The Right ALLOCATION To
The Right ASSET At
The Right TIME

ICICI Prudential
Asset Allocator Fund
(An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETFs/ schemes)
Equity Market tends to outperform over a long run. A significant event can trigger volatility in equity market.

Source: BSE India. Price return Variant of the S&P BSE Sensex Index has been considered. Past performance may or may not sustain in future.
Follow the Signals for a Smoother Investment Journey

Return Profile across market cycle

<table>
<thead>
<tr>
<th>Year</th>
<th>Nifty 50 TRI</th>
<th>GSec</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>39</td>
<td>4</td>
</tr>
<tr>
<td>2006</td>
<td>42</td>
<td>5</td>
</tr>
<tr>
<td>2007</td>
<td>57</td>
<td>6</td>
</tr>
<tr>
<td>2008</td>
<td>-51</td>
<td>28</td>
</tr>
<tr>
<td>2009</td>
<td>78</td>
<td>-9</td>
</tr>
<tr>
<td>2010</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td>2011</td>
<td>-24</td>
<td>2</td>
</tr>
<tr>
<td>2012</td>
<td>29</td>
<td>11</td>
</tr>
<tr>
<td>2013</td>
<td>8</td>
<td>-1</td>
</tr>
<tr>
<td>2014</td>
<td>33</td>
<td>14</td>
</tr>
<tr>
<td>2015</td>
<td>-3</td>
<td>7</td>
</tr>
<tr>
<td>2016</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>2017</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>2018</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: MFI explorer, Gsec – 10 year Government Security. Returns in % CAGR terms. The Index variant considered is the total return variant of the Index. Past performance may or may not sustain in future.
Hence… Asset Allocation is Paramount

Allocation towards the right asset class is a key determinant for portfolio performance over a long run.

Greed and Fear: Various Reactions of an Investor

Greed & Fear

Point of Maximum Greed & Risk

EUPHORIA

Thrill - Anxiety - Denial - Fear - Desperation - Panic

For illustrative purpose only.
**Investor Actions During Various Market Cycles**

"Be fearful when others are greedy and be greedy when others are fearful" - Warren Buffet

However, investors often do the reverse. This has been exhibited by the below scenarios:

<table>
<thead>
<tr>
<th>Date</th>
<th>PE Ratio</th>
<th>PB Ratio</th>
<th>Mcap to GDP</th>
<th>DII Flows (Rs. Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-18</td>
<td>23.81</td>
<td>2.92</td>
<td>82%</td>
<td>12,504</td>
</tr>
<tr>
<td>Aug-17</td>
<td>23.12</td>
<td>2.95</td>
<td>80%</td>
<td>16,205</td>
</tr>
<tr>
<td>Sep-17</td>
<td>22.68</td>
<td>2.92</td>
<td>83%</td>
<td>21,026</td>
</tr>
<tr>
<td>Feb-18</td>
<td>22.49</td>
<td>3.12</td>
<td>86%</td>
<td>17,813</td>
</tr>
</tbody>
</table>

**HIGH Valuation**

<table>
<thead>
<tr>
<th>Date</th>
<th>PE Ratio</th>
<th>PB Ratio</th>
<th>Mcap to GDP</th>
<th>DII Flows (Rs. Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-13</td>
<td>15.34</td>
<td>2.25</td>
<td>60%</td>
<td>-9,130</td>
</tr>
<tr>
<td>Sep-12</td>
<td>15.66</td>
<td>2.67</td>
<td>70%</td>
<td>-9,160</td>
</tr>
<tr>
<td>Jan-13</td>
<td>16.3</td>
<td>2.69</td>
<td>70%</td>
<td>-17,542</td>
</tr>
<tr>
<td>Mar-14</td>
<td>16.86</td>
<td>2.39</td>
<td>66%</td>
<td>-13,140</td>
</tr>
</tbody>
</table>

**LOW Valuation**

Source: BSE India, NSE India, Internal. Mcap – Market capitalisation. PE Ratio and PB ratio are of Nifty 50 Index.
So what is the solution to this?

The solution is very simple:
1) “Allocating to right asset at the right time”
2) “Buy low, Sell High” strategy for equity allocation.

Solution may look simple, however the same is difficult to implement and investors frequently end up doing the opposite.

- What is low?
  - What is high?

- When do I enter and exit?

- Should I allocate to equity or debt?

- Can I get more returns? Will I miss the rally if I redeem?

The asset allocation and investment strategy will be as per Scheme Information Document.
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**Challenges: Static v/s Asset Allocation**

- Frequency of re-balancing
- Operational hassles like paper work
- Exit load structure of the scheme
- Taxation on gain on re-balancing
An In house Valuation Model allows “Buying Low and Selling High” strategy while keeping human emotions aside.

- **EQUITY VALUATION GOES UP**
- **REDUCE EQUITY EXPOSURE**
- **EQUITY VALUATION COMES DOWN**
- **INCREASE EQUITY EXPOSURE**

The asset allocation and investment strategy will be as per Scheme Information Document.
Equity valuation index is calculated by assigning equal weights to Price to equity (PE), Price to book (PB), G-Sec*PE and Market Cap to Gross Domestic Product (GDP)

Data as on Jan 31, 2019.
Good things take time to build

It took 20 Years to Build Taj Mahal

• When a model is put to practice for long, then an efficient model gets created.

• Evolution of the model is continuous process – That’s why Experience matters !!!
How to catch a Cricket Ball?

Option: 1

\[ y = (v_0 \sin \theta) \left( \frac{x}{v_0 \cos \theta} \right) - \frac{1}{2} g \left( \frac{x}{v_0 \cos \theta} \right)^2 \]

\[ = (\tan \theta) x - \left( \frac{g}{2(v_0 \cos \theta)^2} \right) x^2 \]

Option: 2

- Fix your gaze on the ball
- Start Running
- Adjust your running Speed so that the angle of gaze remains constant

We tend to Follow a Simple Counter Cyclical Approach: Buy Low & Sell High
A Scheme that Aims to ALLOCATE to the Right ASSETS At the Right TIME

Presenting
ICICI Prudential Asset Allocator Fund
This Scheme aims to capture the optimum allocation of Debt & Equity based on the attractiveness of one asset class over the other.

Allocation between asset classes

- The Scheme will be actively managed by Fund Managers having expertise of equity and debt markets.
- The Scheme allocates between equity and debt mutual fund schemes based on in-house valuation model.

The Right Allocation is not only dependent on Equity Valuation, also considers the opportunities that are available in Debt Market.

The asset allocation and investment strategy will be as per Scheme Information Document.
Why Invest in ICICI Prudential Asset Allocator Fund

- Active Asset Allocation
- Diversification between asset classes
- Periodic review and re-balancing*
- Aim to generate better risk adjusted returns
- Debt taxation with indexation benefits

*Rebalancing will be as per the Scheme Information Document. For more details on tax please consult with your tax advisor.
## Scheme Features

<table>
<thead>
<tr>
<th>Minimum application amount</th>
<th>The minimum application amount for the Scheme is Rs.5,000 (and in multiples of Re. 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entry/ Exit Load</strong></td>
<td>Entry Load – Not applicable</td>
</tr>
<tr>
<td></td>
<td>Exit load –</td>
</tr>
<tr>
<td></td>
<td>• If the amount sought to be redeemed or switched out is invested upto one year from the date of allotment - 1% of applicable NAV</td>
</tr>
<tr>
<td></td>
<td>• If the amount sought to be redeemed or switched out is invested for more than one year from the date of allotment – Nil</td>
</tr>
<tr>
<td><strong>Benchmark</strong></td>
<td>CRISIL Hybrid 50 + 50 - Moderate Index</td>
</tr>
<tr>
<td><strong>Fund Manager</strong></td>
<td>S. Naren &amp; Dharmesh Kakkad (Equity Portion) &amp; Manish Banthia (Debt Portion)</td>
</tr>
<tr>
<td><strong>SIP/STP/SWP</strong></td>
<td>Available</td>
</tr>
</tbody>
</table>

Investors may please note that they will be bearing the recurring expenses of the relevant fund of funds scheme in addition to the expenses of the underlying schemes in which the fund of funds scheme makes investment.
Why Wait?, Invest Now

**FILL**

**PAY**
Cheque in favour of ICICI Prudential Asset Allocator Fund

**SUBMIT**
Official Points of Acceptance of AMC or CAMS

**OR**
INVEST THROUGH IPRUTOUCH – A QUICK & SIMPLE MODE
Riskometer

ICICI Prudential Asset Allocator Fund (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 advisors if in doubt about whether the product is suitable for them.

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

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