

# ICICI Prudential Growth Fund - Series 2

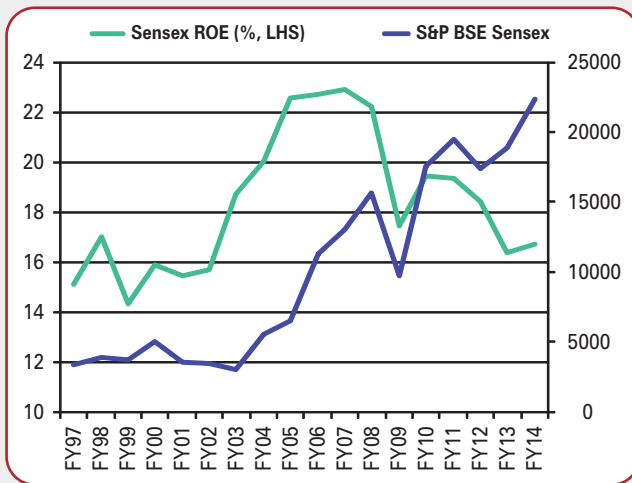


—TARAKKI KAREIN!

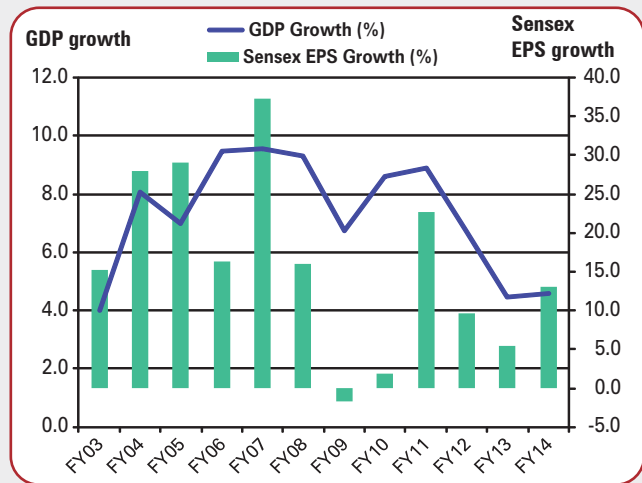
NFO Period: July 14, 2014 to July 28, 2014

New government has emerged with a clear majority only after 3 long decades and is expected to bring structural change in the economy. With strong majority at the center, the decision making process of the government could be put on a fast track mode and can pave its way for structural reforms. Implementation of new reforms may lead to potential re-rating/upgrades of earnings of the corporates in several sectors.

## Linkage between GDP (Gross Domestic Product) growth, earnings and market performance

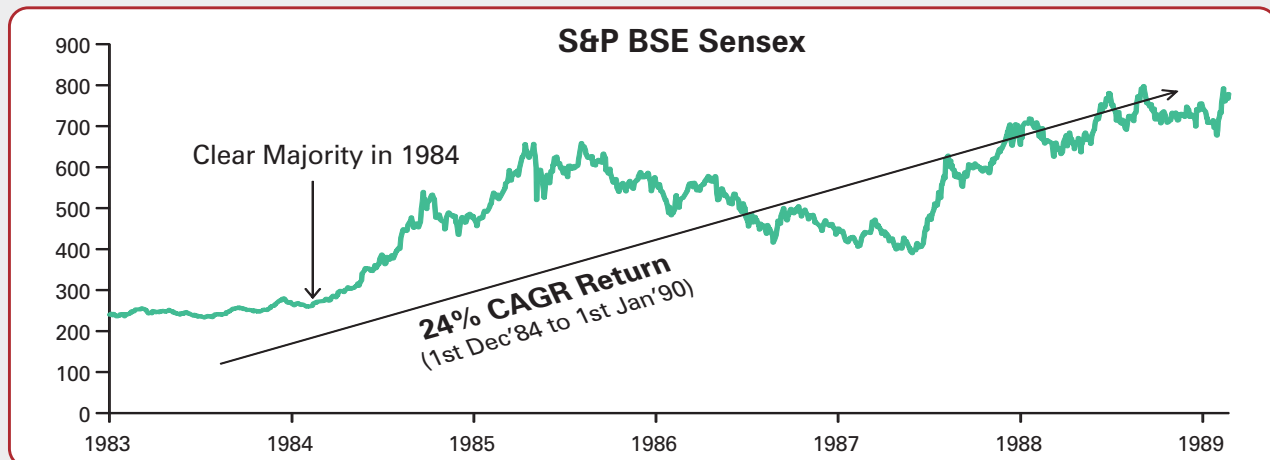


Source: Edelweiss Securities Ltd (ROE - Return on Equity)



Source: Motilal Oswal (EPS - Earnings per Share)

## The last time when market saw a clear majority for any government was way back in 1984.



Source: MFI Explorer. The aforesaid graph is just for the understanding and reference of market movements over the period of time and the same shall not be construed as the reflection of future market movements.

## Opportunity for investors in current equity markets:

Implementations of new reforms are expected to provide an opportunity in various sectors.

### Defence Sector

- The sector is poised to benefit from increased thrust on indigenization by the new government along with faster decision making on finalization of orders

### Power Sector

- The government could take steps to boost the power sector by investing in advanced technologies and enhancing coal production through faster clearances and railway linkages.

- Order book for defence electronic equipment's stands at Rs 750 bn over next 3 years vs average of Rs 117 bn in the past 3 years.
- India needs to increase the defense expenditure by 30% p.a. over next 10 years to bridge the gap with China.
- Obsolete defence equipment currently account for 50% vs. MoD norm of 30%.
- Power sector is trading at attractive valuations on the basis of its long term average.
- With expectations of pickup in GDP growth and government reforms in the sector, it is a compelling opportunity at this point of time.

## Introducing ICICI Prudential Growth Fund – Series 2

**ICICI Prudential Growth Fund - Series 2** ("the Scheme") is a 3.5 years close ended equity scheme. The Scheme portfolio would comprise of 40-60 stocks #.

The Scheme aims to provide long-term capital appreciation by:

- Identifying companies which are likely to see growth in earnings over the tenure of the scheme.
- Investing across market cap with a bias towards mid and small cap space.
- Declare commensurate dividends.\*

#The number of stocks provided is to explain the investment philosophy and the actual number may go up or down depending on then prevailing market conditions at the time of investment.

\*Dividends will be declared subject to availability of distributable surplus and approval from Trustees.

### Scheme Features

<b>Type of scheme</b>	A Close ended equity scheme
<b>Tenure</b>	1286 Days
<b>Investment Objective</b>	The investment objective of the Scheme is to provide capital appreciation by investing in a well-diversified portfolio of equity and equity related securities. However, there can be no assurance that the investment objective of the Scheme will be realized.
<b>Options</b>	Direct Plan – Dividend Payout Option • Regular Plan – Dividend Payout Option
<b>Minimum Application Amount</b>	Rs.5,000 (plus in multiple of Rs.10)
<b>Entry &amp; Exit Load</b>	Not Applicable
<b>Benchmark Index</b>	CNX Nifty Index
<b>Fund Manager**</b>	Mr. Yogesh Bhatt & Mr. Vinay Sharma

\*\* Mr. Ashwin Jain for investment in ADR/GDR/ Foreign securities

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

- Long term wealth creation solution
- A close ended diversified equity fund that aims to provide capital appreciation by investing in equity and equity related instruments.

 **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.

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The AMC (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.

**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.**

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