

ICICI Prudential MIP - 5 (An open-ended Income scheme)

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

New Fund Offer Period – 14th Apr 2011 to 27th Apr 2011

Offer of Units of Rs.10/- each for cash during the New Fund Offer

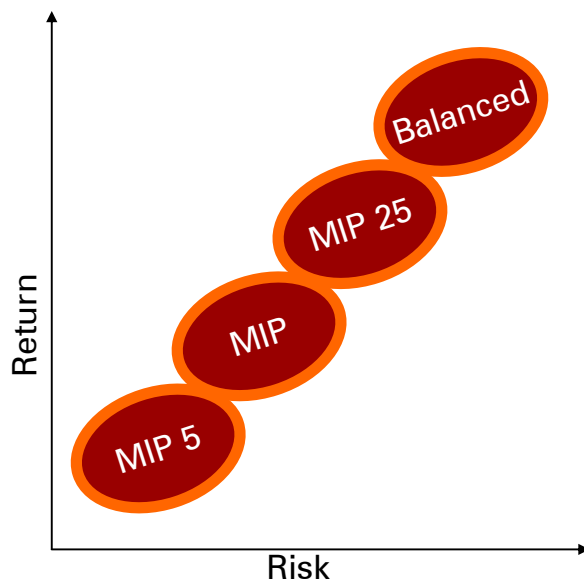


What is ICICI Prudential MIP 5 (An Open Ended Income Scheme. Monthly Income is not assured and is subject to availability of distributable surplus)?

ICICI Prudential MIP 5 (An Open Ended Income Scheme. Monthly Income is not assured and is subject to availability of distributable surplus) is an income fund that seeks to provide regular income to investors by investing predominantly in debt securities with a focus on accrual income and low volatility. The fund would be managed conservatively, with a view to provide dividend at regular frequencies (choice of monthly, quarterly or half yearly) to investors. The fund can invest upto 10% (5% under normal circumstances) of the assets into equity markets which would aim at providing returns enhancement to an otherwise predominantly debt portfolio. The equity allocation would be focused on capital preservation rather than on aggressive returns. The fund would strive for healthy returns over a '1 year plus' investment horizon. The fund would be managed with the objective of providing non-equity investors with an income fund to initiate them towards equities with very marginal equity exposure.

Fund Positioning:

The fund positioning is shown in the below chart.



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

Key highlights:

- 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

Investment Strategy

Debt

The fund would aim to identify securities that offer superior levels of yield at lower levels of risks. The fund would primarily hold securities with a view to manage a stable duration. The duration management would be more strategic and directional rather than for short-term considerations. Securities providing regular coupon or accrual income would form a large portion of the portfolio as the key objective is making regular dividend payouts.

Credit research is done internally on issuers having high investment grade rating. The internal credit research process is based on a strategic framework for credit analysis, which broadly divides the task into two categories: business risk and financial risk. The prime objective is to evaluate a borrower's ability and willingness to repay the debt on time. In order to assess business risk, the factors that are considered include outlook for the economy (Domestic & Global), outlook for the industry and company specific factors.

Equity

The equity allocation would be viewed as playing the role of returns enhancer for the portfolio. Exposure to equity would be diversified across stocks and sectors. The fund manager would look at large cap, liquid stocks of companies with good track record. Investment in stocks would be with a view to realize gains over a 1 year investment horizon.

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

Key Benefits

- The fund endeavors to pay regular dividends and hence becomes attractive for investors looking at annuities
- The fund offers a one stop investment avenue for a conservative investor looking at debt allocation with opportunistic lift from equities, for a medium to long-term investment horizon
- The fund endeavors to generate 'debt plus' returns with reduced mark-to-market risk from a portfolio of debt and marginal equities
- Offers a potentially low to moderate risk option of investing in mutual funds
- A disciplined investor can invest with a minimum investment horizon in mind (typically 12 months or more) by ignoring daily fluctuations in NAV

Key Scheme Features

Type of Scheme	Open-ended Income Scheme	
Options	Cumulative Option - (with Automatic Encashment Plan (AEP) facility) Dividend Option with payout and reinvestment facility (Monthly, Quarterly and Half Yearly dividend frequencies)	
Minimum Application Amount	Cumulative & Dividend Option: Rs.5,000 (plus in multiple of Re.1) AEP Option: Rs.25,000 (plus in multiple of Re.1)	
Minimum Additional Application Amount	Rs.1,000 (plus in multiple of Re. 1)	
Minimum Redemption Amount	Rs.500 (plus in multiple of Re. 1)	
Entry Load	Not Applicable	
Exit Load	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
Fund Manager	Debt: Chaitanya Pande; Equity: Mrinal Singh	
Benchmark Index	CRISIL MIP Blended Index	
SIP / SWP / STP	Available	

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 MIP5 (An Open Ended Income Scheme. Monthly Income is not assured and is subject to availability of distributable surplus) (**IPMIP5**) 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.**

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) or at customer service centers.

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