

ICICI Prudential Equity Income Fund

(An open ended equity scheme)

NFO Period: 18th November to 2nd December 2014




This Product is suitable for investors who are seeking*:

- Long term wealth creation solution
- The Scheme seeks to generate regular income through investments in fixed income securities and using arbitrage and other derivative strategies and also intends to generate long term 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
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Is Tax eating away your returns ?

Traditional debt options – Fixed returns with no upside and 33.99%* taxation

Debt funds – Regular Income but LTCG tax @ 20% with indexation after 3 years

Hybrid Debt funds – Benefit of both worlds but LTCG tax @ 20% with indexation after 3 years

Confused in which asset class to invest? ...as winners keep rotating



2014(YTD)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
23.41	9.03	27.69	8.17	17.95	75.76	9.50	54.77	39.83	36.34	10.67	71.90
12.38	8.27	14.43	7.87	8.84	26.65	8.41	21.84	16.00	14.10	5.62	25.03
12.07	8.12	12.07	1.74	7.00	12.99	-2.31	13.48	9.17	9.19	4.02	16.18
8.05	6.75	9.10	-1.75	5.12	6.58	-9.32	7.99	6.00	4.62	2.71	5.44
7.36	4.41	8.50	-24.61	4.70	4.86	-51.80	7.54	5.51	4.51	2.03	4.57

Asset Allocation Portfolio

CNX Nifty Index

Crisil MIP Blended Index

Crisil Short Term Bond Fund Index

Crisil Liquid Fund Index

Key takeaways..



No single asset class outperforms every single year.

Each asset class responds differently to underlying economic conditions.

An asset allocation portfolio can give more consistent performance over time.

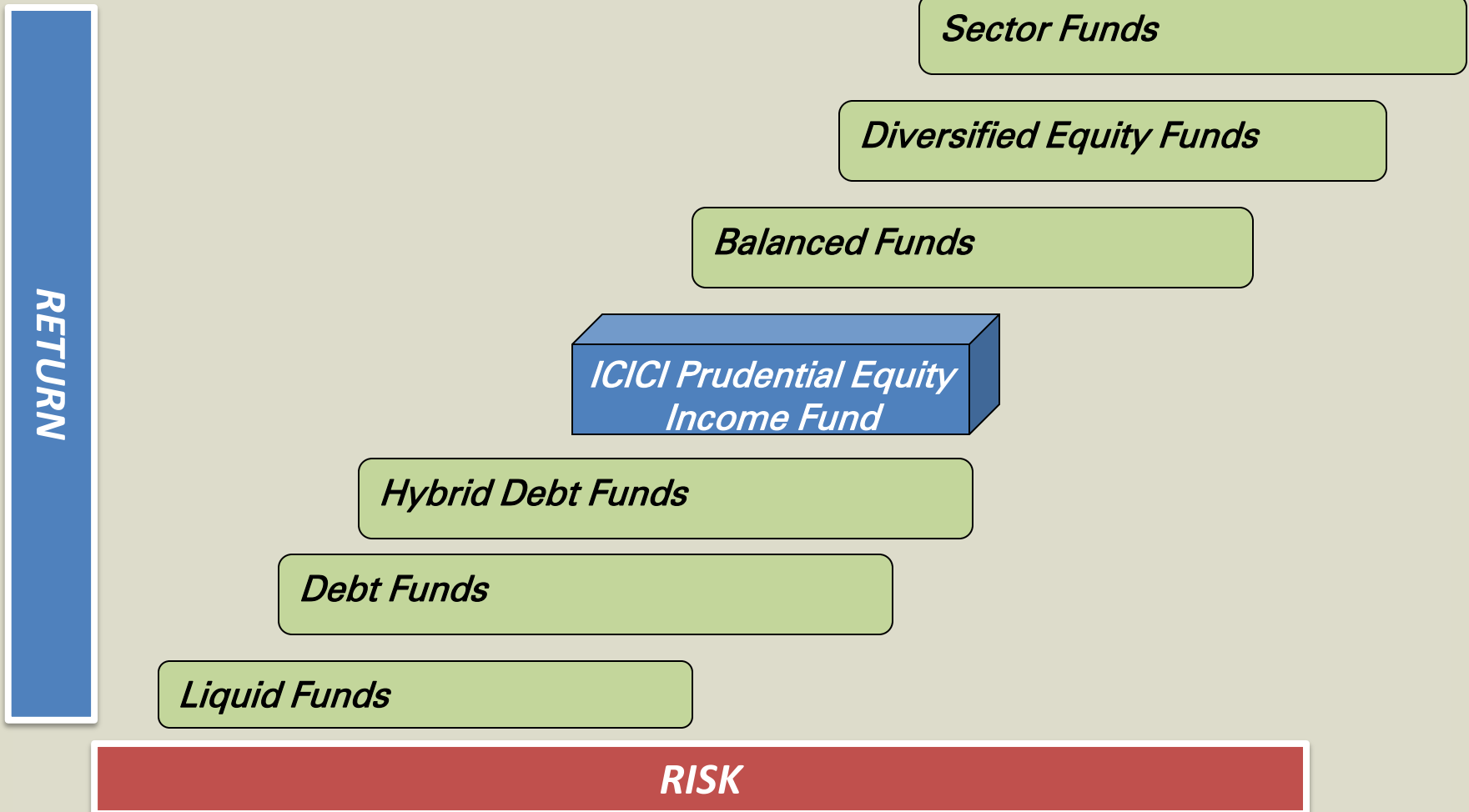
Asset Allocation portfolio can help cushion the occasional shocks.

Presenting ICICI Prudential Equity Income Fund

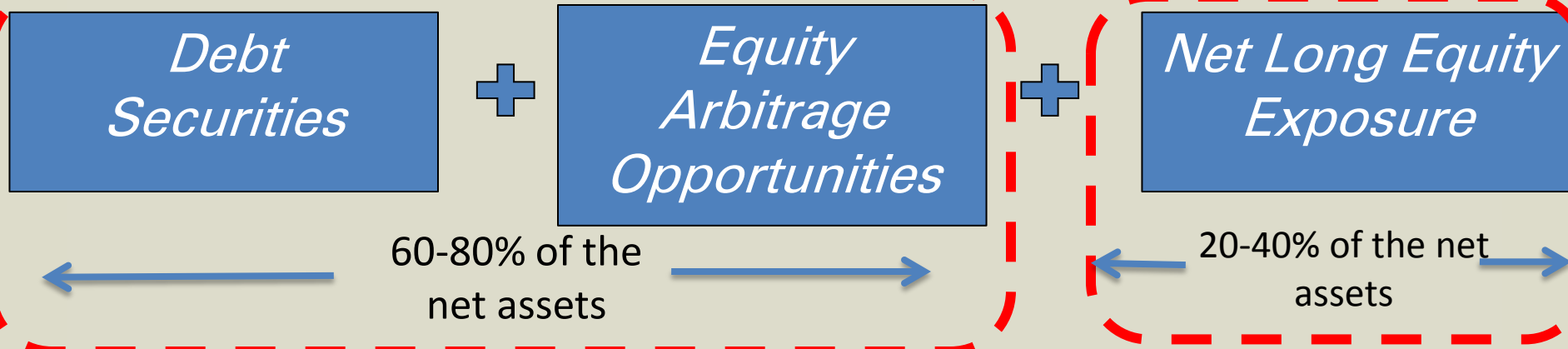
A large blue arrow pointing to the right, containing the text 'Your next route for Investment with asset allocation and tax efficiency'. The arrow is a solid blue color with a black outline. The text inside is white and italicized.

***Your next route for Investment
with asset allocation and tax efficiency***

Risk Return Profile – Fund Positioning



Unique Fund Structure



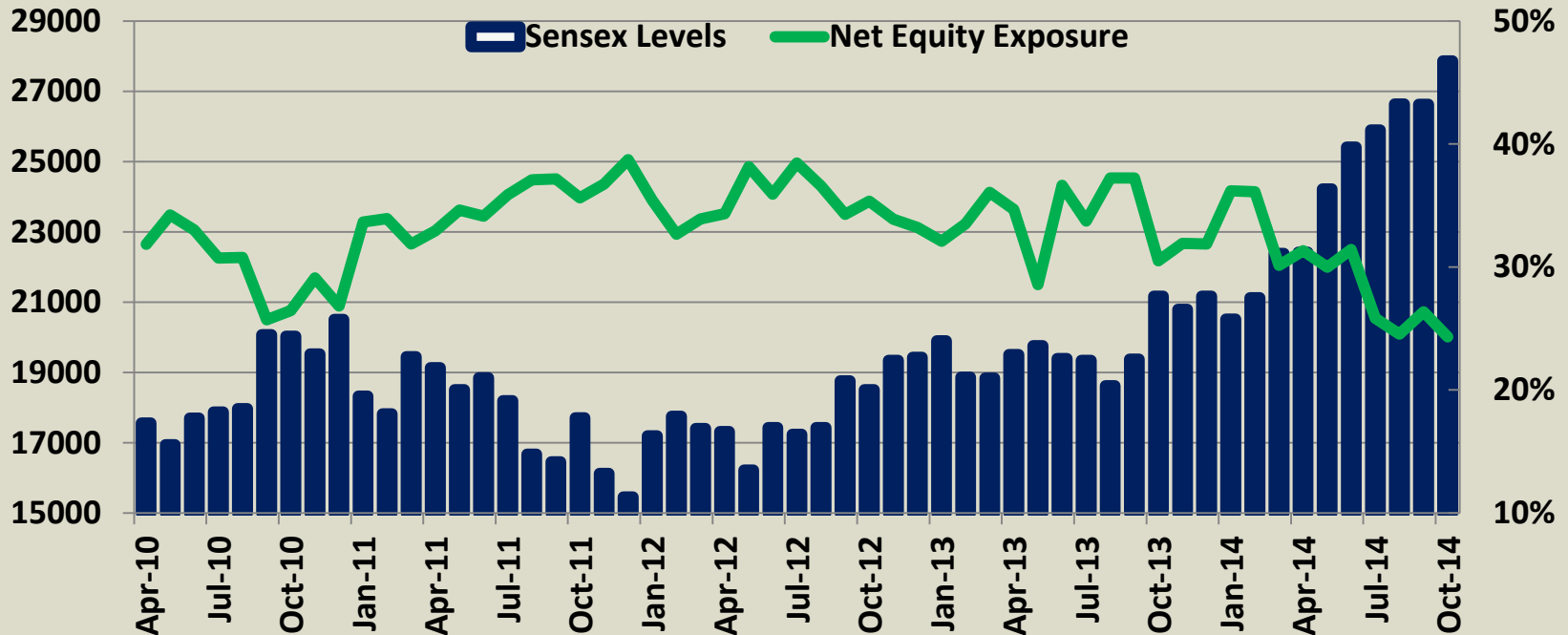
Aims for Regular Income

Potential Capital Appreciation

Equity Taxation (Tax efficient returns)

Dynamic Equity allocation

.. that enables Risk Controlled Equity participation



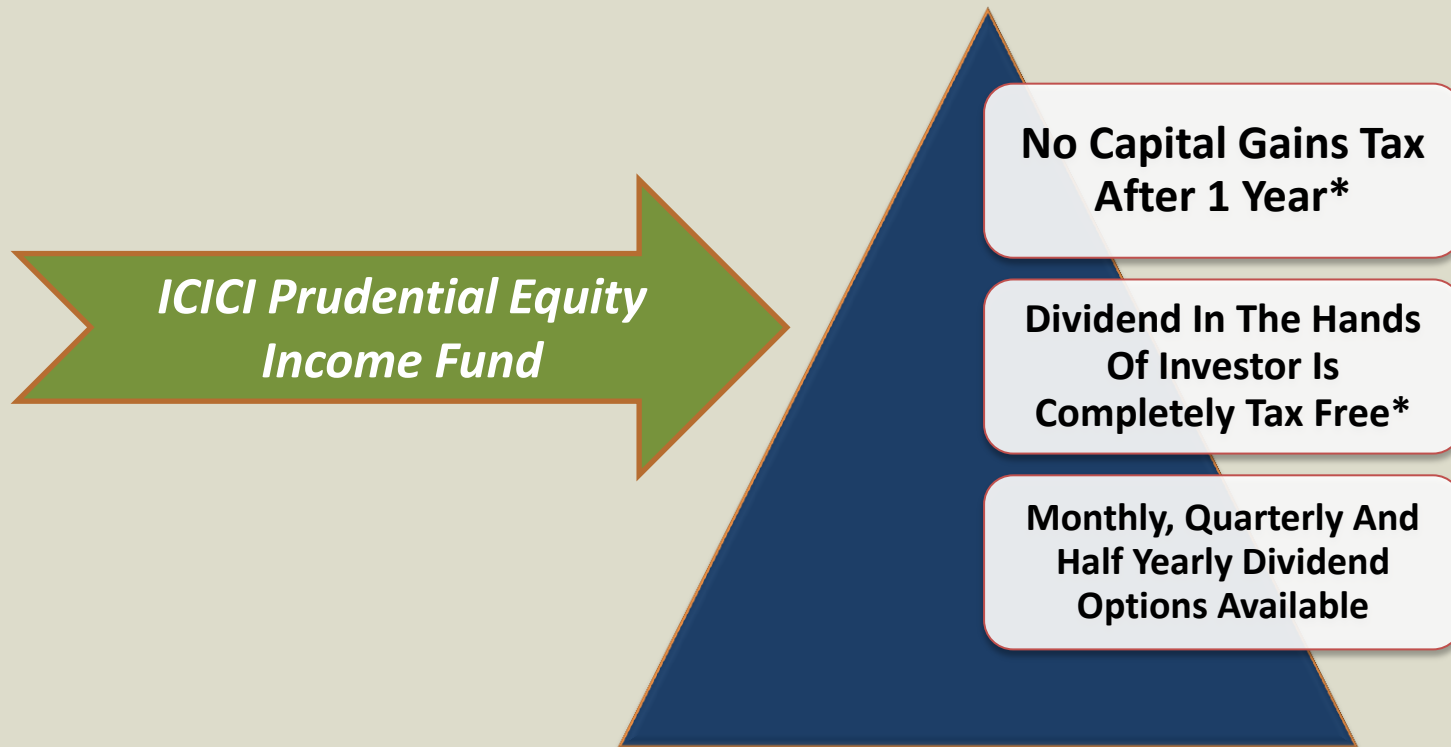
- The scheme will decide the attractiveness or expensiveness based on market valuations.
- The fund will increase the net long equity exposure when markets are attractive and vice-versa.
- The un-hedged equity exposure will be maintained in the range of 20% to 40%.

The above table is just an illustration on how the net long equity position can be managed; The fund will increase the exposure to equity in down markets and vice-versa. Past performance may or may not be sustained in future.

Tax Efficient Returns



Tax Efficient Solution After Changes In Debt Mutual Fund Taxation Structure Post Budget



*As per prevailing tax laws; Dividends will be declared subject to availability of distributable surplus

Tax Efficiency Illustration



Particulars	Traditional investment options	ICICI Prudential Equity Income Fund	Pre-tax gains required for traditional investment options to meet the gains of Equity Income Fund
Amount Invested	100	100	100
Taxable Gain	9	9	13.63
Value plus Gain	109	109	113.63
Applicable tax rate	33.99%	0%	33.99%
Tax Liability	3.05	0	4.63
Post-tax gross value	105.95	109	109

This table is only to illustrate the method of computing capital gain tax payable by an investor. The calculation given above is to ascertain the implication of capital gains tax on investment in equity oriented schemes and other investment options. Past performance may or may not be sustained in future. This calculation is based on prevailing tax laws and is applicable only in case of resident investors.

ICICI Prudential Equity Income Fund



About the fund:

ICICI Prudential Equity Income Fund is an open ended equity fund that aims :

- To generate regular income through investments in fixed income securities and using arbitrage and other derivative Strategies.
- To generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments.

Asset Allocation

Instruments	Indicative allocations (% of total assets)	
	Maximum	Minimum
Equity & Equity related instruments	75	65
Derivative including Index Futures, Stock Futures, Index Options, Stock Options etc*	50	30
Debt , Money market instruments & Cash	35	25

*The exposure to derivative shown in the above asset allocation tables would normally be the exposure taken against the underlying equity investments and in such case, exposure to derivative will not be considered for calculating the gross exposure.

The net long equity exposures will be between 20% to 40% of the net assets of the Scheme

Investment Strategy



Equities

- The fund will use in-house Price to Book model to maintain the equity allocation with no market cap/style bias.

Arbitrage

- The fund will aim to exploit arbitrage opportunities by buying stocks in the spot market and selling corresponding futures in matching positions, thereby capturing positive spread between the prices.

Debt

- The fixed income portion will be predominantly invested in corporate debentures; maturity profile of debt instruments will be based on outlook on current market conditions, interest rate outlook and the stability of ratings.

Scheme Features



Type of scheme	An open ended equity scheme
Plans	Direct Plan and Regular Plan
Options	Cumulative, AEP Option(Appreciation and Regular) and Dividend (Reinvestment & Payout Option)
Dividend Frequencies	Monthly, Quarterly and Half Yearly
Minimum Application Amount	Rs.5,000/- plus in multiple of Rs.1
Minimum Additional Application Amount	Rs. 1,000/- plus multiple of Re. 1
Minimum Redemption Amount	Rs. 500/- and in multiple of Re. 1
Exit Load	For investments upto 18 months – 1% of applicable NAV
Benchmark Index	30% CNX Nifty + 40% CRISIL Liquid Fund Index + 30% CRISIL Short Term Bond Fund Index
Fund Manager*	Equity Portion - S.Naren and Chintan Haria Debt Portion - Manish Banthia

*Fund Manager for overseas securities – Shalya Shah

Disclaimer



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

All figures and other data given in this document is dated. The same may or may not be relevant at a future date. Prospective investors are therefore 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.

The sector(s)/stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s). Past performance may or may not be sustained in the future. The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the scheme. Please refer to the SID for investment pattern, strategy and risk factors.

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