ICICI Prudential

# Capital Protection Oriented Fund - Series IX

1101 days Plan A

NFO Period - October 09, 2015 to October 23, 2015

ICICI PRUDENTIAL MUTUAL FUND

TARAKKI KAREIN!

## Aim to provide your money the protection it deserves

**ICICI Prudential Capital Protection Oriented Fund - Series IX 1101 Days - Plan A seeks to -**

- Protect capital by investing a portion of the portfolio in highest rated debt securities & money market instruments
- Provide capital appreciation by investing the balance in equity and equity related securities

Rated [CARE] AAAmfs(SO)*

### Unique features

A minimum of 86% of net assets will be invested in highest rated debt securities (rated AAA investment grade or equivalent rating). This is done with the aim to grow it to the size of the initial capital invested by the end of ~3 years.
The remaining, upto 14% will be invested in equity shares of companies without any sector bias. This exposure may provide the portfolio with an element of potential capital appreciation.

### How does Capital Protection Oriented Fund work?

Let's assume that the Scheme invests ~86% in highest rated Debt and Money market instruments. The 86% of the debt portfolio will be structured with an aim to grow over the tenure of the Scheme to 100% (net of annual recurring expeBSEs) thereby aiming to protect the capital invested.
Rest ~14% will be invested in equities and equity related instruments. As explained in the scenarios given below, over 3 years the initial Scheme investment has remained intact and the value of portfolio appreciated, despite positive or negative equity returns. Thus, as illustrated below fixed income allocation in this Scheme aims for capital protection and equity provides potential upside to the portfolio.

**Scenario analysis for ~ 3 years and above**

| | Scenario 1 | Scenario 2 | Scenario 3 |
|---|---|---|---|
| Scheme Corpus (₹) | 100 | 100 | 100 |
| Debt Allocation (₹) | 86 | 86 | 86 |
| Debt Value on maturity (₹) (A) | 100 | 100 | 100 |
| Direct Equity Allocation (₹) | 14 | 14 | 14 |
| CAGR (%) on Equity Allocation | -15 | 0 | 15 |
| Equity Value at the time of Scheme maturity (₹) (B) | 8.57 | 14 | 21.34 |
| Scheme Value at maturity (₹) - (A+B) | 108.57 | 114 | 121.34 |

The illustration given above is to explain the concept and working of Capital Protection Oriented Fund. This orientation towards protection of capital originates from the portfolio structure of the Scheme and not from any bank guarantee, insurance cover etc. There is a possibility of issuer default even in case of investments made in highest rated securities. It is also possible that equity markets correct more significantly that what is explained in above illustration. A variety of market factors may affect this analysis and this does not reflect all possible loss scenarios. There is no certainty that any of the above mentioned scenarios can be achieved. Investors are requested to refer the Scheme Information Document to understand various risks associated with investing in the Scheme.

## Fund Suitability

- The Scheme is suitable for investors who do not want to take interest rate risk and aim to earn prevailing yields over the tenure of the Scheme
- It offers an opportunity to investors to participate in equities while aiming for stability in the portfolio as well. (As the scheme invests only in highest rated debt securities.)
- Investors can take benefit of indexation and get an opportunity to earn tax-adjusted returns

## Market Outlook

India's Consumer Price Index (CPI)-based inflation eased slightly to 3.66% in August; meanwhile July inflation was downwardly revised to 3.69%, from 3.78% earlier. Inflation in rural and urban areas stood at 4.47% and 2.67%, respectively in August, from 4.35% and 2.94% in July. Wholesale Price Index (WPI)-based inflation fell 4.95% in August, compared with a 4.05% decline in July. India's gross domestic product (GDP) slowed down to 7% in the June 2015 quarter as compared to 7.5% in the previous quarter (January-March 2015). The growth was slightly higher than 6.7% in the first quarter of the previous financial year. India's macro fundamentals have improved considerably in the past 24 months, which makes it easier for the economy to absorb the adverse impact of potential external shocks compared to other Emerging Market (EM) peers. The Reserve Bank of India (RBI) surprised investors with its announcement of cutting interest rates by 50 basis points (bps). This may provide some relief for equity markets and a positive trigger in the near term. While Foreign Institutional Investors (FIIs) have been on a selling spree, this may be a suitable time to invest for domestic investors with a three year view.

We continue to believe that equities, albeit reasonably valued, offers a good medium to long term investment opportunity. Therefore, there is an opportunity in the current situation in medium to long term in equity & fixed income market.

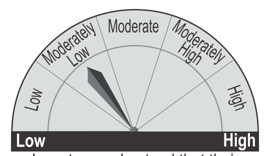
| Key Scheme Features | |
|---|---|
| Plans / Options | Regular Plan and Direct Plan: Regular Plan is for investors who wish to route their investment through any distributor. Direct Plan is for investors who wish to invest directly without routing the investment through any distributor.<br>Regular and Direct Plans offer the following options:<br>(a) Cumulative Option<br>(b) Dividend Option with payout facility |
| Minimum application amount | ₹5,000/- and in multiples of ₹10 thereafter |
| Liquidity | The Units of the Scheme will be listed on Bombay Stock Exchange (BSE). The Units of the Scheme cannot be redeemed by the investors directly with the Fund until the Maturity/Final Redemption date.<br>The Units can be purchased/sold during the trading hours like any other publicly traded stock, until the date of suspension of trading by stock exchange(s), where the Scheme / Plan is listed |
| Benchmark Index | CRISIL Composite Bond Fund Index (85%) and CNX Nifty (15%) |

**THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*:**

- Long term savings solution
- A Hybrid Fund that seeks to protect capital by investing a portion of the portfolio in highest rated debt securities and money market instruments and aim for capital appreciation by investing in equities.

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

**RISKOMETER**



Investors understand that their principal will be at moderately low risk

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**
***Disclaimer by Credit Analysis & Research Ltd. (CARE):** The rating indicates highest degree of safety regarding timely receipt of payments from the investments that they have made. The rating should, however, not be construed as an indication of expected returns, prospective performance of the mutual fund scheme, NAV or of volatility in its returns. **Disclaimer by BSE:** It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the SID has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Draft SID. The investors are advised to refer to the SID for the full text of the 'Disclaimer clause of the BSE.
The scheme offered is "oriented towards protection of capital" and "not with guaranteed returns". The orientation towards protection of the capital originates from the portfolio structure of the scheme and not from any bank guarantee, insurance cover etc. The ability of the portfolio to meet capital protection on maturity to the investors can be impacted in certain circumstances including changes in government policies, interest rate movements in the market, credit defaults by bonds, expeBSEs, reinvestment risk and risk associated with trading volumes, liquidity and settlement systems in equity and debt markets. Accordingly, investors may lose part or all of their investment (including original amount invested) in the Scheme. No guarantee or assurance, express or implied, is given that investors will receive the capital protected value at maturity or any other returns. Investors in the Scheme are not being offered any guaranteed / assured returns.