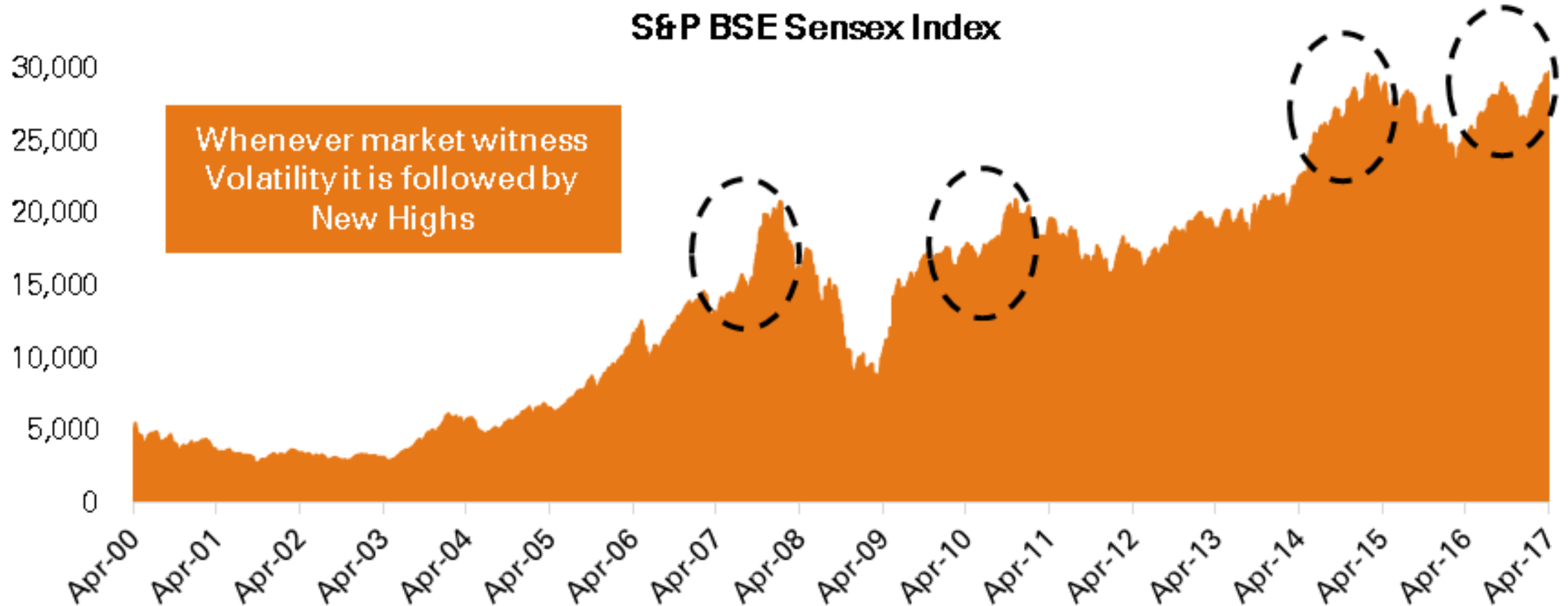


ICICI Prudential Value Fund – Series 14

NFO Period: 25th May 2017 to 8th June 2017

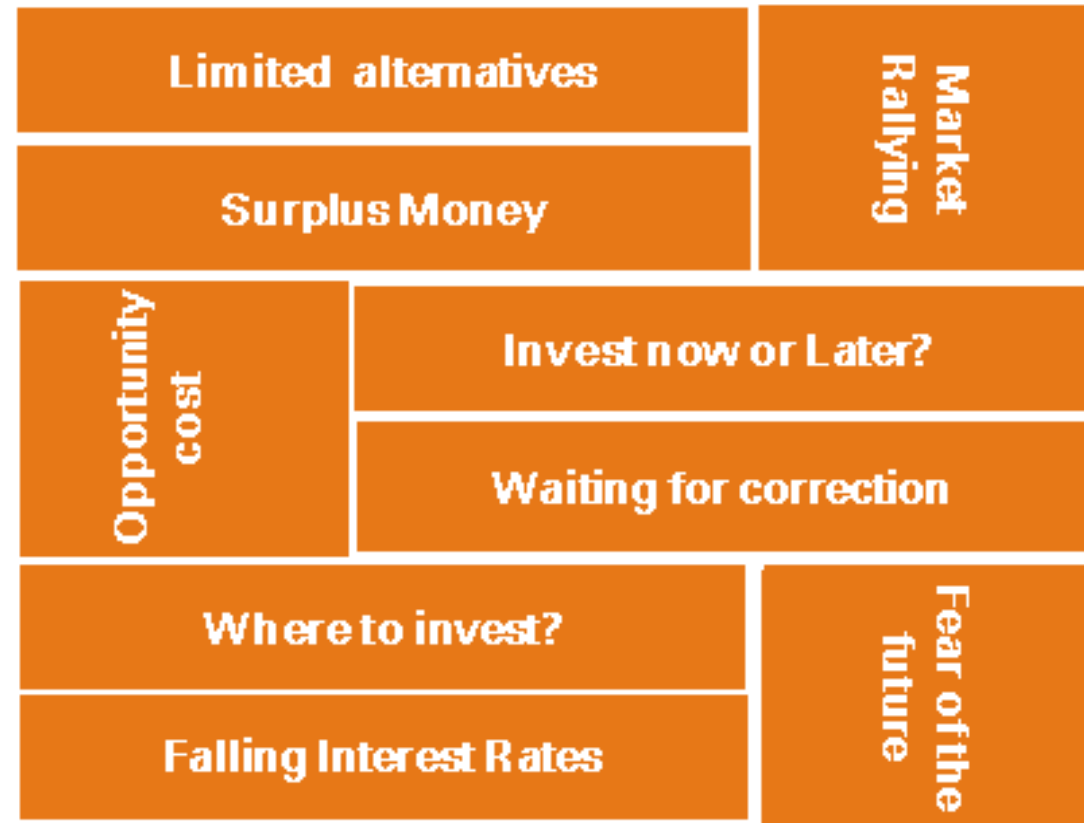
Markets at All time High



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Data as on 30th April 2017 Source : www.bseindia.com, Past performance may or may not be sustained in future

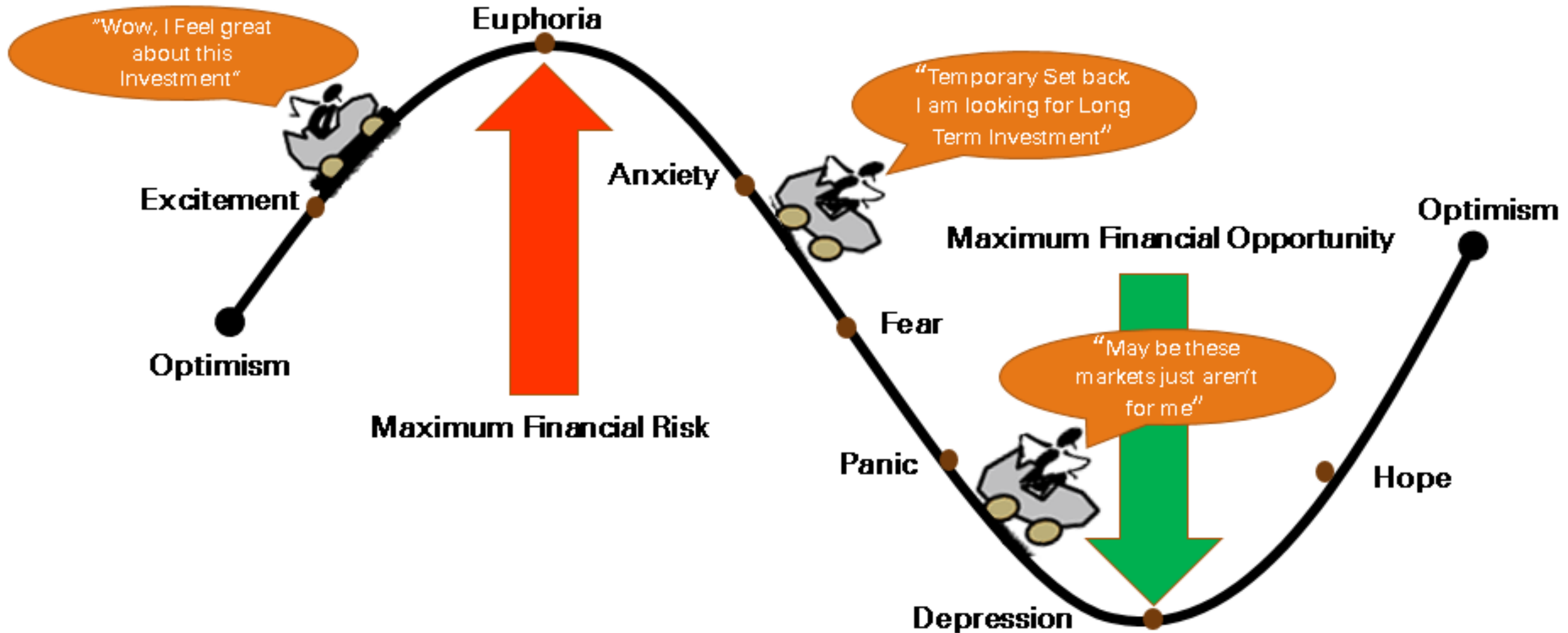
Dilemma Of Investors



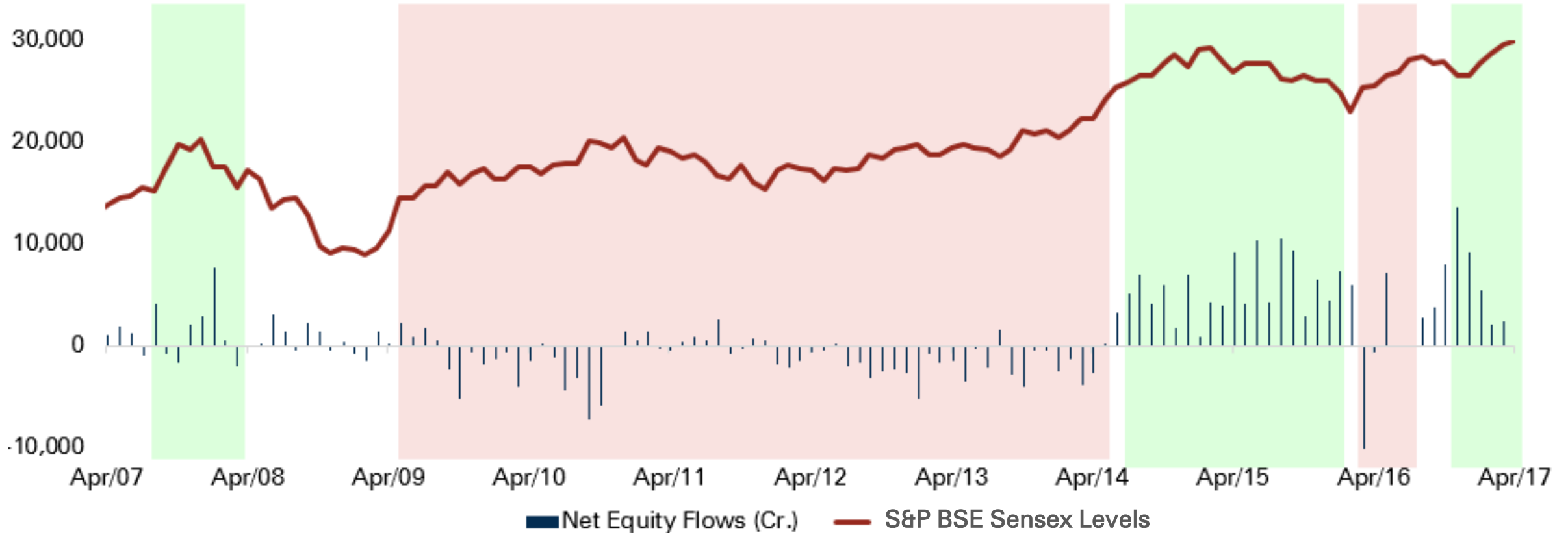
Dilemma Of Distributors



Roller coaster of Investor Emotion



How Investor Behave During Market Cycles



Investors invest in equity markets during market uptrend

Investors tend to redeem or invest less when market is in recovery phase

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Data Source: Bloomberg and ACE MF: Data as on April 28, 2017. Past performance may or may not be sustained in future.

Equity : A favourable asset class

Price to Earnings ratio is not the only measure of valuation

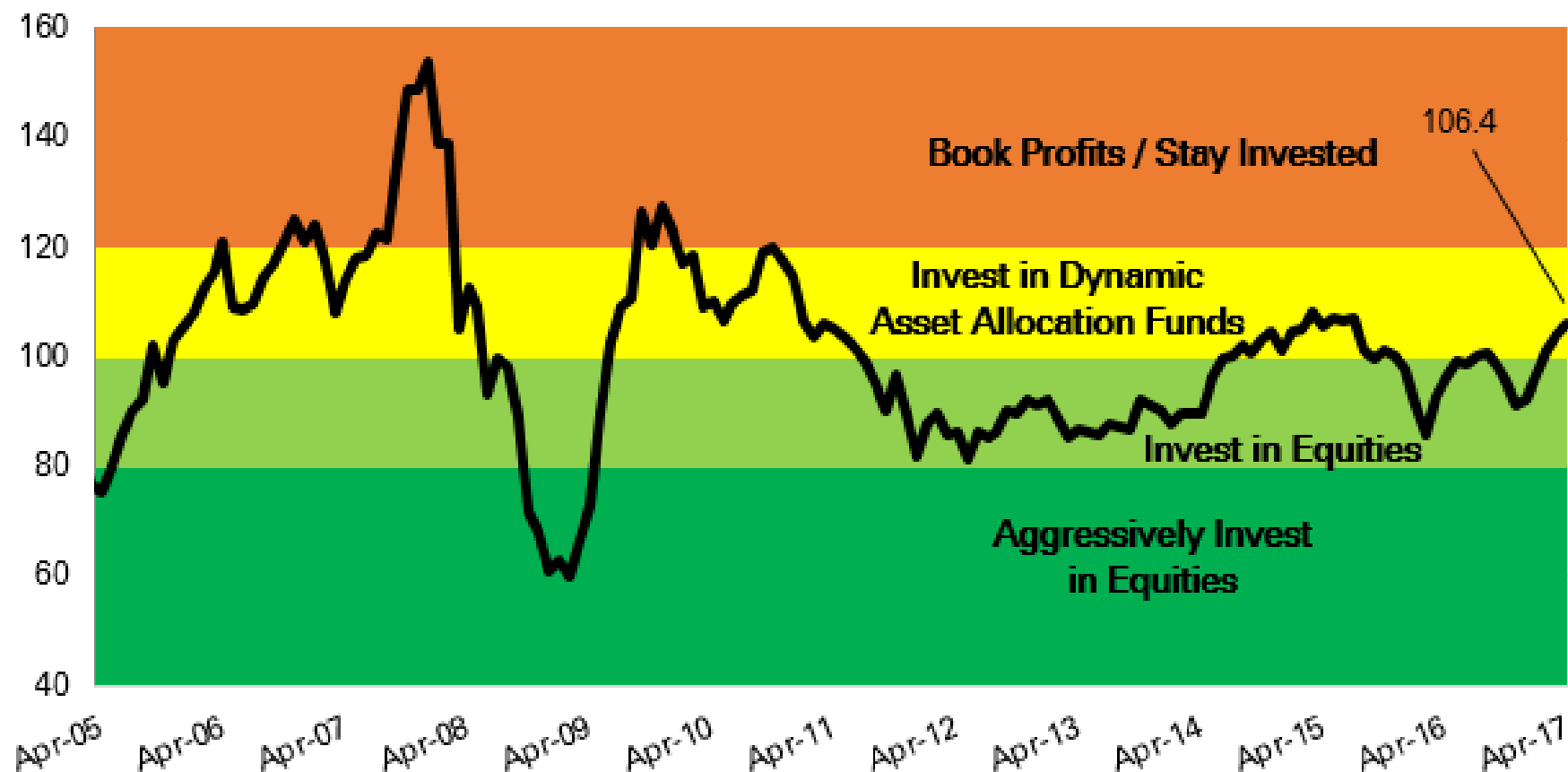


	December 2007	April 2017	
Trailing P/E Nifty 50	27.62	23.63	Don't Just Look at PE Current Cycle is different
Trailing P/B Nifty 50	6.39	3.55	
Market Cap to GDP Ratio	149	80	
	Past Returns of Nifty 50 (CAGR)		
Last 1 Year Return	54.8%	18.6%	Past returns are not at peak
Last 2 Year Return	47.1%	6.6%	
Last 3 Year Return	43.4%	11.6%	
	Nifty 50 Past EPS Growth (CAGR)		
Last 1 Year (YoY)	20.4%	8.4%	Earning cycle is at the bottom
Last 2 Years (YoY)	27.9%	4.1%	
Last 3 Years (YoY)	21.3%	0.9%	
	Macro Indicators		
Capacity Utilisation (Oct-Dec 2016)	91.7%	72.7%	Macros have just started to improve
IIP (12 Months Trailing)	15.58%	0.4% (Apr 2016 – Apr 2017)	

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Data Source: Bloomberg; Data as on April 01, 2017; EPS is quarterly and as on December 2007 and Dec 2016; Capacity Utilization as on Dec 2007 and Dec 2016 IIP – Index of Industrial Production, EPS: Earnings Per Share. P/E : Price to Equity; P/B : Price to Book , GDP : Gross Domestic Product

We believe market is in the mid cycle



Our in-house equity valuation Index suggests that valuations are in a mid cycle.

In this phase, market can be volatile. Hence, investor could consider investing in funds which can limit the downside due to volatility.

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Data as on 30th April 2017 Equity Valuation Index model

Indian Macroeconomic Factors are Strengthening

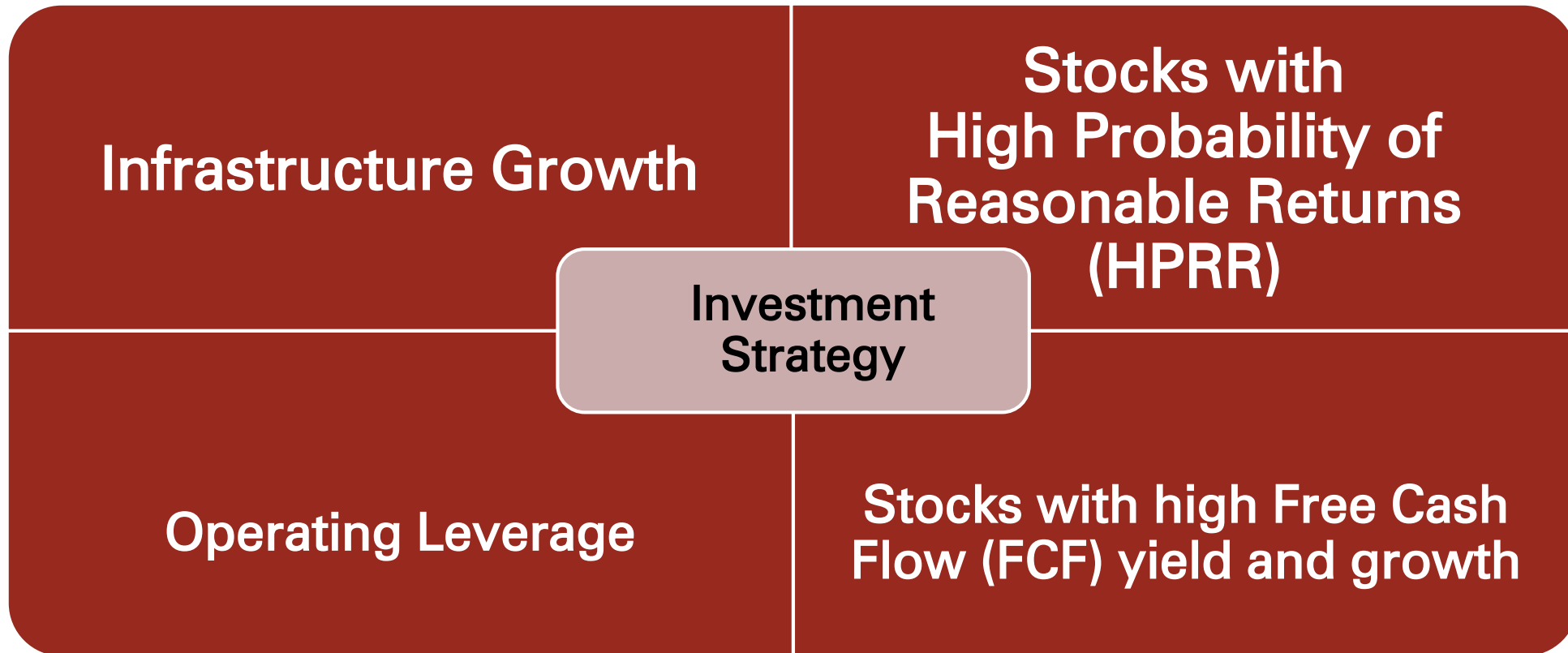
- ❑ **Growth in corporate earnings**
 - ❑ Earnings are expected to pick up over the next 2-3 years.
- ❑ **Increase in capacity utilization**
 - ❑ Currently, the capacity utilisation levels are at multi-year lows. As top-line registers growth with increase in demand, we could witness higher capacity utilization, and this in turn could contribute to increase in profitability.
- ❑ **Government measures on the policy front**
 - ❑ The Indian Government is taking active policy measures which may have positive effects on the economy on the micro level.

Presenting ICICI Prudential Value Fund - Series 14

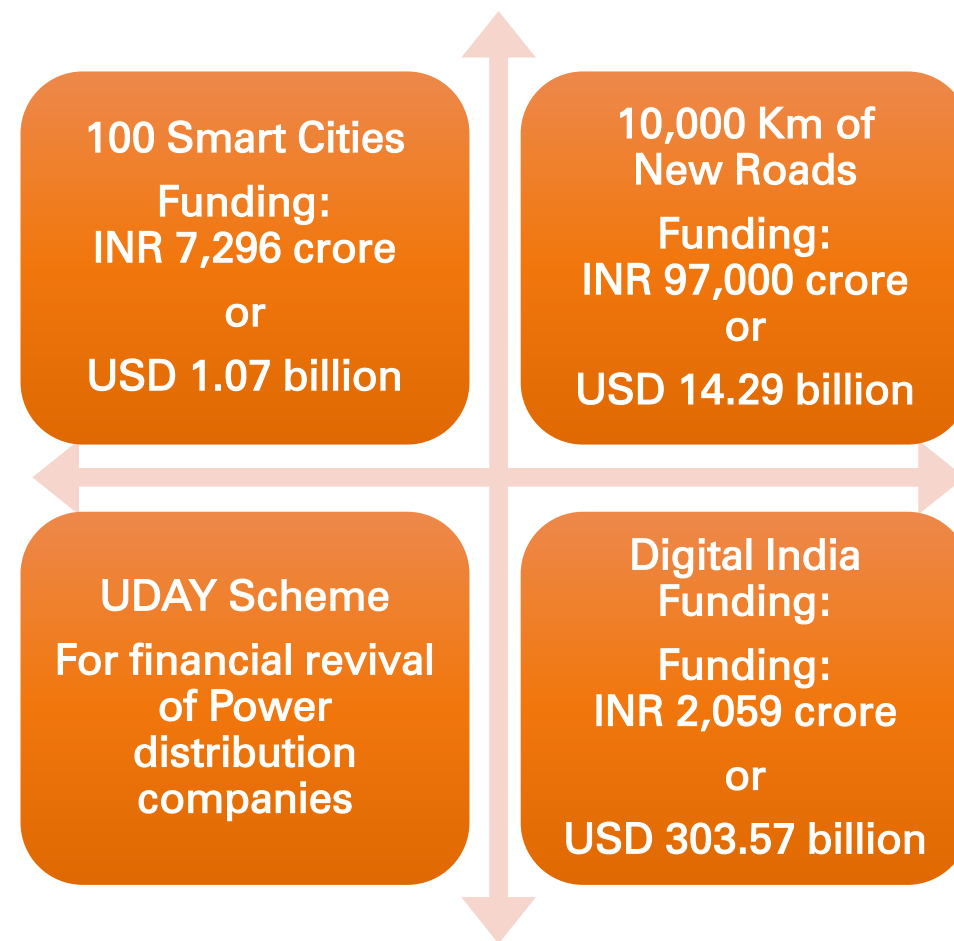
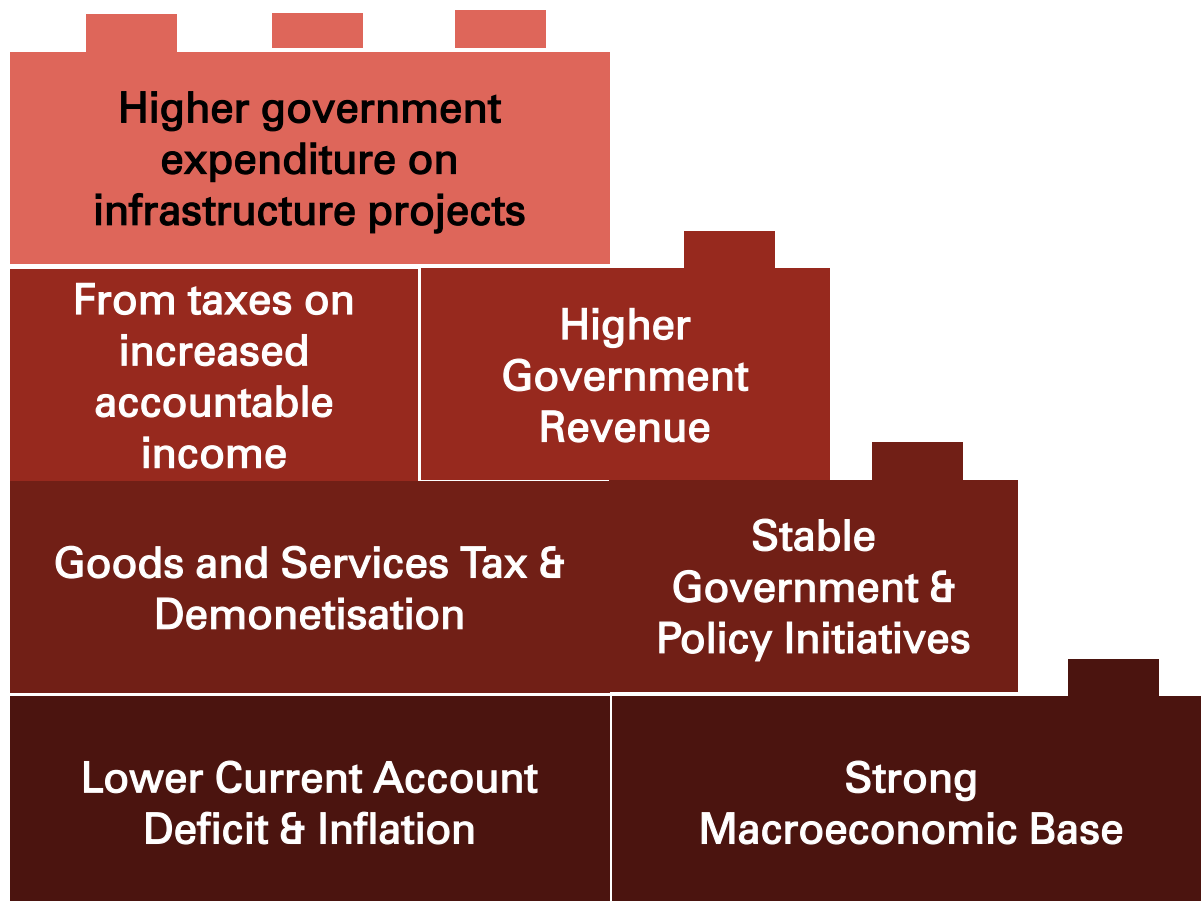


- ❑ We are in the midst of economic uptrend and investors could participate in the equity market with a conservative approach
- ❑ The fund aims to limit downside by taking adequate derivative strategy and counter cyclical investment approach
- ❑ Earnings cycle is yet to improve and most micro indicators have just started picking-up
- ❑ Stock specific value investing opportunities are available
- ❑ Value/Contra investing approach could be a prudent way forward

ICICI Prudential Value Fund – Series 14 – Key Themes



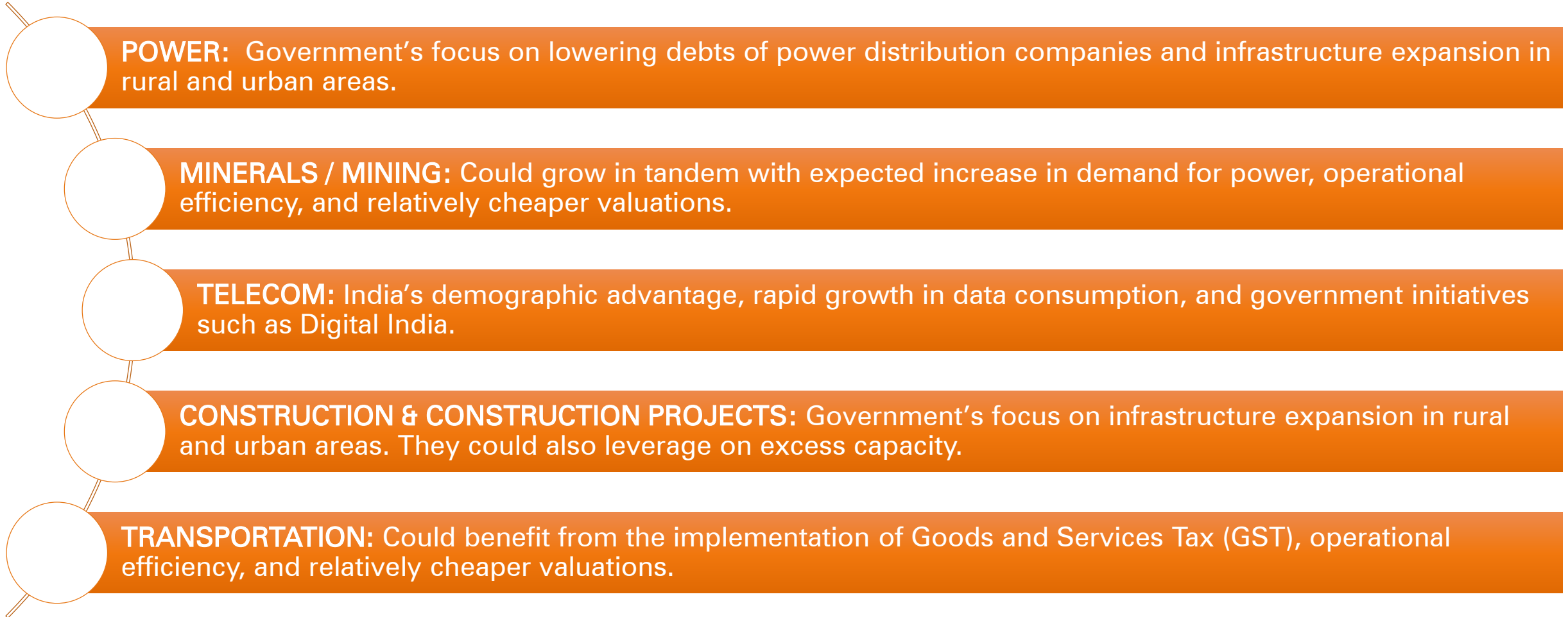
Factors Supporting Infrastructure Growth



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Sources : CLSA | UDAY: Ujwal DISCOM Assurance Yojana | IDS: Income Disclosure Scheme. 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).

Why Invest In Infrastructure Sector?



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Why Invest In Infrastructure Sector?

Expect Boost In Cement Consumption



100 Smart Cities

**Funding:
INR 48,000 crore**

10,000 Km of New Roads

**Funding:
INR 97,000 crore**

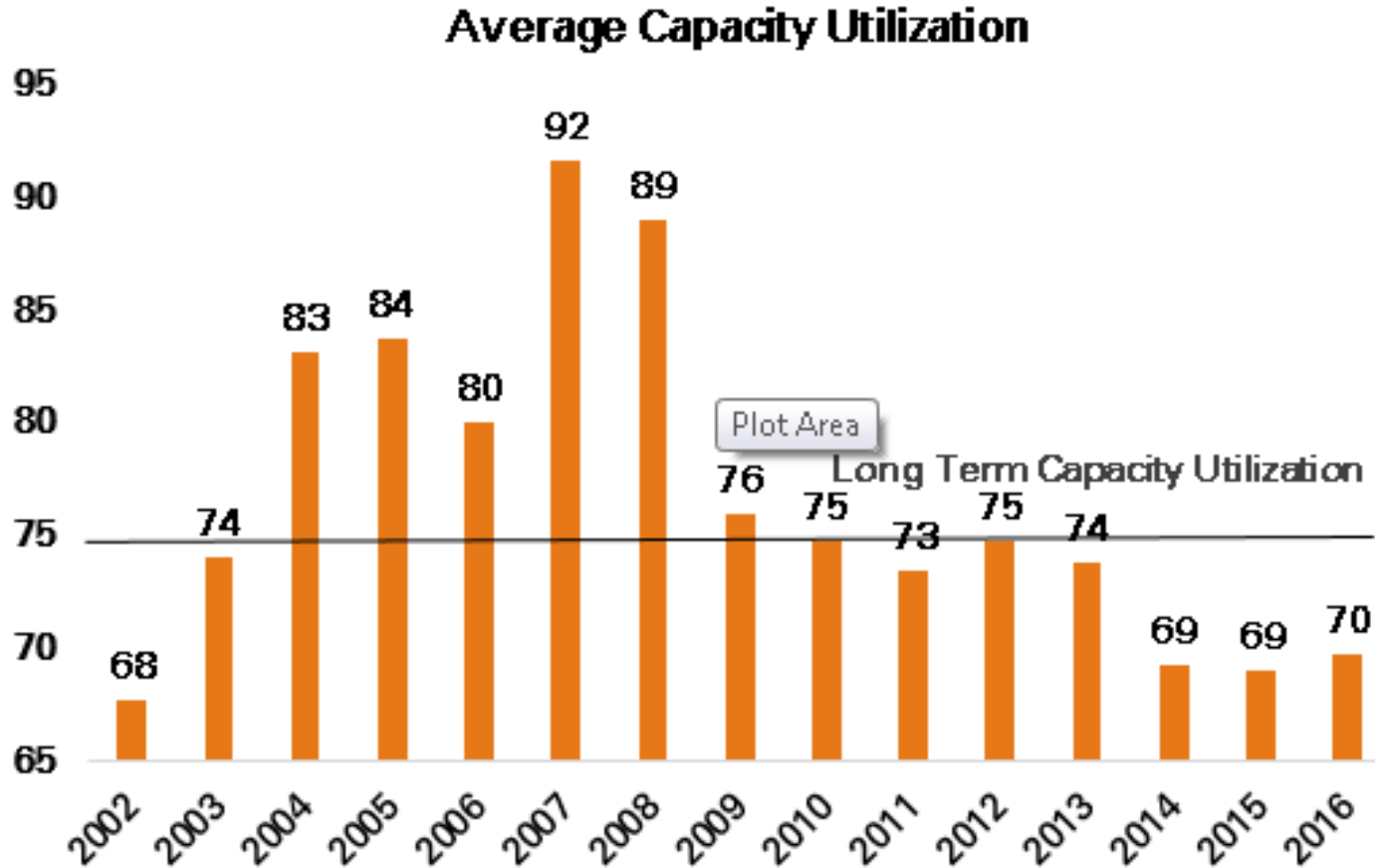


Affordable Housing : 20 Mn Homes by 2022

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Source: Union Budget 2017-18; 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).

Operating Leverage: Expect Growth in Capacity Utilisation



□ With the upturn in the economic cycle increase in demand may lead to higher capacity utilization. Earnings growth for such under-utilized companies may jump manifold thus presenting an good investment opportunity.

□ Current capacity utilization is far below the Long Term industry Average. This creates a reasonable case for capex utilization growth.

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Source : CLSA

Aims To Invest In Stocks With High Probability Of Reasonable Returns (HPRR)



Thesis is to invest in stocks with a history of delivering reasonable returns

Invest in companies with proven track record, stable cash flows and market share gainers

Companies with strong balance sheet and good asset quality

Growth at Reasonable Price (GARP) style of investing in stocks with steady compounding

The Fund Aims To Invest In Stocks Of Companies With High Free Cash Flow Yield And Growth



- ❑ The Free Cash Flow (FCF) yield is an overall return evaluation ratio of a stock.

$$\text{Free Cash Flow Yield} = \frac{\text{Free Cash Flow per Share}}{\text{Current Market Price per Share}}$$

- ❑ It is a more accurate representation of the returns shareholders receive from owning a business.
- ❑ We also consider other metrics like Return on Equity, Debt to Equity valuations, Price to Earnings multiple and EV/EBITDA while evaluating the investment opportunity.

- ❑ A high and rising FCF generation signals a company's ability to service debt comfortably, pay dividends, buy back stock and facilitate the growth opportunities of business.
- ❑ In a low growth environment like now, high FCF yielding business tend to do better, and likely to improve as growth picks up in future

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❑ ICICI Prudential Value Fund - Series 14 aims to

- ❑ buy equity when valuations are low and aim to minimise risk when valuations are high.
- ❑ use in-house valuation models
- ❑ This may help remove the psychological barrier (Greed & Fear) for its investors.



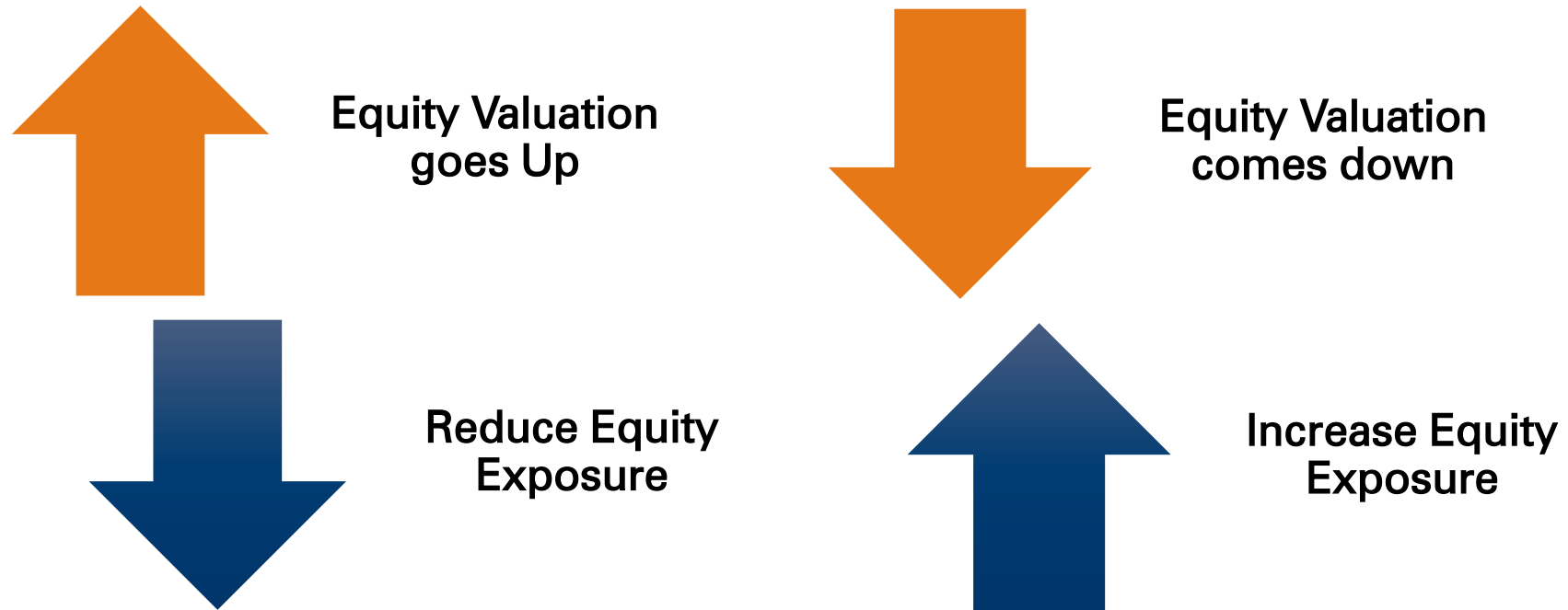
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The asset allocation and investment strategies will be as per Scheme Information Document of the Scheme

Smart equity allocation Strategy
helps in generating reasonable returns even in volatile markets.



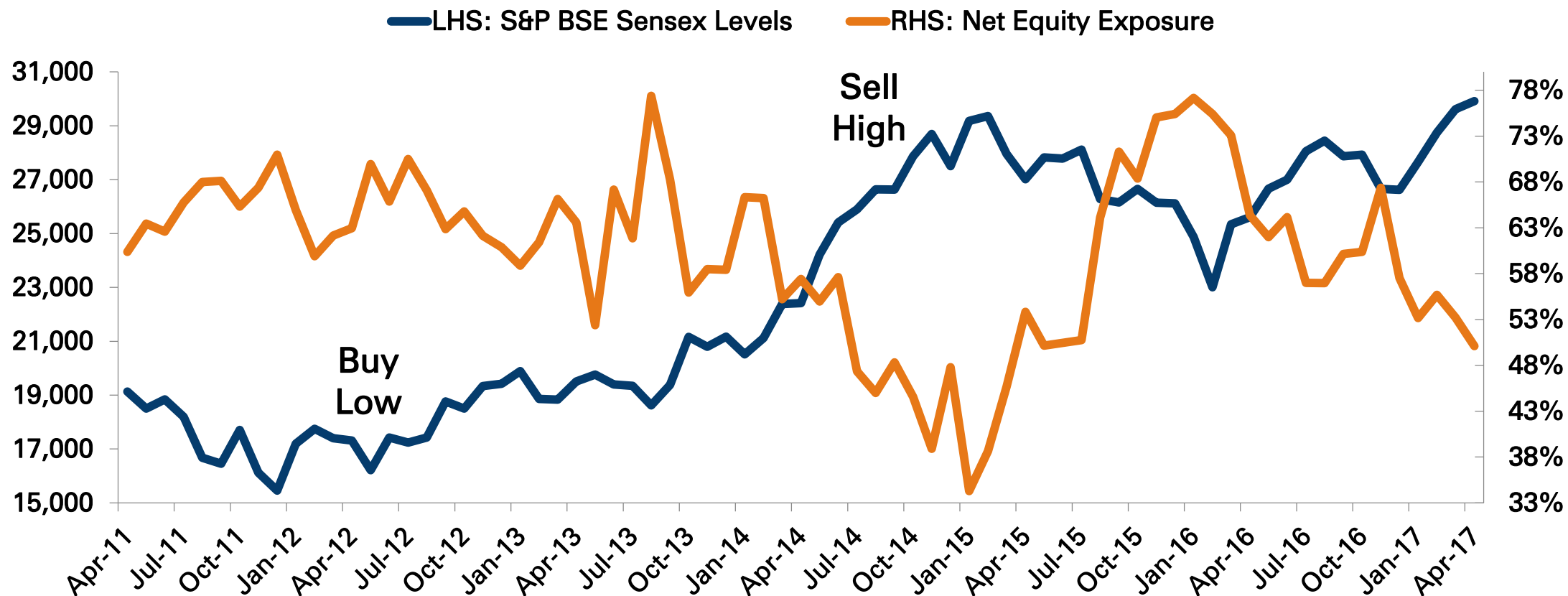
The Fund will use in-house model to assess equity valuations ,enabling
“Buying Low and Selling High”



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The asset allocation and investment strategies will be as per Scheme Information Document of the Scheme

Example of Buy Low - Sell High



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Source: BSE India, The asset allocation and investment strategies will be as per Scheme Information Document of the Scheme, The above graph is for illustration purpose only.

ICICI Prudential Value Fund – Series 14 (~3.5 yrs close ended product)



Themes such as Infra, HPRR and FCF Yield are likely to play out well with three years investment horizon

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

Aim to deliver consistent dividend payouts*

Ability to take cash calls and reduce net equity risk at market peaks

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*Distribution of dividend is subject to availability of distributable surplus and Trustee approval. The asset allocation and investment strategy of the scheme is subject to the provisions of the Scheme Information Document. 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).

ICICI Prudential Value Fund – Series 14: Features



Type of scheme	1330 days close ended equity scheme
Scheme aims at	<ul style="list-style-type: none"> The endeavour of the fund is to protect investors from the market volatility, by maintaining fair equity allocation levels based on market valuations. Help investors to participate in the equity market with a conservative approach To limit downside protection by taking adequate derivative strategy and counter cyclical investment approach
Investment Style	<ul style="list-style-type: none"> Stock Selection – The fund can invest across market capitalization Mix of Equity and Debt – Invest in debt when equity valuations are expensive Use of Derivative to manage Equity Risk
Options	<ul style="list-style-type: none"> ICICI Prudential Value Fund - Series 14 - Growth Option & Dividend Option ICICI Prudential Value Fund - Series 14 - Direct Plan - Growth Option & Dividend Option
Fund Managers*	Sankaran Naren

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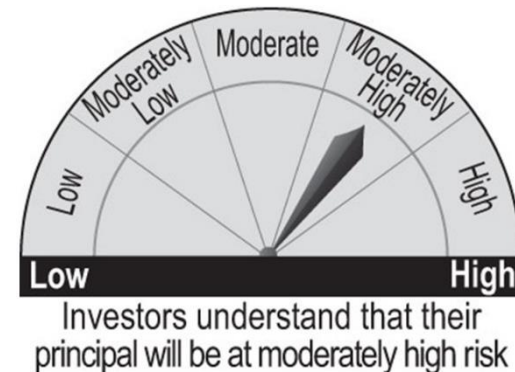
*Ihab Dalwai for investment in ADR/GDR/ Foreign securities. The asset allocation and investment strategy of the scheme is subject to the provisions of the Scheme Information Document.

Riskometer & Disclaimer

ICICI Prudential Value Fund – Series 14 is suitable for investors who are seeking:*

- ☐ Long term wealth creation
- ☐ A close-ended equity fund that aims to provide capital appreciation by investing in well-diversified portfolio of stocks through fundamental analysis.

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



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

In the preparation of the material contained in this document, the AMC has used information that is publicly available, including information developed in-house. 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). Information gathered and material used in this document is believed to be from reliable sources. The Fund however does not warrant the accuracy, reasonableness and/or completeness of any information. For data reference to any third party in this material no such party will assume any liability for the same. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice and carefully read the scheme information document. We have included statements in this document, which contain words, or phrases such as "will", "expect", "should", "believe" and similar expressions or variations of such expressions that are "forward looking statements". Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and / or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry. All data/information used in the preparation of this material is dated and may or may not be relevant any time after the issuance of this material. The AMC takes no responsibility of updating any data/information in this material from time to time. The AMC (including its affiliates), the Fund and any of its officers directors, personnel and employees, shall not be 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. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material.

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