

The secret lies in the **technique**

Create wealth by using
a smart investing technique of

- ✓ Right Asset
- ✓ Right Time
- ✓ Right Allocation



Aim to Get Right ALLOCATION to

The Right ASSET at

The Right TIME

ICICI Prudential

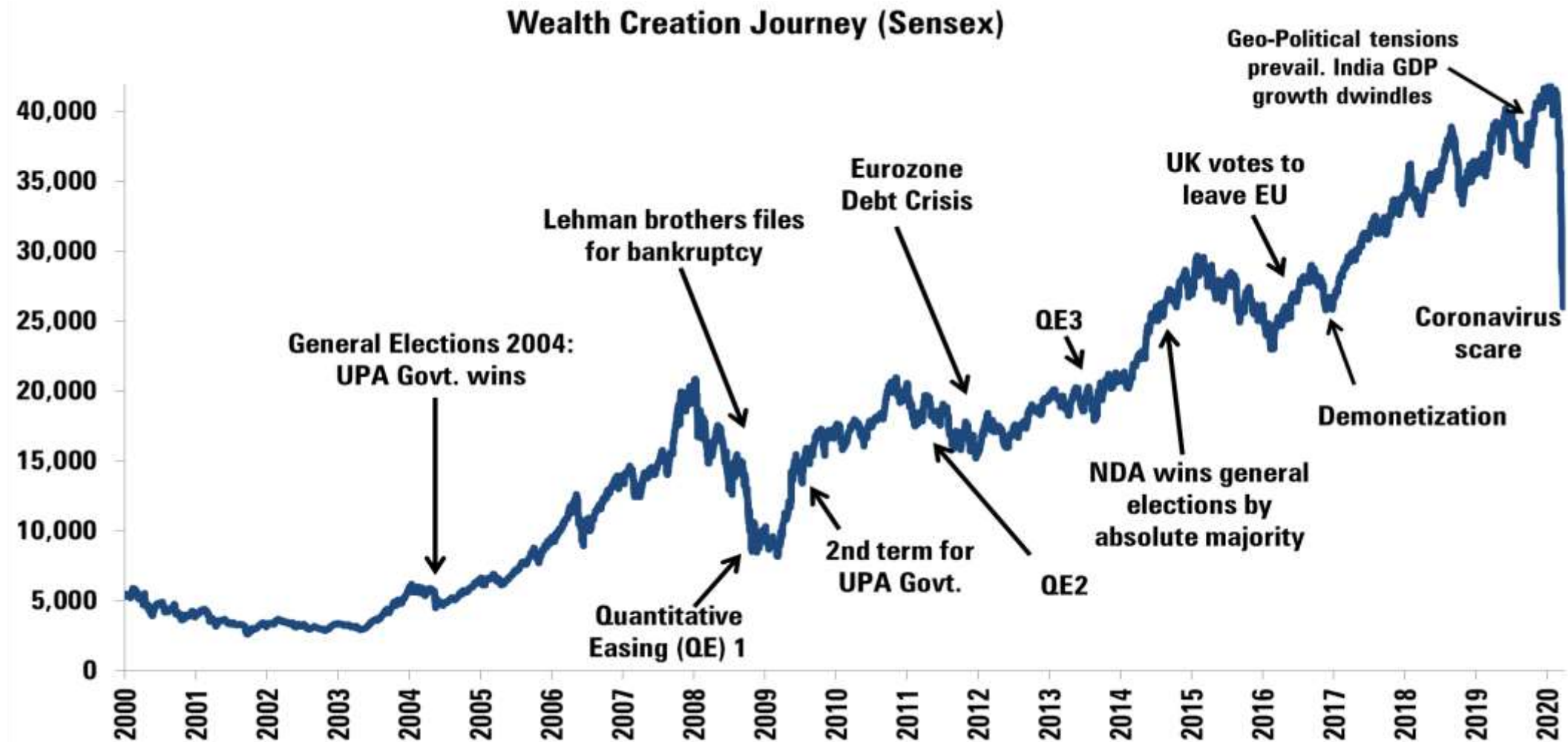
Asset Allocator Fund (FOF)

An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETF/ schemes



TARAKKI KAREIN!

Equity Market tends to outperform over long term. A significant event can trigger volatility in markets





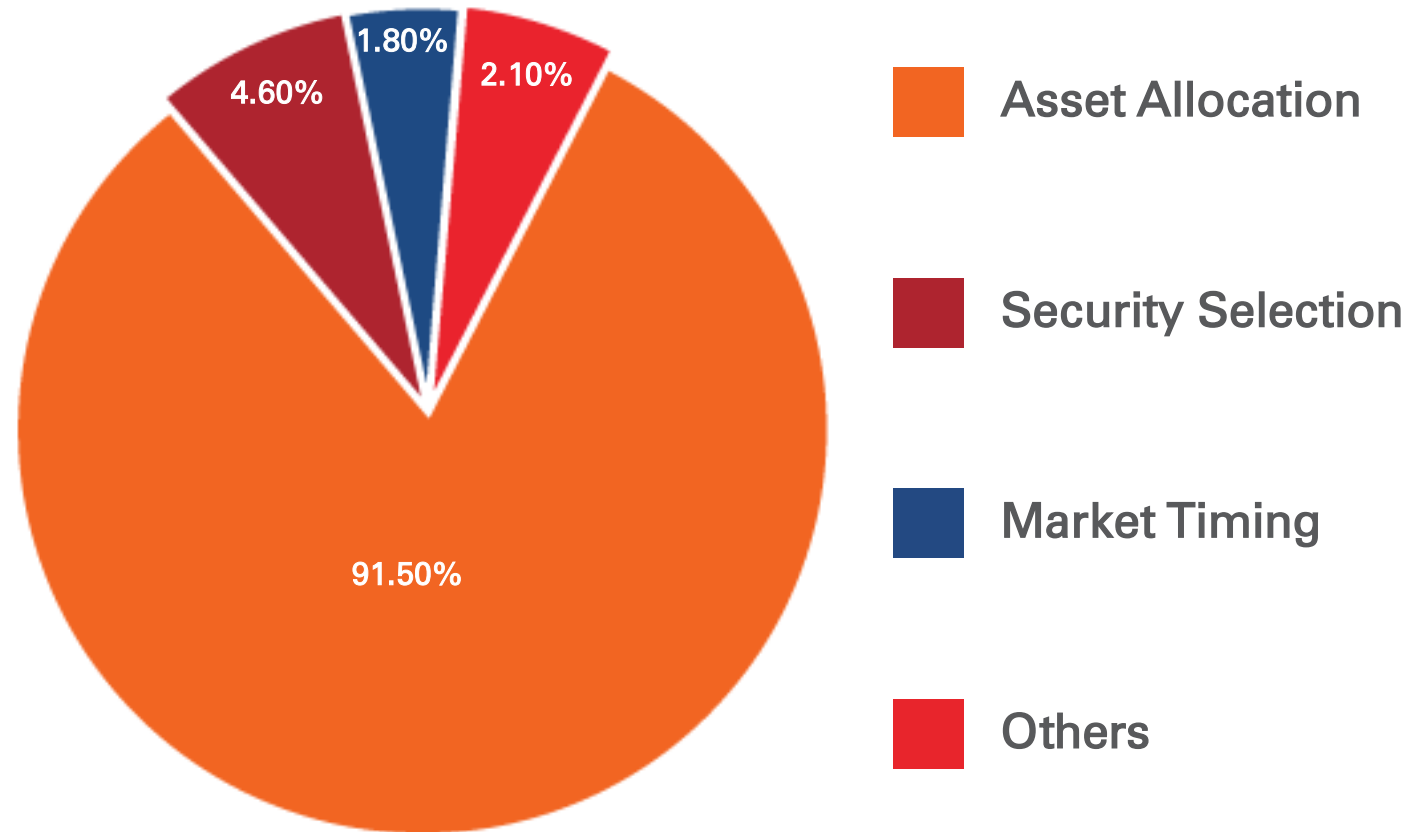
Equity Market return profile across Market Cycles

Year	Equity	G-sec
2006	42%	5%
2007	57%	6%
2008	-51%	28%
2009	78%	-9%
2010	19%	3%
2011	-24%	2%
2012	29%	11%
2013	8%	-1%
2014	33%	14%
2015	-3%	7%
2016	4%	15%
2017	30%	0%
2018	6%	6%
2019	13%	11%
2020	16%	9%

- Winners keep rotating
- Asset classes perform based on the market cycle
- Equity markets tend to perform well during Expansionary phase
- Debt markets tend to perform well during Contractionary phase
- Shift of allocation between asset classes can help ensure a smoother investment journey

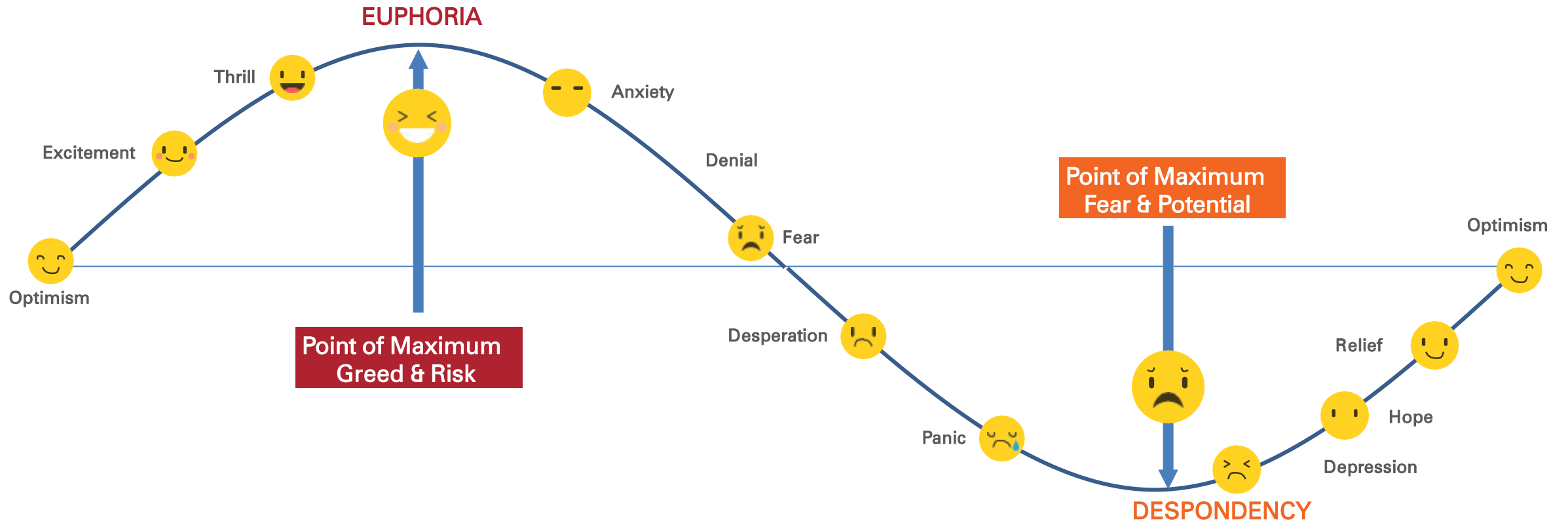


Allocation towards the right asset class is a key determinant for portfolio performance over a long run



Greed and Fear: Various Reactions of an Investor

Greed & Fear



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:

	Date	PE Ratio	PB Ratio	Mcap to GDP	DII Flows (Rs. Crores)
HIGH Valuation	Sep-18	23.81	2.92	82%	12,504
	Aug-17	23.12	2.95	80%	16,205
	Sep-17	22.68	2.92	83%	21,026
	Feb-18	22.49	3.12	86%	17,813

	Date	PE Ratio	PB Ratio	Mcap to GDP	DII Flows (Rs. Crores)
LOW Valuation	Sep-13	15.34	2.25	60%	-9,130
	Sep-12	15.66	2.67	70%	-9,160
	Jan-13	16.3	2.69	70%	-17,542
	Mar-14	16.86	2.39	66%	-13,140

Source: BSE India., NSE India, PE – Price to Earnings Ratio, PB – Price to Book Ratio, MCAP – Market Cap, GDP – Gross Domestic Product, DII – Domestic Institutional Investors

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.



Challenges: Static v/s Asset Allocation



Frequency of re-balancing



Operational hassles like paper work and limited man-power



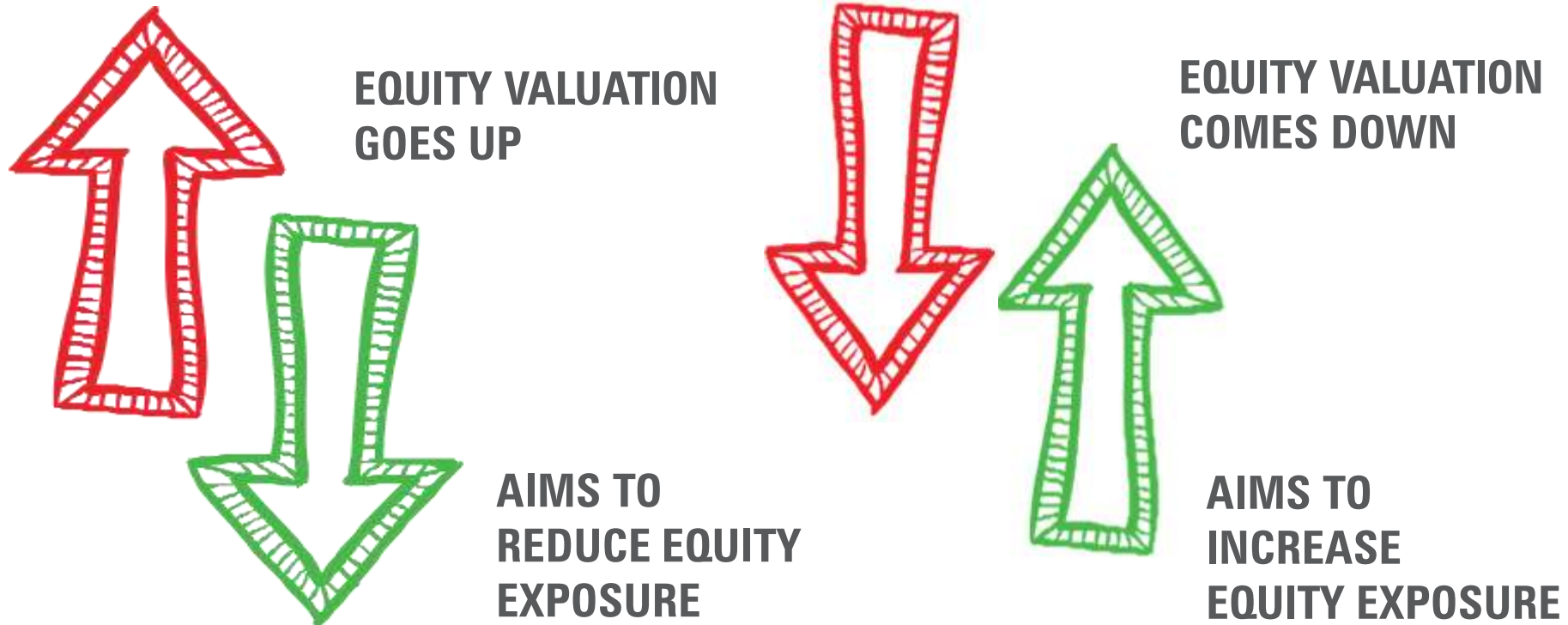
Exit load structure of the scheme



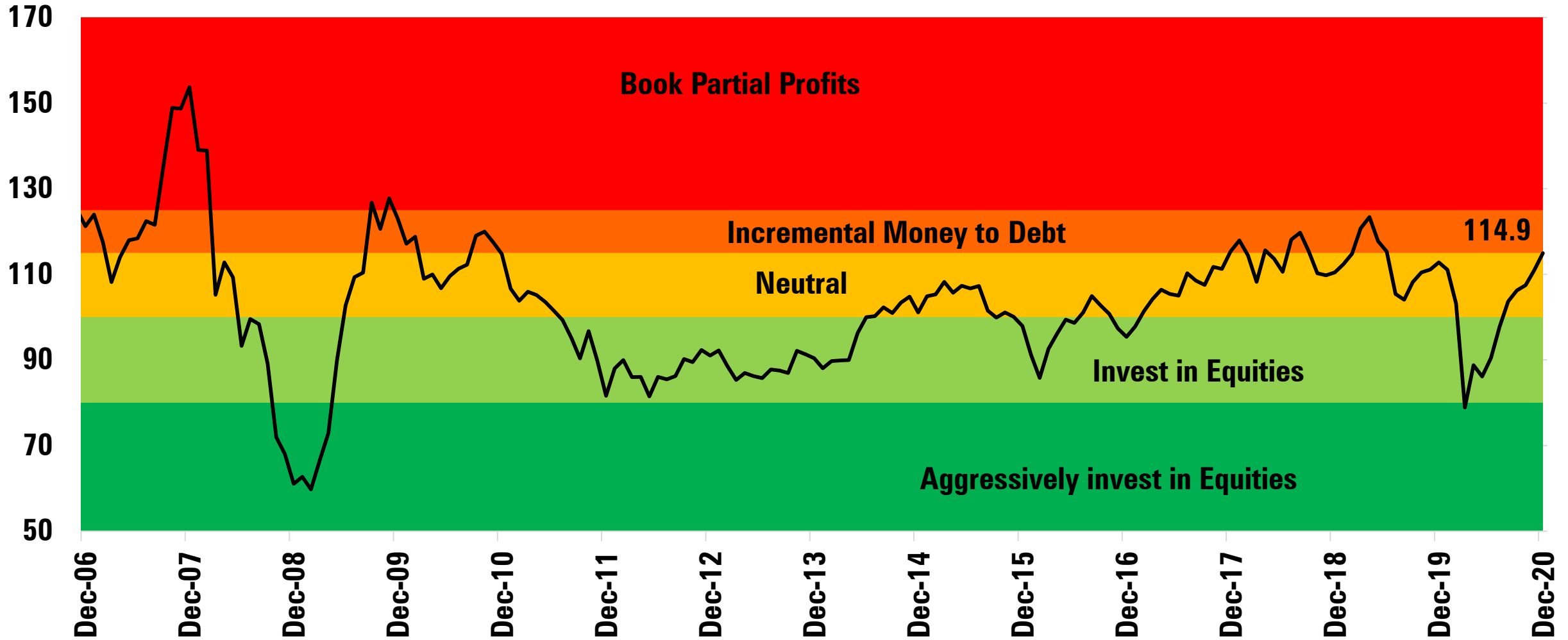
Taxation on gain on re-balancing



An In house Market Valuation Model follows “Buying Low and Selling High” strategy while keeping human emotions aside



In House Equity Valuation Index



Equity Valuation index is calculated by assigning equal weights to Price-to-Earnings (PE), Price-to-Book (PB), G-Sec*PE and Market Cap to GDP ratio. G-Sec – Government Securities. GDP – Gross Domestic Product, Data as December 31, 2020

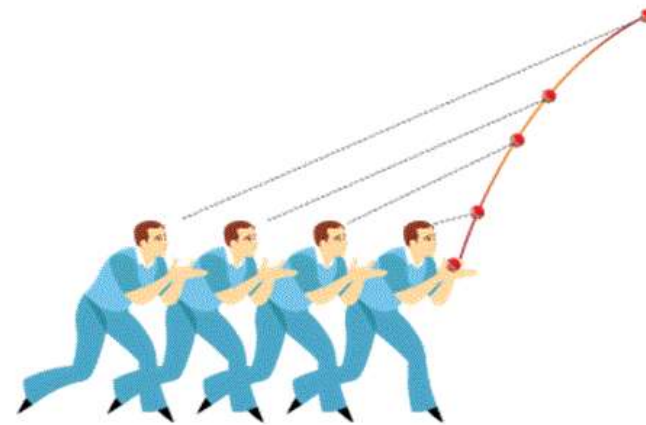
How to catch a Cricket Ball ?

Option: 1

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

???

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 Model:
Buy Low & Sell High Strategy**

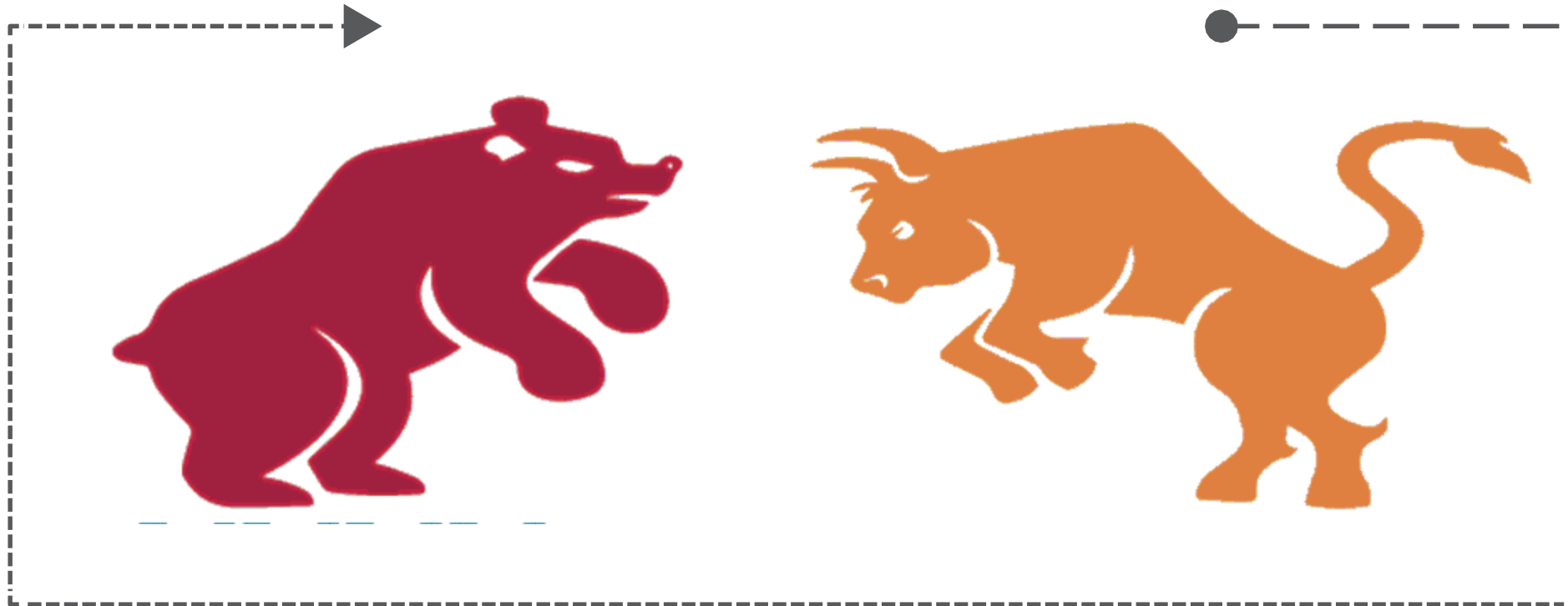
A Scheme that aims to ALLOCATE to the Right ASSETS at the Right TIME



**ICICI
PRUDENTIAL
MUTUAL FUND**
TARAKKI KAREINI

Presenting

ICICI Prudential Asset Allocator Fund (FOF)



Allocation between EQUITY & DEBT at the Right TIME



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 predominantly 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.



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

Portfolio Allocation



Scheme Name	Type	Holding (%)
ICICI Prudential Value Discovery Fund	Equity	14.73%
ICICI Prudential Bluechip Fund	Equity	13.67%
ICICI Prudential Multicap Fund	Equity	10.23%
ICICI Prudential India Opportunities Fund	Equity	4.75%
ICICI Prudential Large & Midcap Fund	Equity	0.98%
ICICI Prudential Infrastructure Fund	Equity	0.23%
ICICI Prudential Overnight Fund	Debt	12.85%
ICICI Prudential All Seasons Bond Fund	Debt	11.62%
ICICI Prudential Floating Interest Fund	Debt	10.06%
ICICI Prudential Banking & PSU Debt Fund	Debt	4.65%
ICICI Prudential Gilt Fund	Debt	4.29%
ICICI Prudential Bond Fund	Debt	2.00%
ICICI Prudential Gold ETF	Gold	6.76%

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 as on 31, December, 2020
 Past performance may or may not be sustained in future. The asset allocation and investment strategy will be as per Scheme Information Document. Please refer to the SID for investment pattern, strategy and risk factors..The investment in the underlying schemes is in the Direct Option and remaining allocation is towards Short Term Debt and net current assets'
 The schemes mentioned above do not constitute any recommendation and ICICI Prudential Asset Allocator Fund (FOF) may or may not have any future position in the above schemes.



Minimum application amount	The minimum application amount for the Scheme is Rs.5,000 (and in multiples of Re. 1)
Entry/ Exit Load	<p>Entry Load – Not applicable</p> <p>Exit Load :</p> <p>If units purchased or switched in from another scheme of the Fund are redeemed or switched out upto 10% of the units purchased or switched within 1 year from the date of allotment – Nil</p> <p>If units purchased or switched in from another scheme of the Fund are redeemed or switched out More than 10% of units within 1 Year from the date of allotment - 1% of the applicable NAV</p> <p>If units purchased or switched in from another scheme of the Fund are redeemed or switched out after 1 Year from the date of allotment – Nil</p>
Benchmark	CRISIL Hybrid 50 + 50 – Moderate Index
Fund Manager	S. Naren, Dharmesh Kakkad (Equity Portion) & Manish Banthia (Debt Portion)
SIP/STP/SWP	Available



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

The Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. Please refer <https://www.icicipruamc.com/news-and-updates/all-news> for more details



RISKOMETER

Investors understand that their principal will be at high risk

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

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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.