Aam Aadmi
Ki Kahani

Raj Sharma

Age: 29 years

Profession: Sales Executive

Income: ₹10.5 lakh/annum

Aspiration: Buy a car

Hobbies: Photography, Playing Cricket

In 2024, Raj faced several challenges:

Flashback

1 Food Inflation Surged

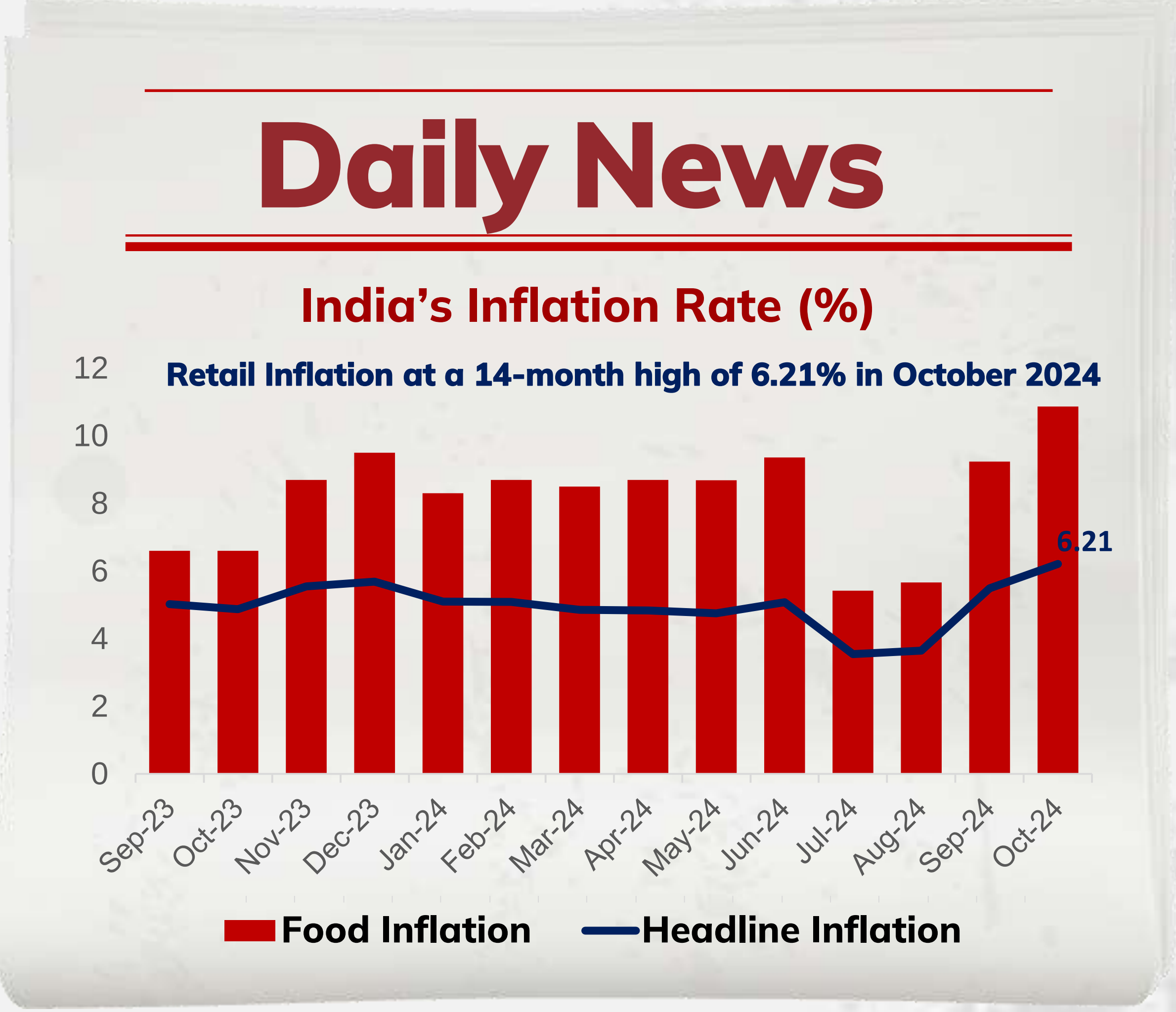
2 Wage Growth Slowed Down

3 Reduced Spending to Meet Emergencies

1 Food Inflation Surged

Flashback

In October 2024, Raj was taken aback by the dramatic rise in food prices.



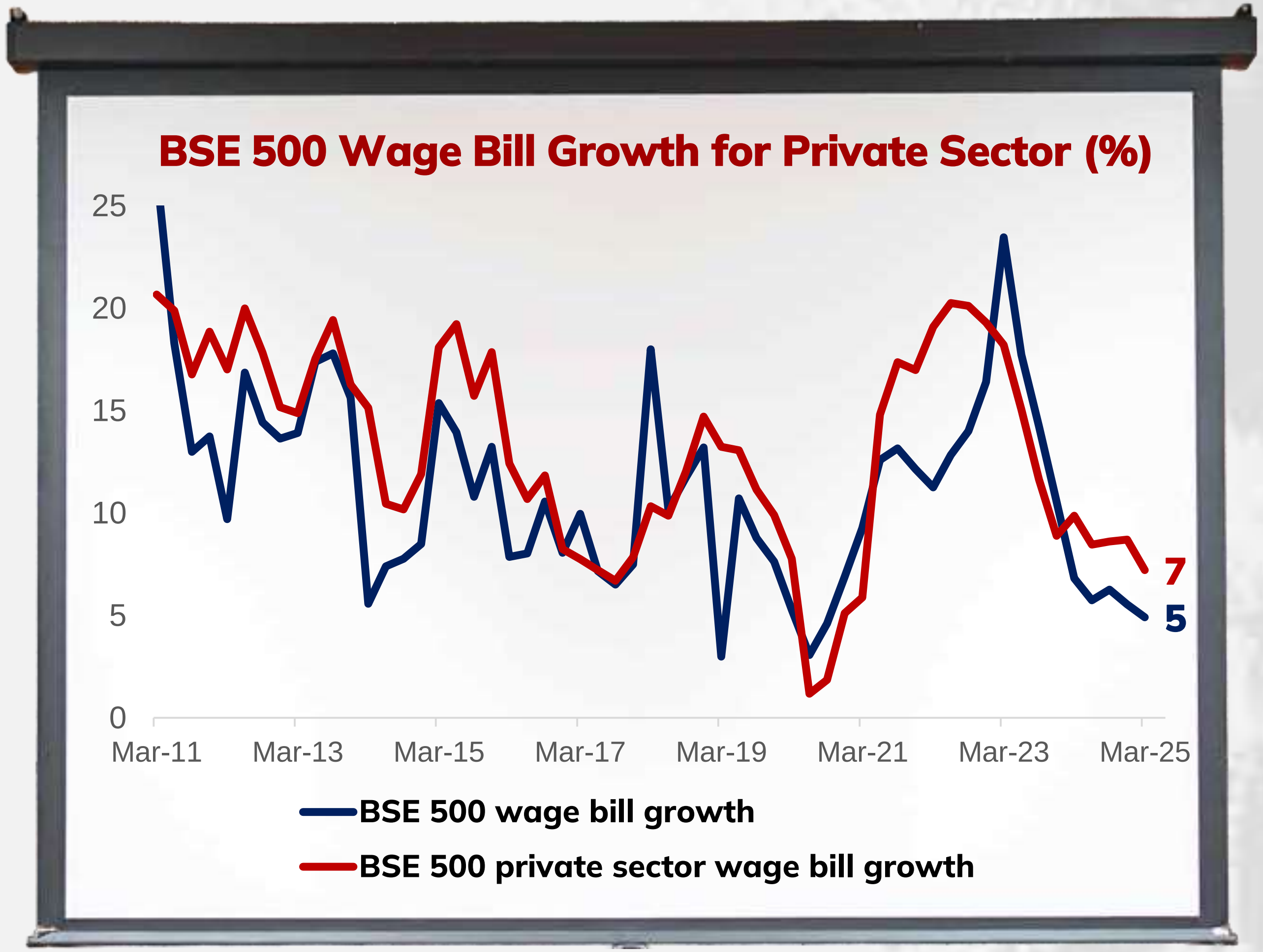
Source: Ministry of Statistics and Programme Implementation (MoSPI). Data as on October 2024. Year-on Year %. Retail Inflation is based on Consumer Price Index (CPI).

The above prices are for representation purpose only.

2 Slowing wage growth could not keep pace with inflation

Flashback

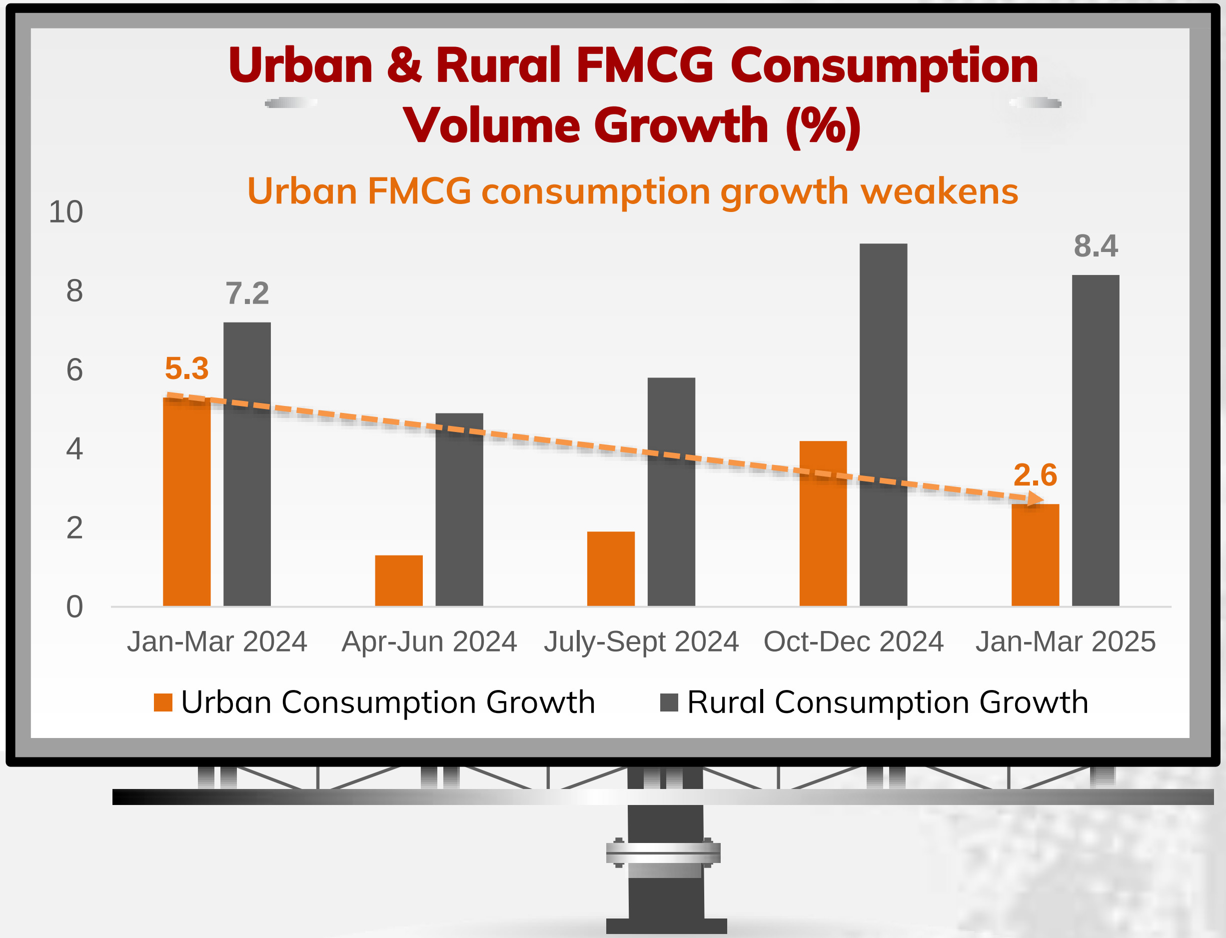
ICICI PRUDENTIAL MUTUAL FUND



Source: Nuvama Research, June 2025 report. The above data is Year-on-Year %.

3 With rising inflation and subdued wage growth, Raj had to cut back on spending

Flashback



Source: NielsenIQ. FMCG: Fast Moving Consumer Goods. 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). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information Document of the Scheme.

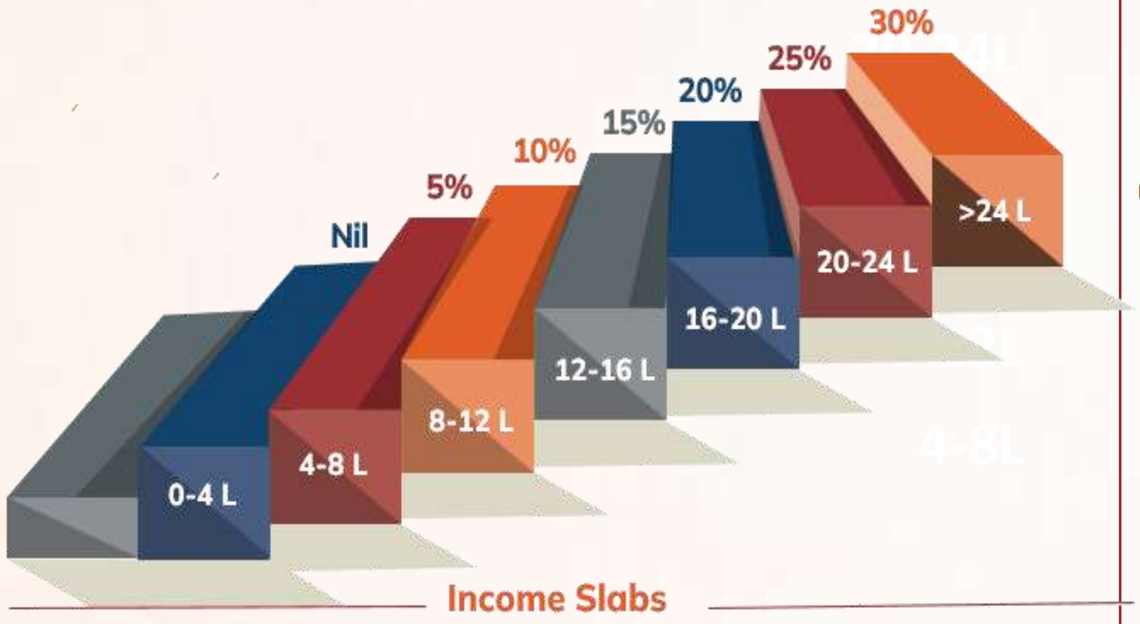
The Frantic Call for Help

Just as how the protagonist of a movie gets rescued by the police, Raj was hopeful that some Government initiatives may help combat these challenges.

1 The Government provided the much-needed tax relaxation

As announced in the Union Budget 2025-26, there will be no tax payable up to the income* of ₹12 lakh under the new regime (rebate of ₹60,000 can be claimed under 87A^).

Tax structure under new regime



I will now have more money in my hands post tax deduction

Finally, I can buy the washing machine my wife requires

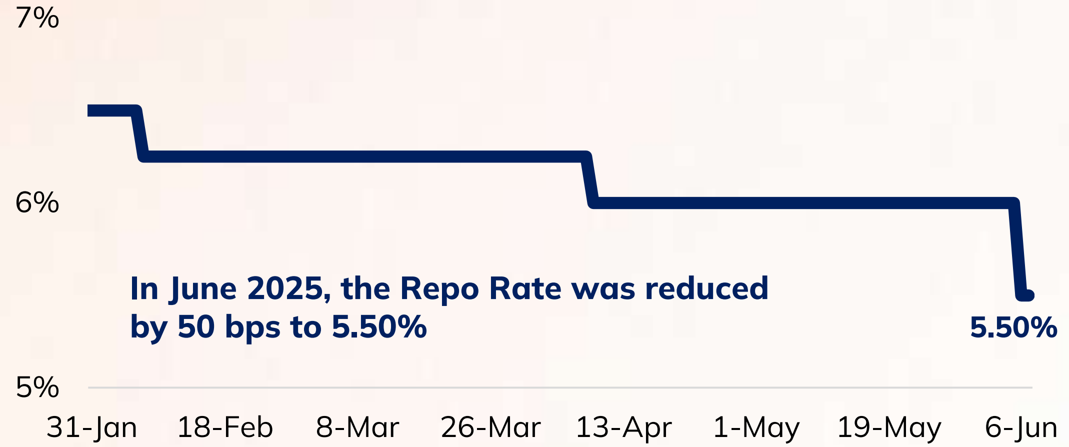
I should invest to buy a car and finance my son's higher education

Data Source: Union Budget 2025-26. (https://www.indiabudget.gov.in/). *Income other than capital gains. ^Section 87A of the Income Tax Act, 1961. L: Lakh.
Please consult your tax advisors for more details.

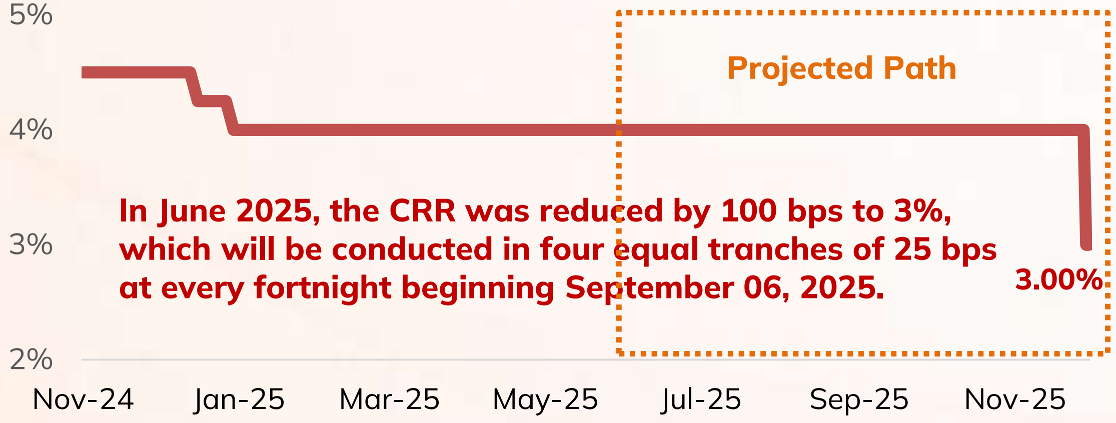
RBI's Monetary Policy stimulus measures support consumption

Measures directed by the central bank are supportive of credit growth.

Repo Rate (%)



Cash Reserve Ratio (%)



How will a lower interest rate facilitate greater credit flow?

A lower cost of borrowing for banks would reduce interest rates on loans linked to the External Benchmark Rate

A lower interest rate encourages individuals to take loans, such as consumer durables, vehicle, etc.

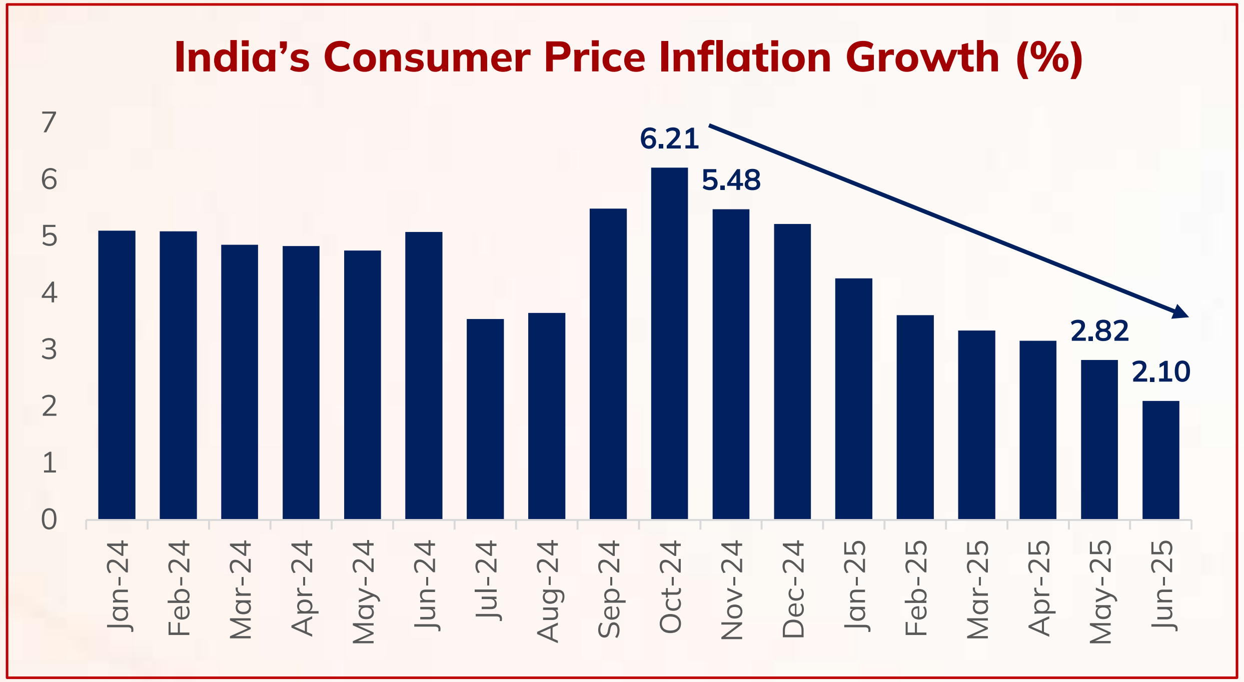
Businesses would borrow to scale operations

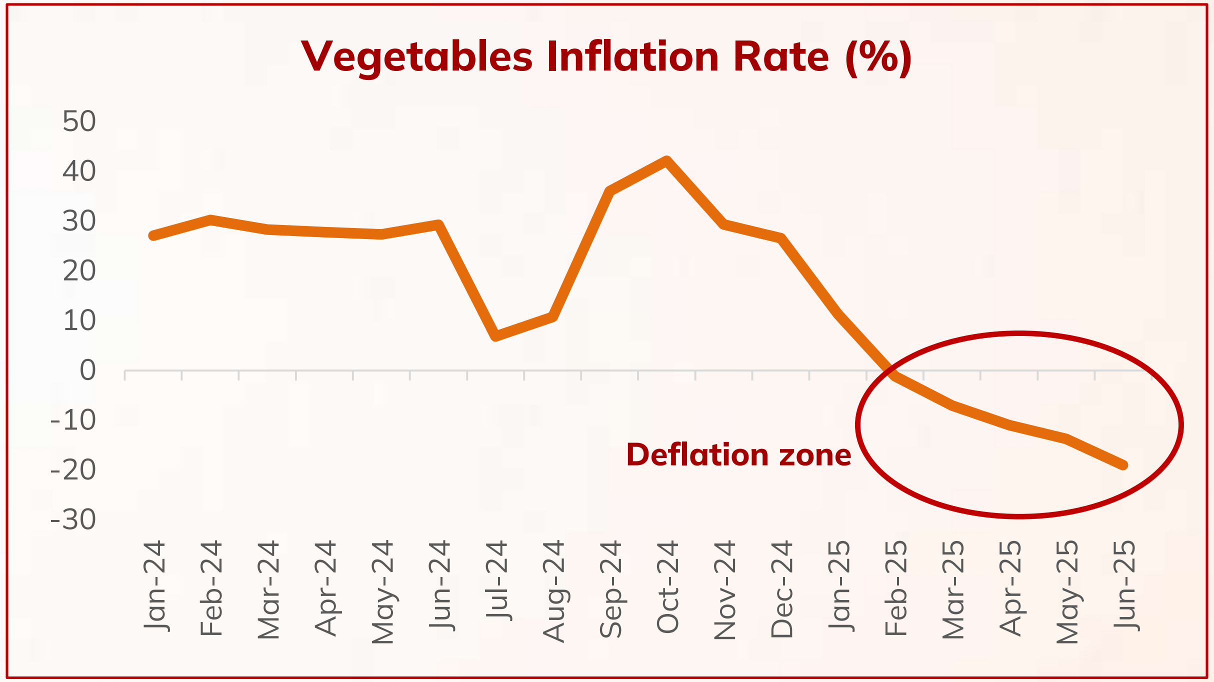
A lower CRR would reduce the cost of funding of the banks and release primary liquidity of about ₹2.5 lakh crore to the banking system by December 2025

Source: Reserve Bank of India (RBI). Data as on June 06, 2025. CRR: Cash Reserve Ratio. Bps: Basis Points

3 Further, India's Retail Inflation eased, providing relief to households

India's retail inflation cooled to 2.10% in June 2025, primarily driven by sustained moderation in food prices. The encouraging prospects for agricultural production, comfortable reservoir levels and fresh Rabi harvests augur well for food inflation, which would support consumption.





Source: Centre for Monitoring Indian Economy (CMIE), Ministry of Statistics and Programme Implementation (MOSPI). Data as on June 2025. India's retail inflation is measured by Consumer Price Index (CPI).

With higher disposable income and a lower cost of borrowing, the demand for premium products could rise

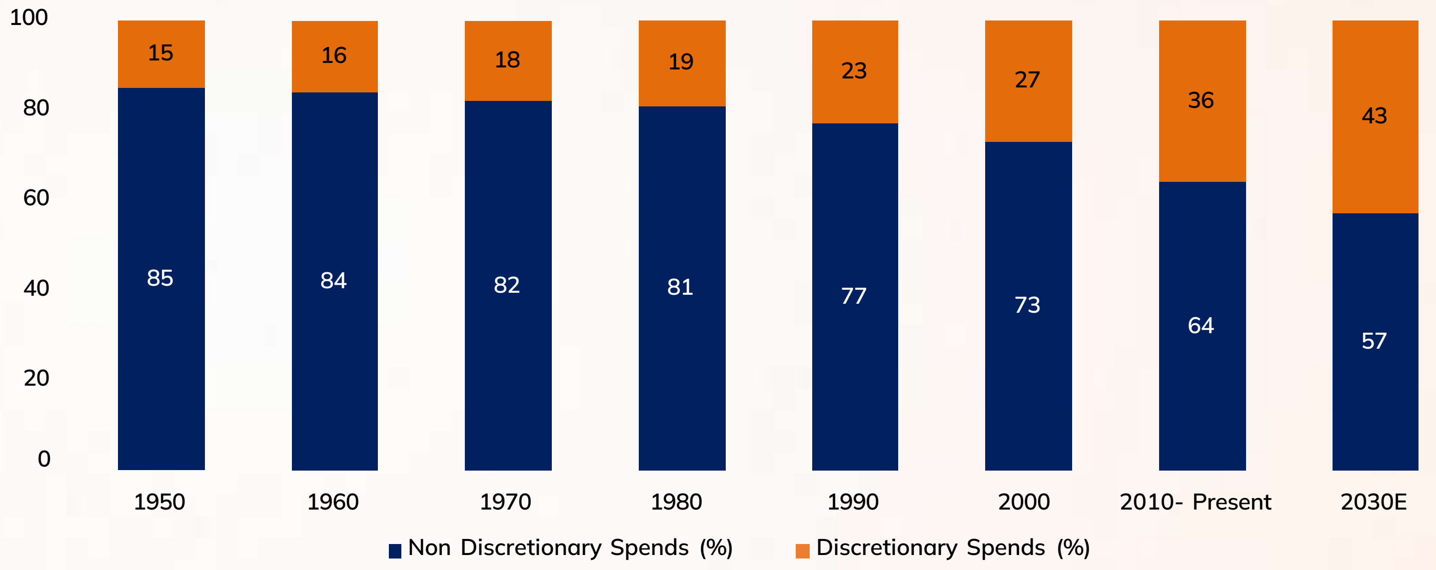
Premiumization: An underpenetrated market coupled with the expanding desire for premium products augurs well for domestic demand.

India’s consumption trend displays a shift from basic necessities towards discretionary spending.

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: Avendus Spark. U.S.A.: United States of America. Data for white goods consumption is for the Calendar Year 2021.

India's Consumption Pattern (as a % of PFCE)

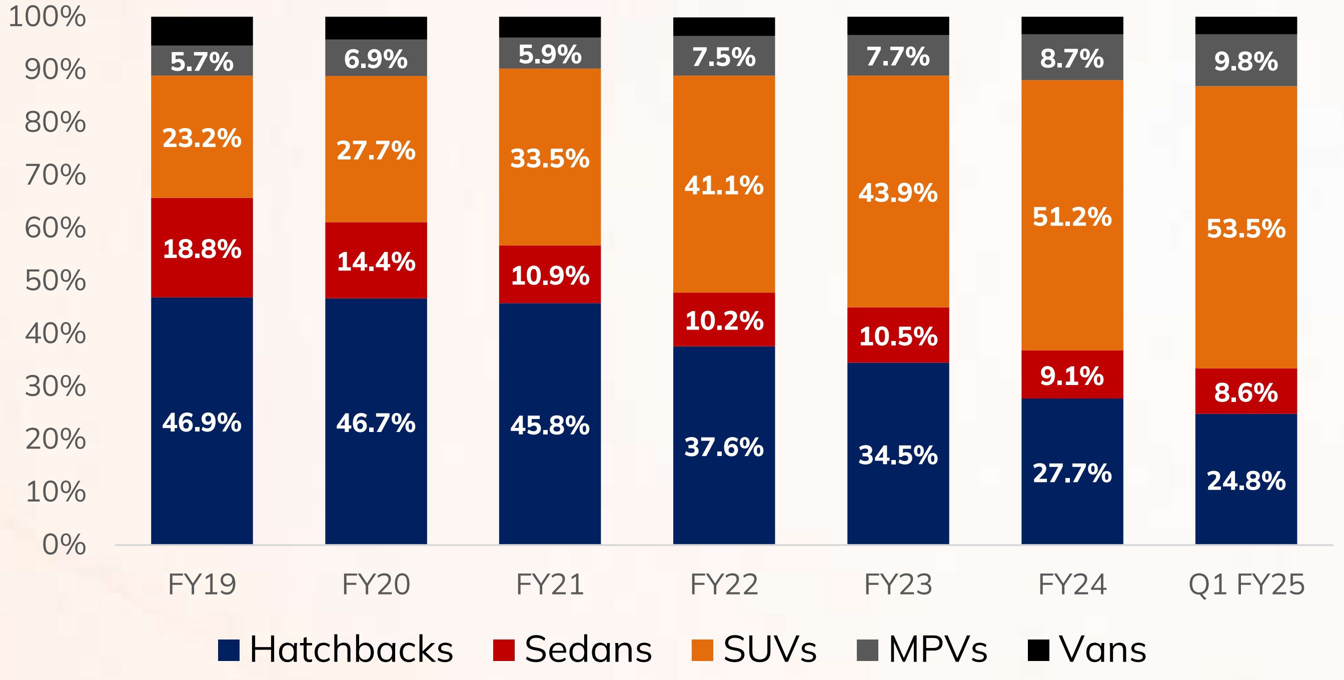


Source: BOFA Global Research. Data is shown on Financial Year basis. PFCE: Private Final Consumption Expenditure. E: Estimates.

Premiumization: Customers could upgrade to better vehicles

With a larger number of younger buyers in India, the preference towards safety and advanced features has been on the rise, which led to greater demand for SUVs.

Segment-wise trends in the overall Passenger Vehicle sales volume in India (%)



Source: SIAM, CRISIL Market Intelligence & Analytics. SUV: Sport Utility Vehicle. MPV: Multi-Purpose Vehicle. FY: Financial Year.

Premiumization: Enhanced Mobility Needs

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

Domestic and International Footfalls at Airports in India

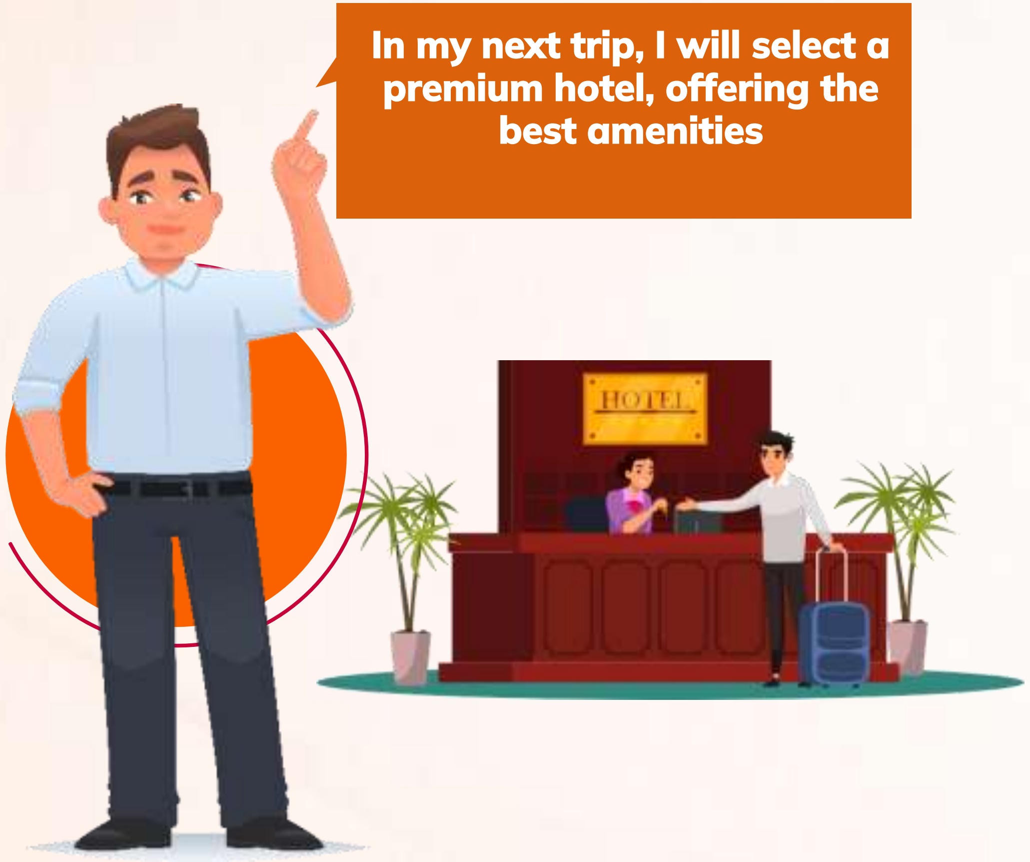
FY18	308,753,400
FY19	344,699,733
FY20	341,050,651
FY21	115,379,783
FY22	188,891,441
FY23	327,279,136
FY24	376,426,164

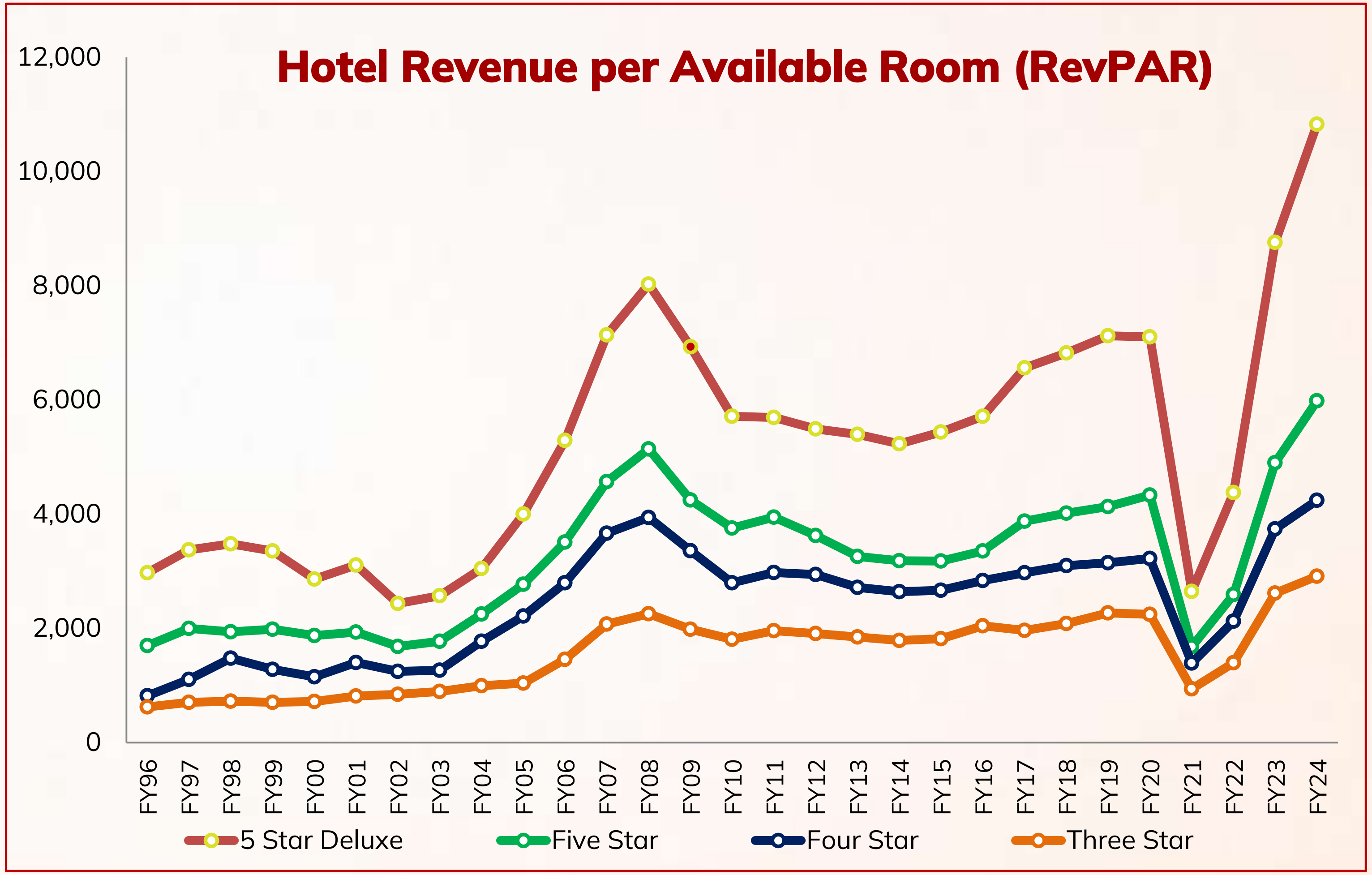
Source: Airports Authority of India. Total includes domestic and international footfalls.

If I start investing now, I can plan for an international trip in the future

Premiumization: Customers prefer premium experiences

With a higher standard of living, the demand for premium hotel accommodation has increased. In recent years, the hotel revenue per available room in India witnessed an upward trend in tandem with the premiumization theme.

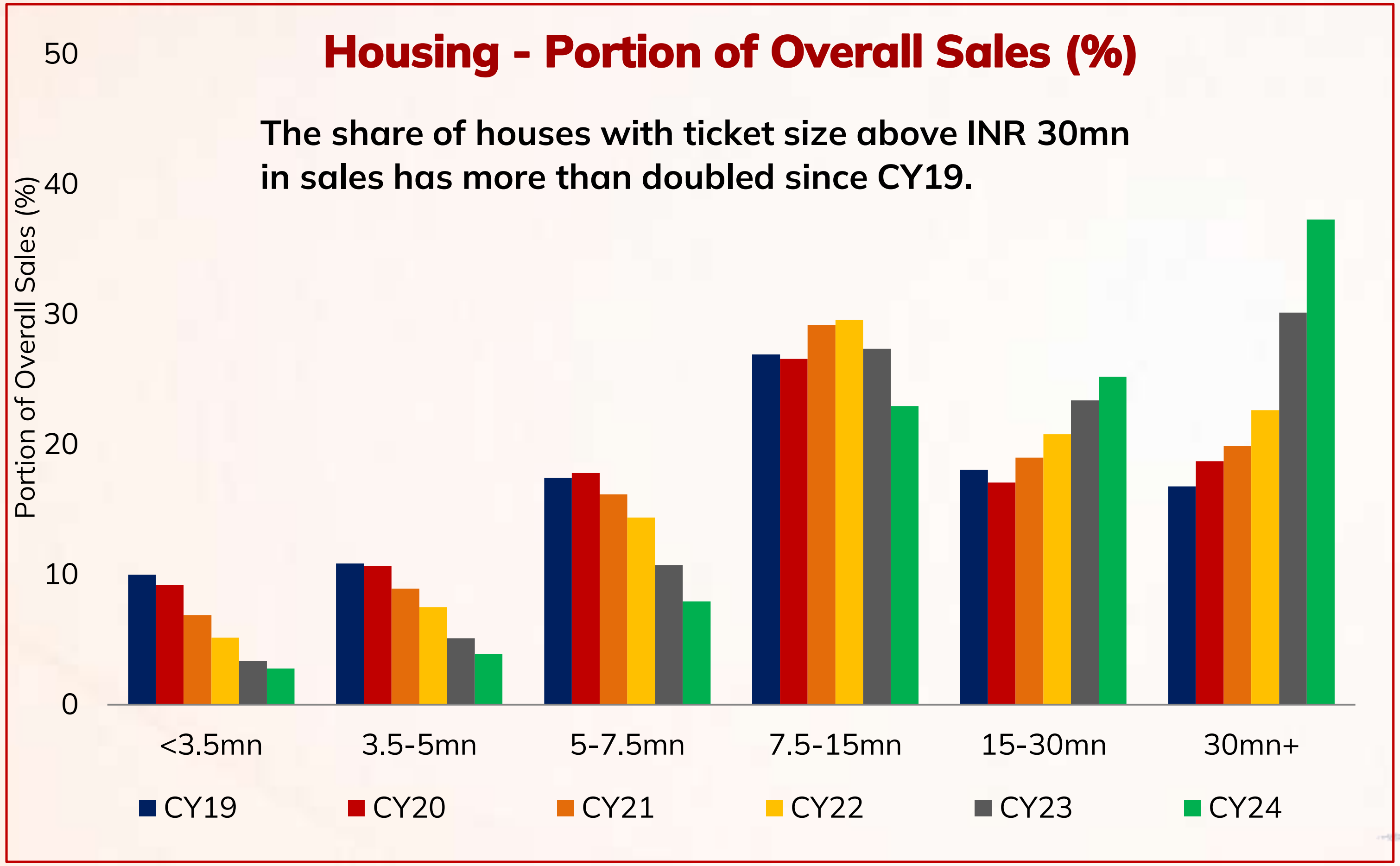


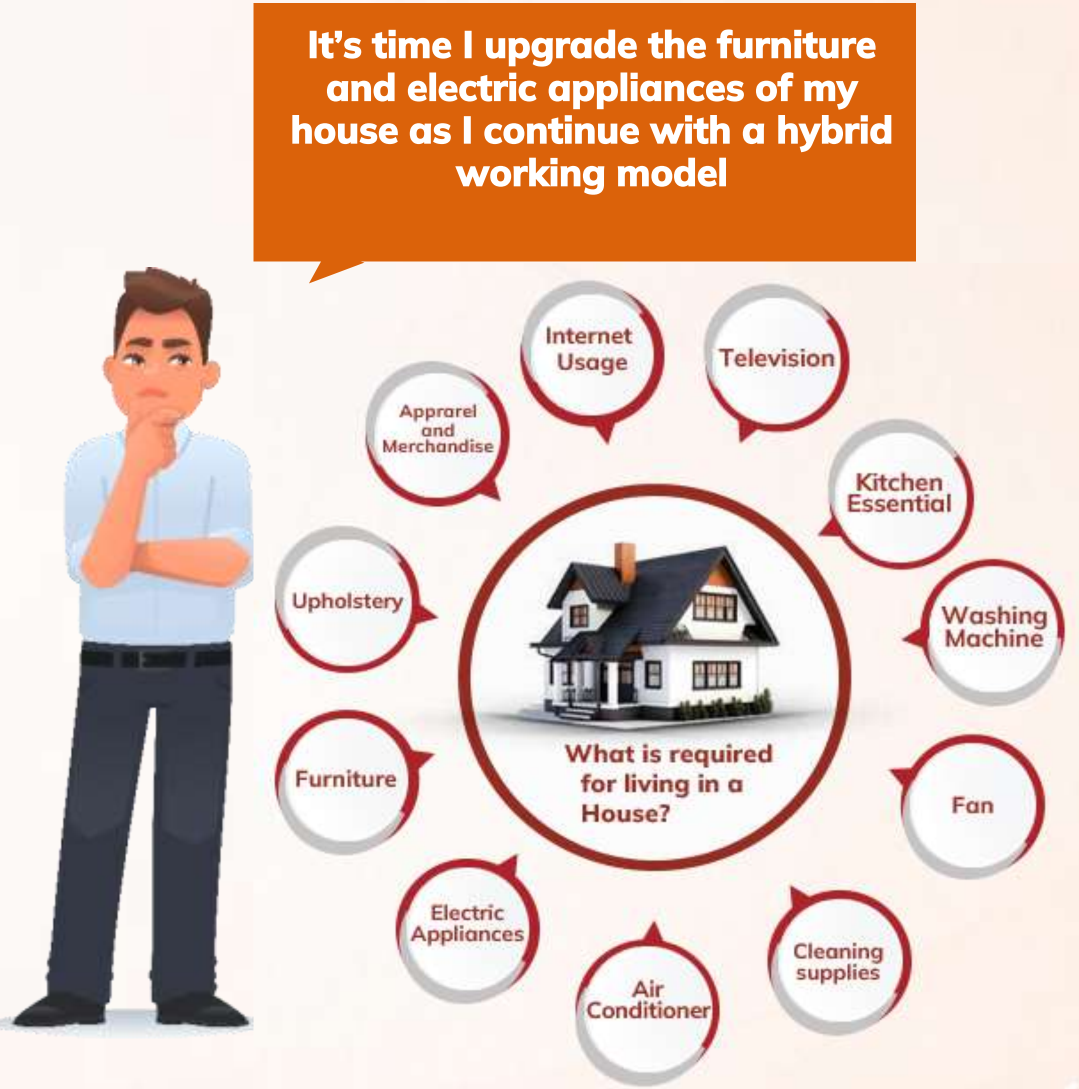


Source: Nuvama Research, Hotelivate. RevPAR: Revenue Per Available Room is a key performance indicator in the hotel industry that measures how well a hotel is generating revenue from available rooms.

Premiumization: With a change in lifestyle, the demand for premium apartments has increased

Demand for luxury housing in India is on the rise on the back of rising disposable income, the need for modern amenities and a refined living experience.

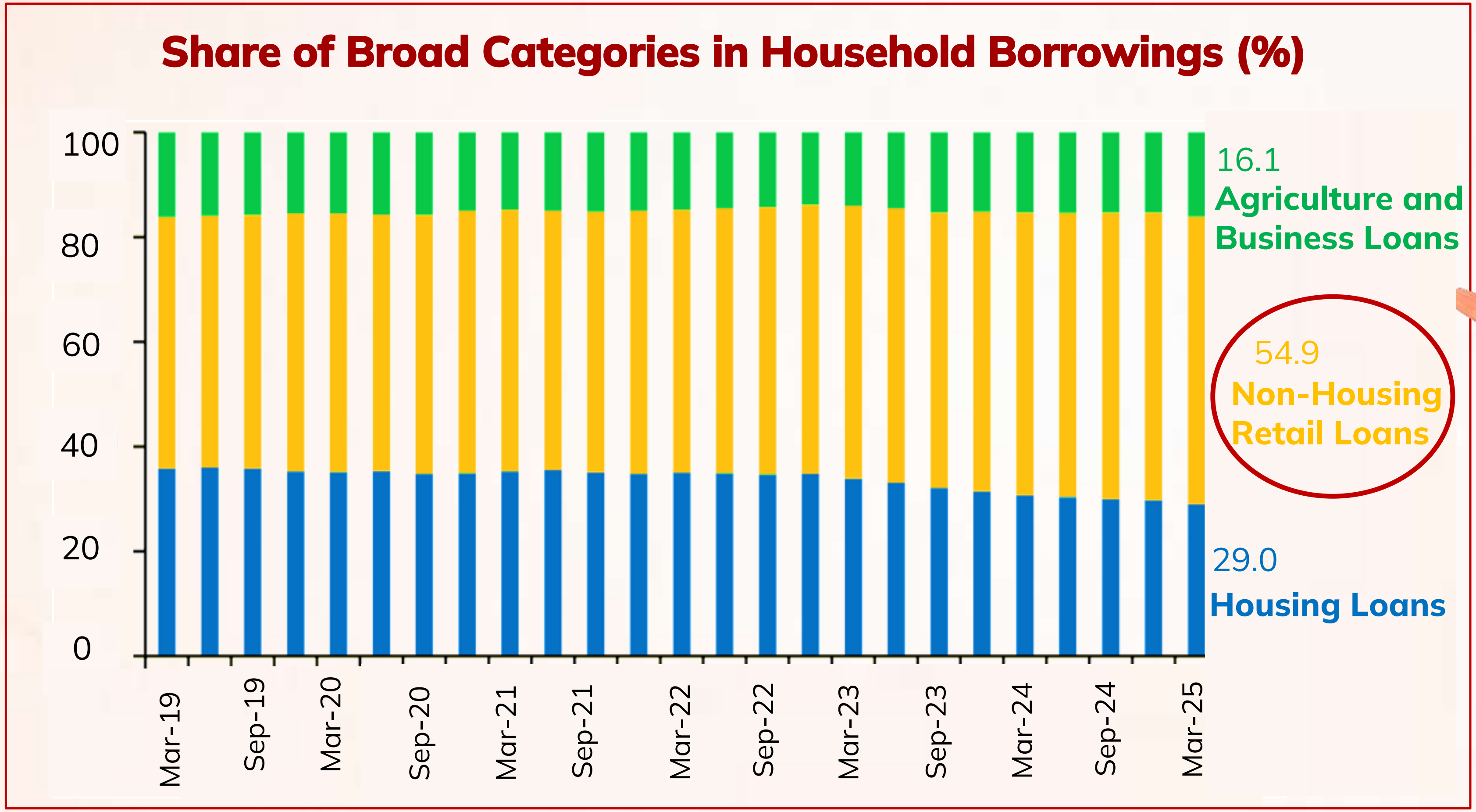


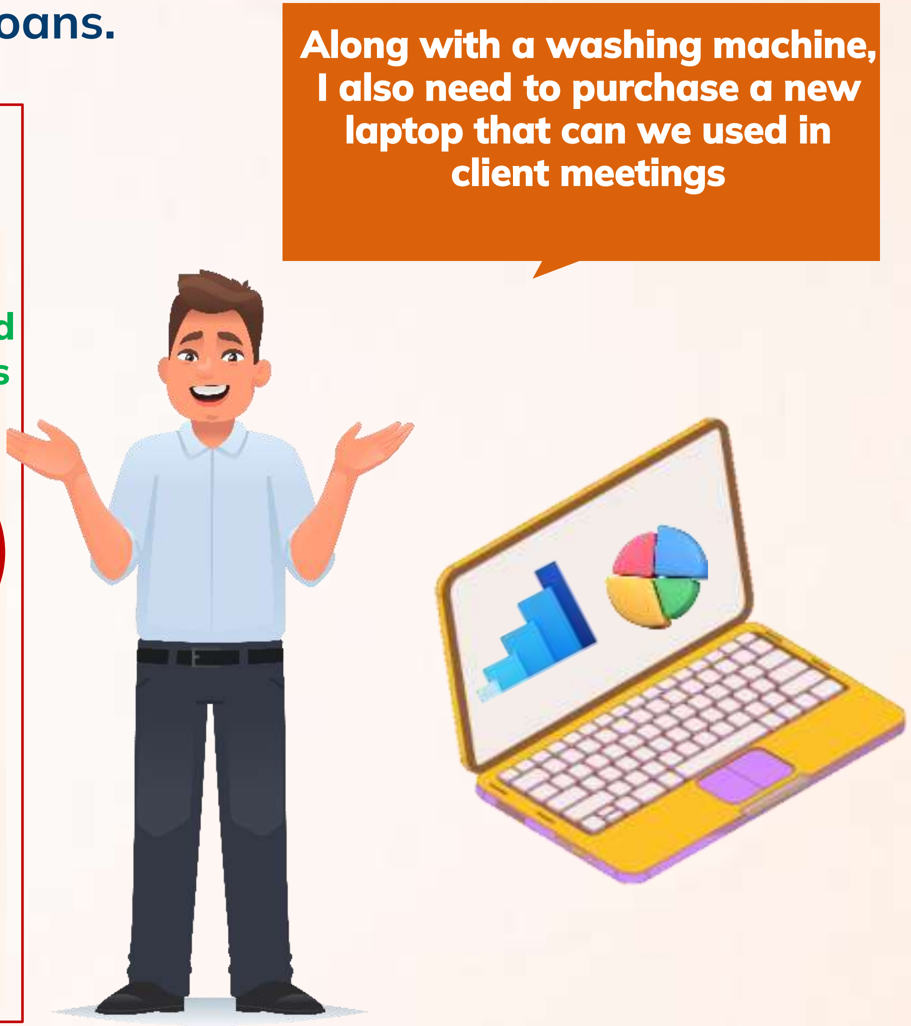


Source: PropEquity, Nuvama Research. Mn: Million. CY: Calendar Year. The above figures on X-axis are in INR Million.

Premiumization: The Growth of Non-Housing Retail Loans

India's Household Sector – As of March 2025, Non-housing retail loans formed 54.9% of the total household debt,* outpacing agriculture, business and housing loans.





Source: Reserve Bank of India Financial Stability Report, June 2025. Non-housing retail loans includes personal loans, credit cards, consumer durable loans and other personal loans.
*Consumer segment loans are used as a proxy for the total household debt and represents about 94% of total household debt as at end-December 2024. Consumer segment loans refer to credit that is extended to individuals in their personal capacity, utilized for either personal or business purposes, and is recorded in the consumer repository of credit bureau(s).

Premiumization: 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
Footwear	Sports Footwear	16.1	Normal Footwear	9.2



Source: CLSA Research. Data for Premium & Normal Products is as on March 2024. Yr: Year. Past performance may or may not sustain in future.

During the day, Raj's relative dropped by his house.

Harsh, my work has finally picked up pace. What about your business?

Government reforms have been a game changer for domestic manufacturing.

I plan to build a new textile factory with upgraded technology!

Harsh Sharma

Age: 40 years

Profession: Textiles Export Business

Income: ₹45 lakh/annum

Aspiration: Buy a Farm House

Hobbies: Reading, Swimming

India's Manufacturing Capabilities have strengthened

Initiatives taken by the Government to support domestic Manufacturing

Make in India

Aims to promote Indian Manufacturing and foster innovation

PLI

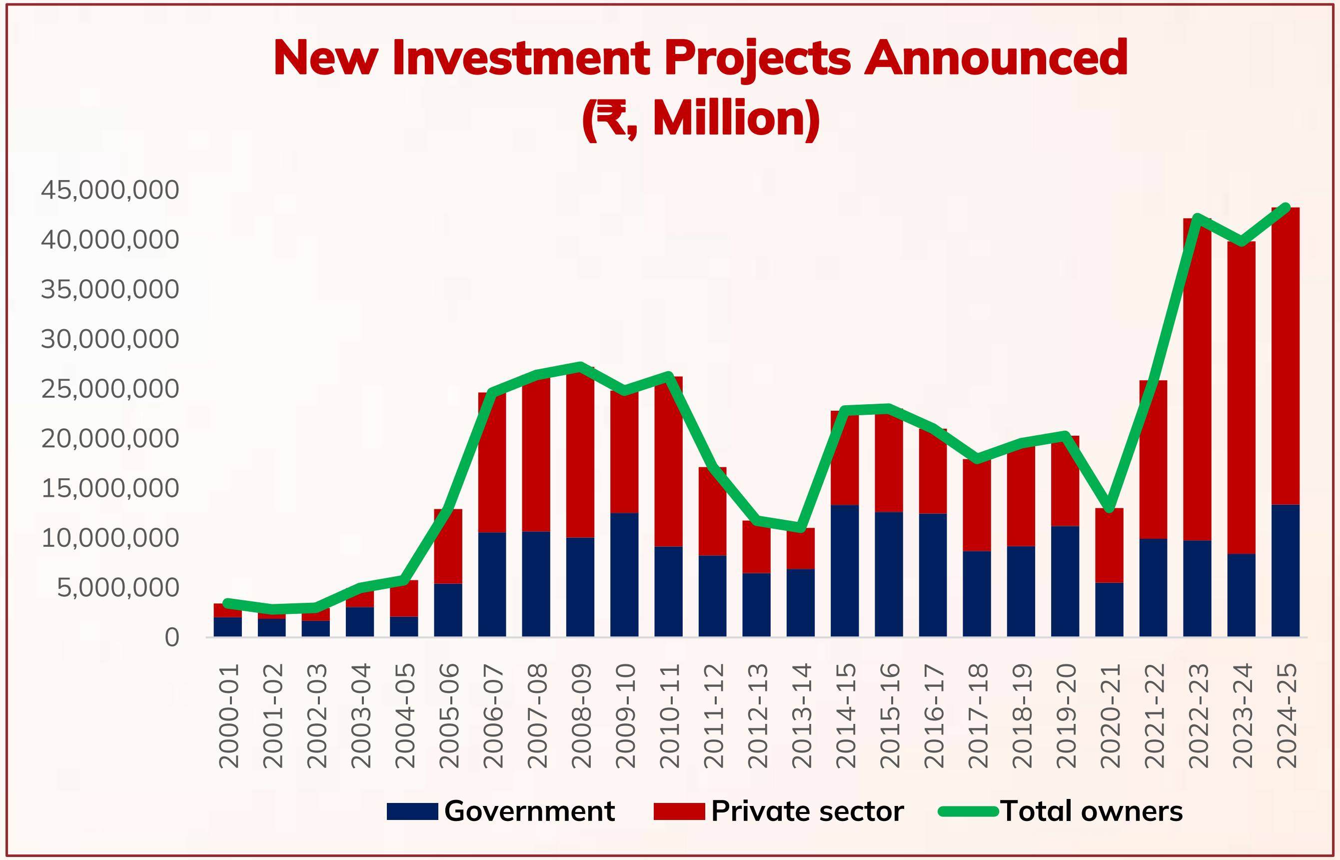
Incentive scheme for key sectors to boost production and exports

National Logistics Policy

Incentive schemes for key sectors to boost production and exports

The PLI Scheme has helped increase production and boost exports

The value of new projects announced, which includes the government and private sector, has more than doubled from ₹20.29 lakh crore in 2019-20 to ₹43.25 lakh crore in 2024-25.



Source: Centre for Monitoring Indian Economy (CMIE). Data as on July 16, 2025. PLI Scheme: Production Linked Incentive Scheme.

Bilateral Trade Talks Would Further Provide An Impetus to Exports

The U.S. and India eye a bilateral trade milestone of $500 billion by 2030, which could boost export competitiveness.

Aims to deepen collaboration across various sectors, such as defence, energy, semiconductors, artificial intelligence (AI), quantum computing and biotechnology.

The trade pact would provide vast opportunities across different sectors

India and the UK have signed a Free Trade Agreement (FTA), targeting to double the current bilateral trade of $60 billion by 2030.

Benefit to India: India will gain from tariff elimination on about 99% of the tariff lines, covering almost the entire trade value with the UK.

Benefit to UK: Indian tariffs on UK products will be slashed, locking in reductions on 90% of the tariff lines.

Absolutely! You can explore new markets and further strengthen your business

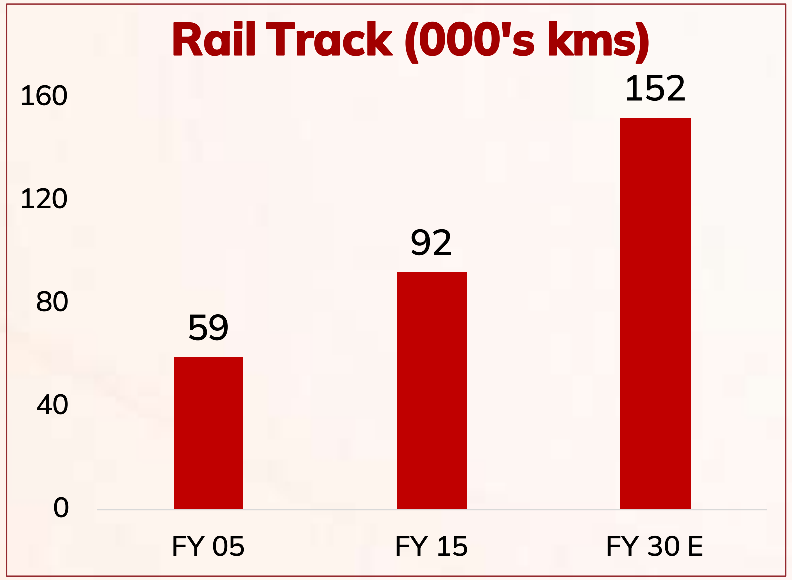
Source: Ministry of Commerce & Industry. U.S.: United States. UK: United Kingdom. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s). The portfolio of the scheme is subject to changes within the provisions of the Scheme Information Document of the Scheme.

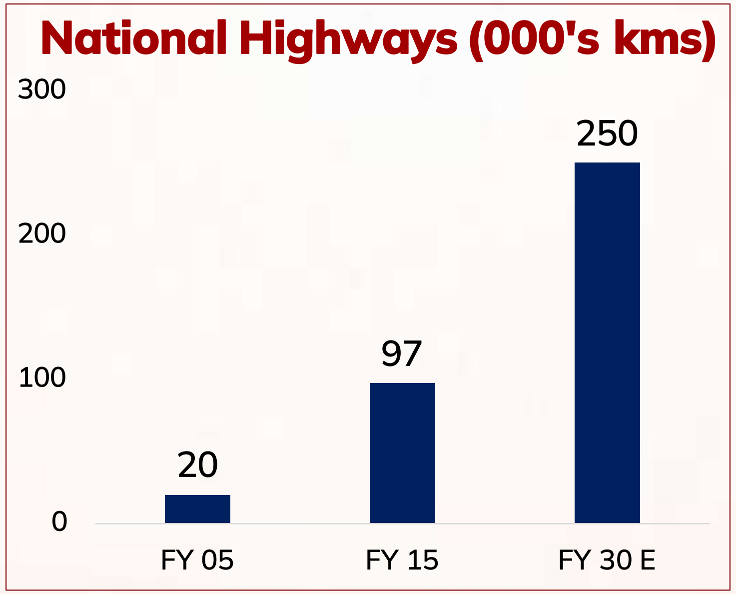
Infrastructure build up augurs well for Economic Activities

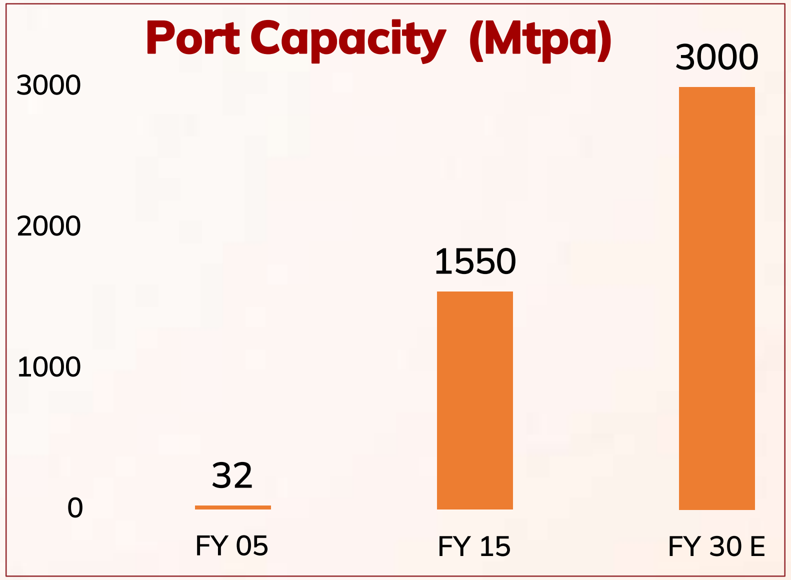
National Infrastructure Pipeline (NIP)
Projected infrastructure investment of around ₹111 lakh crore from FY20 to FY25.

PM Gati Shakti
The government aims to reduce logistics costs from 13%-14% of the GDP to around 8% by 2030.

Infrastructural development would improve logistics efficiency







Source: BoFA Global Research. IBEF. FY: Financial Year, Kms: Kilometers, E: Expectations, GDP: Gross Domestic Product, MTPA: Million Tonnes Per Annum.

Aam Aadmi Ki Kahani

I will have more disposable income due to a lower tax liability

Vegetable prices have now cooled

With a lower interest rate, I can avail a loan to buy consumer durables

I can plan to enhance the furniture and fixtures of my house

Domestic manufacturing has strengthened with the support of Government initiatives

Infrastructure development would facilitate logistics efficiency

With a lower cost of borrowing, I can avail credit to expand my business

The bilateral trade between India and other countries can open doors to new opportunities

The Need to Invest

Since I will have more money in my hands after paying tax, I can invest more to meet my financial goals

Absolutely! With my business doing well, even I have good income to plan for my goal

Please consult your tax advisors for more details.

The Need to Invest

Which schemes should I consider investing in?

Well, equity markets have rallied but valuations are not cheap at these levels.

Hence, you can consider Hybrid Schemes. Since the portfolio is diversified across different asset classes, it would help strike a balance amidst volatile market conditions.

That could be a good strategy to navigate market volatility.

I believe in India's long-term structural story. As a long-term equity investor, you can also consider large cap schemes and equity-oriented schemes with a flexible mandate.

Flexible mandate schemes offer the flexibility to invest across various sectors/themes and market capitalizations.

Scheme Recommendations

Large Cap Category

- ICICI Prudential Large Cap Fund*
- ICICI Prudential Equity Minimum Variance Fund

Hybrid Category

- ICICI Prudential Equity & Debt Fund
- ICICI Prudential Multi-Asset Fund
- ICICI Prudential Balanced Advantage Fund
- ICICI Prudential Asset Allocator Fund (FOF)

Flexible Mandate

- ICICI Prudential Value Fund^
- ICICI Prudential Flexicap Fund
- ICICI Prudential India Opportunities Fund
- ICICI Prudential Business Cycle Fund
- ICICI Prudential Thematic Advantage Fund (FOF)

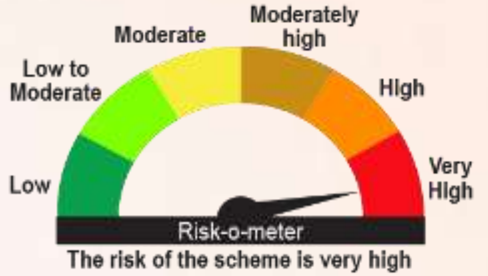
*Erstwhile ICICI Prudential Bluechip Fund
^Erstwhile ICICI Prudential Value Discovery Fund

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

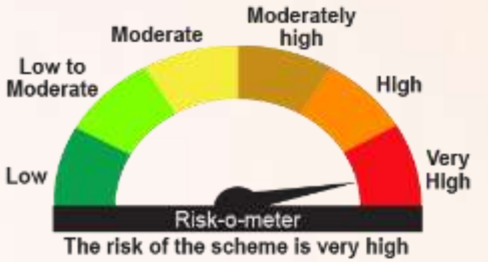
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



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.

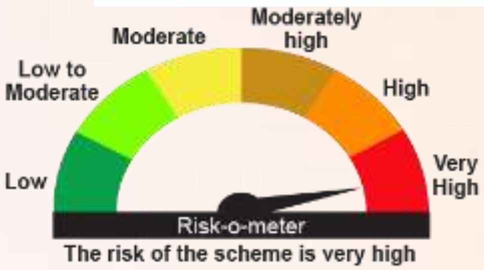
Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. The above riskometers are as on June 30, 2025. Please refer to https://www.icicipruamc.com/news-and-updates/all-news for more details.

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 who are seeking*:

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

*Investors should consult their financial 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

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Riskometers

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

- Long Term Wealth Creation
- An open ended equity scheme following a value investment strategy

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

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.

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Disclaimers

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

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