Date: April 18, 2018

Dear Investor,

We thank you for your investments in **ICICI Prudential Dynamic Plan** (the Scheme).

We continue on our journey of striving to bridge the gap between savings and investments to help create long term wealth and value for our investors. In this regard, we are proposing to make change/(s) in type of scheme, investment objective, asset allocation, investment strategy and Benchmark of the Scheme. As an investor in the scheme, we would like to share with you the change/(s) so that you can take an appropriate and informed decision.

The proposed changes are as follows:

<table>
<tr><th></th><th>Existing Features</th><th>Revised Features</th></tr>
<tr><td>Change in name</td><td>ICICI Prudential Dynamic Plan</td><td>ICICI Prudential Multi-Asset Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open Ended Diversified Equity Fund</td><td>An open ended scheme investing in Equity, Debt, Gold/Gold ETF/units of REITs & InvITs and such other asset classes as may be permitted from time to time.</td></tr>
<tr><td>Investment objective</td><td>To generate capital appreciation by actively investing in equity and equity related securities. For defensive considerations, the Scheme may invest in debt, money market instruments and derivatives. The investment manager will have the discretion to take aggressive asset calls i.e. by staying 100% invested in equity market/equity related instruments at a given point of time and 0% at another, in which case, the fund may be invested in debt related instruments at its discretion. The AMC may choose to churn the portfolio of the Scheme in order to achieve the investment objective. The Scheme is suitable for investors seeking high returns and for those who are willing to take commensurate risks.</td><td>To generate capital appreciation and income for investors by investing across asset classes.

However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.</td></tr>
<tr><td>Asset Allocation</td><td>
<table>
<tr><th>Instruments</th><th>Allocation (%)</th><th>Risk Profile</th></tr>
<tr><td>Equities & Equity related securities</td><td>0 – 100%</td><td>Medium to High</td></tr>
<tr><td>Debt securities* & Money Market instruments & Cash</td><td>0 – 100%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs &InvITs</td><td>0 – 10%</td><td>Medium to High</td></tr>
</table>
*Note: Investment in securitised debt not exceeding 15% of the corpus of the Scheme.

The above percentages would be adhered to at the point of investment in a stock. The portfolio would be reviewed quarterly to address any deviations from the aforementioned allocations due to market changes.</td><td>
<table>
<tr><th>Instruments</th><th>Allocation (%)</th><th>Risk Profile</th></tr>
<tr><td>Equity & Equity related instruments</td><td>10 – 80%</td><td>Medium to High</td></tr>
<tr><td>Debt and Money Market instruments</td><td>10 – 80%</td><td>Low to Medium</td></tr>
<tr><td>Gold /Gold ETF/Units of REITs & INVITs/ such other asset classes as may be permitted by SEBI from time to time #</td><td>10 – 80%</td><td>Medium to High</td></tr>
</table>
The Scheme may also take exposure to:

Derivatives instruments up to 100% of the Net Assets.
ADR/GDR/Foreign securities/Overseas ETFs
</td></tr>
</table>

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Corporate Identity Number: U99999DL1993PLC054135
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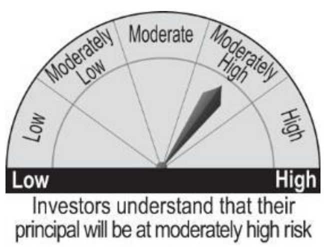
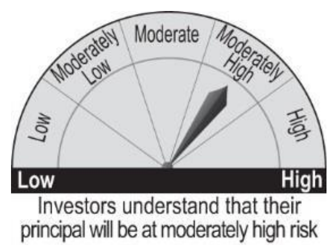
	The Cumulative Gross Exposure to Equity, Debt, Derivatives Positions, REITs and InvITs will not exceed 100% of the Net Assets of the Scheme.	up to 50% of the Net Assets. Investments in ADR/GDR and foreign securities would be as per SEBI Circular dated September 26, 2007 as may be amended from time to time. • Securitised Debt up to 15% of the Net Assets or maximum permissible limit for debt portfolio, whichever is lower. • Stock lending up to 50% of its net assets. The Scheme shall also not lend more than 5% of its net assets to any single counter party. #subject to applicable SEBI limits. The Cumulative Gross Exposure across various asset classes will not exceed 100% of the Net Assets of the Scheme. In the event of variance in the asset allocation, the fund manager will carry out portfolio rebalancing within 30 Days. Further, in case the portfolio is not rebalanced within the period of 30 days, justification for the same shall be placed before the investment committee and reasons for the same shall be recorded in writing. The investment committee shall then decide on the course of action.
Investment Strategy	The Scheme proposes to invest primarily in equities and for defensive consideration in a mix of equity and/or fixed income securities including money market instruments with the aim of generating capital appreciation. With this aim the Investment Manager will allocate the assets of the Scheme between equity and/or fixed income securities. The actual percentage of investment in equities and fixed income securities will be decided after considering the prevailing market conditions, the macro economic environment (including interest rates and inflation), the performance of the corporate sector, the equity markets and general liquidity and other considerations in the economy and markets. The AMC may choose to continuously churn the portfolio of the Scheme in order to achieve the investment objective. This Scheme will trade actively in the capital market. The AMC will have the discretion to take aggressive asset calls i.e. by staying 100% invested in equity market/equity related instruments at a given point of time and 0% at another, in which case, the Scheme may be invested in debt related instruments at its discretion. Given the nature of the Scheme, the portfolio turnover ratio could be very high and AMC may change the full portfolio from say all Equity to all Cash and/ or to all Long /short term Bonds, commensurate with the investment objectives of the Scheme. Fixed Income securities	The Scheme proposes to invest across asset classes, in line with the asset allocation mentioned in the SID, with the aim of generating capital appreciation. With this aim the Investment Manager will allocate the assets of the Scheme between Equity, Debt, Gold/Gold ETF/commodities and units of REITs & InvITs. The actual percentage of investment in the asset class will be decided after considering the prevailing market conditions, the macro-economic environment (including interest rates and inflation), the performance of the corporate sector, the equity markets and general liquidity and other considerations in the economy and markets. The AMC may choose to continuously churn the portfolio of the Scheme in order to achieve the investment objective. The AMC will have the discretion to take aggressive asset calls i.e. by staying 80% in an asset class and 10% at another or as per the view of the fund manager. Given the nature of the Scheme, the portfolio turnover ratio could be very high and AMC may change the full portfolio, commensurate with the investment objectives of the Scheme. The Scheme proposes to take long term call on stocks, which in an opinion of the Fund Manager offer better return over a long period. In stocks selection process, the AMC proposes to consider stocks with long-term growth prospects but currently trading at modest relative valuations.

	The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks rigorous in depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC. The credit evaluation includes a study of the operating environment of the issuer, the short as well as long-term financial health of the issuer. Rated debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided by the ratings of such Rating Agencies as approved by SEBI to carry out the functioning of rating agencies. In case a debt instrument is not rated, such investments shall be made by an internal committee constituted by AMC to approve the investment in un-rated debt securities in terms of the parameters approved by the Board of Trustees and the Board of Asset Management Company. In addition, the investment team of the AMC will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same. The Schemes could invest in Fixed Income Securities issued by government, quasi government entities, corporate issuers, structured notes and multilateral agencies in line with the investment objectives of the Scheme and as permitted by SEBI from time to time.	The Scheme proposes to concentrate on business and economic fundamentals driven by in-depth research techniques, employing strong stock selection. Stock-picking process proposed to be adopted is generally a “bottom-up” approach, seeking to identify companies with above-average profitability supported by sustainable competitive advantages and also to use a “top-down” discipline for risk control by ensuring representation of companies from various industries In case of Debt and Money Market securities, the scheme aims to identify securities which offer optimal level of yields/returns, considering risk-reward ratio. With the aim of controlling risks rigorous in depth credit evaluation of the securities proposed to be invested in will be carried out by the Risk Management team of the AMC. The credit evaluation includes a study of the operating environment of the issuer, the short as well as long-term financial health of the issuer. The AMC may consider the ratings of such Rating Agencies as approved by SEBI to carry out the functioning of rating agencies. In addition, the investment team of the AMC will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same. The Schemes could invest in Fixed Income Securities issued by government, quasi government entities, corporate issuers, structured notes and multilateral agencies in line with the investment objectives of the Scheme and as permitted by SEBI from time to time. The scheme will also invest in the appropriate commodity or gold or gold ETF in order to achieve the investment objective. The scheme may also invest in Units issued by REITs & InvITs after doing due research on the same. Further, the Scheme may invest in other schemes managed by the AMC or in the Schemes of any other Mutual Funds, provided it is in conformity with the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments. The Scheme may use derivative instruments like Interest Rate Swaps, Interest Rate Futures, Forward Rate Agreements or other derivative instruments for the purpose of hedging, portfolio

		balancing and other purposes, as permitted under the Regulations. Hedging using Interest Rate Futures could be perfect or imperfect, subject to applicable regulations. Usage of derivatives may expose the Scheme to certain risks inherent to such derivatives. It may also invest in securitized debt. For the present, the Scheme does not intend to enter into underwriting obligations. However, if the Scheme does enter into an underwriting agreement, it would do so with the prior approval of the Board of the AMC/Trustee.
Benchmark	Nifty 50 Index	Nifty 50 - 80%, CRISIL Liquid Fund Index - 10%, LBMA AM Fixing prices - 10%
Product labeling and Riskometer	This product is suitable for investors who are seeking*: • Long term wealth creation solution • A diversified equity fund that aims for growth by investing in equity and debt (for defensive considerations)  *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	This product is suitable for investors who are seeking*: • Long term wealth creation • An open ended scheme investing in at least three asset classes with minimum allocation of 10% to each asset class.  *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

<u>**Risk Factors with respect to imperfect hedging using Interest Rate Futures**</u>

The scheme may use various derivative instruments and techniques, permitted within SEBI Regulation from time to time. Usage of derivative may expose the scheme to certain risks inherent to such derivatives.

Derivative products are specialized instruments and can provide disproportionate gains as well as disproportionate losses to the investors. Execution of such strategies depends upon the ability of the Fund Manager to identify such opportunities. Identification and execution of such strategies involves uncertainty and the decision of the Fund Manager may not always be profitable. No assurance can be given that the Fund Manager will be able to identify or execute such strategies. The risk associated with the use of derivatives is different from or possibly greater than the risk associated with investing directly in securities and other traditional investments. The use of derivative requires an understanding not only of the underlying instrument but also of the derivative itself.

An Interest Rate Futures is an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today. Interest Rate Futures are Exchange traded. These future contracts are cash settled.

1. Perfect Hedging means hedging the underlying using IRF contract of same underlying.
2. Imperfect hedging means the underlying being hedged and the IRF contract has correlation of closing prices of more than 90%.
In case of imperfect hedging, the portfolio can be a mix of:
1) Corporate Bonds and Government securities or
2) Only Corporate debt securities or
3) Only government securities with different maturities

Risk associated with imperfect hedging includes:

Basis Risk: The risk arises when the price movements in derivative instrument used to hedge the underlying assets does not match the price movements of the underlying assets being hedged. Such difference may potentially amplify the gains or losses, thus adding risk to the position.

Price Risk: The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Risk of mismatch between the instruments: The risk arises if there is a mismatch between the prices movements in derivative instrument used to hedge, compared to the price movement of the underlying assets being hedged. For example when IRF which has government security as underlying is used, to hedge a portfolio that contains corporate debt securities.

Correlation weakening and consequent risk of regulatory breach: SEBI Regulation mandates minimum correlation criterion of 0.9 (calculated on a 90 day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 working days has been permitted. Inability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

Exposure limit for participating in Interest Rate Futures

In addition to the existing provisions of SEBI circular No.IMD/DF/11/2010 dated August 18, 2010, the following are prescribed:

i. To reduce interest rate risk in a debt portfolio, mutual funds may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{\text{(Portfolio Modified Duration * Market Value of the Portfolio)}}{\text{(Futures Modified Duration * Future Price/ PAR)}}$$

ii. In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

iii. Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:

a) Exposure to IRFs is created only for hedging the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

b) Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio (excluding the hedged portions, if any) and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 3 of SEBI circular dated August 18, 2010. The correlation should be calculated for a period of last 90 days.

Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:
i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or
ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of

the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.

c) At no point of time, the net modified duration of part of the portfolio being hedged should be negative.

d) The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of Para 3 of SEBI circular dated August 18, 2010.

iv. The basic characteristics of the scheme should not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.
Explanation: In case of long term bond fund, after hedging the portfolio based on the modified duration of the portfolio, the net modified duration should not be less than the minimum modified duration of the portfolio as required to consider the fund as a long term bond fund.

v. The interest rate hedging of the portfolio should be in the interest of the investors.

Illustration for Imperfect Hedging

Scenario 1 and 2

Assumption: Portfolio whose duration is 3 years, is being hedged with an IRF whose underlying securities duration is 10 years
Portfolio Duration: 3 year
Market Value of Portfolio: Rs 100 cr
Imperfect Hedging cannot exceed 20% of Portfolio

Maximum extent of short position that may be taken in IRFs is as per below mentioned formula:
Portfolio (security) Modified Duration * Market Value of Portfolio (security) / (Futures Modified Duration * Futures Price/PAR)

Consider that we choose to hedge 20% of portfolio
(3 * (0.2 * 100))/(10 * 100/100) = Rs 6 cr

So we must Sell Rs 6 cr of IRF with underlying duration of 10 years to hedge Rs 20 cr of Portfolio with duration of 3 years.

Scenario 1
If the yield curve moves in a way that the 3 year moves up by 10 bps and the 10 year moves up by 5bps, which means that the short end has moved up more than the long end

Amount of Security in Portfolio (LONG): Rs 20cr
If yields move up buy 10 bps then the price of the security with a modified duration of 3 years will move down by;
Formula: (Yield movement * Duration) * Portfolio Value
((0.001 * 3) * 20,00,00,000)= - 6,00,000

Underlying IRF (SHORT): Rs 6crs
If yields move up buy 5bps then the price of the security with a duration of 10 years will move down by;
Formula: (Yield movement * Duration) * Portfolio Value
(-0.0005*10) * 6,00,00,000 = 3,00,000

Since we have sold the IRF, this movement is positive and hence the total loss will be reduced to:
-6,00,000 + 3,00,000= -3,00,000

Due to IRF, the overall impact on the portfolio due to interest rate movement has been reduced.

Scenario 2

If the yield curve moves in a way that the 3 year does not move and the 10 year moves down by 5 bps, which means that the yield curve has flattened.

If yield does not move then the price of the security with a duration of 3 years will remain flat:
Formula: (Yield movement * Duration) * Portfolio Value
(0*3) * 20,00,00,000 = 0

Underlying IRF (SHORT): Rs 6cr

If yields moves down by 5bps then the price of the security with a duration of 10 years will move up by;
(0.0005*10) * 6,00,00,000 = -3,00,000

In this scenario, the imperfect hedge created on the portfolio would create a loss on the total position.

Investors may please refer SID of the Scheme for existing risk factors.

A notice-cum-addendum detailing all the modifications is also available on the AMC's website i.e. www.icicipruamc.com.

While the Board of Trustees of ICICI Prudential Mutual Fund has approved the above change, we would request you to note that the aforesaid changes constitutes change in the fundamental attributes of the Scheme and requires compliance with Regulation 18(15A) of Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 (the Regulations) and pursuant to provisions of SEBI Circular Nos. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017 and SEBI/HO/IMD/DF3/CIR/P/2017/126 dated December 4, 2017.

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 the existing unitholders (i.e. whose names appear in the register of unitholders as on close of business hours on April 18, 2018) under the Schemes are hereby given an option to exit, i.e. either redeem their investments or switch their investments to any other schemes of ICICI Prudential Mutual Fund , within 31 days (at least 30 days) exit period starting from April 25, 2018 till May 25, 2018 (both days inclusive and upto 3.00 pm on May 25, 2018) at Applicable NAV, without payment of any exit load. The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption/switch request at any Official Point of Acceptance of the Fund. For list of Official Points of Acceptance, please visit our website. In case any existing Unit holder has not received an Exit Option Letter, they are advised to contact any of our Investor Service Centres. Unitholders who do not exercise the exit option by 3.00 pm on May 25, 2018 would be deemed to have consented to the proposed modification. It may also be noted that no action is required in case Unitholders are in agreement with the aforesaid changes, which shall be deemed as consent being given by them for the proposed changes. Kindly note that an offer to exit is merely optional and is not compulsory.

All the valid applications for redemptions/switch received under the Schemes shall be processed at Applicable NAV of the day of receipt of such redemption/switch request, without payment of any exit load, provided the same is received during the exit period mentioned above. Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges/encumbrances prior to the submission of redemption/switch requests. Unitholders should ensure that their change in address or bank details are updated in records of ICICI Prudential Mutual Fund as required by them, prior to exercising the exit option for redemption of units. Unit holders holding Units in dematerialized form may approach their Depository Participant for such changes. In case units have been frozen/locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze/lock order is vacated/revoked within the period specified above. The redemption proceeds shall be dispatched within 10 (ten) business days of receipt of valid redemption request to those unitholders who choose to exercise their exit option. Redemption/switch of units from the scheme, during the exit period, may entail capital gain/loss in the hands of the unitholder. Similarly, in case of NRI investors, TDS shall be deducted in accordance with the applicable Tax laws, upon exercise of exit option and the same would be required to be borne by such investor only. In view of individual nature of tax implications, unitholders are advised to consult their tax advisors.

The updated SID & KIM of the Schemes containing the revised provisions shall be made available with our Investor Service Centres and also displayed on the website immediately after completion of duration of exit option.

We hope that you will provide us your support; in case of any queries you can reach our call centre on 18002006666/1800222999. We assure you that the proposed change is in line with our best endeavors to serve you better.

We shall continue to work towards your investment success and keep you updated on our views in the future.

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