

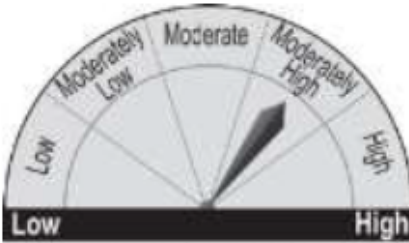
# ICICI Prudential Value Fund – Series 10

NFO Period – 21<sup>st</sup> December 2016 to 4<sup>th</sup> January 2017

Benchmark – S&P BSE 500

Fund Managers: Mrinal Singh & Vinay Sharma

Ihab Dalwai: ADR/GDR and foreign securities investments

ICICI Prudential Value Fund – Series 10 is suitable for investors who are seeking*:	Riskometer
<ul style="list-style-type: none"> <li>• Long term wealth creation</li> <li>• A close ended equity fund that aims to provide capital appreciation by investing in a well diversified portfolio of stocks through fundamental analysis.</li> </ul>	 <p>Investors understand that their principal will be at moderately high risk</p>
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	

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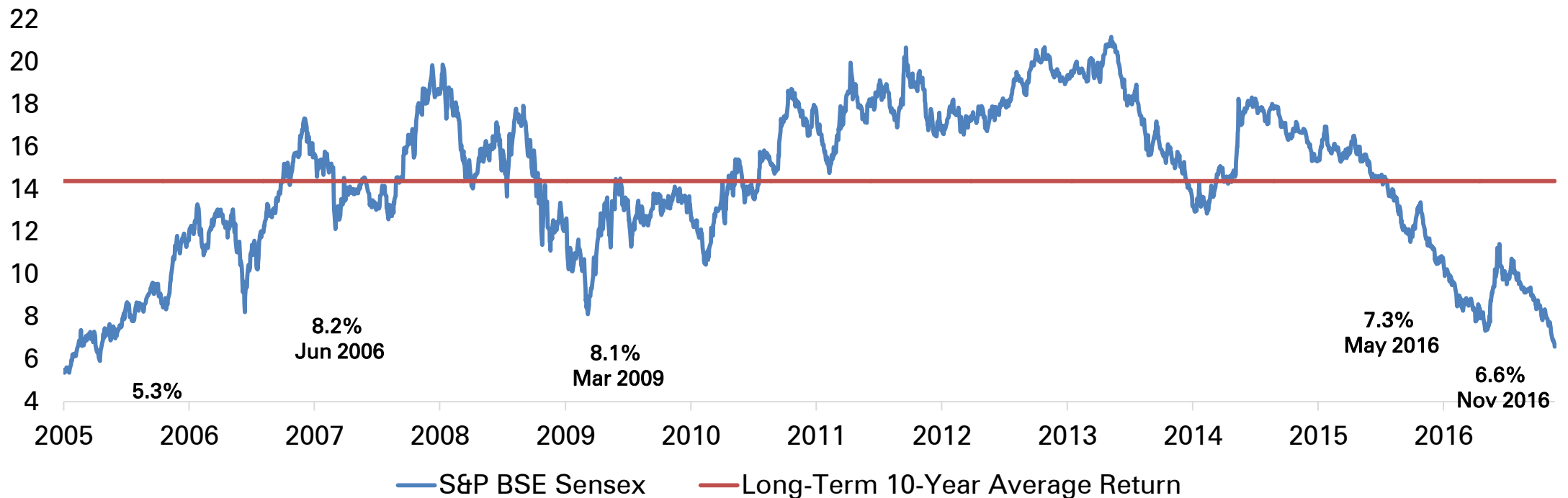
- Growth impact from demonetization: We expect the growth impact to be moderate and short lived. Indeed, inflation could surprise on the downside.
- The Long-term structural reforms are under way. Once the cash crunch is over, we could see growth in financial inclusion, digital payments and banking liquidity as parts of the unorganized economy move into organised and mainstream economy, boosting growth.
- Policy momentum: While policy momentum is strong, further fillip to infrastructure spending, fiscal consolidation, progress on Goods and Services Tax (GST) roll out and corporate tax reforms could provide tailwinds to the market.

# Good Time to Invest In Equities

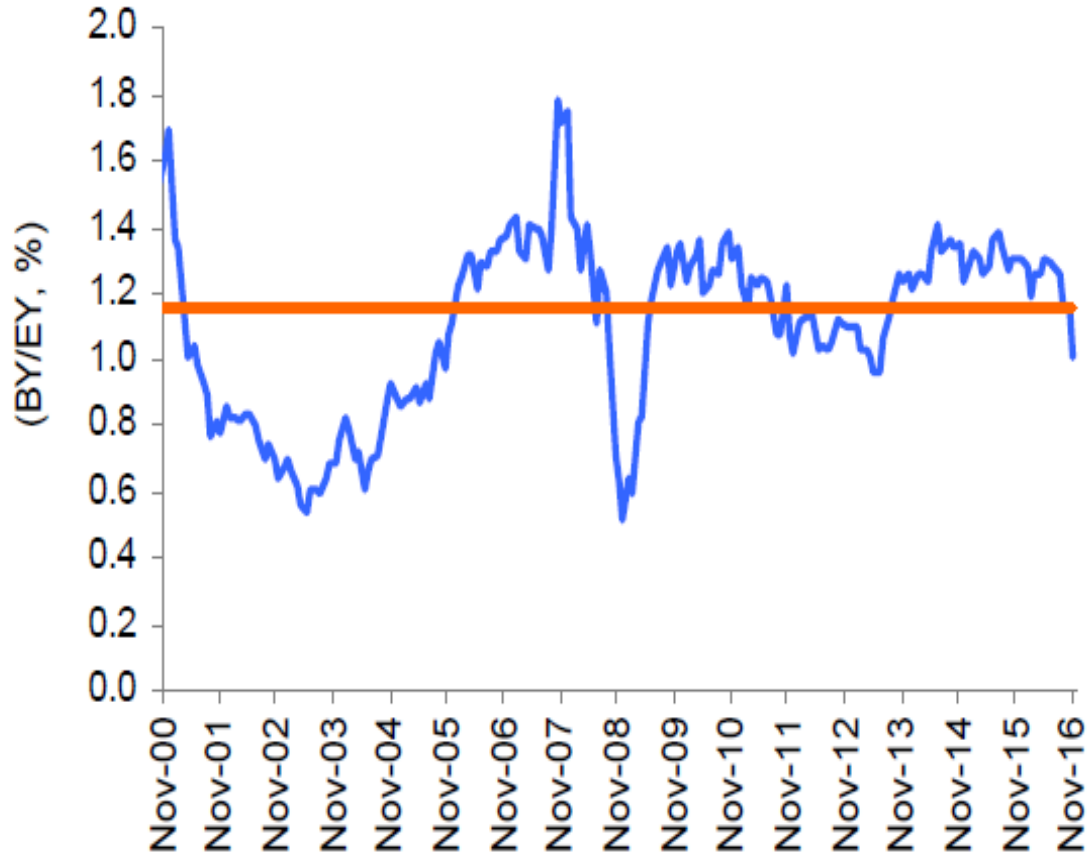


Whenever S&P BSE Sensex' 10-year return was at its trough, it has proven to be a good investment opportunity for long term.

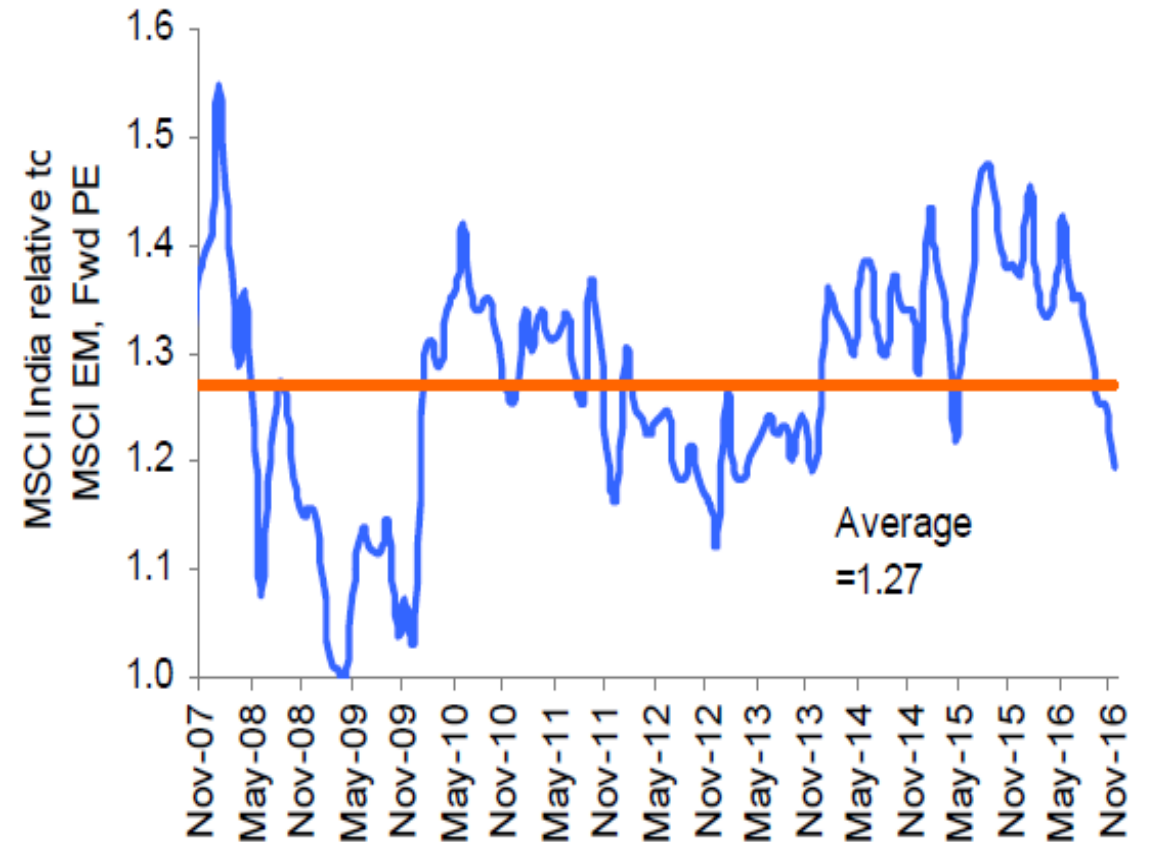
S&P BSE Sensex 10-Year Rolling Returns  
Jan 2005 to Nov 2016



# Equity Valuations



**Bond Yield (BY) to Equity Earning Yield (EY) Below Long Term Average**



**Recent Correction Made Relative Valuations favorable**

# ICICI Prudential Value Fund – Series 10



## Proposed Investment Strategy

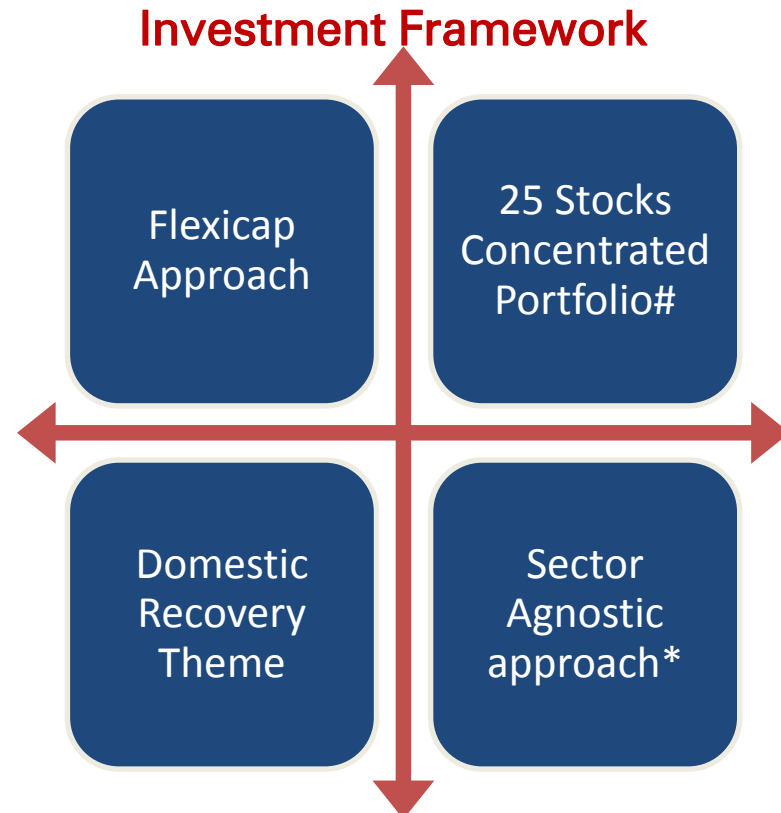
### Market cap Strategy:

The fund may invest upto 70% in large cap and 30% in a mix of mid & small cap stocks.

### Theme of investment:

The fund will invest in sectors that are likely to get benefited from India's economic recovery and expected to do well in the next 3 years. Sectors which can be benefited are

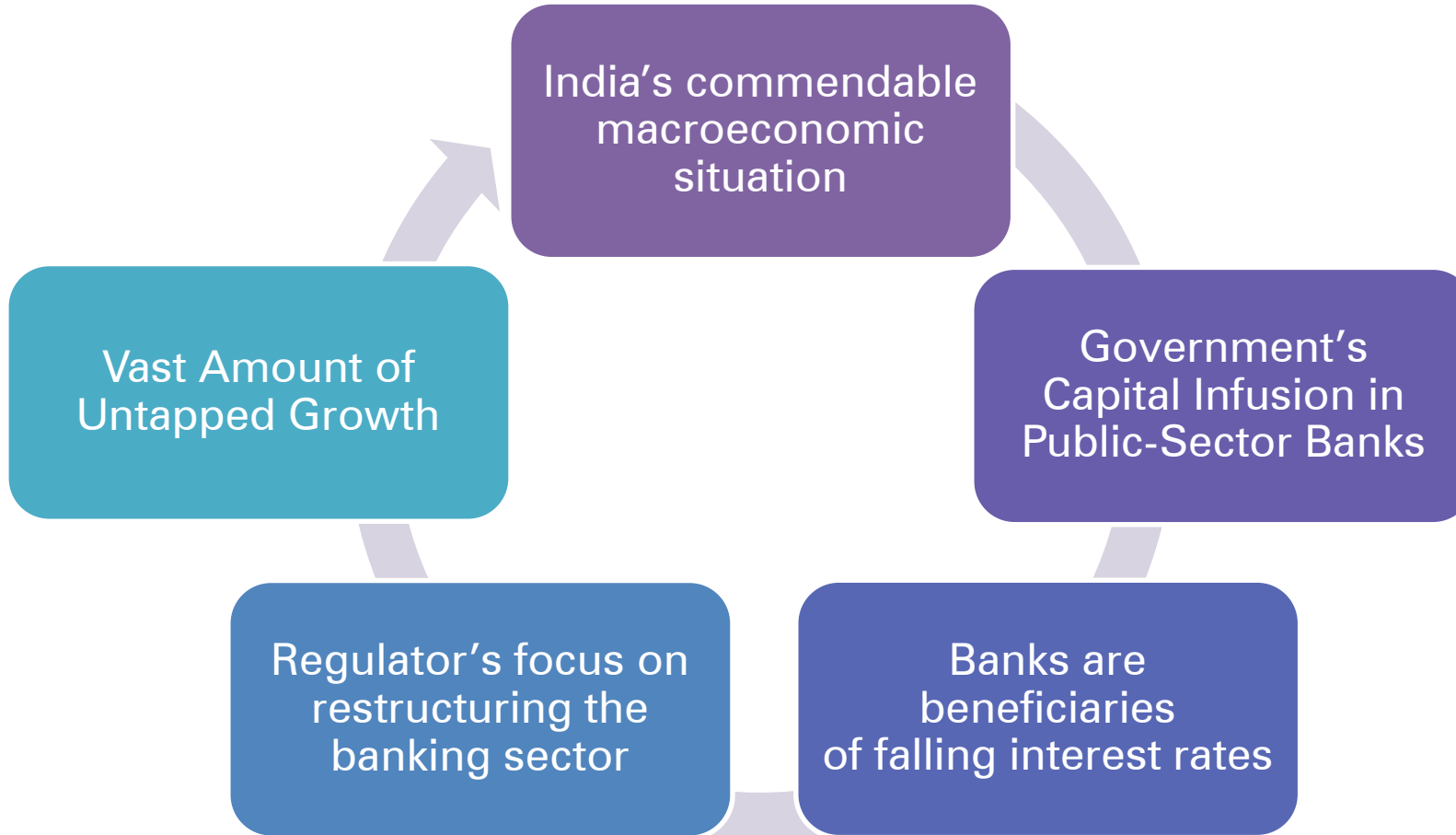
- Interest Rate sensitive sector
- Infrastructure Sector



# The No. of Stocks provided is to explain the investment philosophy and the actual No. may go up and down depending on than prevailing market conditions at the time of investment. The fund may invest upto 25 stocks depending on the discretion of the Fund Managers.

\*Neutral towards selection of sectors.

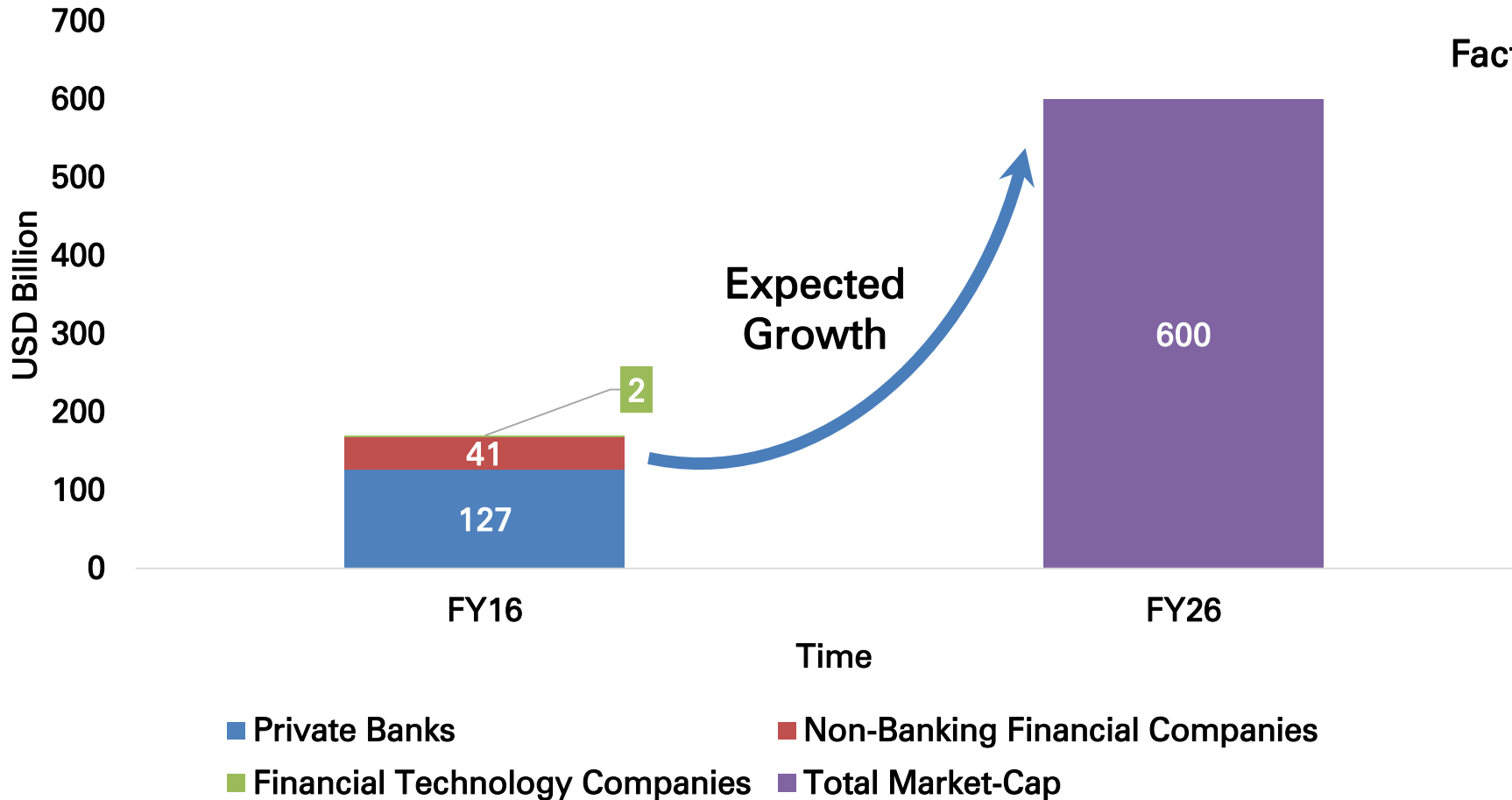
The stock selection and investment strategy will be as per the Scheme Information Document



# Market-Cap Creation Opportunity (Banking & Financial Sector)



## Market Capitalisation



## Factors leading Market-Cap Creation

- Rapidly growing base of paperless systems
- Unique digital biometric identities
- Game-changing electronic payments

Source: CLSA. The slide provides estimate of expected growth in market capitalisation owing to reforms in banking & financial services sector. Actual growth will be subject to implementation of reforms along with overall growth of the economy.



# Why Infrastructure?

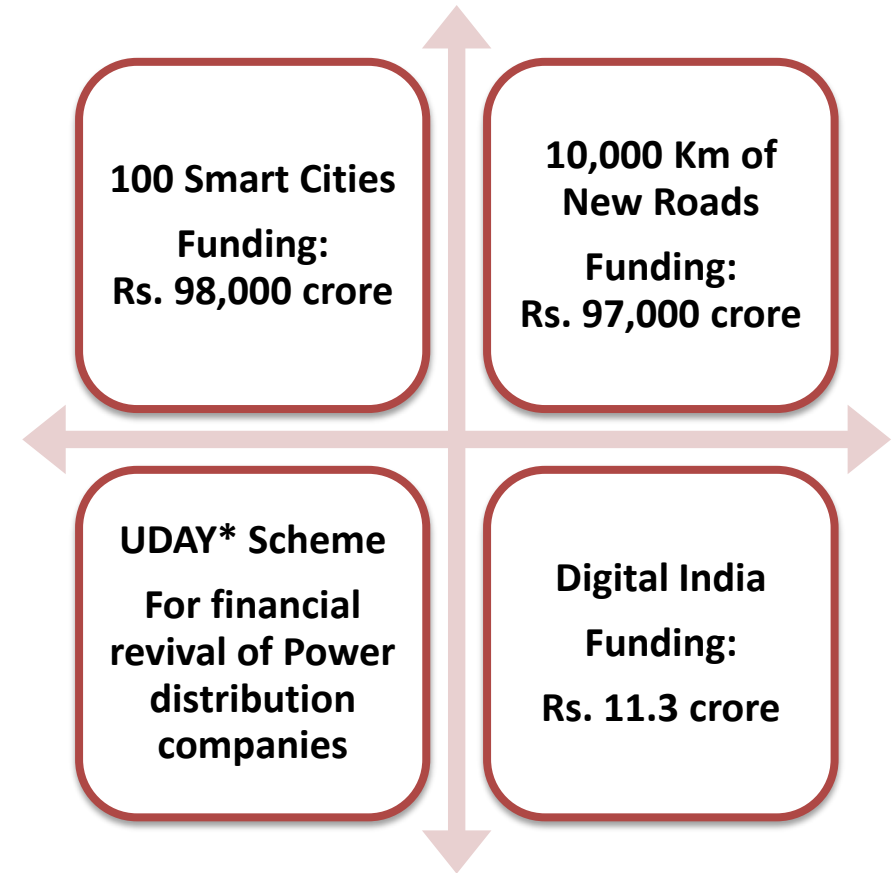
**Demonetisation: Can Accelerate lending to projects**

**Fall in Interest Rates: More Infrastructure Projects Viable**

**Rise in Govt. Expenditure on Infrastructure**

**Favourable Policy Environment**

**Increase in Number of Infrastructure Projects**



# Growth opportunity - Infrastructure

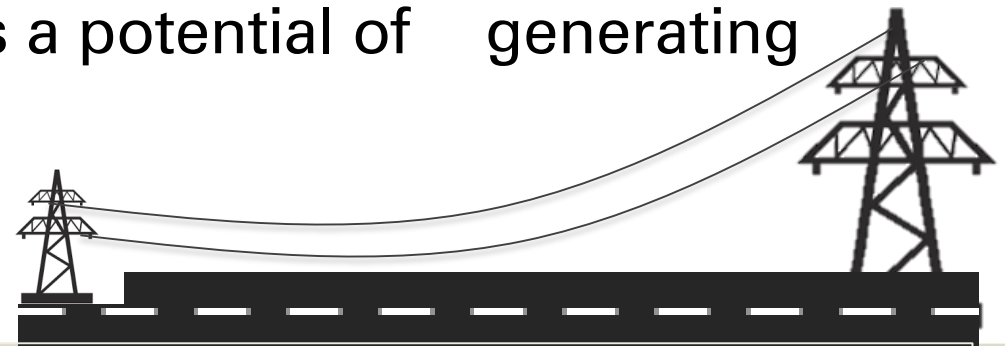


- **Transportation:**

Length of roads Kilo meter (KM) ordered by National Highway Authority of India is expected to increase to 6000 KM, 35% more than FY16

- **Power Sector:**

Currently per capita consumption in India is lowest among major economies in world. There is a potential of generating 2 trillion units of power by 2019.



# Growth opportunity - Infrastructure



Housing For all by 2022 (PMAY\*)

Urban

Rural

New Scheme Launched Jun'15

20m homes by 2022

Rs50bn budget FY17 budget

State contribution is land

Revamped scheme launched Nov'16

30m home by 2022

Rs150bn FY17 budget

Expenditure split 60-40 between centre / State

- The government has already indicated housing as a priority to deploy funds as the fiscal outlook improves post demonetisation and GST. Combined Housing for All funding could rise from c.Rs185bn in FY17 to c.Rs600bn by FY19 even if the urban scheme scales up to 50% of its targeted run-rate.
- The Housing for All scale up can also drive incremental annual demand of 25-30m tonnes of cement (8-10%)
- While demonetization may impact property and related sectors (housing finance and cement), the expected ramp up of the social housing program will offer demand support eventually. The size and direction of potential government stimulus can be key.

# Why invest in ICICI Prudential Value Fund – Series 10?



Helps in bottom-up stock selection with clear three year view

Aims for consistent dividend payouts\* facilitated by timely profit booking

Ability to take cash calls and reduce net equity levels upto 30% at market peak

\*Distribution of dividend is subject to availability of distributable surplus and Trustee Approval

Tenure	1100 days
NFO Period	21st December 2016 to 4th January 2017
MICR cheques	Till end of business day on 4th January 2017
RTGS and transfer cheques	Till end of business day on 4th January 2017
Switches	Switches from equity schemes - 4th January 2017; Till cut off time (specified for switch outs in the source scheme) 4th January 2017 from other schemes# ICICI Prudential Value Fund - Series 10- Growth & Dividend
Option to be launched	ICICI Prudential Value Fund - Series 10 Direct Plan - Growth & Dividend
Entry / Exit Load	Nil
Minimum Application Amount	Rs.5,000/- (plus in multiple of Re.10)
Liquidity	To be listed
Benchmark	S&P BSE 500 Index
Fund Manager	Mrinal Singh & Vinay Sharma*

# Disclaimer



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

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