

ICICI Prudential Growth Fund Series 7

NFO Period: 5th Jan 2015 to 19th Jan 2015

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:

	<i>(BLUE) investors understand that their principal will be at low risk</i>		<i>(YELLOW) investors understand that their principal will be at medium risk</i>		<i>(BROWN) investors understand that their principal will be at high risk</i>
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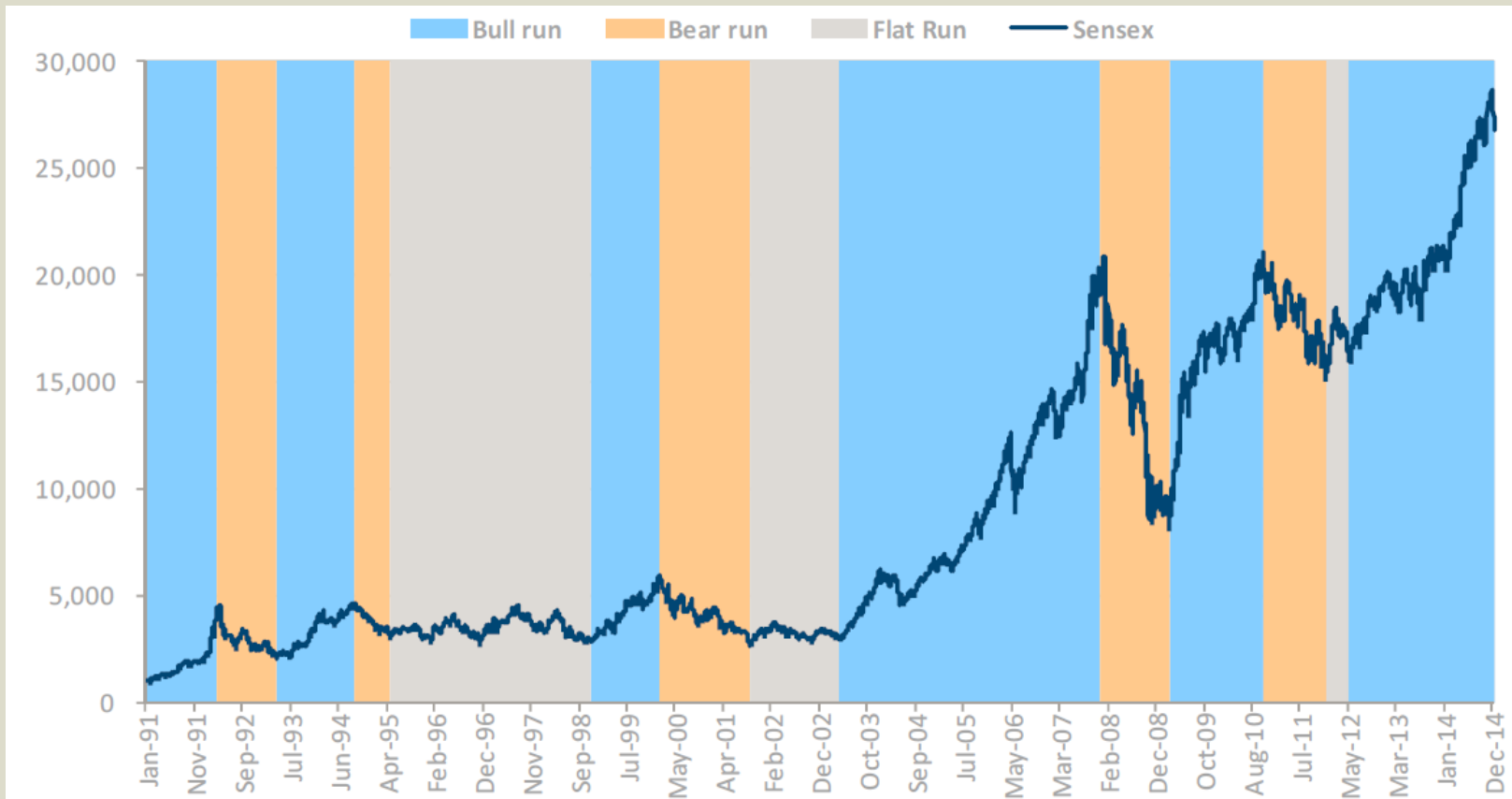
Macro-Economic Factors are Improving



Indicator	Nov 2012	Nov 2013	Now
WPI	7.2	7.5	0.0
CPI	9.9	11.6	4.38
CAD as % of GDP	-4.7	-1.7	-1.7 to - 2
Fiscal Deficit as % of GDP	4.9	4.6	4.1 (E)*
Oil Prices	110 \$/bbl	112 \$/bbl	60 \$/bbl
G-Sec Yield	8.22%	8.74%	7.94%
Credit Growth	14%	14%	11%

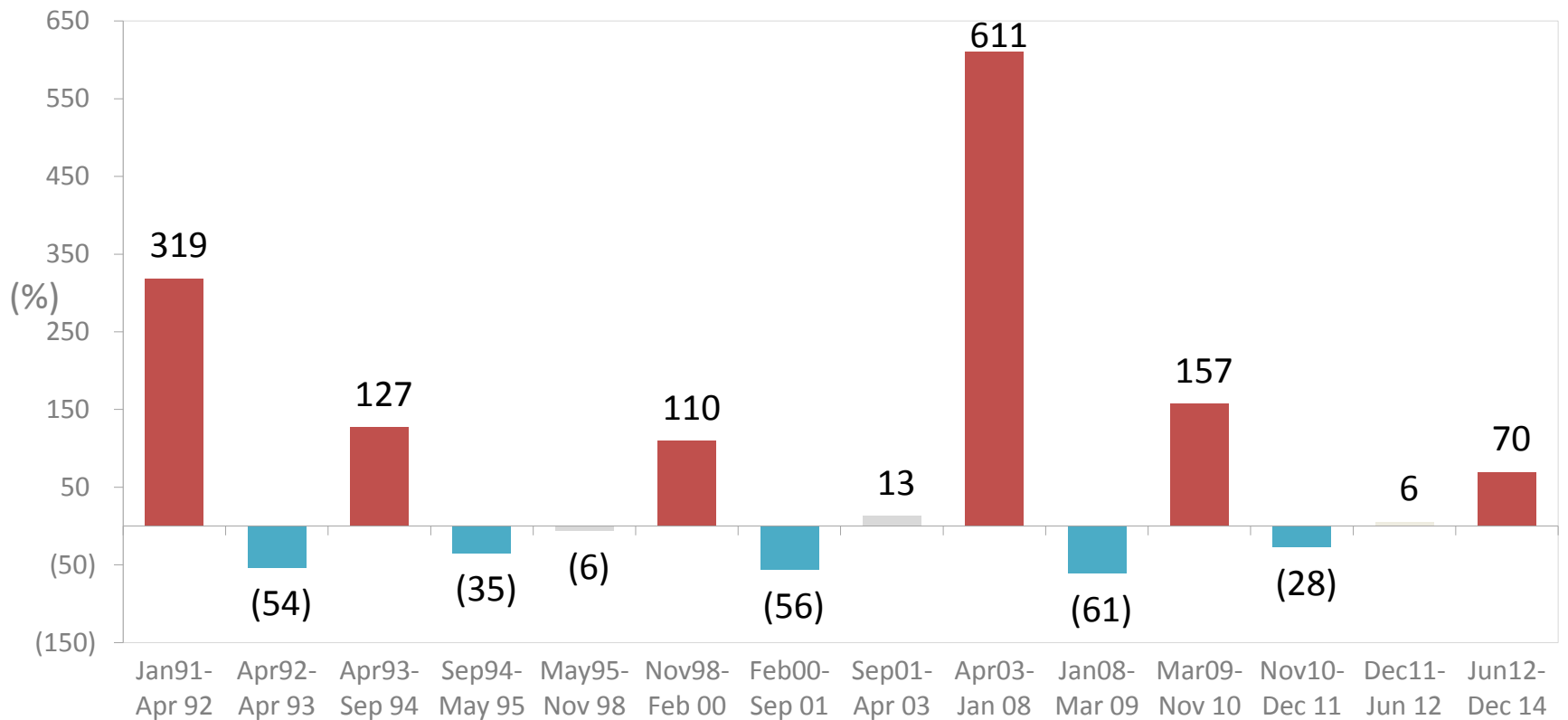
Source: Bloomberg; CAD – Current Account Deficit; GDP – Gross Domestic Product; WPI – Wholesale Price Index; CPI – Consumer Price Index; * Estimate as per Union Budget 2015; Now refers to as per latest available data as on 31st Dec 2014

History of Bull and Bear phases



The Indian markets have experienced six major bull runs since 1991, including the current one, which technically started in June 2012.

S&P BSE Sensex returns in Bull and Bear periods



The S&P BSE Sensex has risen by 70% since June 2012, 611% in the biggest bull-run of Apr'03-Jan'08, and between 100-300% in other previous bull runs

Source: Bloomberg; Past performance may or may not be sustained in future

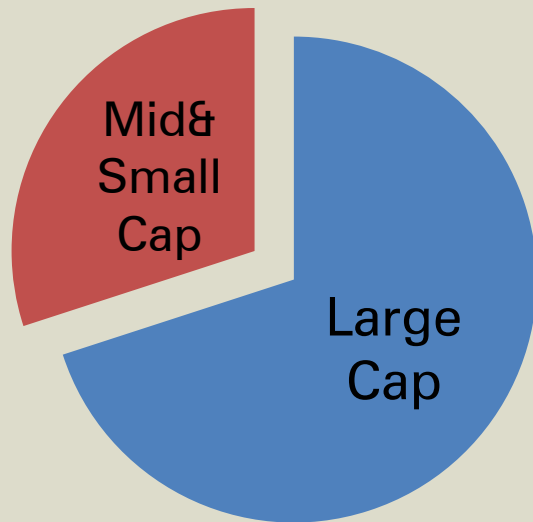
Presenting ICICI Prudential Growth Fund – Series 7

(A 3.5 year close ended equity fund)

Investment Approach



80-100% - Top 20 stock ideas
(10 large cap+ 10 midcap)#



Primary Source of Alpha

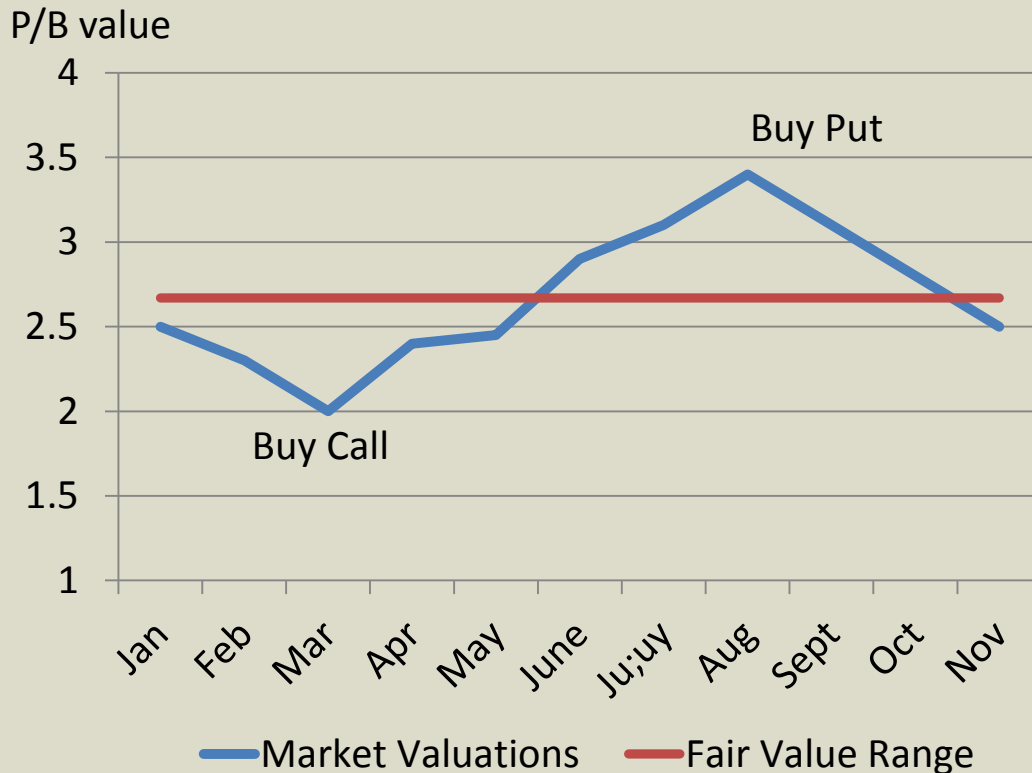
The Scheme is permitted to invest in equity and equity related securities including derivatives like futures and options. Depending on prevailing market conditions at the time of investment and considering the investment opportunities available, the Scheme may also invest in derivatives/options. For details on risk factors associated with derivatives investments, please read Scheme Information Document carefully.

0-20% - Options
(Actively managed)

- 0-20% of the assets may be invested in call or put options.
- Call options or put options may be used depending upon the market valuations.

#The number of stocks and percentages 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

Benefitting from our in-house price to book model



- The exposure to options shall not exceed 20% of the net assets.
- The fund may buy call or put options depending upon the market valuations and prevailing market conditions.

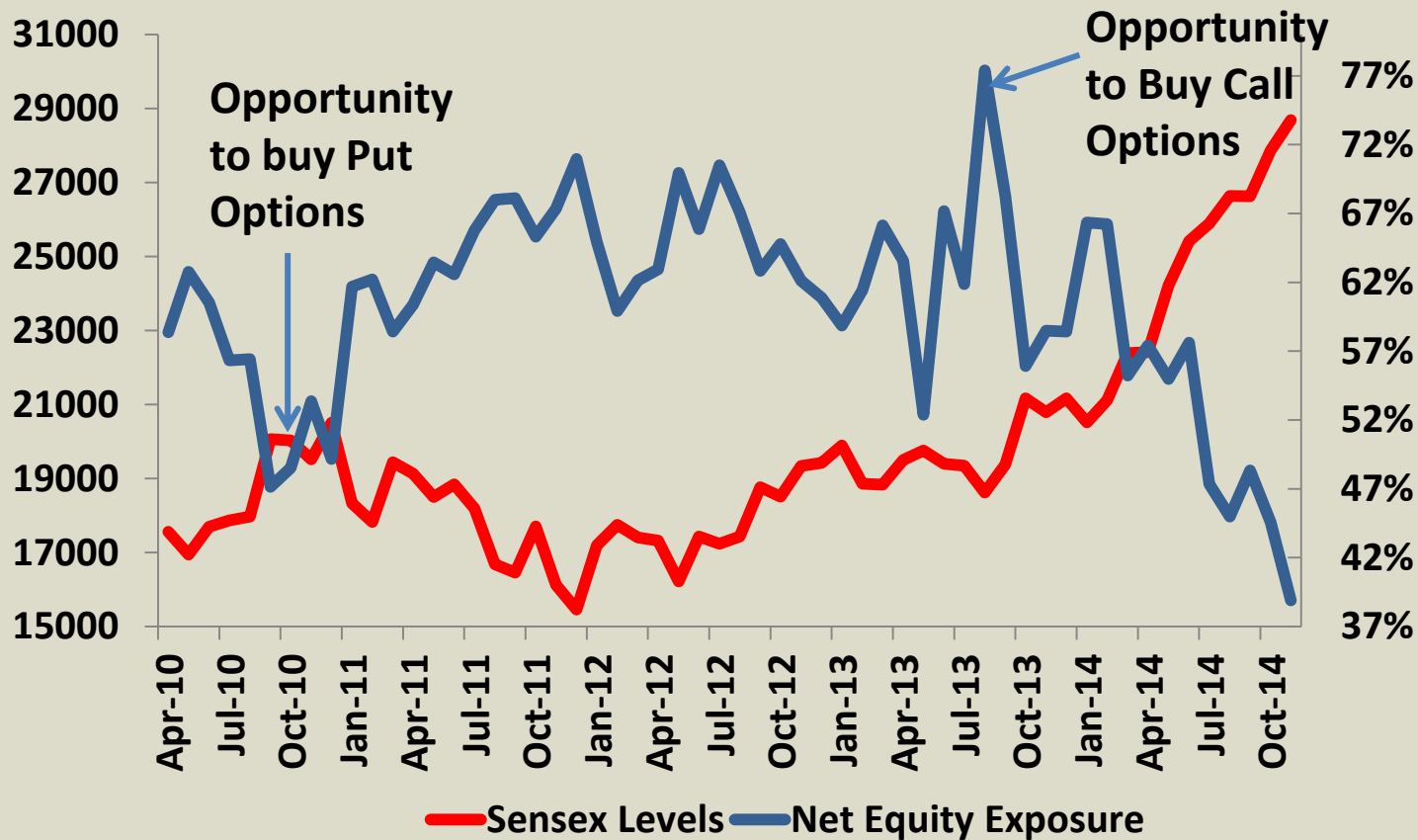
The above slide is to provide an illustration on taking positions in options depending on market valuations. There is no assurance or guarantee that the position taken in option, if any will generate positive returns. In an extreme loss scenario, there can be loss of entire premium paid for taking option position. Investors/prospective investors are requested to read the Scheme Information Document carefully for the risk factors and consult with their financial advisor before investing.

Benefitting from our in-house price to book model



- The Price to Book Model will only be the guiding factor to determine the percentage of call or put options.
- Actual percentage to be deployed in call or put options will be on the basis of prevailing market condition; options will be added in the portfolio in a staggered manner.
- Tenure of call or put options will be at the discretion of the fund manager.
- The primary source of alpha would come from 80-100% direct equity

Past equity levels as per in-house PB Model



Investment Approach for Equity



The fund will aim to provide capital appreciation by:

- Investing in around 10 high conviction large-cap stocks#.
- Investing in 10 high conviction mid/small cap stocks with bottom up approach #.
- Being sector agnostic.
- Declaring commensurate dividends*.

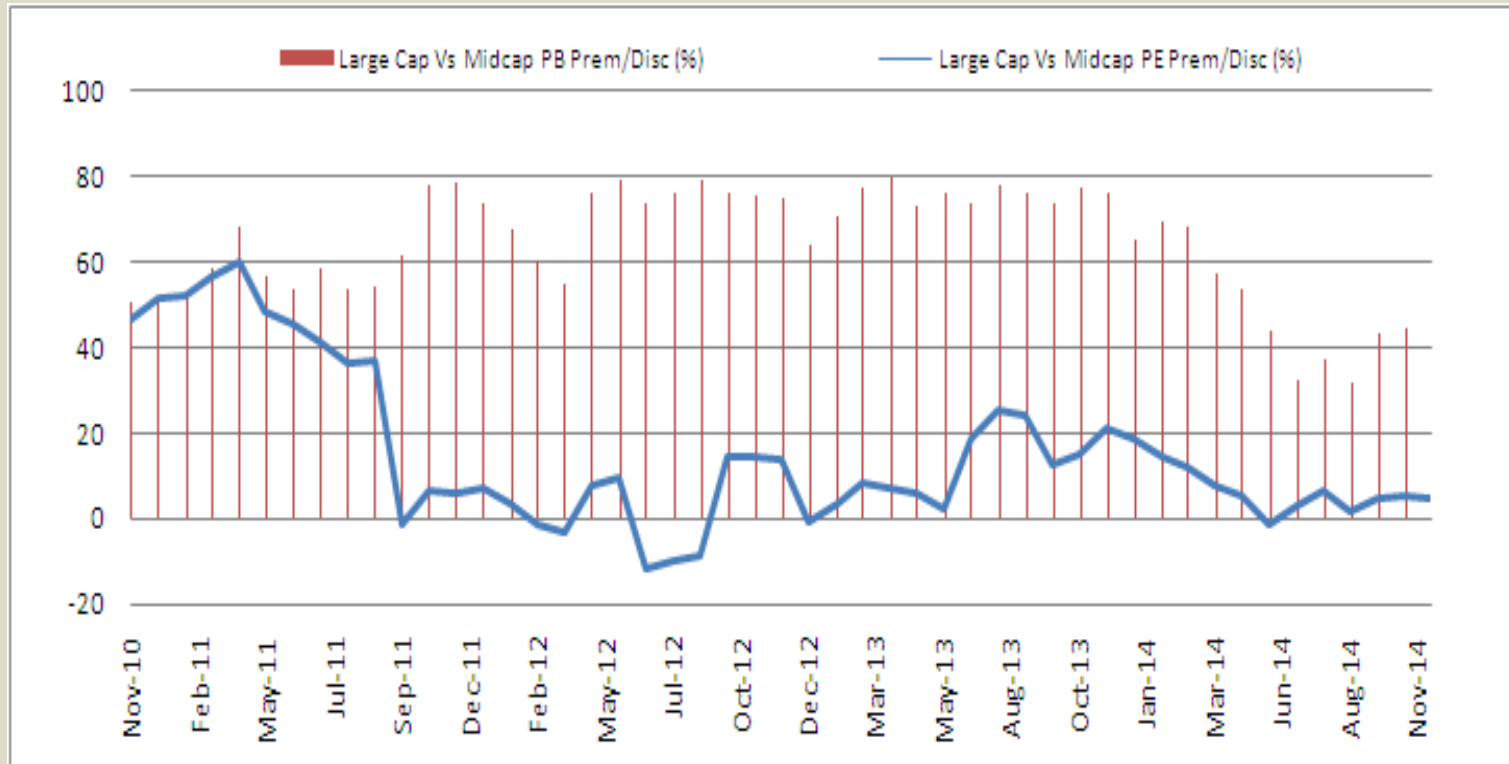
*Dividends will be declared subject to availability of distributable surplus and approval from Trustees

#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

Why mix of Large and Mid cap?



Valuation gap has narrowed



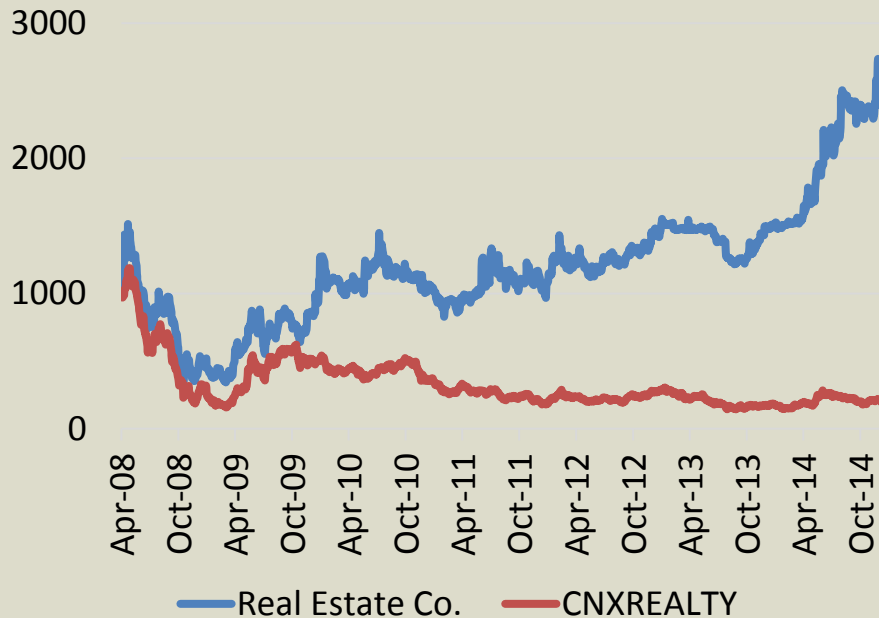
On trailing P/B, large cap premium has reduced to 48% from a peak of close to 80%.

On P/E basis, large caps are now trading near discount.

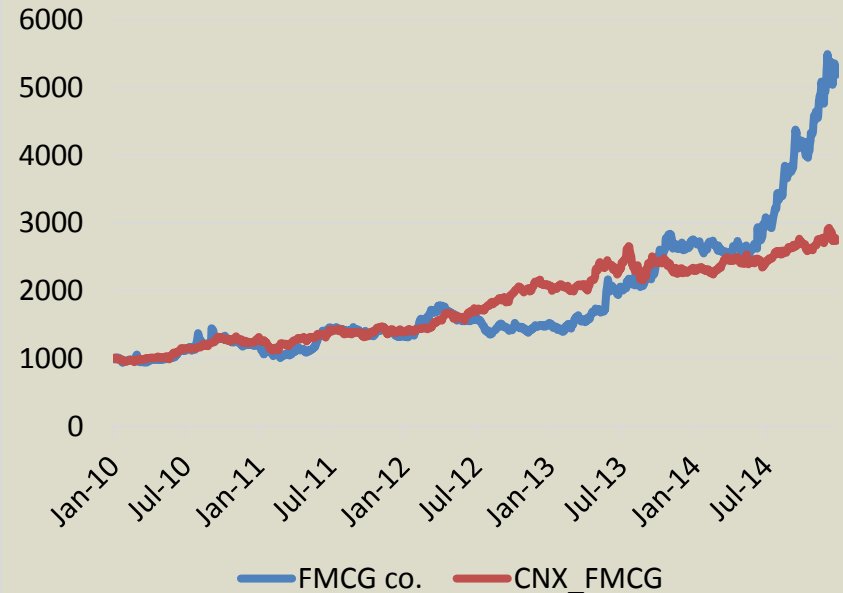
Identifying high conviction picks



Our Experience with a real estate company



Our Experience with FMCG company



- The fund house may have a negative view and remain underweight on some sectors.
- However, there may be some stocks in the same sector that may look reasonably priced.
- The fund manager will aim to identify such stocks through bottom up approach.

This slide is to explain the concept of bottom up approach for investment in sectors that are underweight positions. Each investment is evaluated on a case to case basis depending on valuations, market conditions etc. Past performance may or may not be sustained in future.

Data Source: Capital line; Value are rebases to 1000

Investment Theme for Equity



Cyclical Recovery

- Banking & Financials
- Automobiles

Reform Led

- Goods & Services Tax
- Foreign Direct Investment

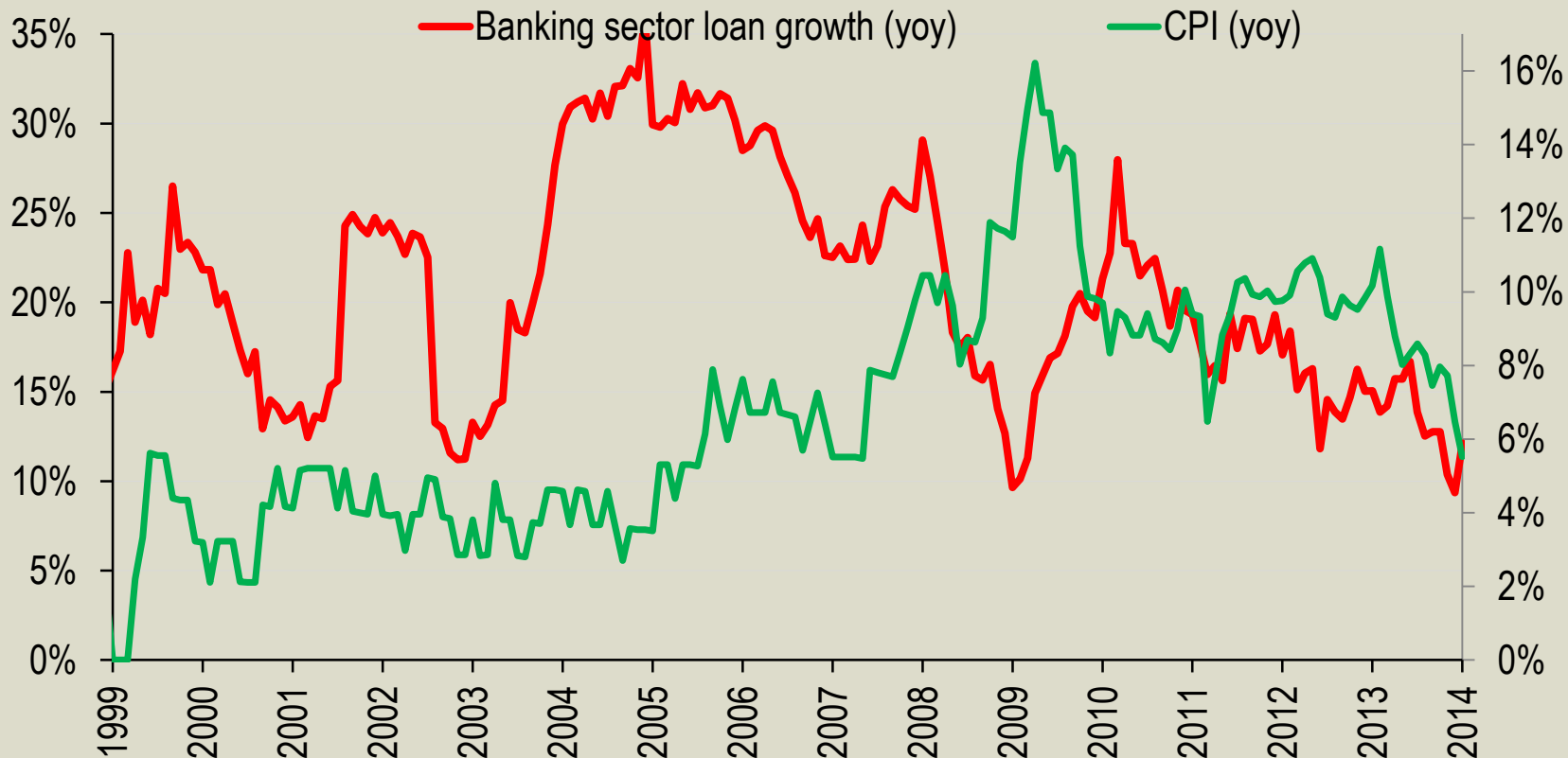
Exports

- Auto Ancillaries
- Pharmaceuticals
- IT

Cyclical Recovery



Banks



Inflation and Banking sector loan growth shows negative correlation.

With inflation expected to ease further and investment cycle to pick up, banking sector is likely to witness healthy growth.

Reform Led



Implementation of GST

Consumer discretionary	Market share of unorganized players(%)
Paints	~35
Footwear	~60-70
Plywood	~60-70
Consumer Staples	
Tea	~40
Packaged Foods	~50
Auto Ancillaries	
Batteries	~40
Others	
Appliances	~30-40
Cable Industry	~50

GST is likely to benefit sectors which have high share of unorganized players owing to standard taxation rates across states and across all market participants.

Exports



Auto and Auto components: Global major companies looking to make India their manufacturing Hub

Pharmaceuticals: Contract research, contract manufacturing, Research & Development – India gaining more presence in the global map

Service Exports: India's dominance well acknowledged globally. Technology based innovation and use of technology to reduce costs, improve efficiency and differentiate themselves from others is increasingly being practiced by global corporations

Textile, Leather and Electronics: Rupee depreciation has lead to Indian exports becoming more competitive vis a vis China's exports.

Agriculture - less flexible, but steady: Almost all costs are effectively rupee-denominated; a decline in the currency can give cost advantage to Indian farmers

Scheme Features



Type of scheme	A Close ended equity scheme
Investment Objective	<p>The investment objective of the Scheme is to provide capital appreciation by investing in a well-diversified portfolio of equity and equity related securities.</p> <p>However, there can be no assurance that the investment objective of the Scheme will be realized.</p>
Options	Direct Plan – Dividend payout Option Regular Plan – Dividend payout Option
Minimum Application Amt.	Rs.5,000 (plus in multiple of Rs.10)
Entry & Exit Load	Not Applicable
Benchmark Index	CNX Nifty Index
Fund Manager*	Manish Gunwani and Venkatesh Sanjeevi

*Mr. Shalya Shah for investment in ADR/GDR/ Foreign securities

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

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Investors are advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implications or consequences of subscribing to the units of ICICI Prudential Mutual Fund.

The sector(s)/ mentioned do not constitute any recommendation/opinion of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(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