



# ICICI Prudential MIP 5

(An Open Ended Income Scheme)

**(Monthly Income is not assured and is subject to availability of distributable surplus)**

Offer of Units at Rs. 10/- each for cash during the New Fund Offer and thereafter on continuous basis at NAV related prices.

Only for distributors

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NFO period: From April 14, 2011 to April 27, 2011

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# Presentation Structure

1. **What is ICICI Prudential MIP 5?** (An Open Ended Income Scheme.  
Monthly Income is not assured and is subject to availability of distributable surplus)
2. **Why should one invest?**





# What is ICICI Prudential MIP 5 (The Scheme)?

(An Open Ended Income Scheme. Monthly Income is not assured and is subject to availability of distributable surplus)



# What is the Scheme?

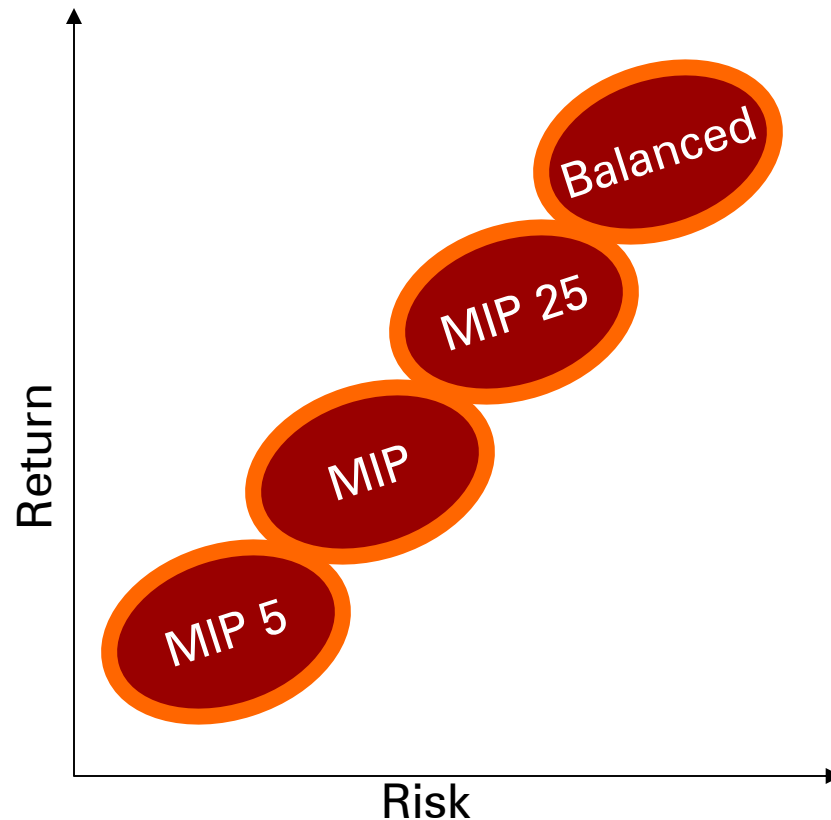
## Investment Approach

- Debt allocation focused on accrual income with minimal volatility
- Fixed income allocation managed with conservative approach
- Equity allocation focused on capital preservation rather than aggressive returns
- Equity allocation with an aim to act as returns enhancer for the portfolio
- Strive for healthy returns over a 1 year *plus* investment horizon
- Provide an income fund to initiate non-equity investors with very marginal equity exposure



# What is the Scheme?

## Fund Positioning



- Positioned as a conservative MIP
- Debt allocation to have moderate average maturity and duration. Securities predominantly in the 1 to 3 years maturity bucket
- Equity allocation to provide potential for gains - Flavour of equity for first timers

The above mentioned MIPs are Open Ended Income Schemes. Monthly Income is not assured and is subject to availability of distributable surplus



# What is the Scheme?

## Investment Strategy

### Debt

- Aim to identify securities that offer superior levels of yield at lower levels of risks
- Primarily, hold securities to manage a stable duration; duration management aimed to be strategic and directional

### Equity

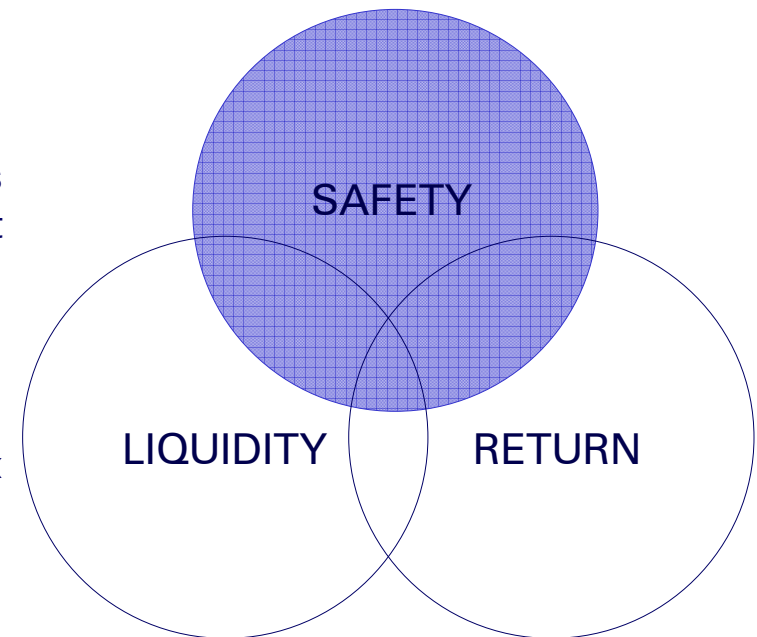
- Exposure to equity diversified across stocks and sectors
- Large cap stocks of companies with good track record
- Investment in stocks with a view to realize gains over a 1 year investment horizon



# What is the Scheme?

## Debt Investment Philosophy

- Minimize credit risk - Majority of investment in above AA-/P1+ rated assets
- Independent credit research
  - Due diligence to evaluate a borrower's ability and willingness to repay the debt on time
  - Investment in entities with large and diversified client base
  - Emphasis on strong parentage
  - Companies having a well diversified mix of businesses
- Derisk the portfolio on downgrades
- Strict adherence to regulatory limits and controlled through deal entry system



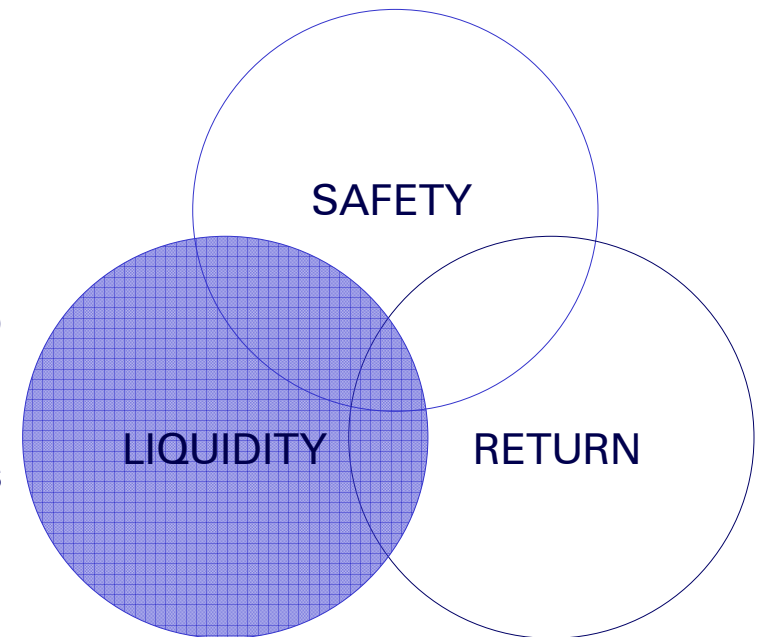
Our Debt Investment Philosophy is with reference to investments in securities made by Schemes of ICICI Prudential Mutual Fund. There is no assurance or guarantee of principal and/or returns offered to the Investor



# What is the Scheme?

## Debt Investment Philosophy

- Endeavor to minimize liquidity risks
- Asset-liability match and stress test
- Aims to maintain high quality portfolio investments from liquidity perspective
- Endeavor to meet redemption payments in timelines at all times



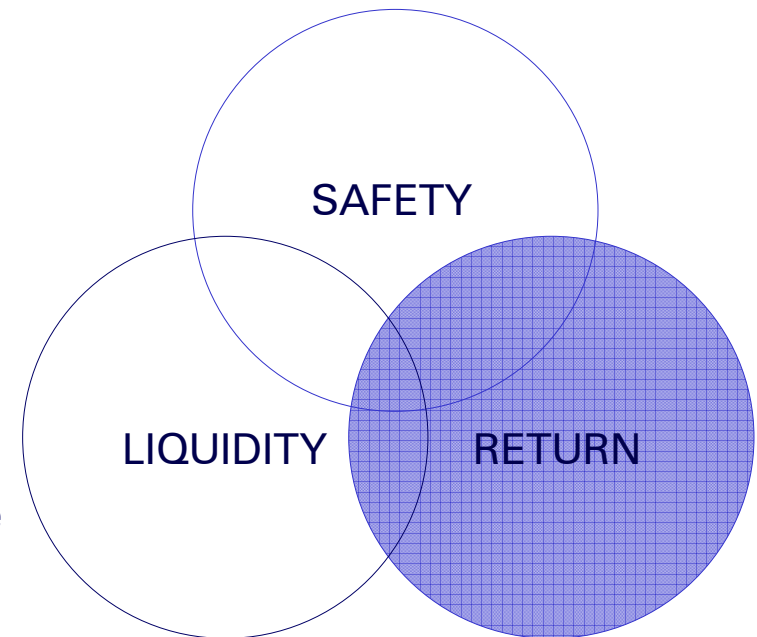
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# What is the Scheme?

## Debt Investment Philosophy

- Optimize return per unit of risk
- Endeavor to maintain consistency in performance
- Focus on returns without undue risks in the portfolio
- Generally maintain cash holding to the extent to meet liquidity requirement



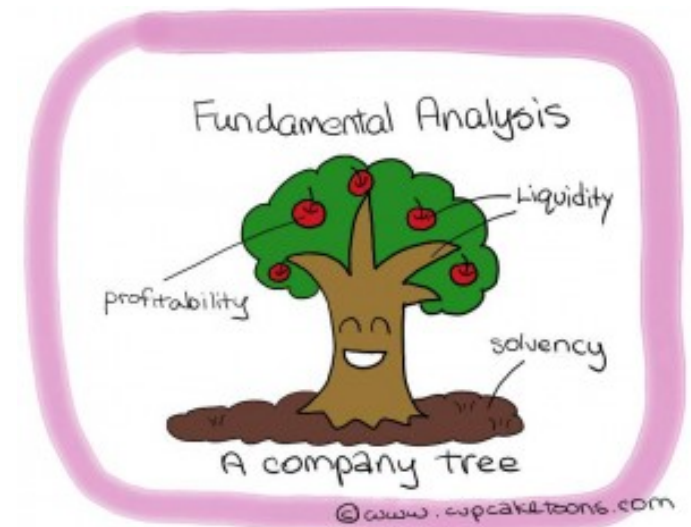
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# What is the Scheme?

## Equity Investment Philosophy

- Fundamental investing backed by analysis of company's and industry's performance and prospects
- Centered on generating capital appreciation for the investor
- Aim to buy good businesses at attractive valuations
- Blend of top-down & bottom-up analysis helps effective portfolio construction and monitoring



Our Equity Investment Philosophy is with reference to investments in securities made by Schemes of ICICI Prudential Mutual Fund. There is no assurance or guarantee of principal and/or returns offered to the Investor



# What is the Scheme?

## Who Should Invest / Ideal for

- Traditional debt investors, now looking for an opportunity to participate in equity markets on a conservative basis with limited equity exposure
- Investors looking to earn returns from accrual income through investment in a largely debt portfolio with a low to medium mark to market risk
- Investors looking for a disciplined mechanism of asset allocation as the fund's portfolio is managed to provide that extra bit over the traditional debt return
- Investors looking to earn tax-efficient returns





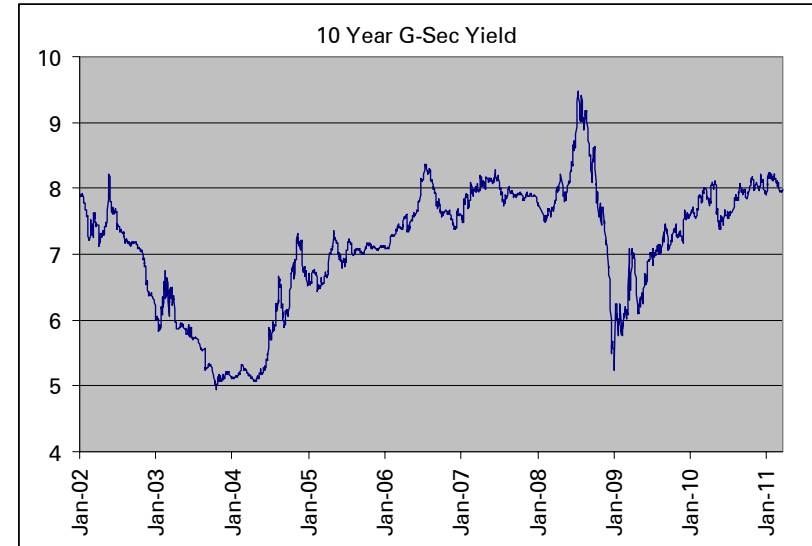
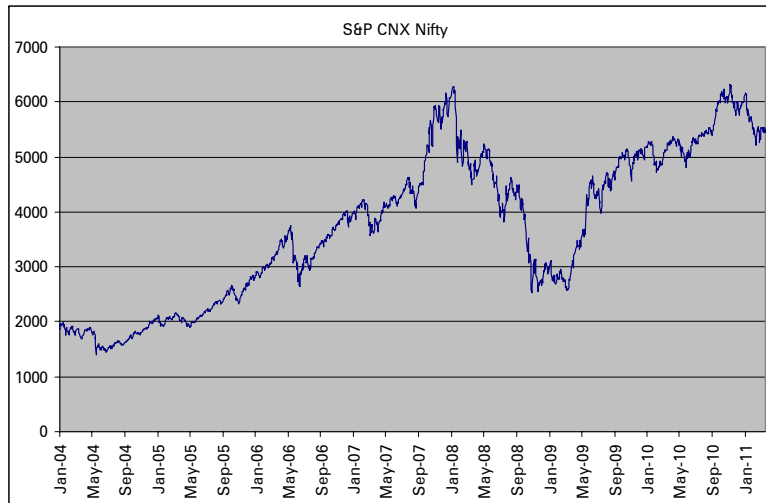
# Why should one invest?



# Why should one invest?

Income from Debt + Growth from Equity = "Debt plus#" returns

- Bond yields have begun to peak out, creating positive environment for a medium to long term bond portfolio



- Equity markets are risky, but have growth potential

# Though it is our endeavour to provide "Debt plus" returns, there is no guarantee or assurance of returns is provided by ICICI Prudential Mutual Fund under the Scheme.

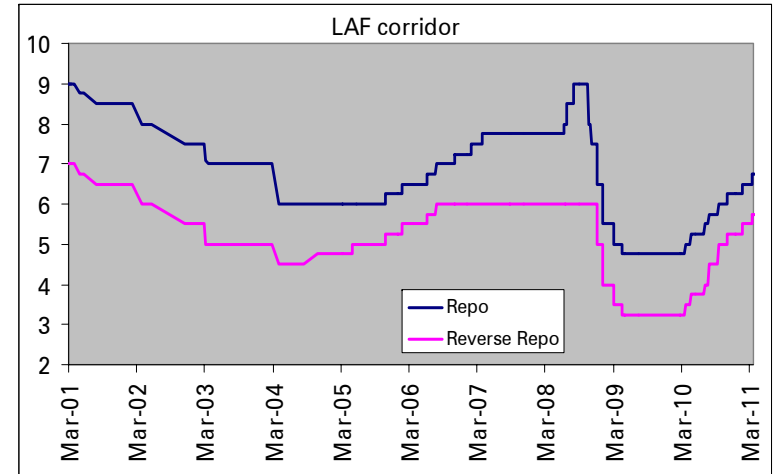
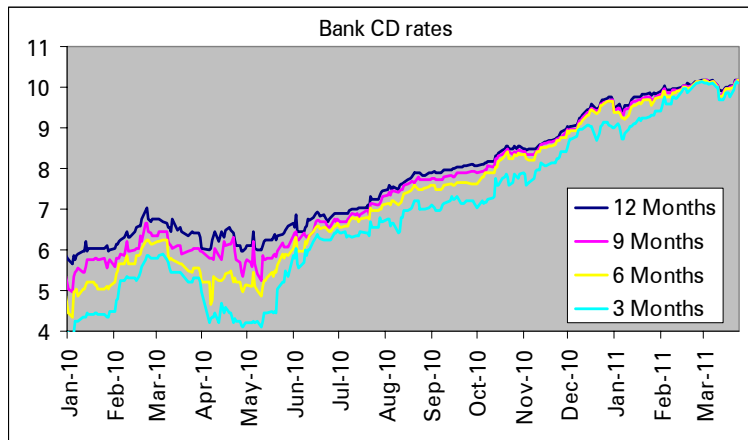
Source: Bloomberg



# Why should one invest?

## Interest rate cycle is favorable

- Interest rates go through peak and trough cycles
- Interest rates are not expected to remain at high levels on a sustained basis. Low interest rates work as lubricants for smooth functioning of the economy



- Even if interest rates were to float at current levels, high accruals are too lucrative. Falling rates offer potential for capital appreciation

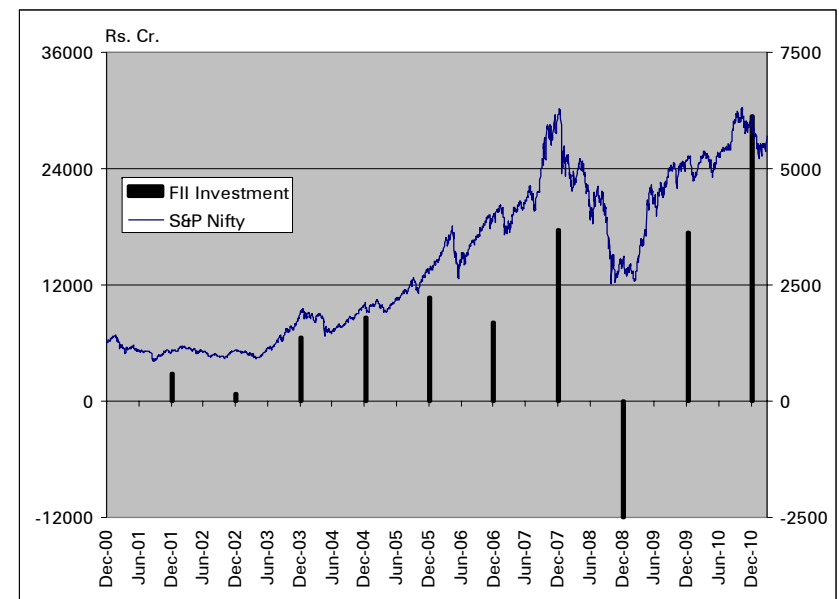
Source: Bloomberg



# Why should one invest?

## Equity markets are poised for takeoff

- Nifty has yielded 16.77% per annum for the last 10 years
- Indian equity is at an inflection point, since India is one of the few emerging economies which is growing at >8%
- FII net inflow highest in 2010. This is expected to increase in the coming years thereby re-rating Indian equities



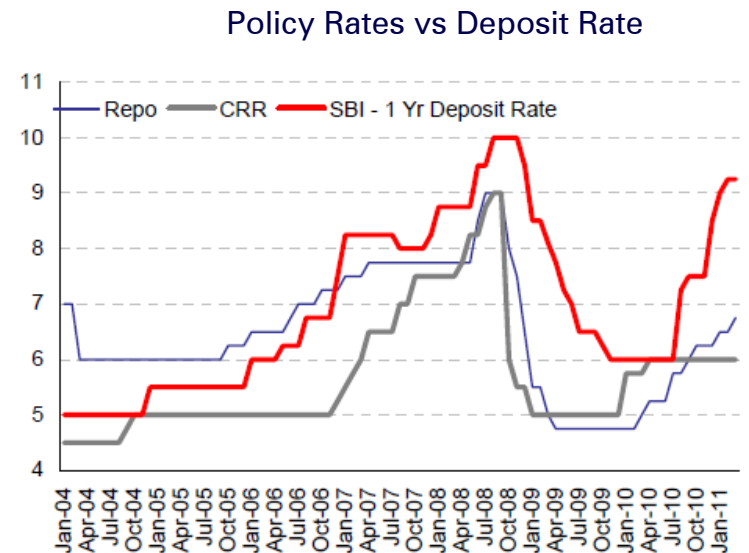
Source: Bloomberg, SEBI website; Data as on 28<sup>th</sup> March 2011



# Why should one invest?

## Traditional avenues not as lucrative

- Even at the height of monetary tightening in 2008, a one year deposit would have fetched close to 7% on a post tax basis
- Policy rates are nowhere near their 2008 highs, and already seem to be peaking out
- Deposit rates at or near their previous highs are not foreseeable in the near future



Source: Bloomberg, RBI and Morgan Stanley Research

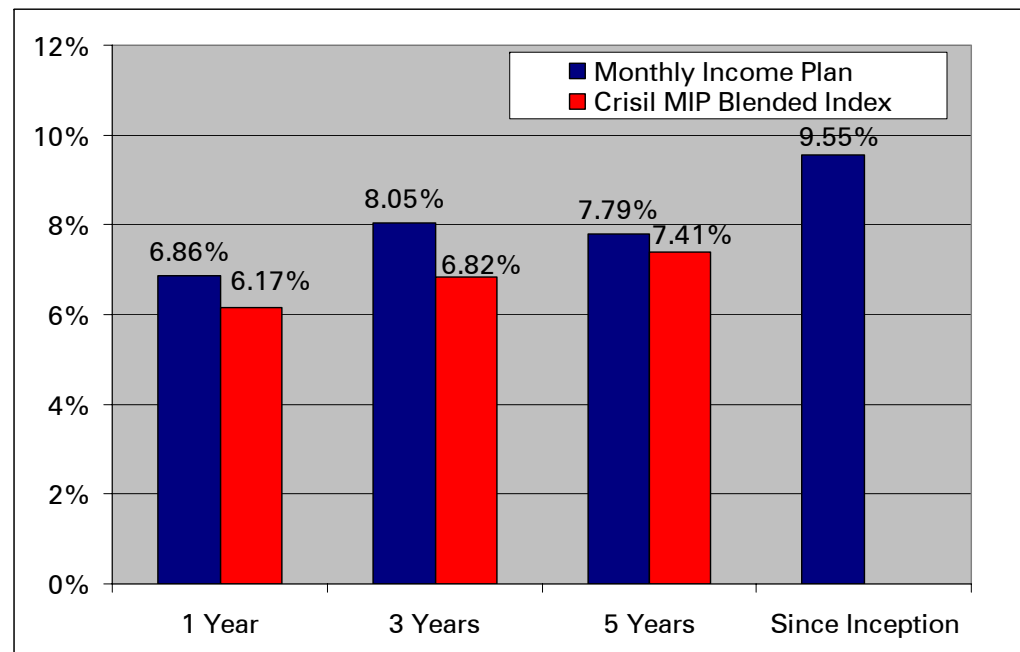


# Why should one invest?

## Our expertise with MIPs

ICICI Prudential Monthly Income Plan (An Open Ended Income Scheme.

Monthly Income is not assured and is subject to availability of distributable surplus)



Past performance may or may not be sustained in future.

Inception Date: 30-03-2002. Returns are calculated on the basis of CAGR. Benchmark is Crisil MIP Blended Index. NAV of Growth Option is considered for computation of returns without considering load. The allotment NAV has been taken as Rs.10 for since inception returns. The performance shown above is not necessarily indicative of future results and may not necessarily provide a basis for comparison with other investments.



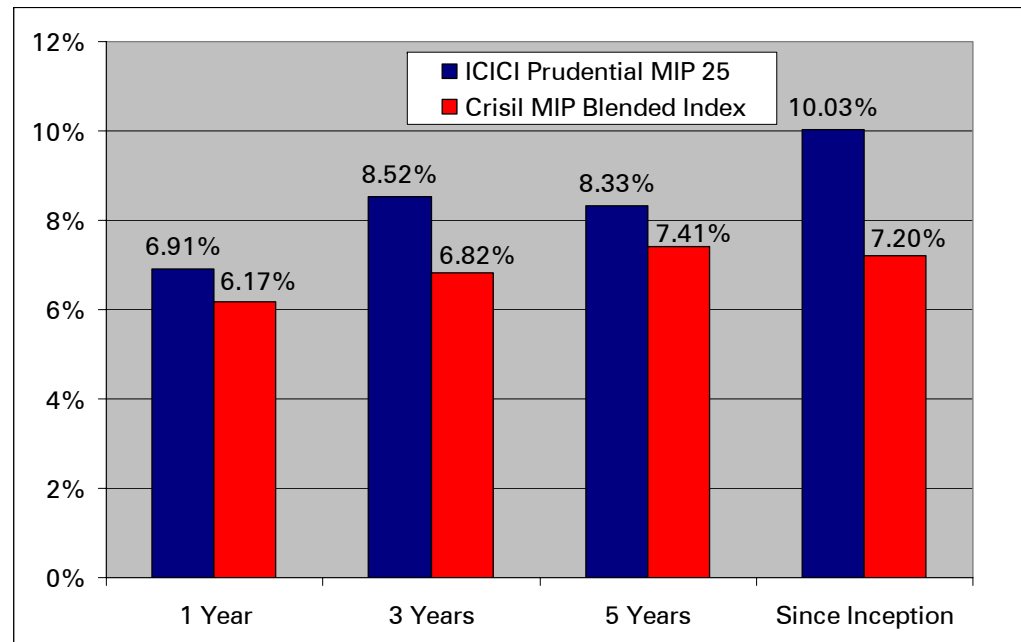
Please read the Scheme Information Document and detailed risk factors carefully before investing. Strictly Private & Confidential

# Why should one invest?

## Our expertise with MIPs

### ICICI Prudential MIP 15 (An Open Ended Income Scheme.

Monthly Income is not assured and is subject to availability of distributable surplus)



Past performance may or may not be sustained in future.

Inception Date: 30-03-2004. Returns are calculated on the basis of CAGR. Benchmark is Crisil MIP Blended Index. NAV of Growth Option is considered for computation of returns without considering load. The allotment NAV has been taken as Rs.10 for since inception returns. The performance shown above is not necessarily indicative of future results and may not necessarily provide a basis for comparison with other investments.



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# Why should one invest?

## Ideal for first time equity investors

Its almost like a first hand sky diving experience



No crash landings

Taking the leap into the world of investments with the safety net of Debt.

You may free fall into the world of investments, get lifted by the winds of Equity and at the same time cushion your fall by Debt



# ICICI Prudential MIP 5 (An Open Ended Income Scheme.

Monthly Income is not assured and is subject to availability of distributable surplus)

## Scheme Features

<b>Options</b>	Cumulative Option (with Automatic Encashment Plan facility) Dividend Option with payout and reinvestment facility (Monthly, Quarterly and Half Yearly dividend frequencies)	
<b>Minimum Application Amount</b>	Cumulative & Dividend: Rs.5,000 (plus in multiple of Re.1) AEP Option: Rs.25,000 (plus in multiple of Re.1)	
<b>Minimum Addnl. Appln. Amt.</b>	Rs.1,000 (plus in multiple of Re. 1)	
<b>Minimum Redemption Amount</b>	Rs.500 (plus in multiple of Re. 1)	
<b>Entry Load</b>	Not Applicable	
<b>Exit Load</b>	If the amount sought to be redeemed or switched out, is invested upto 1 year from the date of allotment;	1% of the applicable NAV
	If the amount, sought to be redeemed or switched out, is invested for a period of more than 1 year from the date of allotment	Nil
<b>Benchmark Index</b>	CRISIL MIP Blended Index	



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# Risk Factors

• **Statutory Details:** ICICI Prudential Mutual Fund (the Fund) was set up as a Trust sponsored by Prudential plc (through its wholly owned subsidiary namely Prudential Corporation Holdings Ltd) and ICICI Bank Ltd. ICICI Prudential Trust Limited (the Trust Company), a company incorporated under the Companies Act, 1956, is the Trustee to the Fund. ICICI Prudential Asset Management Company Ltd (the AMC), a company incorporated under the Companies Act, 1956, is the Investment Manager to the Fund. ICICI Bank Ltd and Prudential Plc (acting through its wholly owned subsidiary namely Prudential Corporation Holdings Ltd) are the promoters of the AMC and the Trust Company. The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes beyond the contribution of an amount of Rs.22.2 lacs, collectively made by them towards setting up the Fund and such other accretions and additions to the corpus set up by the Sponsors. **Risk Factors: All investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market and there can be no assurance that the fund's objectives will be achieved. Past performance of the Sponsors, AMC/Fund does not indicate the future performance of the Schemes of the Fund.**

• **ICICI Prudential MIP 5 (IPMIP5)** is an open ended income fund that seeks to generate regular income through investments in fixed income securities so as to make regular dividend distribution to unitholders seeking the Dividend Option. The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments. However, there can be no assurance that the investment objectives of the Scheme will be realized. **Entry Load:** Not Applicable; **Exit Load:** (i) If the amount sought to be redeemed or switched out, is invested upto 1 year from the date of allotment - 1% of the applicable NAV; (ii) If the amount, sought to be redeemed or switched out, is invested for a period of more than 1 year from the date of allotment – Nil. **Options:** Cumulative, Dividend Option & Automatic Encashment Plan. Dividend Option with payout and reinvestment facility with Monthly, Quarterly and Half Yearly dividend frequencies. **Asset Allocation:** Debt\$\* securities, Money Market instruments & Cash – 90% - 100%, Equities & Equity related securities\* - 0%-10% (\$ Including securitized debt (Single loan and / or Pool loan Securitized debt) of upto 50% of the portfolio. \* Including derivatives instruments to the extent of 50% of the Net Assets as permitted by SEBI. **Minimum Application amount-** Cumulative and Dividend Option - Rs.5,000 (plus in multiple of Re. 1), Automatic Encashment Plan - Rs.25,000 (plus in multiple of Re. 1). **Terms of Issue:** Offer of Units of Rs. 10/- each for cash during the New Fund Offer and continuous offer for units at NAV based prices. **Liquidity/Repurchase facility:** The Scheme will re-open for subscriptions and redemptions on an on-going basis within five business days of allotment, at NAV based prices subject to the provisions of prevailing load structure. **Investments in the Scheme may be affected by risks relating to trading volumes, settlement periods, interest rate, liquidity or marketability, credit, reinvestment, regulatory, investment in unlisted securities, default risk including the possible loss of principal, derivatives, investment in securitised instruments and risk of Co-mingling etc, .**

IPMIP5 is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects and returns. Mutual Fund investments are subject to market risks. Please read Statement of Additional Information (SAI) & Scheme Information Document (SID) carefully before investing.



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# Risk Factors

**Unitholder Information & General Services:** Account statement, indicating the number of unit allotted, will be sent (by ordinary post or email) to the unit holder within the time stipulated under the Regulation from the closure of NFO. The account statement will be sent through email, wherever the email id is provided. Application forms can be submitted at customer service centers, during NFO. The AMC will calculate and disclose the first NAV within the timelines stipulated under the Regulations from the closure of the NFO Period. Subsequently, the NAV will be calculated and disclosed at the close of every Business Day. NAV shall be published at least in 2 daily newspapers on daily basis. In the event of inordinately large number of redemption requests, or of restructuring of the scheme's investment portfolio, these periods may become significant. In the view of the same, the trustees reserve the right in their sole discretion to limit the redemptions (including suspending redemptions) under certain circumstances. The scheme (at the portfolio level) should have greater than or equal to 20 investors and no investor should account for more than 25% of the corpus of the scheme. In case of non fulfillment of the either of the said conditions, the AMC shall comply with the specified SEBI guidelines in this regard. Application forms and copy of SID, SAI and Key Information Memorandum will be available at the website of the company ([www.icicipruamc.com](http://www.icicipruamc.com)) or at customer service centers.

**ICICI Prudential MIP25 [IPMIP25]@#** (An open ended Income fund. Monthly income is not assured and is subject to the availability of distributable surplus). The Scheme seeks to generate regular income through investments primarily in debt and money market instruments. As a secondary objective, the Scheme also seeks to generate long term capital appreciation from the portion of equity investments under the Scheme. However, there can be no assurance that the investment objectives of the Scheme will be realized.

**ICICI Prudential Monthly Income Plan (IPMIP)@#** (An open ended fund. Monthly income is not assured and is subject to the availability of distributable surplus) (Objective is to generate regular income through investments in fixed income securities so as to make monthly/quarterly/half-yearly dividend distribution to unit holders seeking the Dividend Option).

Entry Load under both the schemes: Not Applicable, Exit Load: i) If the amount sought to be redeemed or switched out is invested for a period of upto one year from the date of allotment: 1% of the applicable NAV; ii) If the amount sought to be redeemed or switched out is invested for a period of more than one year from the date of allotment: Nil;

Entry Load: N.A., #Exit Load: (I) If the amount sought to be redeemed or switched out is invested for a period of upto fifteen months from the date of allotment - 1% of the applicable NAV; (ii) If the amount sought to be redeemed or switched out is invested for a period of more than fifteen months from the date of allotment – Nil. @Investments in the Scheme may be affected by risks relating to trading volumes, settlement periods, volatility, derivative, currency, price fluctuations, lending & borrowing, interest rate, liquidity or marketability, credit, reinvestment, regulatory, investment in unlisted securities, default risk including the possible loss of principal, derivatives, investment in securitised instruments and risk of co-mingling etc, IPMIP25 & IPMIP are only the name of the Schemes and do not in any manner indicate either the quality of the schemes or their future prospects and returns. Please read the Statement of Additional Information and Scheme Information Document of the Scheme carefully before investing.



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# Risk Factors

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Thank You

