

# ICICI Prudential Dividend Yield Equity Fund

An Open-Ended Equity Fund

NFO Period: April 25, 2014 to May 09, 2014

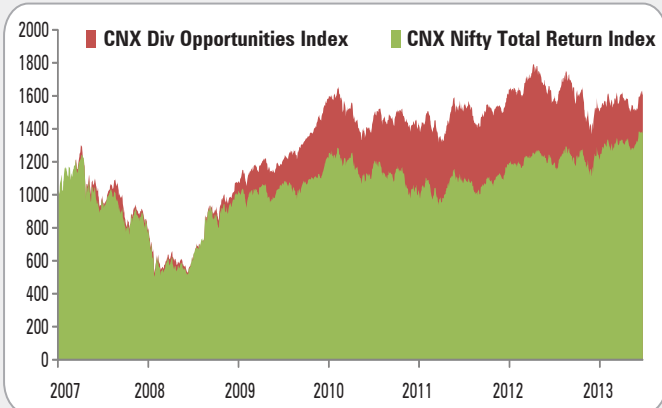


TARAKKI KAREIN!

## What is Dividend Yield?

Dividend Yield is a financial ratio that indicates how much shareholders are paid in the form of dividends every year, relative to the share price. It helps you measure the cash-flow for every rupee invested in dividend paying stocks. It is expressed in terms of a percentage, and calculated by dividing the amount of dividend by the share price. For example; AB Auto is trading at Rs.200 per share, paying an annual dividend of Rs.10 per share. Thus, annual dividend (Rs.10) / Share Price (Rs.200) = 0.05 x 100 = 5% is the dividend yield of the company.

## Dividends are an Important Source of Total Return



Source: www.nseindia.com

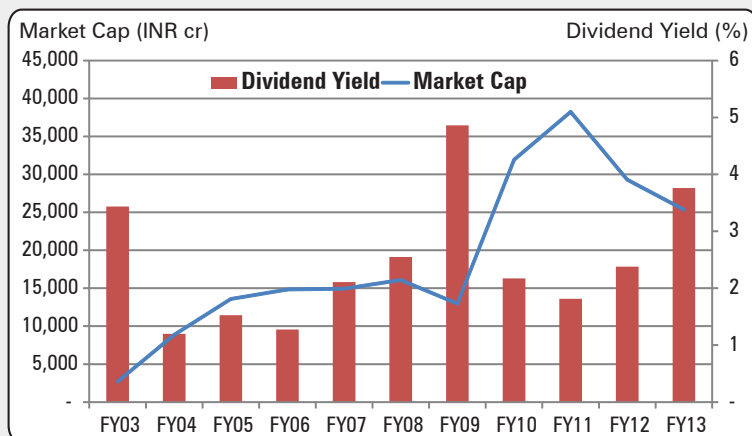
Companies with good dividend policies tend to perform well in up and down markets. The compounding effect of dividend income over time has contributed to equity total return.

## Characteristics of Dividend paying companies:

- Relatively more stable business models.
- Companies pay dividends after attaining a sustainable level of growth.
- Management more accountable
- Share prices display low volatility

## Opportunity in the current market

There are ample opportunities available in the current market; wherein the high dividend yield is not factored in the stock price.



Currently, there is an opportunity in PSU banks that have high dividend yields.

For eg. In FY 03, dividend yield of a PSU bank was more than 3%, post which the market cap increased from ₹ 2700 cr to ₹ 13,500 cr. Similar trend can be seen post 2009.

There are ample stock picking opportunities available in the current market.

This illustration is to explain how a dividend yielding company has performed on a long term basis. This is to explain the concept of dividend yielding company as a suitable investment avenue. It is necessary to note that there can be many other factors that can have impact on the performance of the company in the stock market. Past performance may or may not be sustained in future. The stock/sector mentioned above does not constitute any recommendation by ICICI Prudential Mutual Fund/AMC.

## About the fund

### An open ended equity fund that aims to:

- Invest at least 80% of assets in companies that have dividend yield greater than the dividend yield of CNX Nifty Index (last released /published by NSE), at the time of investment.
- Identify high dividend stocks within the framework of valuations and fundamentals.
- Invest in high-quality companies with proven records of paying and growing dividends.
- Invest across market cap

## Scheme Features

<b>Type of scheme</b>	An open ended equity scheme
<b>Investment Objective</b>	The investment objective of the Scheme is to provide medium to long term capital gains and/or dividend distribution by investing in a well diversified portfolio of predominantly equity and equity related instruments, which offer attractive dividend yield. However, there can be no assurance that the investment objectives of the scheme will be realized.
<b>Options</b>	<b>Direct Plan</b> – Growth and Dividend (Reinvestment & Payout Option) <b>Regular Plan</b> – Growth and Dividend (Reinvestment & Payout Option)
<b>Minimum Application Amount</b>	Rs 5,000 (plus in multiple of Rs.1)
<b>Min. Add. Application Amount</b>	Rs 1,000 (plus in multiple of Re.1)
<b>Min. Redemption Amount</b>	Rs 500 (plus in multiple of Re.1)
<b>Entry Load</b>	Not Applicable
<b>Exit Load</b>	For investments upto 18 months – 1% of applicable NAV
<b>Benchmark Index</b>	CNX Dividend Opportunities Index
<b>Fund Manager<sup>#</sup></b>	Mr. Mrinal Singh and Mr. Vinay Sharma

<sup>#</sup>Ashwin Jain will be the fund manager for overseas investments

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

- **Long term wealth creation solution**
  - **An open ended equity fund that aims for growth by primarily investing in equity and equity related instruments, which offer attractive dividend yield.**
-  **HIGH RISK (BROWN)**

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

Note: Risk may be represented as:



**(BLUE)** investors understand that their principal will be at low risk



**(YELLOW)** investors understand that their principal will be at medium risk



**(BROWN)** investors understand that their principal will be at high risk

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

**Disclaimer:** In the preparation of the material contained in this document, ICICI Prudential Asset Management Company Ltd. (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 / opinions / recommendations 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.

ICICI Prudential Asset Management Company Limited (including its affiliates), the Mutual Fund, The Trust and any of its officers, directors, personnel and employees, shall not 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.

Further, the information contained herein should not be construed as forecast or promise. The recipient alone shall be fully responsible/are liable for any decision taken on this material.

Distributed by: