

# ICICI Prudential Medium Term Bond Fund

(Erstwhile ICICI Prudential Corporate Bond Fund)

An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years. The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation.



## Looking for the right investment for the medium term?

### ABOUT THE SCHEME

Launched on September 15, 2004, ICICI Prudential Medium Term Bond Fund is an open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years. The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation. The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price

The scheme focuses on accrual income by endeavouring to invest into medium-term debt instruments available at a spread over current market yields.

The scheme aims to generate higher carry (interest income) along with due emphasis on credit quality and liquidity.

The scheme intends to generate income through investments in a range of debt and money market instruments while maintaining the optimum balance of yield, safety and liquidity.

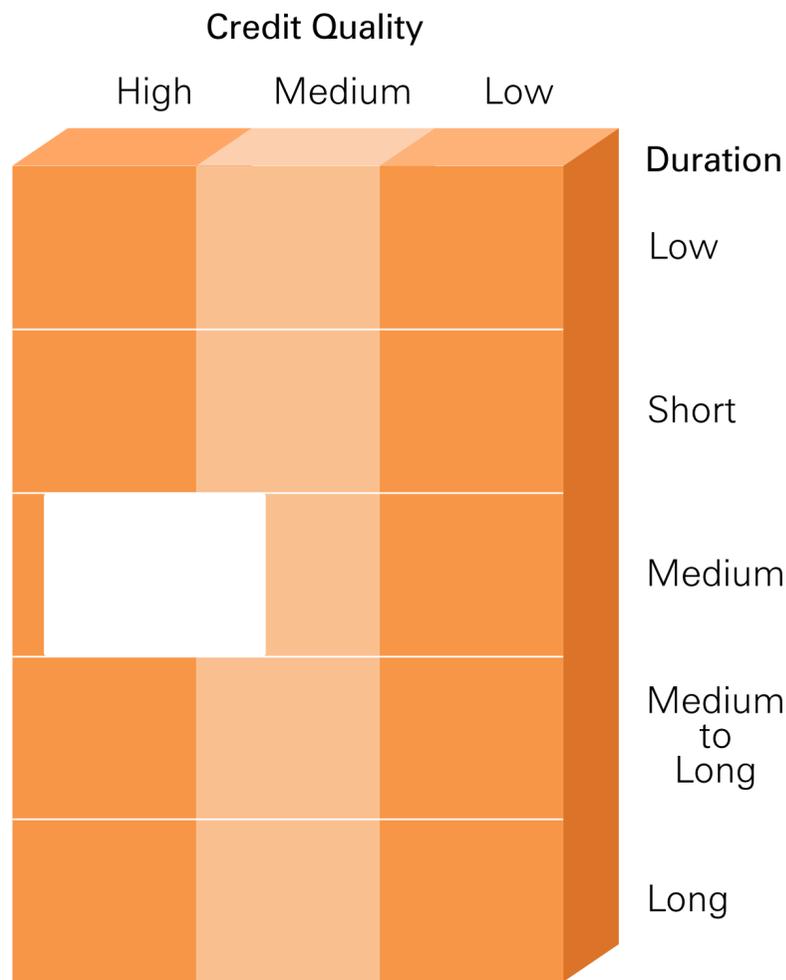
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## Investment Style



## CURRENT INVESTMENT STRATEGY

### Instrument profile

The scheme seeks to invest mainly in debt securities issued by corporate. The scheme endeavours to restrict G-Sec allocation with an aim to limit volatility in the scheme.

### Credit risk management

The scheme proposes to invest in debt instruments of good credit quality. It would maintain a balanced exposure to securities across credits predominantly between AAA to AA-.

### Security selection

The scheme seeks to invest in securities that offer reasonable levels of yield at commensurate risks.

### Duration management

Although active trading and active duration management will not be a part of the overall investment strategy, the Macaulay duration is expected to be approximately in the range of 3-4 years.

### Hold till maturity

The scheme aims to generate accrual income by investing in corporate bonds primarily with hold till maturity approach.

### Total return bias

The scheme aims to benefit from accruals and capital gains from moderate duration calls.

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## Investment Approach

Hold Till Maturity approach with focus on accruals

Total Return Bias -Accruals plus Capital Gains

Static Duration Management in 3-4 years range

## WHY ICICI PRUDENTIAL MEDIUM TERM BOND FUND?

The scheme aims to provide benefits of both worlds; Accrual & Duration. It aims to maintain reasonable Yield to Maturity (YTM) and a moderate duration.

It maintains a fair balance between the two and aims to generate returns in both market conditions—rising as well as falling interest rates.

Investors who have moderate-risk appetite and wish to invest in corporate bonds with an aim to earn returns predominantly through accruals and partly from potential capital appreciation may consider investing in this scheme.

## FEATURES OF THE SCHEME

Type of Scheme	An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years. The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation.
Plans	ICICI Prudential Medium Term Bond Fund and ICICI Prudential Medium Term Bond Fund – Direct Plan
Options	Growth and Dividend ( Quarterly, Half Yearly and Annual frequencies) (Dividend payout* and re-investment facility available)
Minimum Application Amount	Rs.5,000 (plus in multiples of Re.1)
Minimum Additional Application Amount	Rs.1,000 (plus in multiples of Re.1)
Minimum Redemption Amount	Rs.500 or all units where amount is below Rs.500
Entry Load	Not Applicable
Exit Load	If units purchased or Switched in from another scheme of the fund are redeemed or switched out upto 10% of the units(the limit) purchased or switched within 1 year from the date of allotment – Nil If units purchased or Switched in from another scheme of the fund are redeemed or switched out in excess of the limit within 1 year from the date of allotment – 1% of the applicable NAV 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
Fund Manager	Manish Banthia (Managing this scheme since Nov 2016, has 13 years of experience) Akhil Kakkar (Managing this scheme since Jun 2017, has 10 years of experience)
Benchmark Index	CRISIL Medium Term Debt Index
SIP / SWP/ STP (Flex/Value)	Available

\* For investments made under Dividend payout option, the minimum amount for dividend payout shall be Rs.100 (net of dividend distribution tax and other statutory levy, if any), else the dividend would be mandatorily reinvested.

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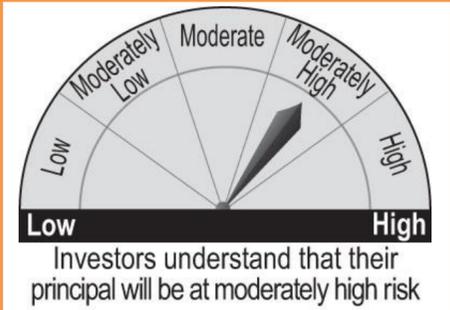
An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years. The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation.



## This product is suitable for investors who are seeking\*:

- Medium term savings
- A debt scheme that invests in debt and money market instruments with a view to maximise income while maintaining optimum balance of yield, safety and liquidity.

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



## STATUTORY DETAILS

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

In the preparation of the material contained in this document, ICICI Prudential Asset Management Company Limited (the AMC) has used information that is publicly available, including information developed in-house. Some of the material used in the document may have been obtained from members/persons other than the AMC and/or its affiliates and which may have been made available to the AMC and/or to its affiliates. Information gathered and material used in this document is believed to be from reliable sources. The AMC, however, does not warrant the accuracy, reasonableness and / or completeness of any information. We have included statements in this document, which contain words, or phrases such as "will", "expect", "should", "believe" and similar expressions or variations of such expressions that are "forward looking statements". Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and / or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, etc. The AMC (including its affiliates), the Mutual Fund, the trust and any of its officers, directors, personnel and employees, shall not be liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner. The recipient alone shall be fully responsible/are liable for any decision taken based on this material. All figures and other data given in this document are dated and the same may or may not be relevant in future. Investors are advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of ICICI Prudential Mutual Fund.