

ICICI Prudential Capital Protection Oriented Fund Series V - 60 Months Plan

(A close-ended Capital Protection Oriented Fund) NFO Period: September 02, 2011 to September 15, 2011



Market Environment

While the economy can witness a temporary slowdown in growth, we believe that steps taken by RBI form the basis of long-term sustenance of economic growth. Going forward, reforms, fiscal prudence will determine the economic trajectory with the government refocusing on long pending reforms and clearances. In the near term, domestic fund flows can follow global sentiment. The weatherman is increasingly becoming a very important figure as the monsoons need to be tracked closely. Additionally, an improvement in the fiscal situation and correction in commodity prices on the back of global concerns can augur well for domestic economic growth. We believe that the current range bound volatility should not deter investors from India's growth story and markets continue to look attractive for long term investments. This belief is expected to drum up foreign investments in India, thereby benefiting the equity market and the economy as a whole. We recommend investors to choose their exposure with care and discipline while keeping long term view on markets. The hawkish stance of the RBI in its policy review, tight liquidity conditions and inflation has pushed up bond yields near historic highs. The corporate bond yields are at elevated levels. Hence, it would be a good time to lock into good yielding debt issuances of various issuers and hold them till maturity.

Graph for 5 year AAA rated papers



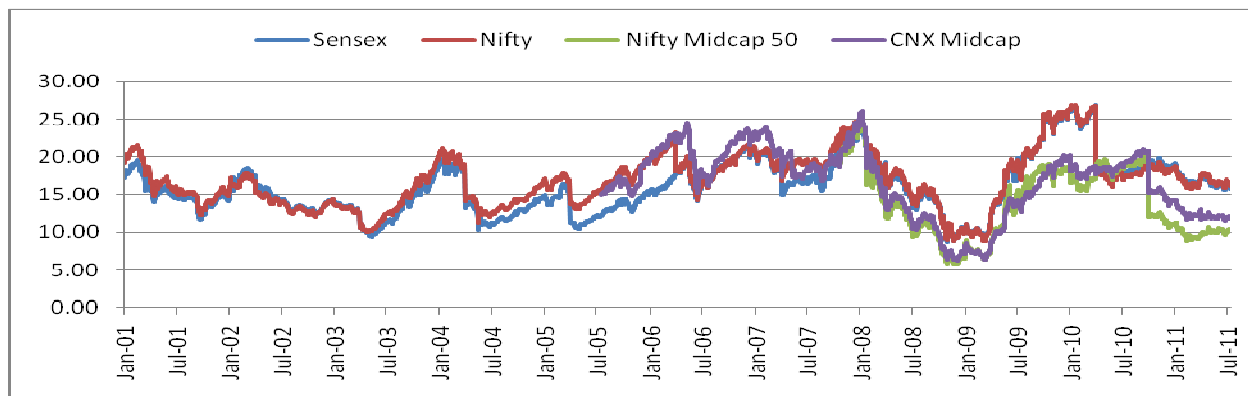
Source: Bloomberg.

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Chart for Price to Earning



Source: Bloomberg.

Equity markets have been volatile and with the recent correction, markets may look attractive. The equity chart above shows the historic PE for Nifty and Sensex, wherein the PE are at attractive valuations.

In our continuing endeavor to bring newer opportunities to our investors, while taking into account the evolving global and local environment, we believe that a Capital Protection Oriented Fund that seeks to provide capital appreciation linked to equity market with downside protection at end of tenure provides an ideal investment opportunity.

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The investment objective of the Plan is to seek to protect capital by investing a portion of the portfolio in good quality debt securities & money market instruments and also to provide capital appreciation by investing the balance in equity and equity related securities. The securities would mature on or before the maturity of the Plan under the scheme.



Past Performance is no guarantee of future results. For ICRA disclaimer refer the detailed statutory details for the risk factors

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.

Investment Approach

For Debt Portion:

- Portfolio which is high on accrual from an asset mix of high quality corporate securities and bonds. The portfolio will have AAA rated papers or equivalent from a rating agency.

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- Investments in securities with high investment grade rating and maturing on or before the duration of the Scheme i.e. 5 years and primarily with the objective of holding till maturity.

For Equity Portion:

- Focus on stock picking with no sector or market capitalization bias
- The objective is to create a basket of stocks with a 5-year perspective
- The focus is on maximizing returns

Unique structure that aims to protect your capital and grow your money

- A minimum of 71% (on the lower side) of investor capital will be invested in investment options like high quality debt securities (rated LAAA investment grade or equivalent rating) of reputed companies and government securities. This is done with the aim to grow it to the size of the initial capital invested by the end of 5 years.
- The remaining, upto 29% will be invested in shares of companies without any sector or market capitalization bias. This exposure will help to participate in the growth of these companies thus providing the portfolio with an element of potential capital appreciation.

Seeks to provide protection towards capital just like any traditional instrument @

The fund has been assigned rating of mfAAA (SO) by ICRA*. (Past Performance is no guarantee for future results.) This rating indicates the highest degree of certainty for payment of face value of the mutual fund units on maturity to the unit holders. So the fund endeavors to provide protection towards capital just like any traditional instrument, which originates from the portfolio structure of the scheme and not from any bank guarantee, insurance cover etc.

*For disclaimer refer the detailed statutory details and the risk factors

Suitable for

- Investors with low to medium risk profile.
- High net worth individuals.
- Partnership Firms, trusts etc. looking to invest in equity markets but aiming capital protection as well.
- First time mutual fund investors who seek to enjoy the benefit of traditional instruments.
- Investors who prefer to invest a significant part of their saving in traditional instruments.
- Investors who have shunned equities because of their market linked nature may consider investing in this fund.

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Other details

Benchmark: Crisil MIP Blended Index

Minimum application amount: Rs. 5,000/- and in multiples of Rs. 10 thereafter.

Options available under the scheme: Cumulative and Dividend option. Dividend Payout is the only facility available under the Dividend Option. The Cumulative Option is the default option under the Scheme.

Detailed statutory details and risk factors:

@ Traditional instruments may have implicit / explicit guarantee of respective issuer for repayment of principal and interest. Partial or pre mature withdrawals are also allowed in some instruments.

Disclaimer by ICRA: The rating provided by ICRA, only assesses the degree of certainty for achieving the objective of the scheme i.e. capital protection and does not denote any opinion on the stability of the NAV of the scheme. 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. The rating would be reviewed on a quarterly basis by ICRA. ICRA (the Rating Agency) reserves the right to suspend, withdraw or revise the ratings assigned to the portfolio structure of this scheme at any time, on the basis of any new information or unavailability of information or any other circumstances, which the Rating Agency believe may have impact on the above rating.

Statutory Details: Settlor of ICICI Prudential Mutual Fund (IPMF): ICICI Bank Limited and Prudential plc; IPMF was set up as a Trust sponsored by the settlor in accordance with the provisions of the Indian Trust Act, 1882. **Trustee:** ICICI Prudential Trust Ltd. (IPTL); **Investment Manager:** ICICI Prudential Asset Management Co. Ltd. (IPAMCL); IPTL & IPAMCL are incorporated under Companies Act, 1956. **Liability:** Liability of IPMF/Sponsors/IPTL/IPAMCL is limited to Rs. 22.2 lacs collectively. Past performance of the Sponsors, AMC, Fund and Trustee has no bearing on the expected performance of the mutual fund or any of its schemes. **Risk Factors: All investments in Mutual Fund 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 markets and there can be no assurance that the fund's objectives will be achieved.**

ICICI Prudential Capital Protection Oriented Fund – Series V – 60 Months Plan (the Plan) is a close ended Capital Protection Oriented Fund. The investment objective of the Plan under the Scheme is to seek to protect capital by investing a portion of the portfolio in good quality debt securities and money market instruments and also to provide capital appreciation by investing the balance in equity and equity related securities. The securities would mature on or before the maturity of the Plan under the scheme. However, there can be no assurance that the investment objective of the Plan under the Scheme will be realized. **Asset Allocation:** Debt securities & money market instruments - 71% to 100%, Equity & equity related securities – 0-29%. If a Plan decides to invest in securitised debt (only single loan PTCs), it could be upto 30% of the allocation to debt. If a plan decides to invest in equity derivatives it could be upto 100% of the allocation to equity. **Terms of Issue:** Offer of Units of Rs. 10 each during the New Fund Offer only. **Entry Load:** Not Applicable, **Exit Load:** Since the Plan will be listed on the stock exchange, there will be no load applicable. Investors shall note that the brokerage on sale of the units of the schemes on the stock exchanges shall be borne by the investors. **Minimum Application Amount:** Rs. 5,000 and in multiples of Rs.10 thereafter. Minimum application amount is applicable for switch-ins made during the New Fund Offer period as well. **Liquidity:** No

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redemption/repurchase of units shall be allowed prior to the maturity of the Plan. Investors wishing to exit may do so, only in demat mode, by selling through National Stock Exchange of India Ltd. or any of the stock exchange(s) where the scheme will be listed as the Trustee may decide from time to time. **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.**

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, expenses, 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. **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 not later than 5 working days from the date of allotment of units. 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 at the time of allotment, 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.

ICICI Prudential Capital Protection Oriented Fund – Series V – 60 Months Plan 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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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 etc. The AMC (including its affiliates), the Mutual Fund, The Trust and any of its officers, directors, personnel and employees, shall not 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 this material. All data and information assumed in the preparation of this document is dated. The same may or may not be relevant at a future date. Prospective investors are therefore advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of Mutual Fund. The AMC takes no responsibility of updating any data/information in this material from time to time.