

# ICICI Prudential PMS Small Cap Portfolio

"A series under "The Focused Portfolio"

## Portfolio Commentary

- S&P BSE Sensex and Nifty 50 rose 5.60% and 4.72%, respectively, in January 2018.
- The domestic market rose sharply after the Central Government reduced its additional borrowing plan for the current fiscal by Rs 300 billion to Rs 200 billion, the GST Council reduced the tax rates on 29 goods and 53 categories of services, and GST tax collections gathered momentum in December 2017. The release of upbeat domestic industrial production figures for November 2017 and the Economic Survey's strong growth projections was positive for the market. Sentiments were boosted further after the International Monetary Fund (IMF) said India will regain the title of the world's fastest growing major economy in 2018-19.
- Sustained inflows by domestic and foreign investors into domestic equities coupled with some encouraging domestic corporate earnings induced more buying. Encouraging global cues including end of the US Government shutdown, upbeat US private sector jobs data and China's good economic growth numbers also augured well for the local indices.
- Most S&P BSE sectoral indices ended higher in January 2018. S&P BSE IT index was the top performer - up around 11.3% owing to encouraging earning numbers from some of the index majors. Banking stocks rallied amid reports that the Government is considering raising the foreign investment ceiling in private banks to 100% and in public sector lenders to 49%. Buying in the metal counters continued amid rise in global metal prices. S&P BSE Auto index was among the laggards falling by 3.01%.
- ICICI Prudential PMS Smallcap Portfolio has outperformed its benchmark S&P BSE Smallcap Index in the previous month.

# ICICI Prudential PMS Small Cap Portfolio

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## Investment Philosophy

A concentrated portfolio which aims to provide long-term capital appreciation and generate returns by taking meaningful stake in small cap companies enjoying some economic moat or undergoing special situations or in the midst of unfavourable business cycle. Typically, such companies are smaller or out of favour but have the potential to become large because of various dynamics like strong/upcoming business line, quality management, improving margins etc. and offer significant potential for returns.

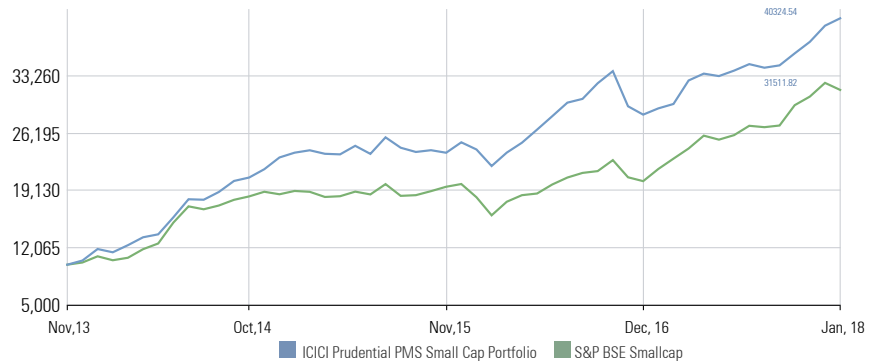
## Snapshot

Portfolio Manager Name Aditya Sood  
Inception Date 01 Nov 2013

Trailing Returns (31 Jan 2018)	Portfolio	Index
1 Month	2.30	-2.67
3 Months	11.99	6.34
6 Months	16.26	16.30
1 Year	37.92	44.69
2 Year	29.14	31.22
3 Years	19.24	18.22
4 Years	36.77	31.48
5 Years	-	-
10 Years	-	-
15 Years	-	-
YTD	2.30	-2.67
Since Inception**	38.84	30.99

Past performance may or may not be sustained in future and is no guarantee of future results.

## Growth of ₹ 10,000



## Calendar Returns 31 Jan 2018

Returns	YTD	2017	2016	2015	2014
ICICI Prudential PMS Small Cap Portfolio	2.30	38.45	13.60	8.04	94.48
S&P BSE Smallcap	-2.67	59.64	1.77	6.76	69.24

Past performance may or may not be sustained in future and is no guarantee of future results.

## Financial Year End Performance

01 Apr 17	01 Apr 16	01 Apr 15	01 Apr 14
31 Dec 17	31 Mar 17	31 Mar 16	31 Mar 15
20.63	37.32	0.62	76.84

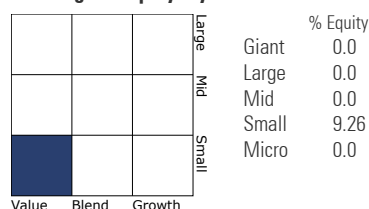
## Quarterly Returns

%	1st qtr	2nd qtr	3rd qtr	4th qtr
2017	14.77	3.71	1.90	14.15
2016	-5.05	18.83	14.35	-11.95
2015	1.95	-0.04	1.00	4.97
2014	12.12	35.00	12.47	14.24

## Portfolio 31 Jan 2018

Portfolio Holding* (Top 20)	% Weight	Market Value (mil)
Orient Electric Limited	33.18	0.33
JMC Projects (India) Ltd	9.26	0.09

## Morningstar Equity Style Box™



## Sector Weightings

Sector	% Equity
Cyclical	0.00
Basic Materials	-
Consumer Cyclical	-
Financial Services	-
Real Estate	-
Sensitive	0.00
Communication Services	-
Energy	-
Industrials	-
Technology	-
Defensive	0.00
Consumer Defensive	-
Healthcare	-
Utilities	-

## Risk Profile 31 Jan 2018

	Portfolio	Benchmark
Return	19.24	18.22
Std Dev	17	17.75
Downside Deviation	10.66	11.77
Alpha	4.12	-
Beta	0.76	-
R2	67.48	-
Sharpe Ratio	0.93	0.82
Tracking Error	10.32	-

Based on 3yr performance.

## Portfolio Statistics 31 Jan 2018

P/E Ratio (TTM)	-
P/B Ratio (TTM)	-
P/S Ratio (TTM)	-
P/C Ratio (TTM)	-

## Asset Allocation

	% Long	% Short	% Net
Equity	42.43	0.00	42.43
Bond	0.00	0.00	0.00
Cash	57.57	0.00	57.57
Other	0.00	0.00	0.00

\*\*Since inception return is the return of the oldest client of the portfolio. Further, the portfolio value is re-based as and when applicable.

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## Disclosures

### Investment Philosophy

It is the investment philosophy of the portfolio. It is very similar data point than Investment Criteria.

### Quarterly Returns

Total returns calculated for calendar quarters.

### Standard Deviation

Standard deviation of portfolio's return measures how much a portfolio's total returns have fluctuated in the past. The more the portfolio's returns fluctuate, the riskier the portfolio is likely to be. Portfolios that have been more volatile in the past tend to be more volatile in the future as well.

### Downside Deviation

Calculated much like standard deviation, downside deviation focuses on the variation of returns below a specific threshold. It ignores upside variation because it adds value to the overall return and investors shouldn't be concerned about it.

### R2

A measure of the percentage of portfolio's movement that can be accounted for by changes in its benchmark index. An R-squared of 100 indicates that a portfolio's movement is perfectly correlated with its benchmark.

### Alpha

It is the amount by which a portfolio has out-performed its benchmark, taking into account the portfolio's exposure to market risk (as measured by Beta). Alpha is also known as the residual return.

### Beta

A measure of a portfolio's sensitivity to market movements. The beta of the market is 1.00 by definition. A beta of 1.10 shows that the portfolio has performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant.

### Sharpe Ratio

This is a measure of risk-adjusted return calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance.

### Tracking Error

This indicates the volatility of the difference in returns between a portfolio and its benchmark. Also known as active risk. In the context of a passively-managed portfolio, tracking error describes how well the portfolio has tracked its benchmark.

### P/E Ratio

It compares how the market values a company to the company's earnings. It can be either historic earnings or projected earnings. It is calculated as current share price divided by earnings. A higher P/E typically indicates that investors expect to see strong growth in the company.

### P/B Ratio

It compares how the market values a company to the value on the company's books. It is calculated as current share price divided by book value per share. A company trading at several times its book value tends to indicate a growth stock where investors believe the book value will rise in the future.

### P/S Ratio

This is an indicator of the value placed on company's sales/revenue. It is calculated either by dividing the company's market capitalization by its total sales over a 12-month period, or on a per-share basis by dividing the stock price by sales per share for a 12-month period.

### P/C Ratio

A financial ratio calculated as current share price divided by cash flow per share - where cash flow is the spending and receiving of cash in a business. This indicates the value that the market has assigned to every that flows through the company.

### Morningstar Equity Style Box

It is a graphical depiction of an equity portfolio's dominant investment style at a given point in time. The Style Box combines two dimensions: size (large shares, medium-sized shares, small shares) and valuation (growth, blend, value), resulting in nine possible style combinations. The Style Box gives an immediate picture of a portfolio's focus and enables investors to perform simple but essential portfolio allocation decisions.

### Sector Weightings

It shows sectoral breakup of the portfolio on two levels. At 1st level is Morningstar defined super sectors i.e. Cyclical, Defensive and Sensitive, which classifies industries based on their level of sensitivity to economic cycles. At 2nd level industries are classified in to 11 sectors, as defined by Morningstar, based on the products / services they offer.

## Disclaimer

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