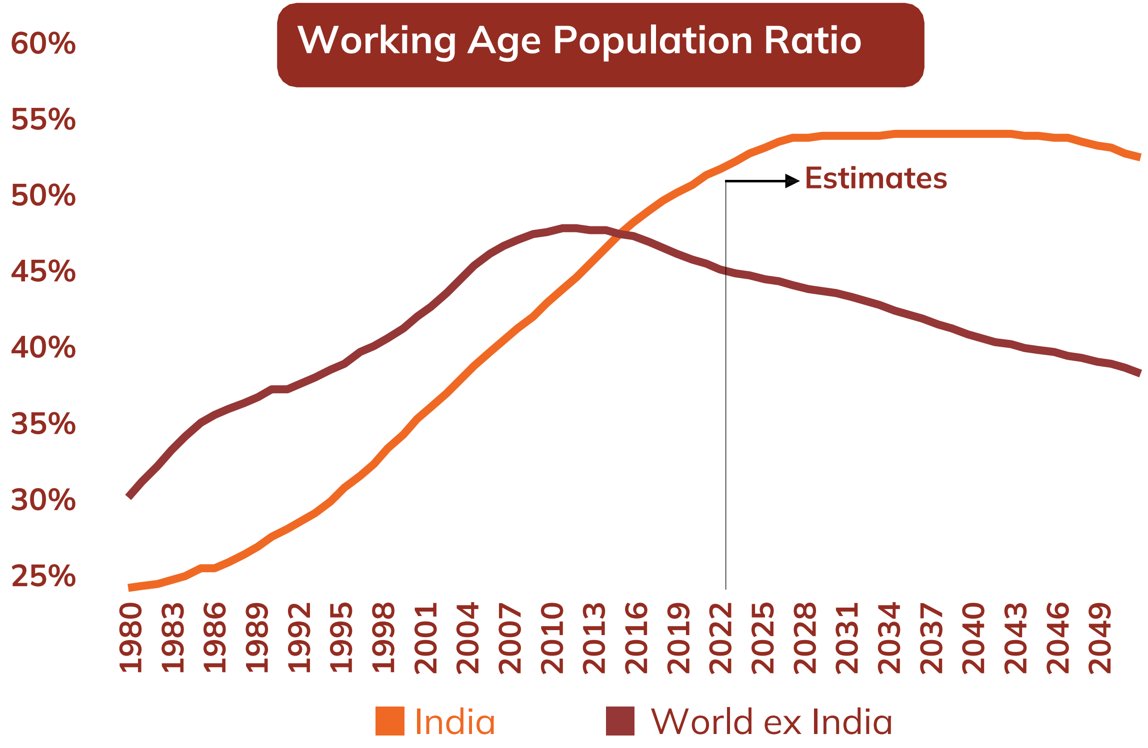


Source: International Monetary Fund (https://www.imf.org/en/Home)

Source: World Bank, China Final Consumption Expenditure (Constant Prices, in Yuan Trillion)

India's strong demographic dividend bodes well for the Consumption Narrative

Young Population → Leads to → Big Workforce → Leads to → Higher Income = Strong Consumption



Source: Morgan Stanley

4 Rising women workforce leads to dual household income, which facilitates higher household consumption

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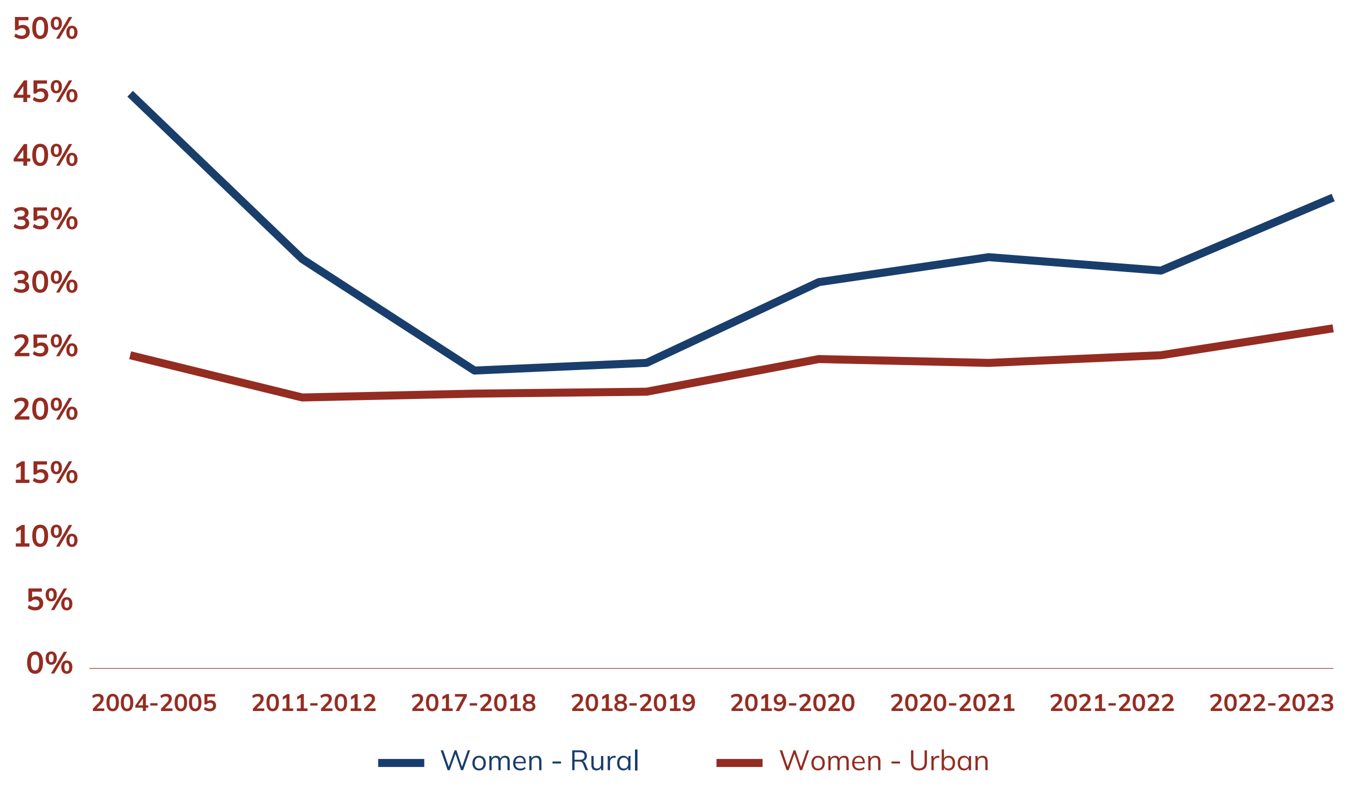
Women Labour Force Participation Rates for 15-59 age group (%)



Facilitates convenience

Household expenses

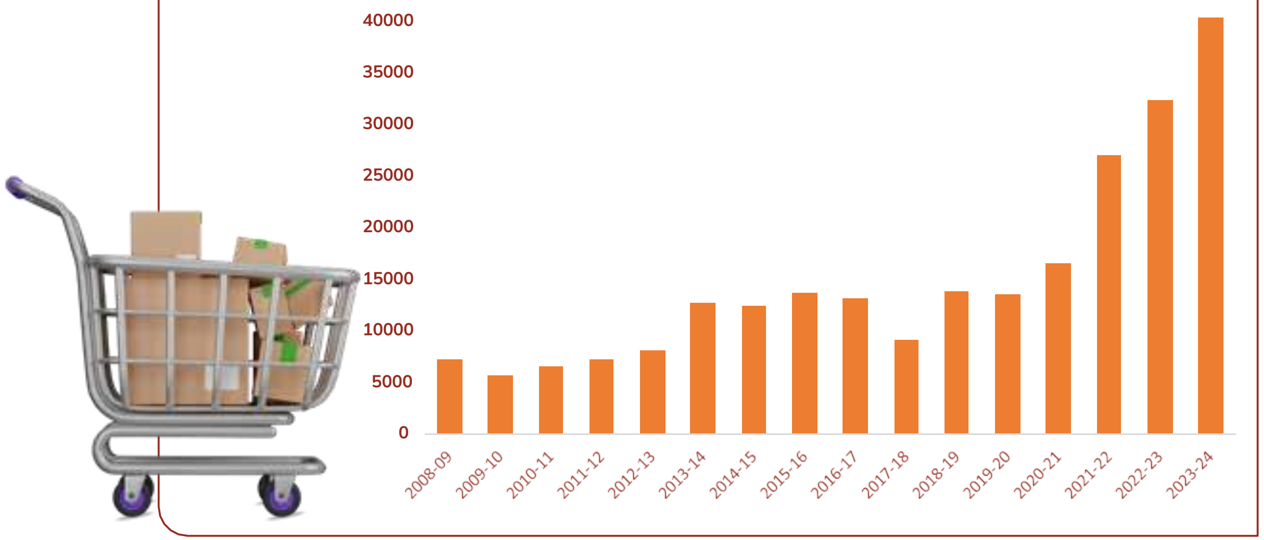
Dine out

Travel

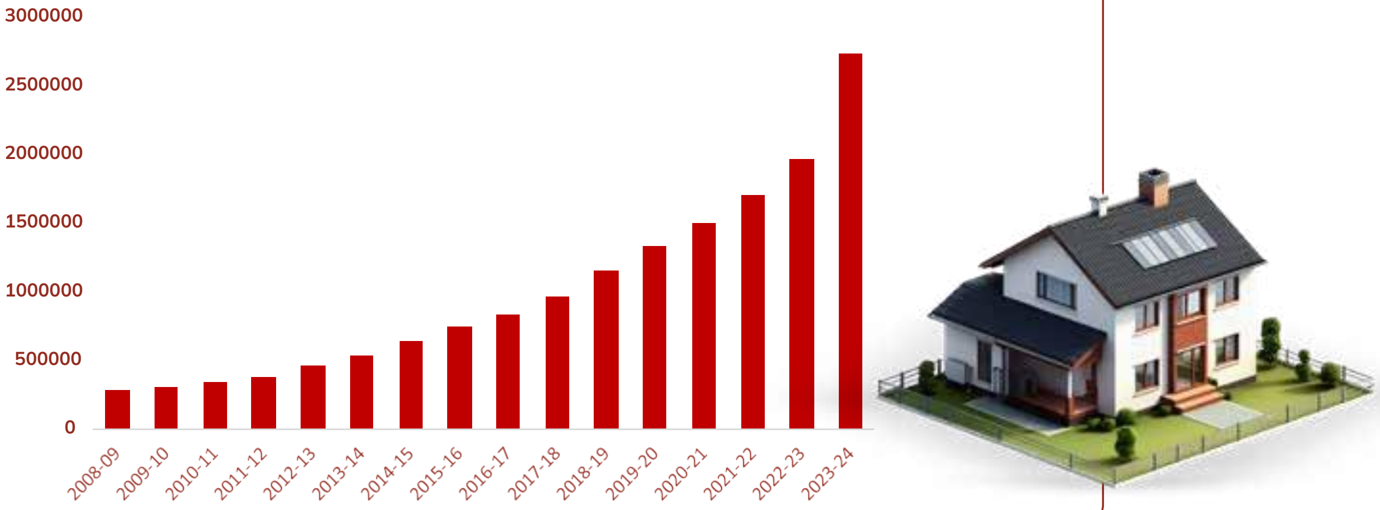
Source: Employment/Unemployment Survey for 2004-05 and 2011-12, Periodic Labour Force Survey for the other years

Consumer demand has improved due to easy accessibility of loans

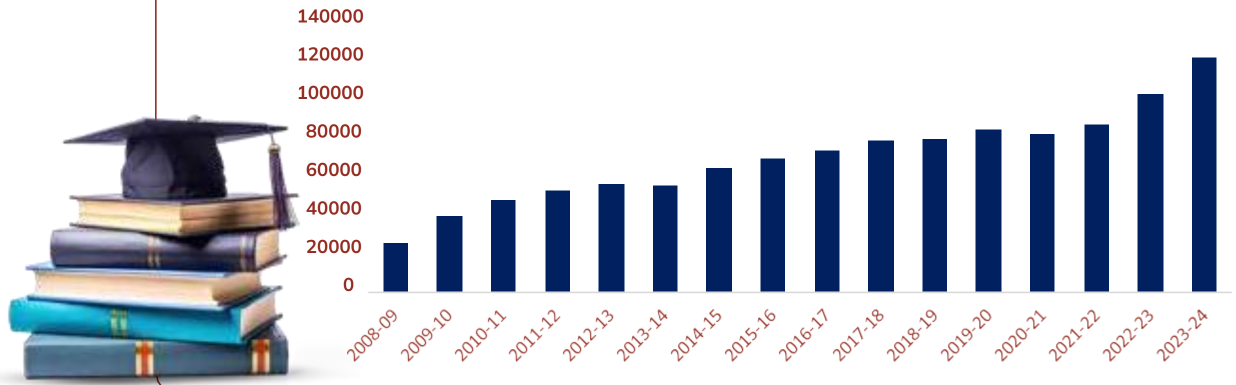
Loans for Purchase of Consumer Durables (₹ Crore)



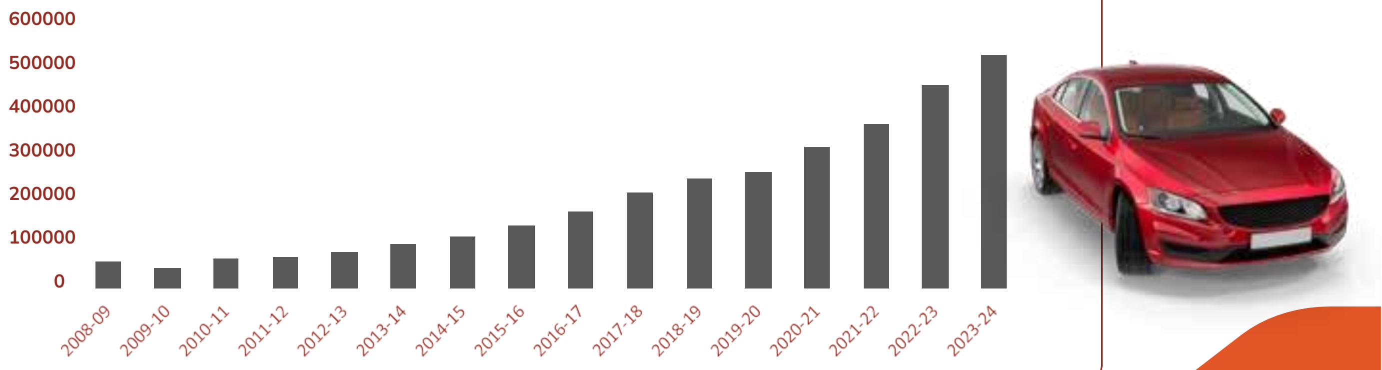
Loans for Housing (₹ Crore)



Education Loans (₹ Crore)



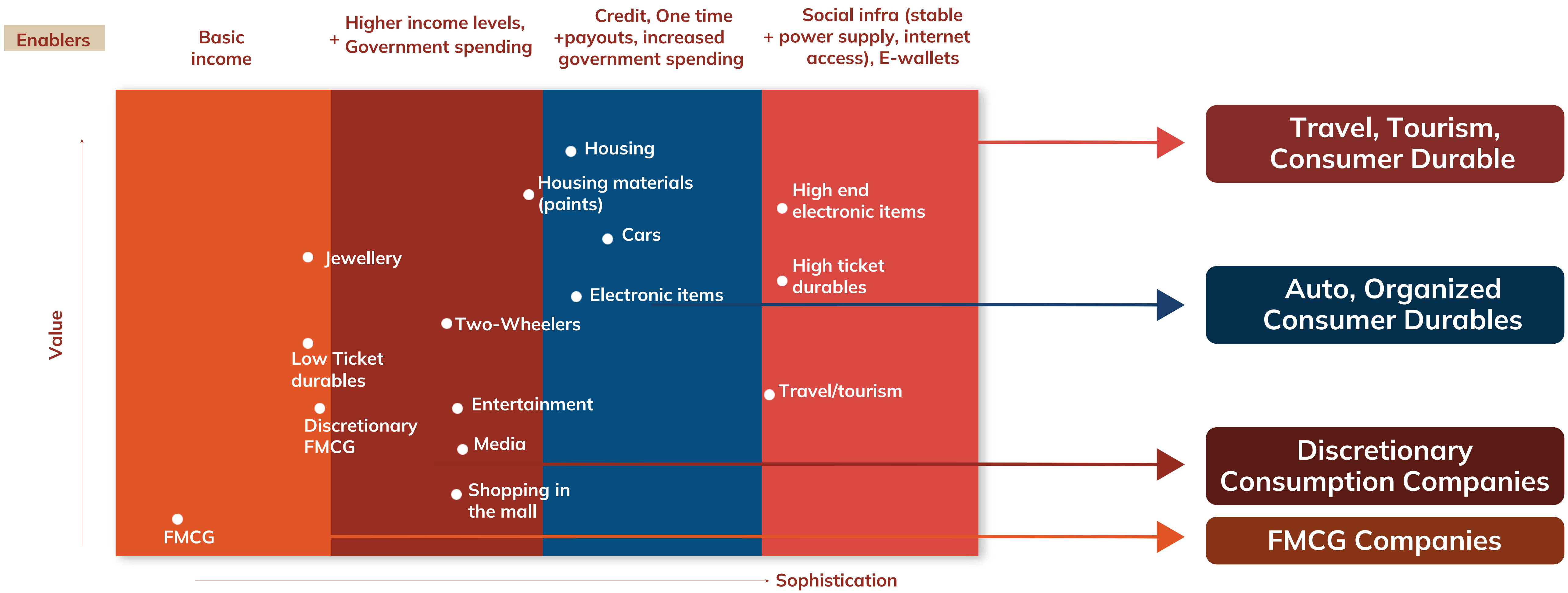
Vehicle Loans (₹ Crore)



Source: Centre for Monitoring Indian Economy (CMIE)

Consumers tend to spend more on premium products than essential items, bolstered by rising income levels, rapid urbanization, favourable demographics, rising women workforce and ease in credit financing

Premiumization : Aspiration, Availability and Awareness



Source: Investment Trust of India, FMCG: Fast-moving consumer goods

Premiumization is becoming deeply ingrained in the minds of Indian customers

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Growth in premium products outpace growth of mass consumption goods

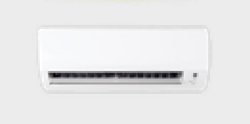
Category	Premium Products Value Growth		Normal Products Value Growth	
	Sub category	10 Yr CAGR (%)	Sub category	10 Yr CAGR (%)
Cleansing	Body Wash / Liquid Soaps	15.8	Bar Soap	8.1
Haircare	Premium Hair care	14.7	Mass Hair Care	7.1
Tea	Green Tea	26.3	Normal Tea	9.4
Deodorant	Premium Deodorant	18.9	Mass 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




Source: CLSA Research

With more disposable income, consumers can spend on discretionary items

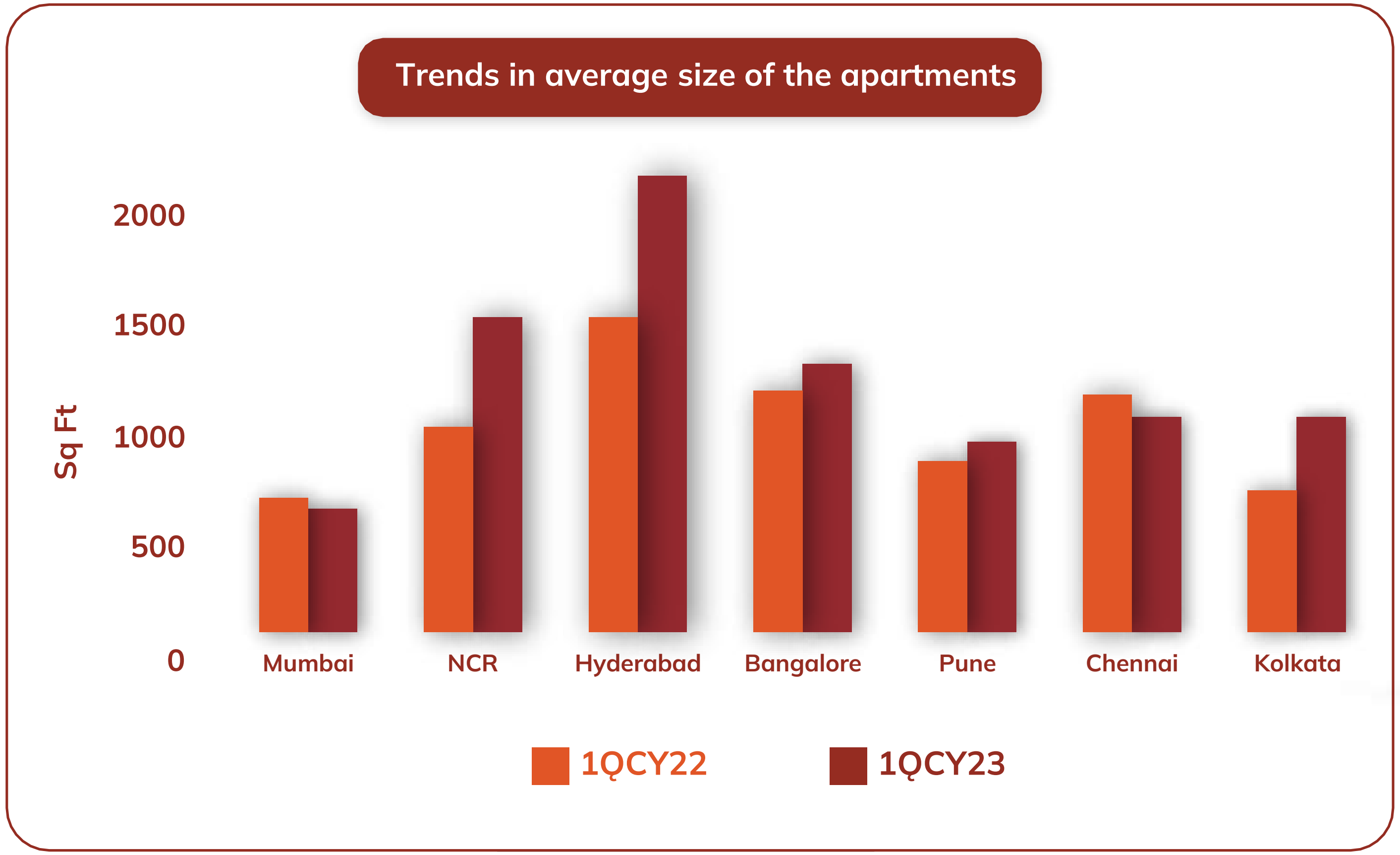
Growth in premium products outpace growth of mass consumption goods

	PRODUCTS	INDIA	CHINA	U.S.A.
	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%

Source: CLSA Research

Demand for premium apartments has been on the rise post Covid-19

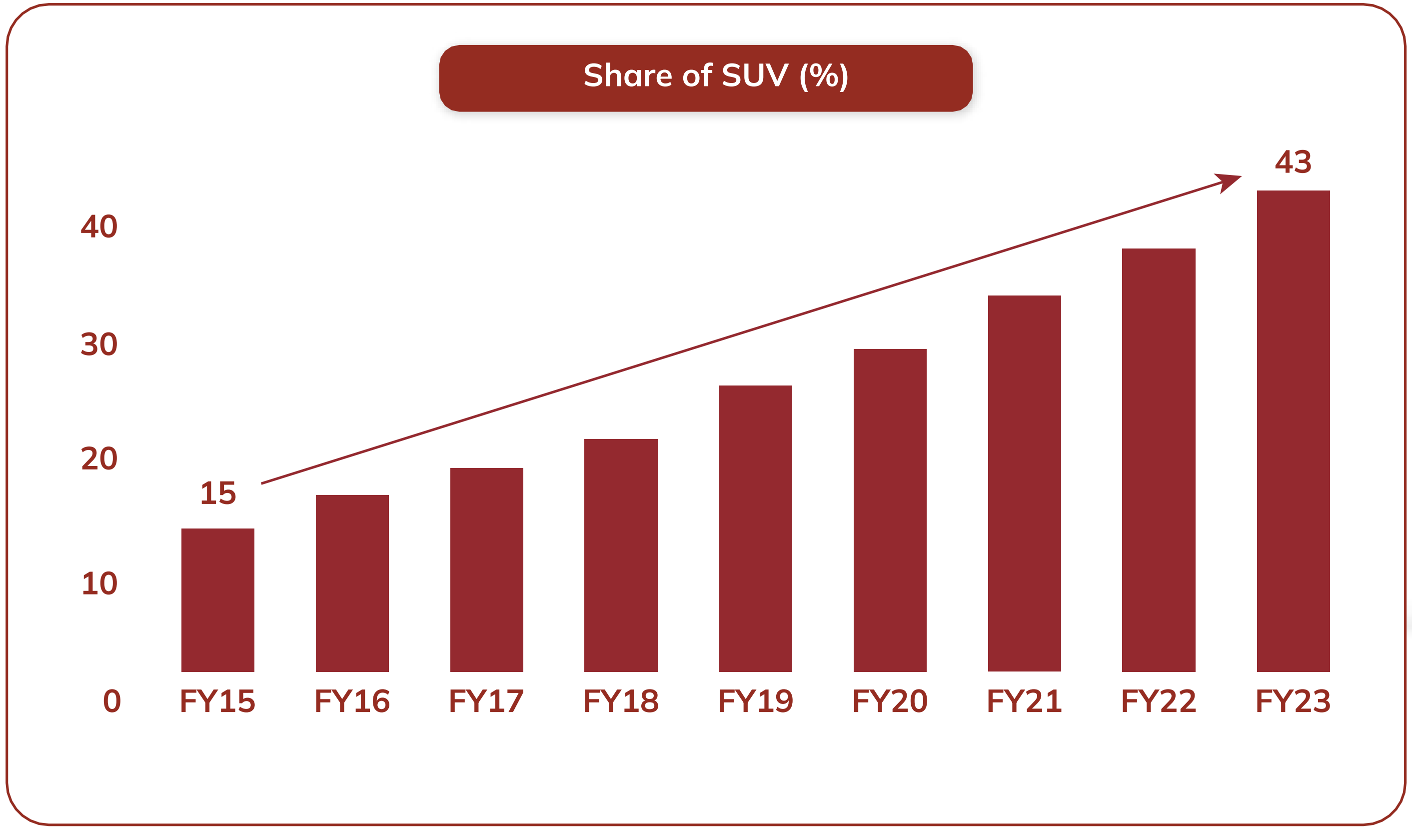
Demand is driven by a rise in income, urbanization and adapting to a work-from-home/hybrid model



Source: CLSA Research. CY: Calendar Year. Sq Ft: Square Feet.

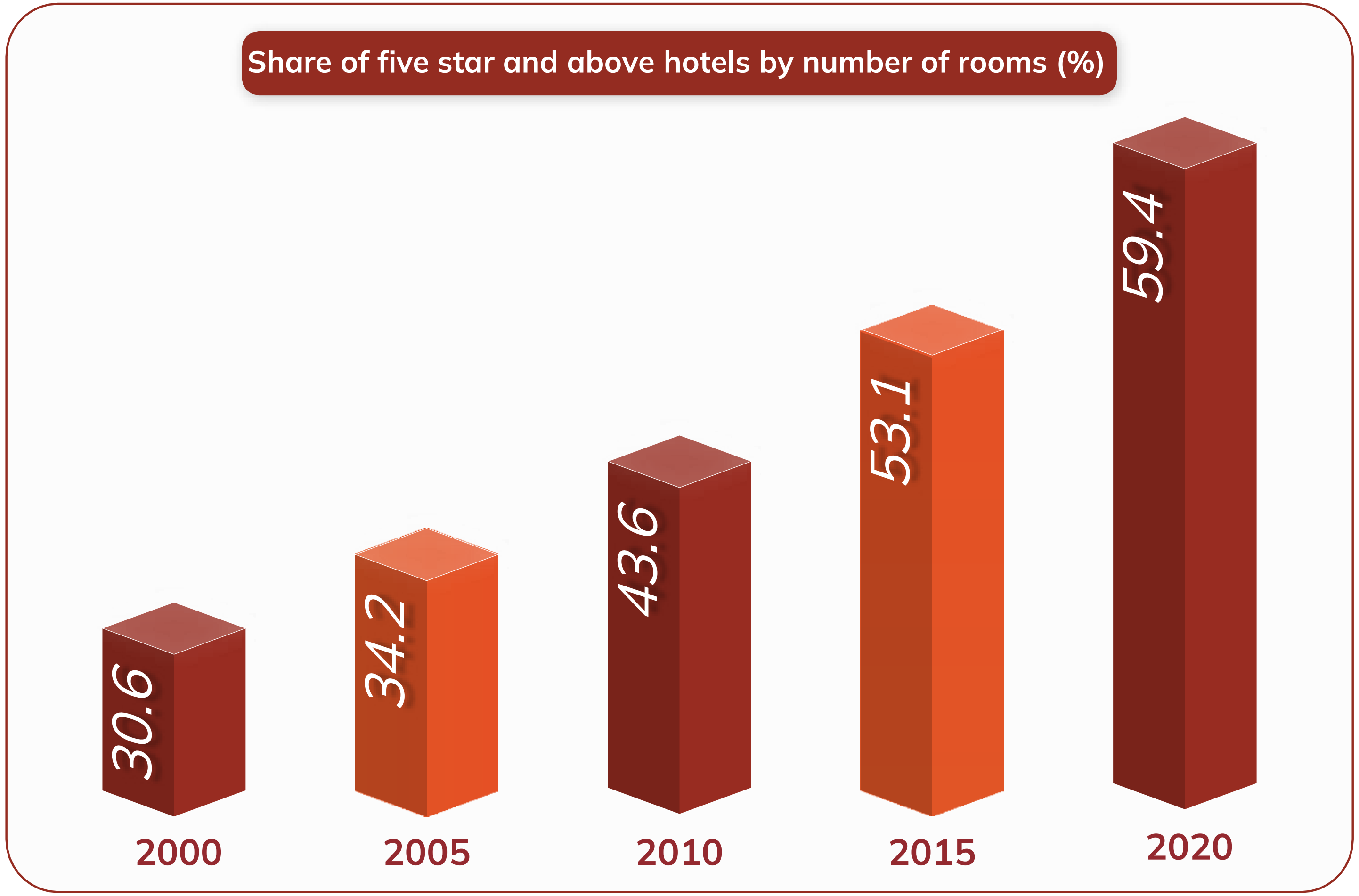
Customers are upgrading to better vehicles

The launch of compact SUVs led to a shift in customer preference from sedans to SUVs. The SUV share in the PV segment more than doubled from 15% in FY15 to 43% in FY23



Source: CLSA Research. FY: Financial Years. SUV: Sports Utility Vehicle, PV: Passenger vehicle.

There has been an uptick in domestic tourists availing premium hotel rooms



Source: 20inistry of Tourism, Anand Rathi Research

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Domestic and International Footfalls at airports in India have increased over the years.

Domestic and International Footfalls at Airports in India

FY18	308,753,400
FY19	344,699,733
FY20	341,050,651
FY21	115,379,783
FY22	188,891,441
FY23	327,279,136
FY24	376,426,164

Source: Airports Authority of India. The total includes domestic and international footfalls

India is evolving in terms of consumption and is considered one of the largest consumption markets in the world

Benefit from the growth potential of the Consumption Theme by investing in ICICI Prudential Bharat Consumption Fund

Changing consumption trend only for Illustration purpose

About ICICI Prudential Bharat Consumption Fund

PHILOSOPHY

Aims to invest in opportunities following the consumption theme.

SUITABILITY

Investors seeking to benefit from India's demographic advantage and increasing consumption may consider investing in this Scheme with an indicative investment horizon of 5 years and above.

INVESTMENT UNIVERSE

Exposure into sectors like Real Estate, Consumer Durables, Auto, Retailing services and other sectors, which can benefit from India's growing consumption need.

OBJECTIVE*

To generate long-term capital appreciation by investing primarily in Equity and Equity related securities of companies engaged in consumption and consumption related activities or allied sectors.

*However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved. 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)

ICICI Prudential Bharat Consumption Fund
Unconstrained Approach

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FMCG

- Home and personal care
- Food and beverages
- Alcoholic beverages
- Cigarettes

Retailing

- Apparel
- Footwear
- Grocery
- Jewellery
- Pharmacy

Discretionary

- Out of home food (QSR, restaurants)
- Paints
- Hotels
- Leisure multiplexes, resorts, amusement parks, travel, etc.

Auto and Auto ancillary

- OEM
- Auto Ancillary
- Tyres
- Battery

Consumer durables

- Electricals
- Electrical goods
- White goods
- EMS

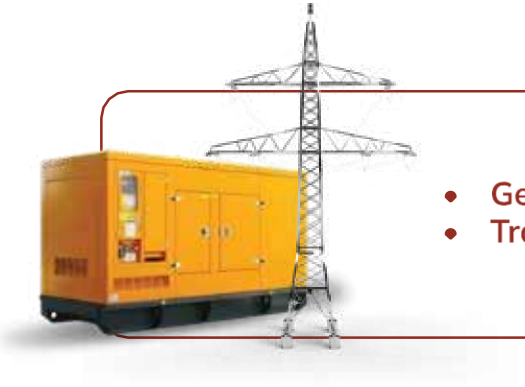
Telecom

- Cellular

Healthcare

- Pharmaceutical companies
- Hospitals
- Diagnostics

Power



- Generation
- Transmission

Real estate

- Real estate
- REITs

*QSR: Quick Service Restaurants. For detailed asset allocation please refer SID of the Scheme. EMS: Electronic Manufacturing Service, FMCG: Fast Moving Consumer Goods, OEM: Original Equipment Manufacturer, REITs: Real Estate Investment Trusts

ICICI Prudential Bharat Consumption Fund
The scheme follows a blend of Cyclical and Defensive Approach

Sector	Weight	Nature
Auto	13.95%	Cyclical
FMCG	23.40%	Defensive
Discretionary	27.78%	Cyclical
Pharma	16.12%	Defensive
Real Estate	5.66%	Cyclical
Telecom - Services	5.22%	Defensive
Power	3.15%	Defensive

Cyclical	47.39%
Defensive	47.89%





Source: Portfolios as on July 31, 2024. 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 positioning in these sector(s)/stock(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information Document of the Scheme. FMCG: Fast Moving Consumer Goods

ICICI Prudential Bharat Consumption Fund - Your Route to Benefit from India's Consumption Story

- An uptick in demand for premium apartments, bustling restaurants, crowded malls, roads filled with a stream of vehicles, increased footfall at airports, a rise in consumer discretionary spending – **India's consumption narrative has witnessed significant transformation over the years.**
- **The key drivers of India's compelling consumption story** are rising income levels, changing lifestyles, demographic advantage, rapid urbanization, rising women workforce and ease in credit financing.
- **ICICI Prudential Bharat Consumption Fund aims** to invest in opportunities following the consumption theme.
- **With a long-term investing approach, the scheme invests across various cyclical and defensive sectors** that can benefit from India's growing consumption.

It is time to participate in India's growth story and benefit from the vast opportunities related to the consumption theme with ICICI Prudential Bharat Consumption Fund.

ICICI Prudential Bharat Consumption Fund

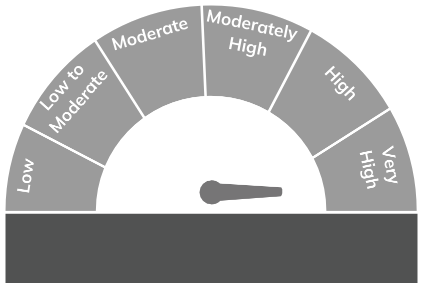
(An open ended equity scheme following consumption theme) is suitable for investors who are seeking:*

- Long term wealth creation
- A open ended equity scheme that aims to provide capital appreciation by investing in equity and equity related securities of companies engaged in consumption and consumption related activities.

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

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

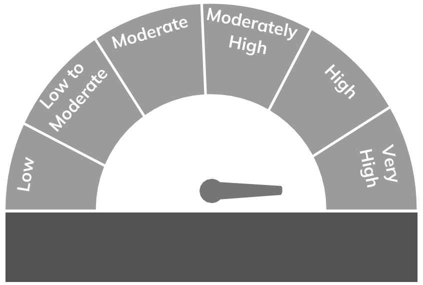
Scheme



Investors understand that their principal will be at Very High risk

Benchmark

(Nifty India Consumption TRI)



Benchmark riskometer is at Very High risk.

Disclaimers

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

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