



Invest in
ICICI Prudential
Equity Minimum Variance Fund

Markets will fluctuate; your
peace of mind doesn't have to!

**NFO
DATE**

Nov 18, 2024
Dec 02, 2024





**Ever heard of a person with a height of 6 feet
drown in a river with an average depth of 5 feet?**





Beware of the Flaw of Average

A man with a height of 6 feet, drowned while crossing a river that had an average depth of only 5 feet!

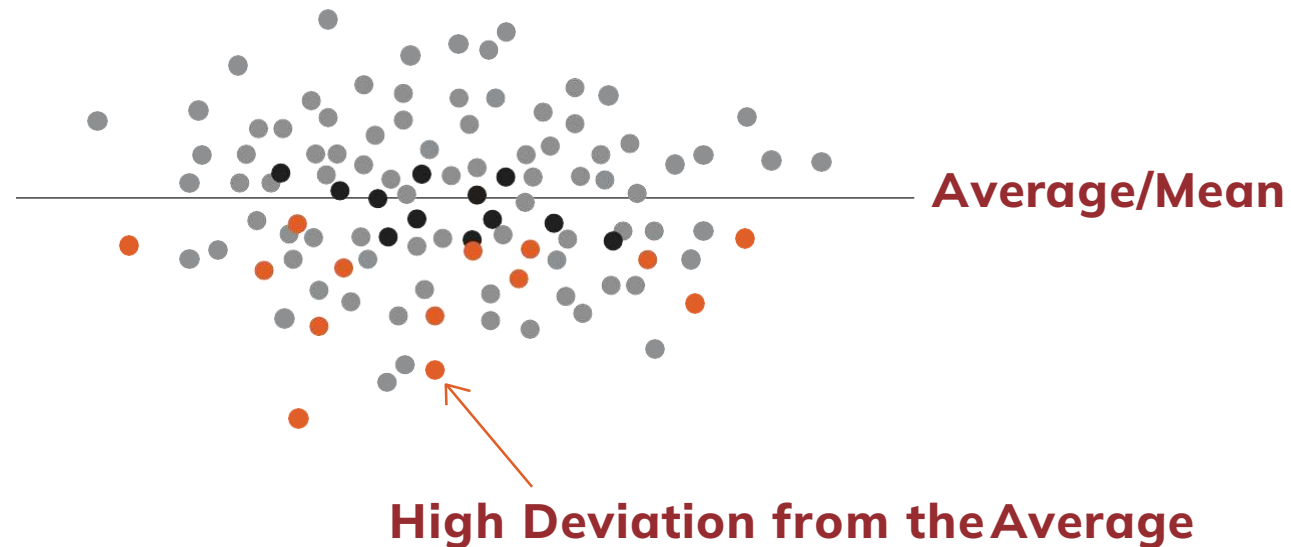


'Average' could be deceptive as it overshadows the actual picture or **VARIANCE** from the average



What is Variance?

In a data set, **Variance** measures the deviation of each number from the average. A larger variance would indicate that the numbers are further spread out from the average.



Variance = Standard deviation*

*Standard deviation is calculated as the square root of the variance



The Variance we encounter in our Daily Lives

For Example: One needs to travel to airport from his hotel and the map displays that the average time to reach would be 1 hour.

During peak hours, the time to reach increases to 1.5 hours.



When the congestion is less, he would take 45 minutes.



Average Time to reach the Airport: 1 hour



Variance: 30 minutes

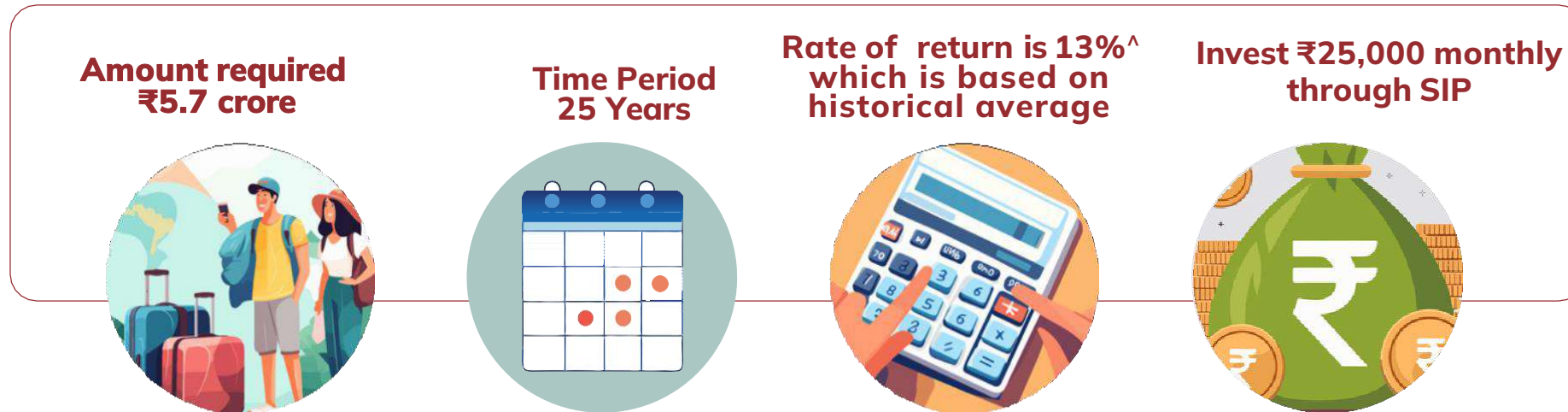


Variance: 15 minutes



The Relevance of Variance in Investment

Suppose: You aspire to retire comfortably after 25 years, for which you compute how much to invest:



However, after 25 years, the investment grew to ₹3.3 crore instead of ₹5.7 crore. What went wrong?

The actual rate of return turned out to be 10%, lesser than the expected average.

OR

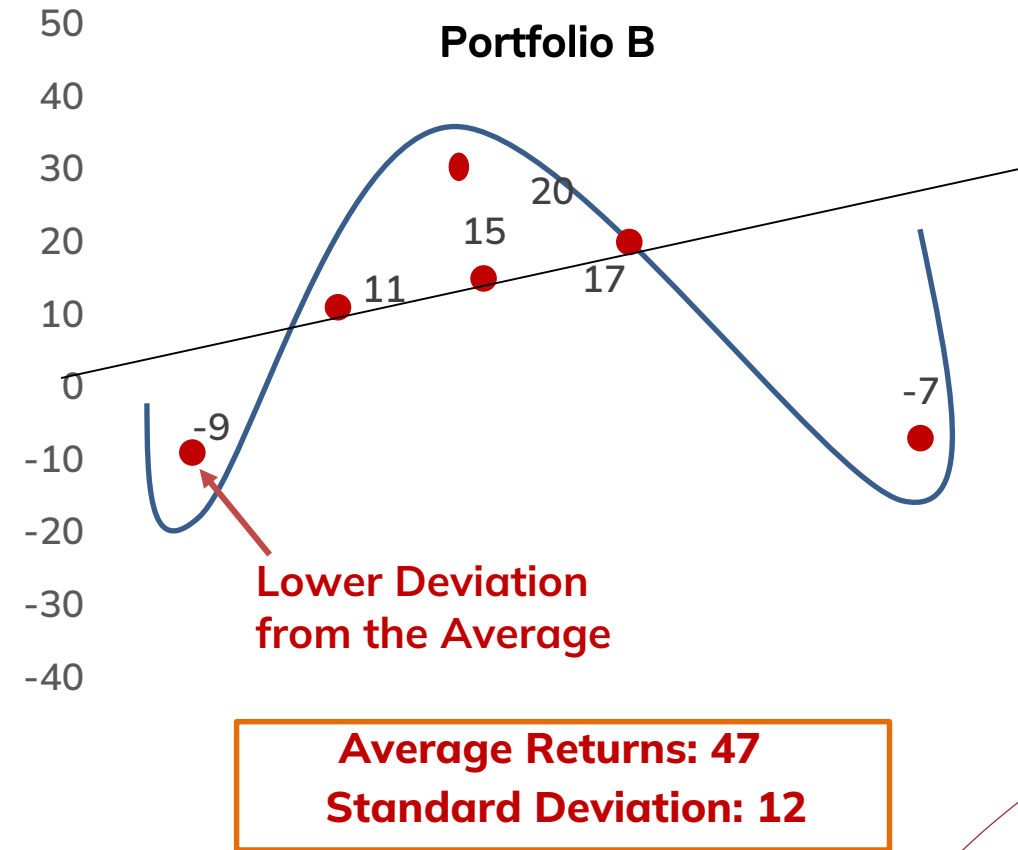
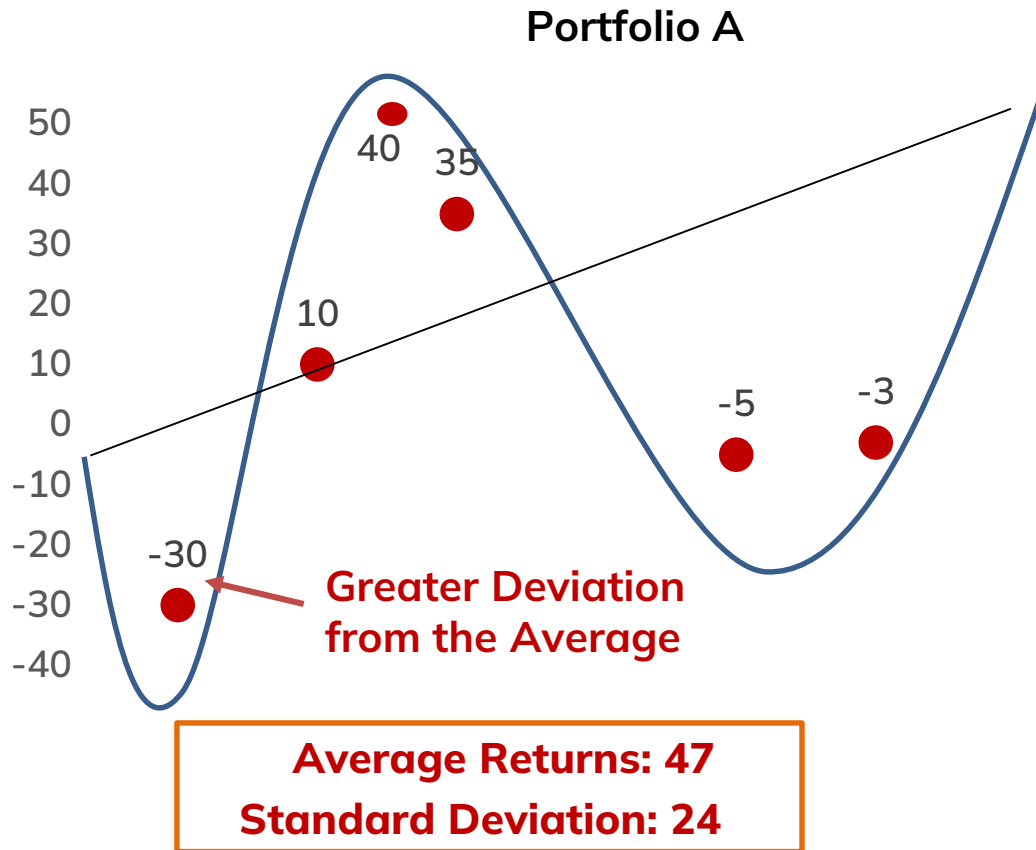
You had to withdraw for an emergency, resulting in a deviation from the plan.

The above is only for illustration to understand the concept. The numbers are not related to any mutual fund scheme. [^]This is the assumed rate of return taking into account various market factors and is shown only for understanding purpose. The same should not be construed as future returns that the investors will receive. The calculations are for illustrative purpose and based on mean of 10 year rolling return between 01/06/14 and 31/05/24 for the Benchmarks: Nifty which is 12.42%. Past performance may or may not sustain in future.



The Variance Tale of Two Portfolios

While Portfolio A and Portfolio B give the same average returns, there's a huge difference in the amount by which the returns vary from the mean





Taking learnings from the above

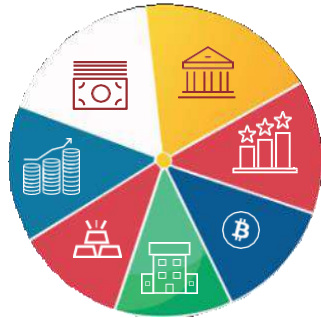
Be it our daily lives like estimating the time to travel or building an investment portfolio, variance plays a key role



Why has Variance taken center stage now?

Portfolios are getting tilted towards risk compared to returns for various reasons:

1. Risk-Reward taking a back-seat in portfolio allocation



3. High Valuations



5. Heightened Geo-political tensions



7. FPI Flows



2. Historical Returns



4. Slow earnings growth



6. India Growth Story



8. Our View



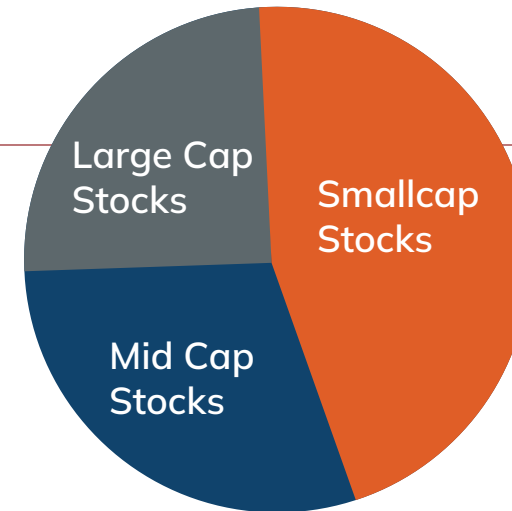


1. Risk-Reward Taking Back Seat !!!

Investors few years back on an average used to have allocation towards equity, debt & hybrid schemes



Now on an average with Mark-to-market gain, high historical returns, higher risk-appetite, the portfolio is tilted more towards equity and that too more towards Mid and Smallcap





1. Risk-Reward taking back seat

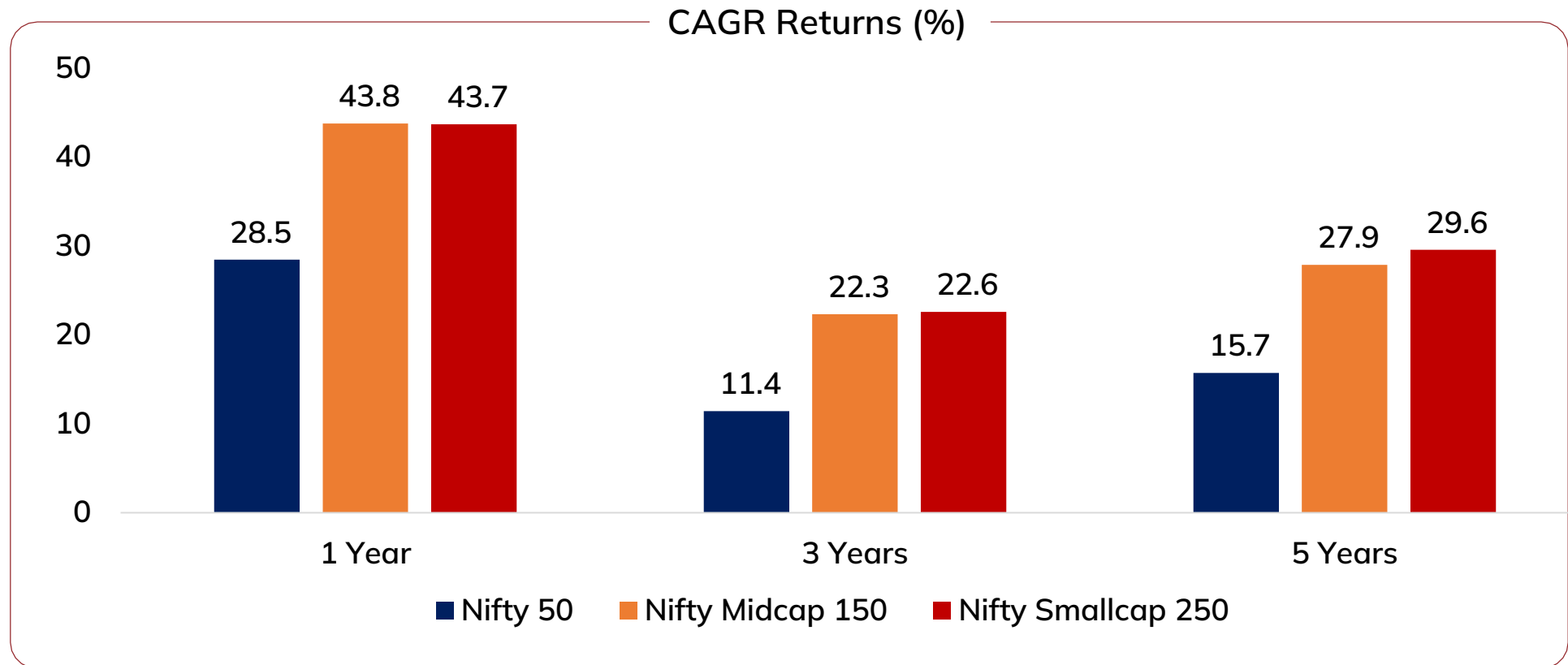
Investors continued to flock towards Midcap & Smallcap schemes due to past returns

Category	Flows into various category (INR Bn)							
	2020	2021	2022	2023	Mar-24	Jun-24	Sep-24	CYTD 24
Flexicap Fund	0	179	220	116	27	31	32	260
Large Cap Fund	-24	29	137	-30	21	10	18	114
Large & Midcap Fund	18	87	200	189	32	29	36	262
Midcap Fund	5	106	205	229	10	25	31	196
Smallcap Fund	14	38	198	410	-1	23	31	217
Sectoral / Thematic Fund	83	255	209	308	79	224	133	1205
Value / Contra / Focused Fund	-3	60	184	92	18	17	17	141
Dividend Yield / ELSS / Multicap Fund	-3	213	258	300	39	48	47	358
Total	90	967	1611	1614	225	407	345	2753



2. Historical Returns

All segments of market have rallied especially the Midcap & Smallcap space

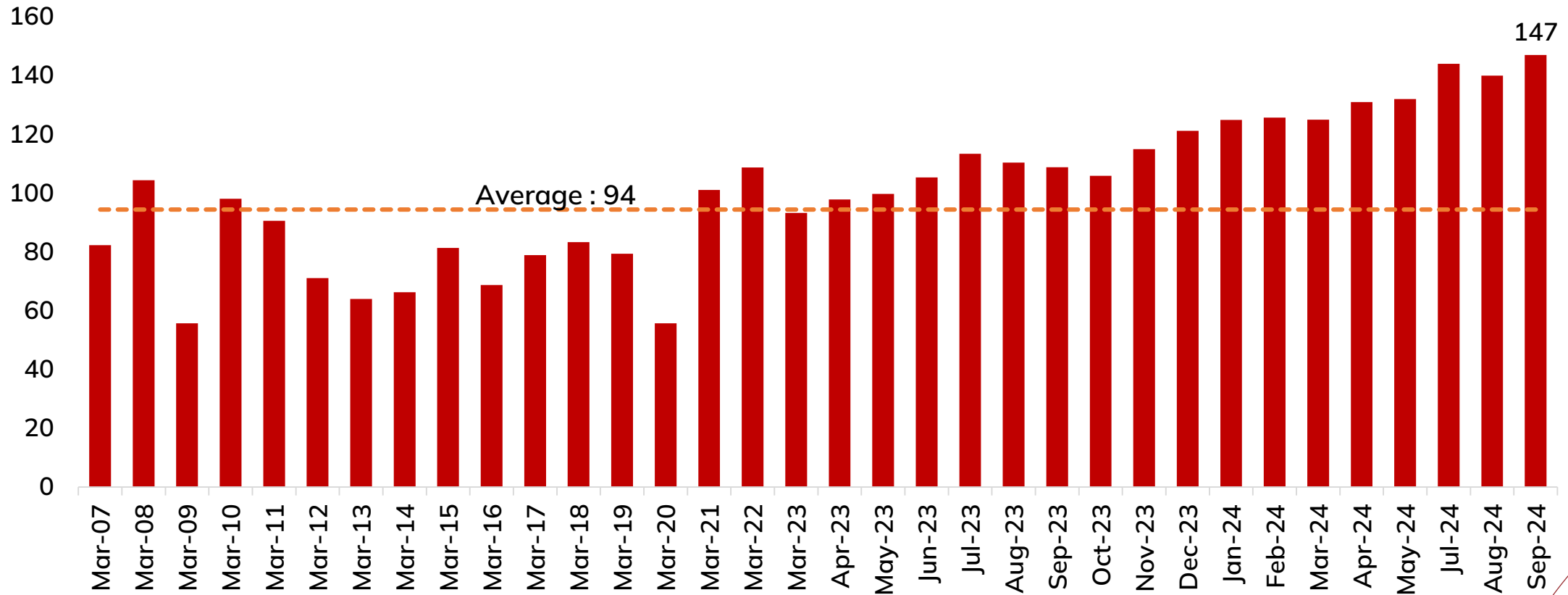




3. Valuations not cheap

Ongoing rally in equity markets has pushed country's market cap to GDP to 147% v/s historical average of 94%

Indian Market Cap to GDP (%)

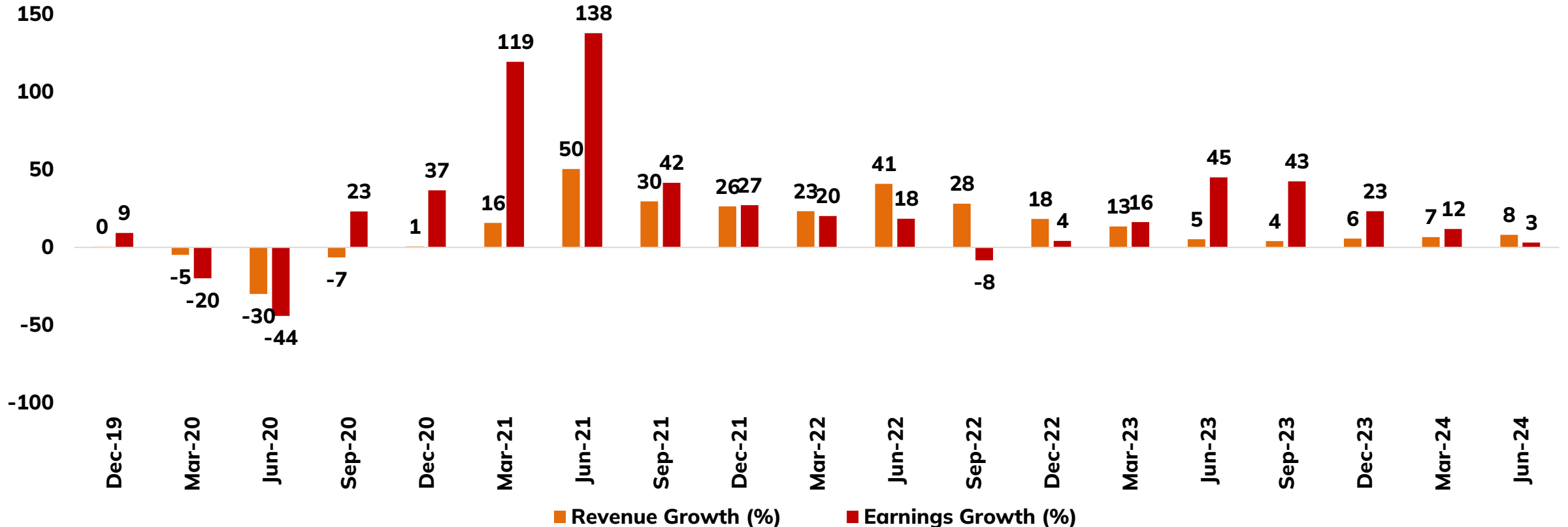




4. Slow Earnings Growth

Moderation is seen in corporate earnings as the tailwinds of (a) lower input prices & (b) easy liquidity is already behind us

Revenue & Earnings YOY Growth of BSE 500 Companies (%)





5. Heightened Geo-Political Tensions

A series of geo-political crises is bringing significant uncertainty and fragility to macros

US-CHINA
Long standing issues over multiple topics – Taiwan, tech decoupling & trade tensions

WAR
The Russia-Ukraine + Hamas-Israel war seems far from over, disturbing global supply chains

GULF TENSIONS
The on-going wars have led to country blocs on both sides disturbing national relations



6. India Growth Story

India's Long-Term Growth Story remains intact, mainly due to four factors:



**Strong Govt
Balance Sheet**



**Healthy Bank
Balance Sheet**



**Robust Corporate
Balance Sheet**



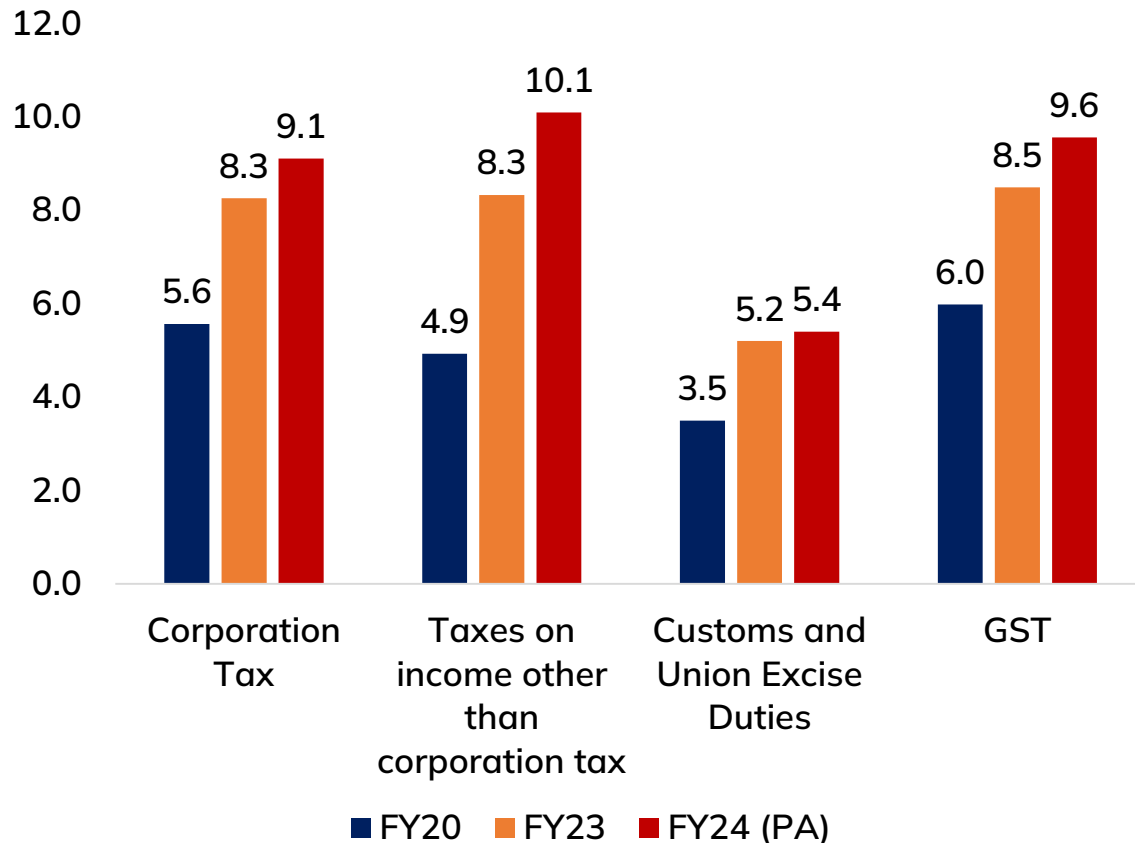
**Stable household
balance sheet**



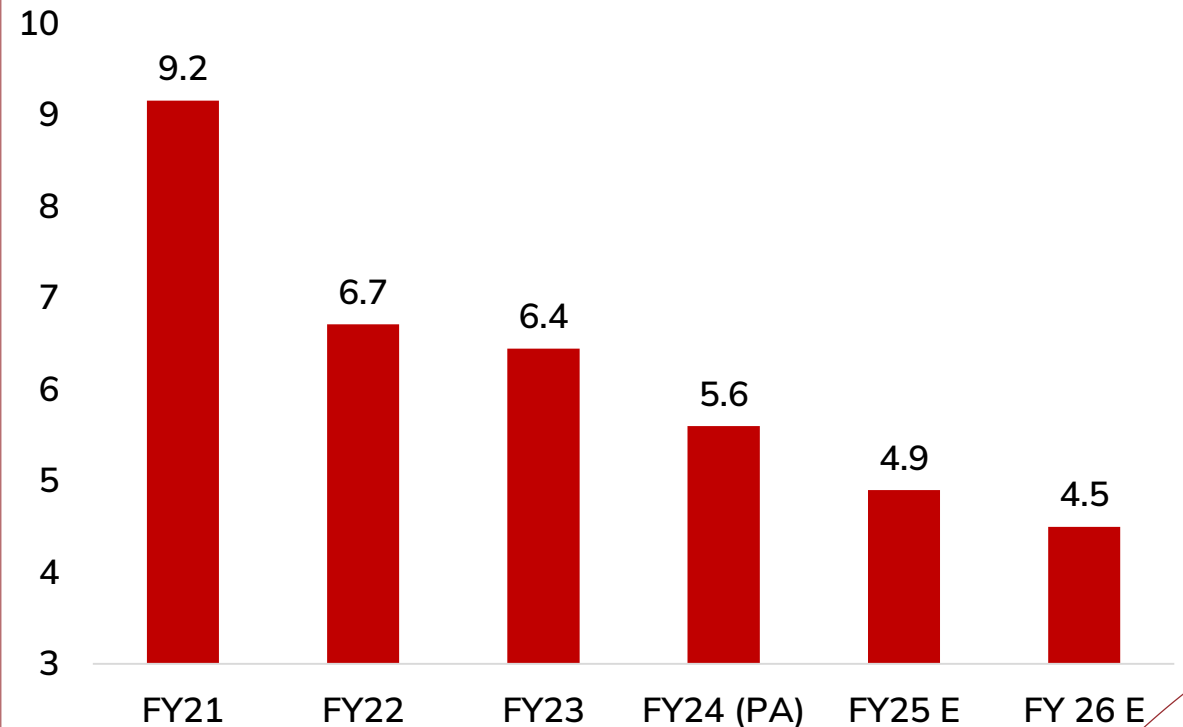
Healthy Balance Sheets – Govt.

Dual benefit of Buoyancy in tax revenue and Govt's Fiscal Consolidation Roadmap

Govt. Tax Revenues (INR Lakhs Cr)



Fiscal Deficit (as a % of GDP)

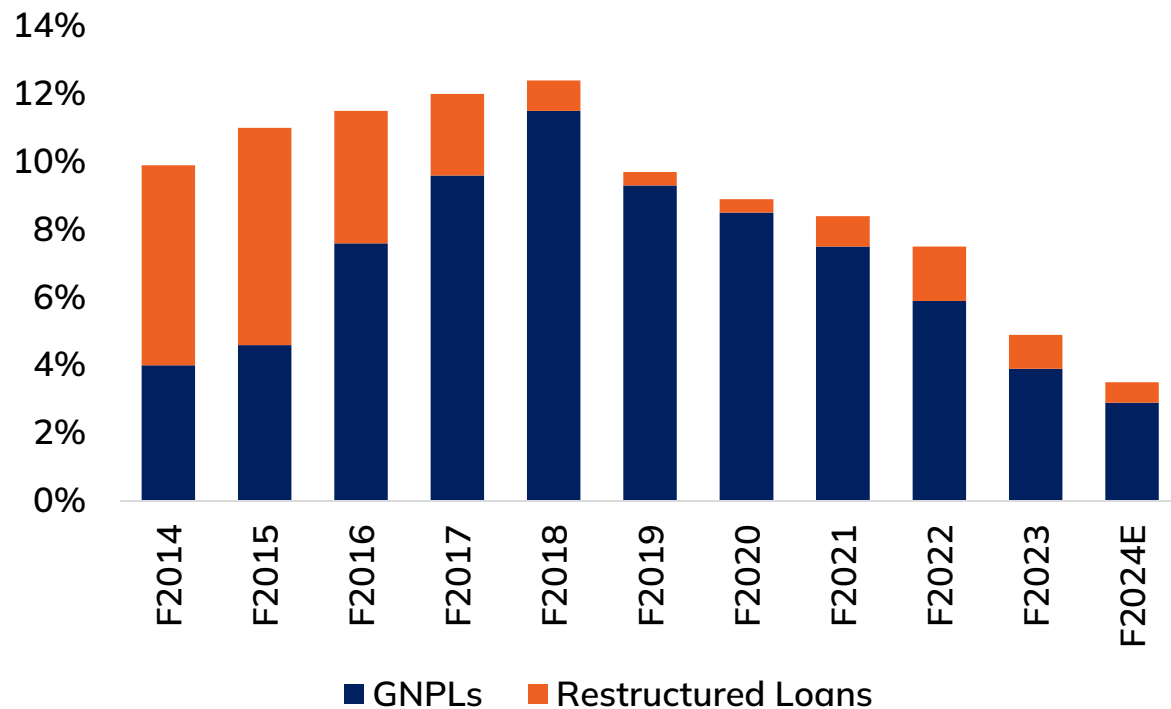




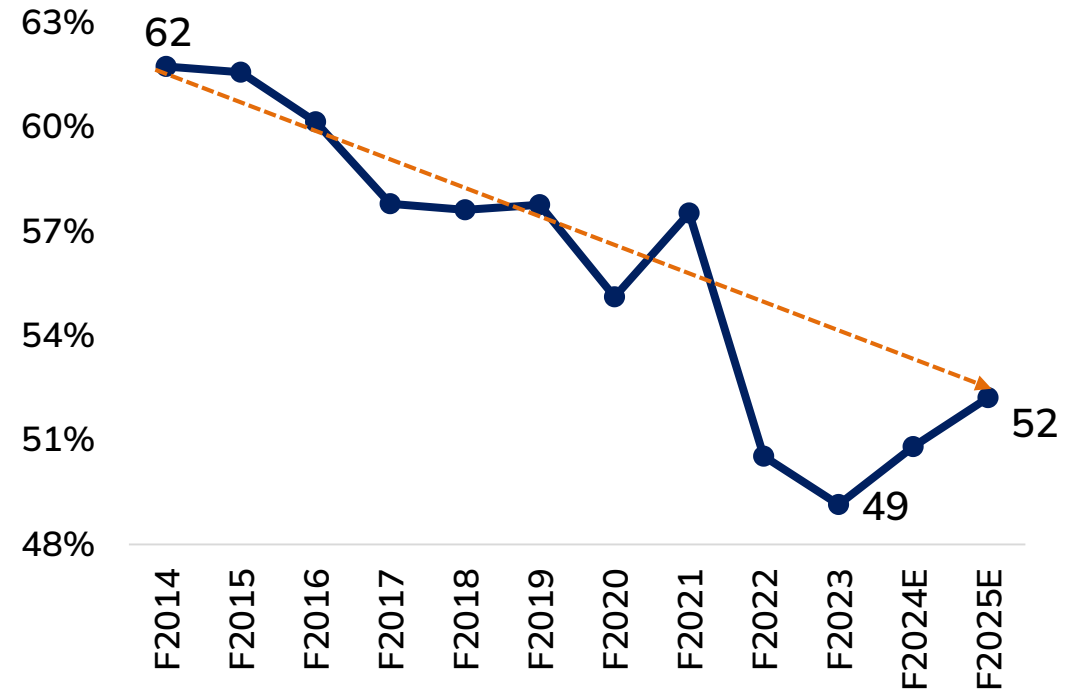
Healthy Balance Sheets – Banks & Corporates

Impaired loans decelerate further in FY24 and corporate balance sheets are healthy thereby improving the overall ecosystem for private capex

Impaired Loans Decelerate



Corporate Debt, % of GDP

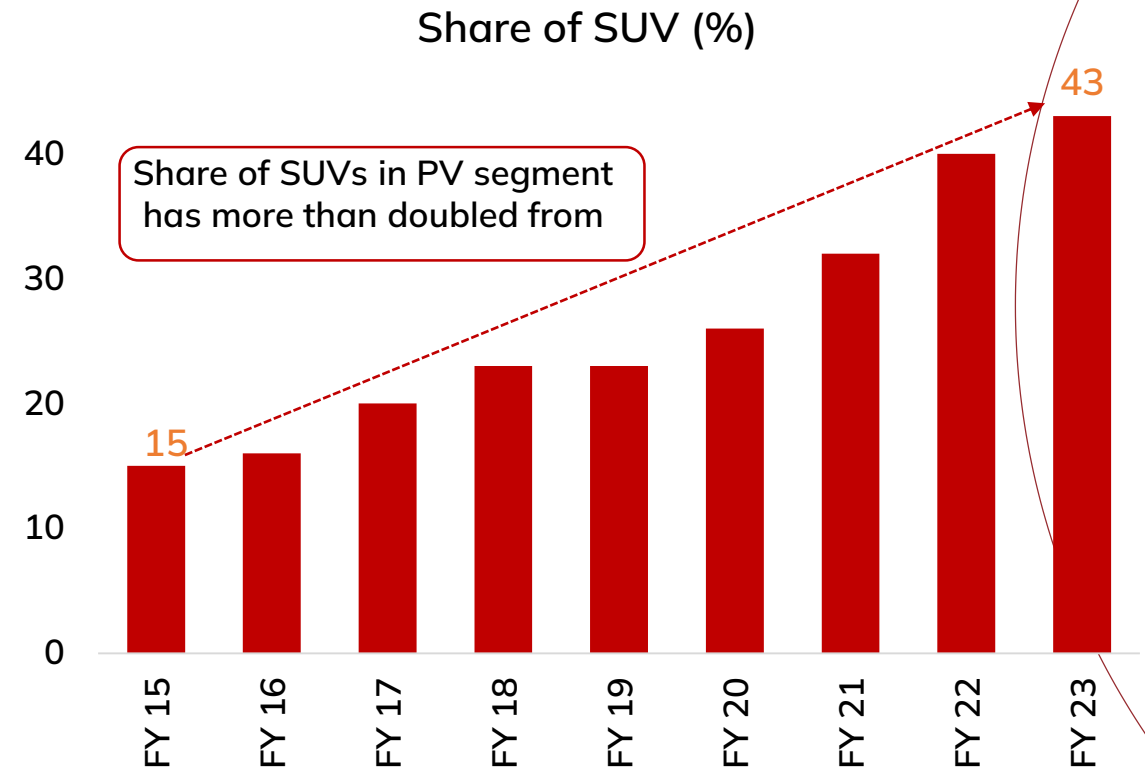




Household Balance Sheet

Premiumization is becoming deeply ingrained in the Indian customers as growth in premium products outpace growth of mass consumption goods

Category	Premium Products Growth		Normal Products Growth	
	Sub category	10 Yr CAGR (%)	Sub category	10 Yr CAGR (%)
Cleansing	Body Wash / Liquid Soaps	15.8	Bar Soap	8.1
Haircare	Premium Hair care	14.7	Mass Hair Care	7.1
Tea	Green Tea	26.3	Normal Tea	9.4
Deodorant	Premium Deodorant	18.9	Mass Deodorant	12
Beverages	Nutrition Drink	7.1	Non alcoholic beverages	9.2
Homecare	Air care	10.1	Dishwashing	9.9
Footwear	Sports Footwear	16.1	Normal Footwear	9.2

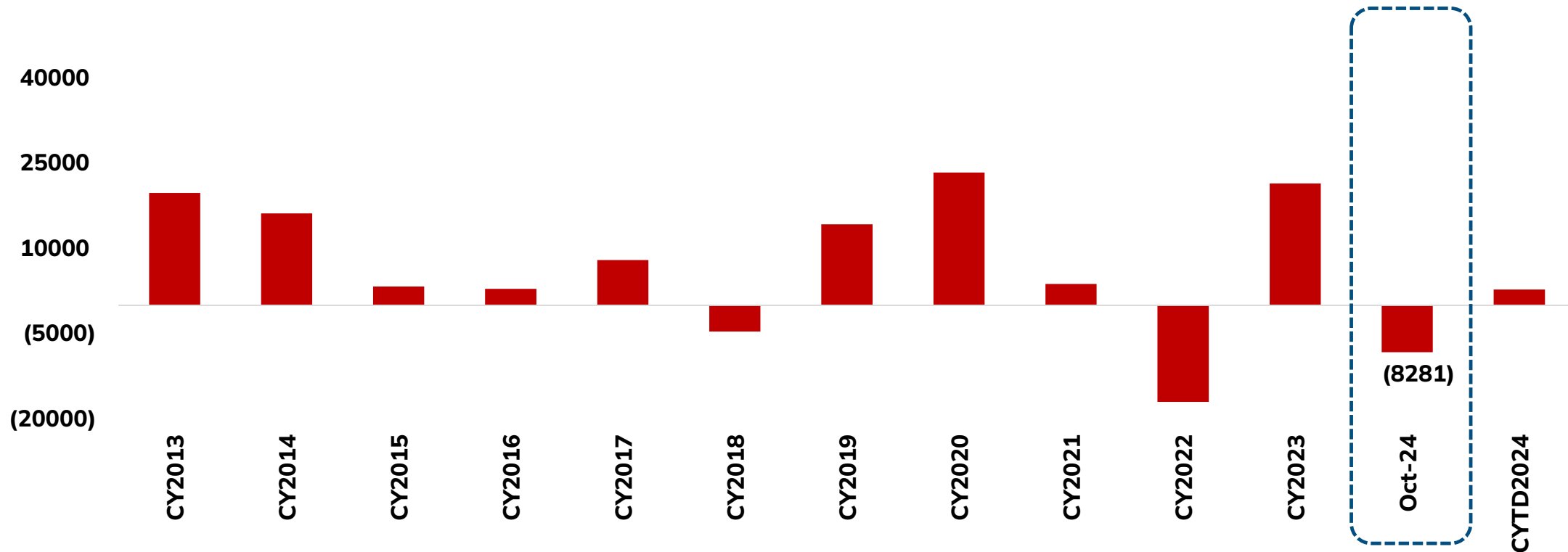




7. FPI Flows

Since last few years, FPI have been selling India Equities, the major brunt has been felt by the large-caps and any reversal may in future may result in this segment doing much better

Net investments in cash market by FPI, DII & MFs (USD Mn)





8. Our View

1

India's macro remains strong and long-term story intact.

2

Valuations are not cheap

3

Prefer Largecaps over Mid and smallcap due to reasonable valuation

4

Lumpsum in FOFs, Multi asset allocation and Hybrid schemes, as they have flexibility to move across asset classes

5

For existing investors, we recommend to stay invested as India's long-term growth story remains intact.

6

Investors who wish to add equity should focus on schemes that has flexible investment mandate or schemes which can manage higher volatility



Our Outlook - Recommendations

Plan of action	Recommendation
Manage Asset Allocation	Hybrid Schemes/ FOF schemes
Invest in less co-related assets	Multi-Asset Schemes/ FOF schemes
Invest in equity schemes with high flexibility	Flexicap Schemes or schemes/FOFs with flexible mandate
Invest in equity schemes that have low volatility	Minimum Variance schemes



— INTRODUCING —
**ICICI Prudential Equity
Minimum Variance Fund**



About the Fund

Equity oriented scheme

Objective to provide long-term capital appreciation

Aims for lower volatility in the fund vis-à-vis the benchmark

Risk adjusted returns focused scheme rather than being only return focused

Diversified portfolio spread across companies from Nifty 50 Index



About the Universe

While low variance as an investment approach can give better risk adjusted returns, we prefer low volatility in Nifty 50 Index due to following reasons

	Remarks
Large Caps	Low Volatility
Governance + Liquidity	High
Current Valuations	Reasonable
Performance	Good but lagging compared to other marketcaps



About the Universe

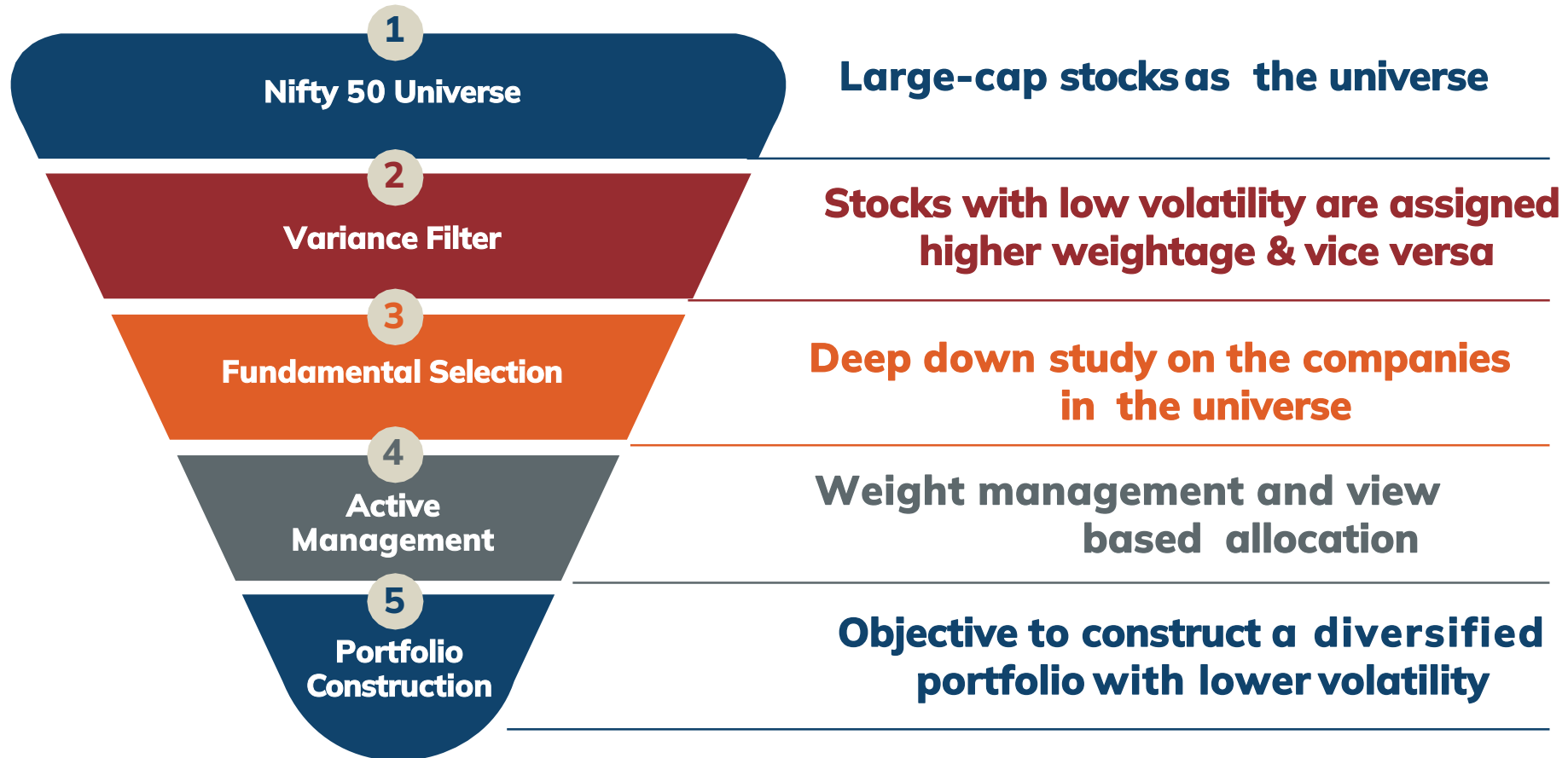
Valuations are reasonable in the Large-cap space

Period	As a % of Total Market Cap			
	Top 50	Next 50	Midcap 150	Smallcap 250
2013	66.5	13.8	12.4	7.2
2014	62.5	14.3	14.1	9.1
2015	59.8	14.0	15.2	11.0
2016	58.8	14.1	15.3	11.8
2017	53.4	14.7	17.3	14.6
2018	58.3	13.7	16.3	11.7
2019	61.8	13.1	15.6	9.5
2020	60.9	13.3	15.5	10.2
2021	55.6	13.1	16.8	14.4
2022	56.7	12.5	16.1	14.7
2023	51.4	13.1	17.6	17.8
Sep-24	47.8	14.1	18.7	19.4

Source: NSE. Data as on Sep 30,2024. Data is on calendar year basis. Past performance may or may not sustain in future. Red indicates high valuations, Amber indicates neutral valuations and Green indicates attractive valuations.



Investment Strategy

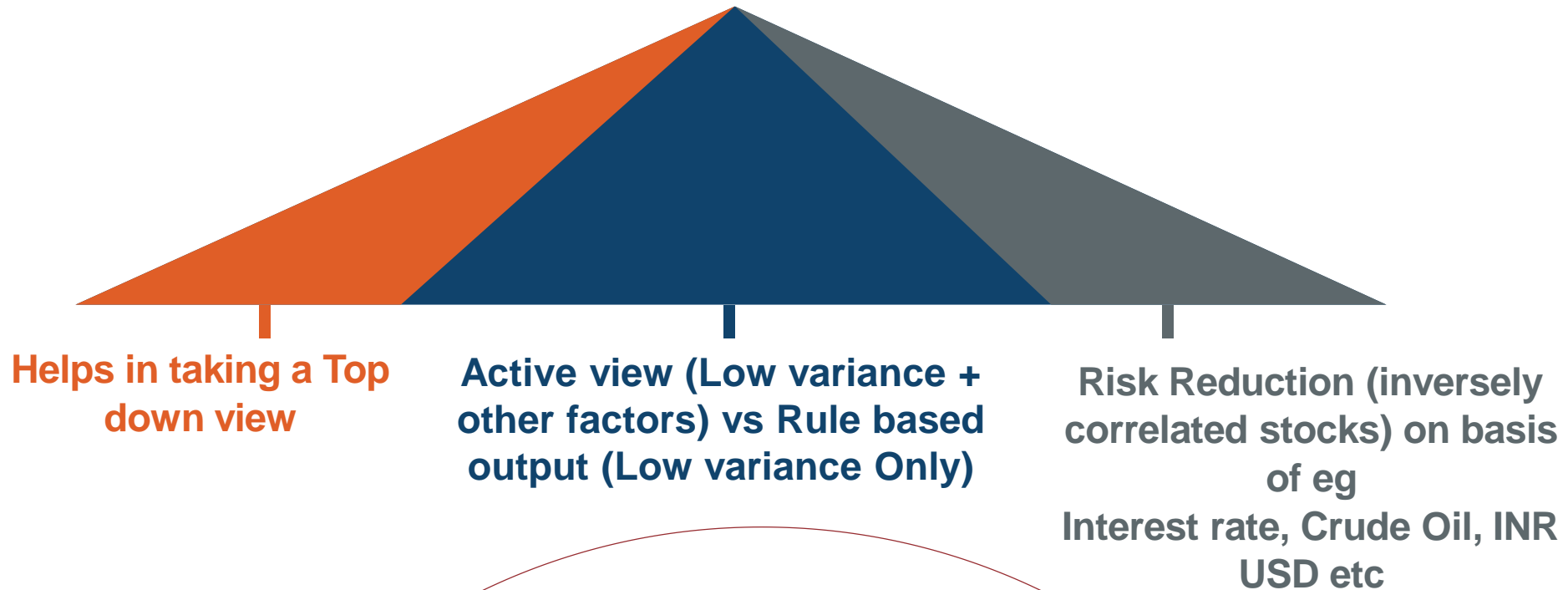


Objective: Portfolio Var (X) < Nifty 50 Var (X)



Why Active Allocation is Important ?

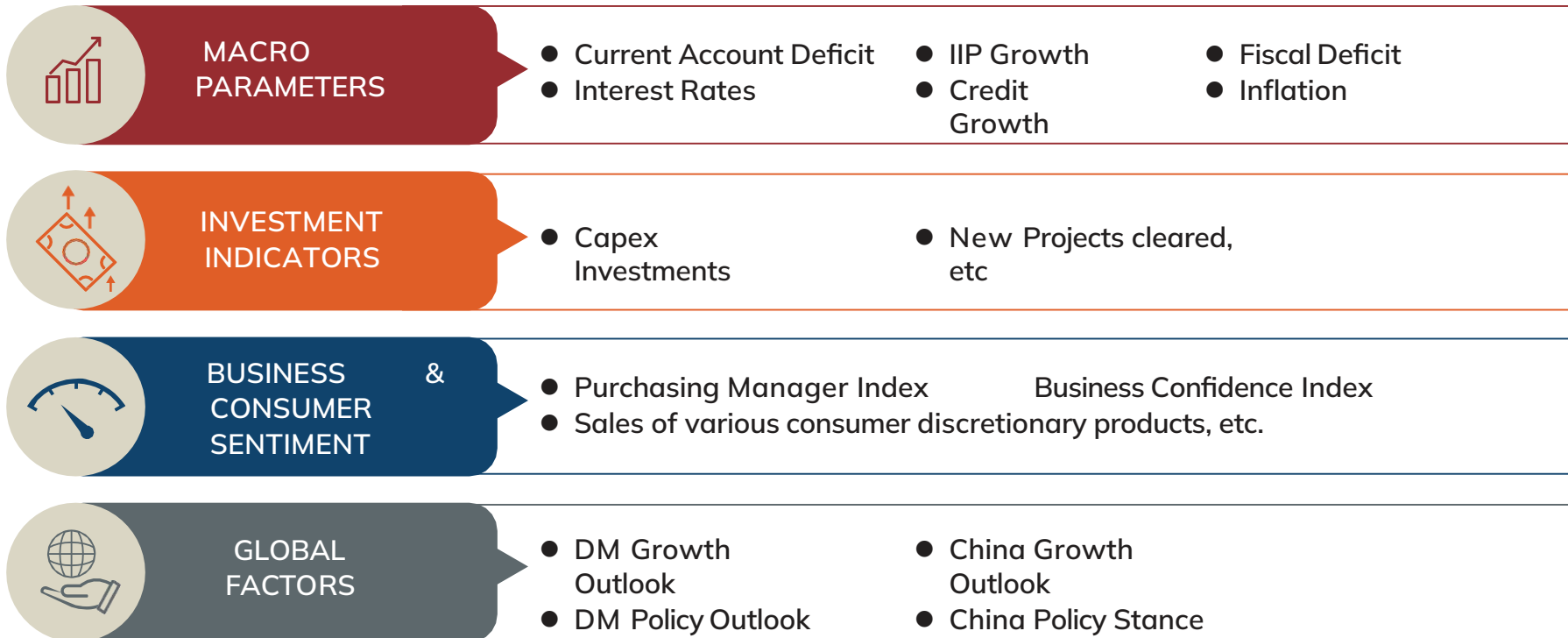
Benefits of Active Allocation





Top Down View

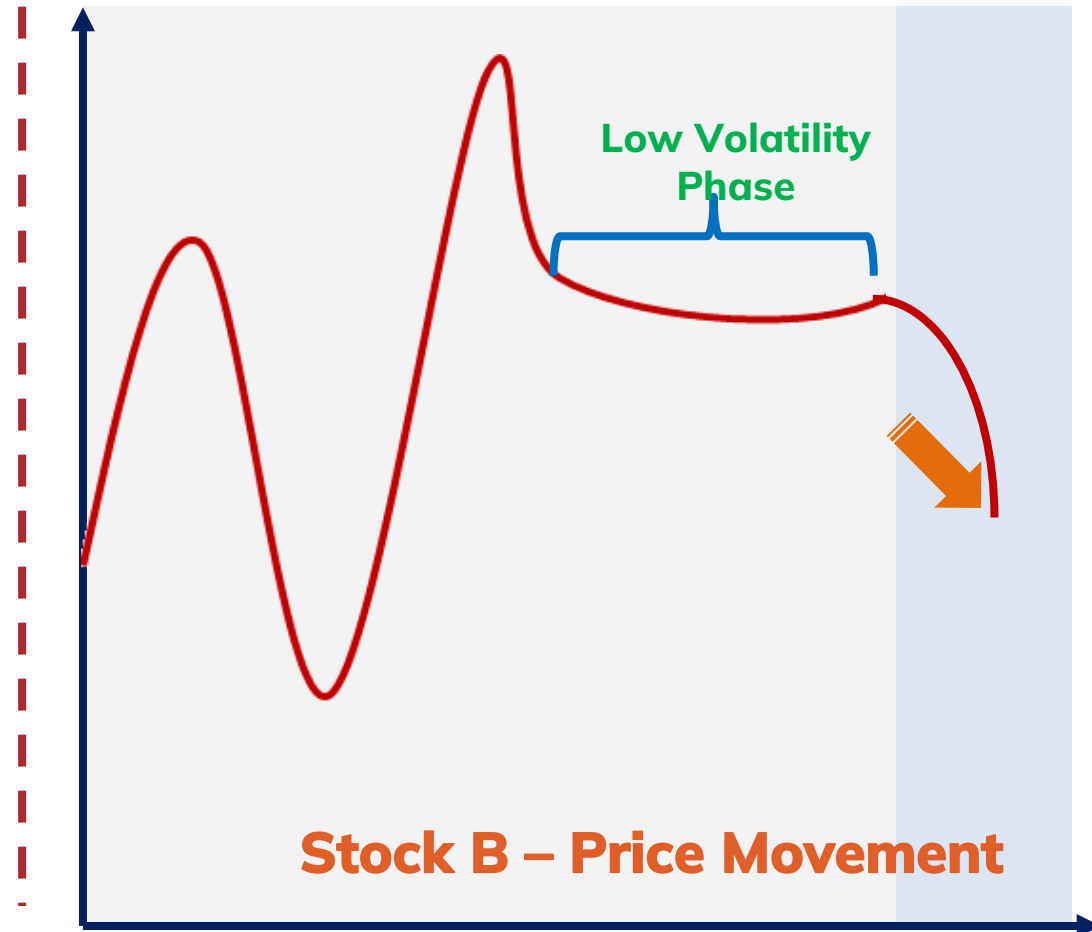
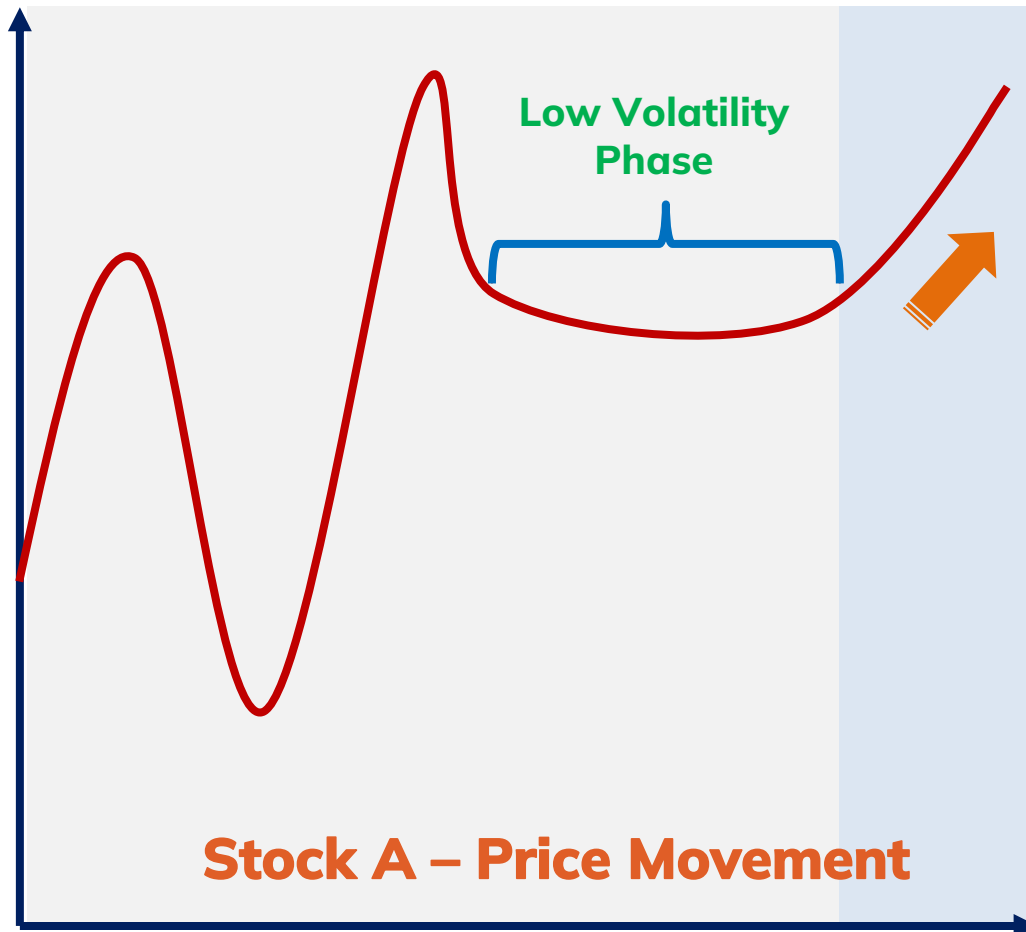
The fund manager would consider various macro indicators for managing sector weights





Active View vs Rule Based Output

Post low volatility phase stock price may move upwards or downwards, Endeavour of active management would be to reduce instances of negative stock movement by considering Earnings Outlook, Management commentary etc.





Portfolio Co-relation

Oil Prices as an Example



A famous paint company which has oil as the key input raw materials would get negatively impacted if the oil prices go up.



A famous oil exploration company and is in the process of exploration of Oil would get positively impacted if the Oil prices go up.



Portfolio Co-relation

Interest Rate as an Example



An auto manufacturing company is negatively impacted due to high interest rates as consumers refrain spending on cars due to higher interest rates on loans



A banking company benefits from high interest rates as it earns better spread on its lending book



Myth Buster # 1

Low Variance = Defensive* Sectors Only



Historical Back-tested Data on Sectoral Exposure with variance as the rule

Historically, the approach had exposure to various sectors and it is not only restricted to defensive sectors

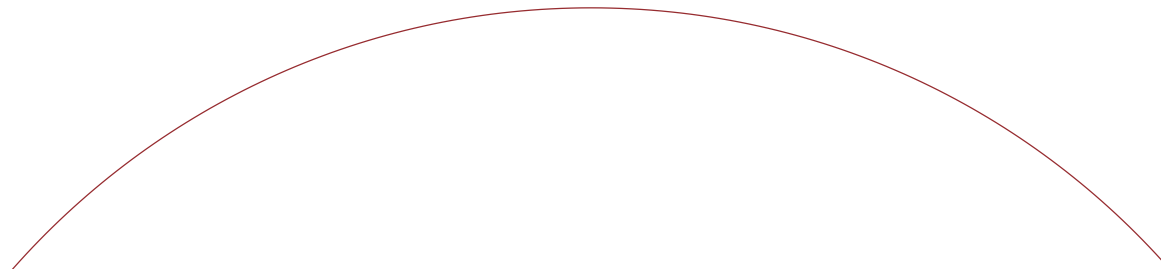
Sector	Cement	Auto	FMCG	Energy	Finance	Healthcare	Industrials	Media	Metals	Retail	Technology	Utilities
Dec-03	9.1%		29.7%	2.7%	16.3%	15.3%	12.1%		6.2%			6.0%
Dec-04	9.8%	8.1%	23.7%	3.5%	14.0%	17.2%	8.9%		5.9%			5.7%
Dec-05	10.8%	9.4%	10.5%	6.7%	17.3%	17.0%	9.8%		6.0%		9.9%	2.8%
Dec-06	10.5%	10.1%	6.8%	6.3%	16.6%	16.3%	6.0%				21.7%	5.6%
Dec-07	9.7%	9.8%	6.6%	6.5%	15.2%	17.1%					24.9%	10.1%
Dec-08	9.5%	13.3%	7.9%	6.2%	12.2%	7.7%	11.6%				21.4%	10.2%
Dec-09	9.4%	7.5%	8.8%	8.9%	11.6%	8.5%	14.4%				17.3%	13.6%
Dec-10	6.2%	12.4%	9.3%	8.8%	11.8%	12.0%	11.5%				13.7%	14.3%
Dec-11	9.1%	9.2%	8.4%	12.4%	8.9%	11.5%	11.6%				13.4%	15.4%
Dec-12	12.3%	5.8%	11.1%	9.8%	12.4%	14.6%	6.4%				12.3%	15.3%
Dec-13	16.2%	5.8%	10.4%	9.3%	10.0%	15.2%	3.5%				15.0%	14.6%
Dec-14	12.8%	12.4%	10.9%	6.3%	10.8%	14.5%	3.5%	3.1%			15.8%	9.8%
Dec-15	13.3%	13.4%	10.2%	3.5%	14.0%	12.9%	3.4%	3.3%			19.5%	6.6%
Dec-16	13.2%	13.1%	10.8%	6.4%	14.7%	9.1%	2.8%	3.1%			20.3%	6.5%
Dec-17	6.3%	13.5%	10.1%	15.1%	15.5%	3.3%	5.8%	3.0%			19.8%	7.5%
Dec-18	3.3%	13.3%	11.2%	8.8%	18.5%	3.2%	3.1%	3.1%	2.8%	2.6%	19.4%	10.8%
Dec-19	3.0%	12.9%	17.9%	8.4%	17.8%	3.2%	6.2%		2.7%		16.7%	11.2%
Dec-20	6.7%	3.4%	20.1%	8.8%	15.7%	8.9%	6.2%			2.9%	19.4%	7.7%
Dec-21	6.2%	3.5%	19.7%	9.2%	16.2%	12.8%	3.1%			2.9%	19.8%	6.6%
Dec-22	6.2%	3.4%	22.8%	6.2%	16.5%	12.8%	3.1%			2.9%	19.7%	6.4%
Dec-23	5.9%	9.5%	18.9%	6.4%	20.4%	10.3%	3.2%			2.9%	16.4%	6.1%

* Back-tested data taken for Nifty 50 stocks based on low variance filter on last day of every calendar year. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation and ICICI Prudential Mutual Fund may or may not have any future position in these stock(s)/sector(s). Defensive sectors are those whose revenue remains stable irrespective of economic cycle



Myth Buster # 2

Low Variance* = Low Returns



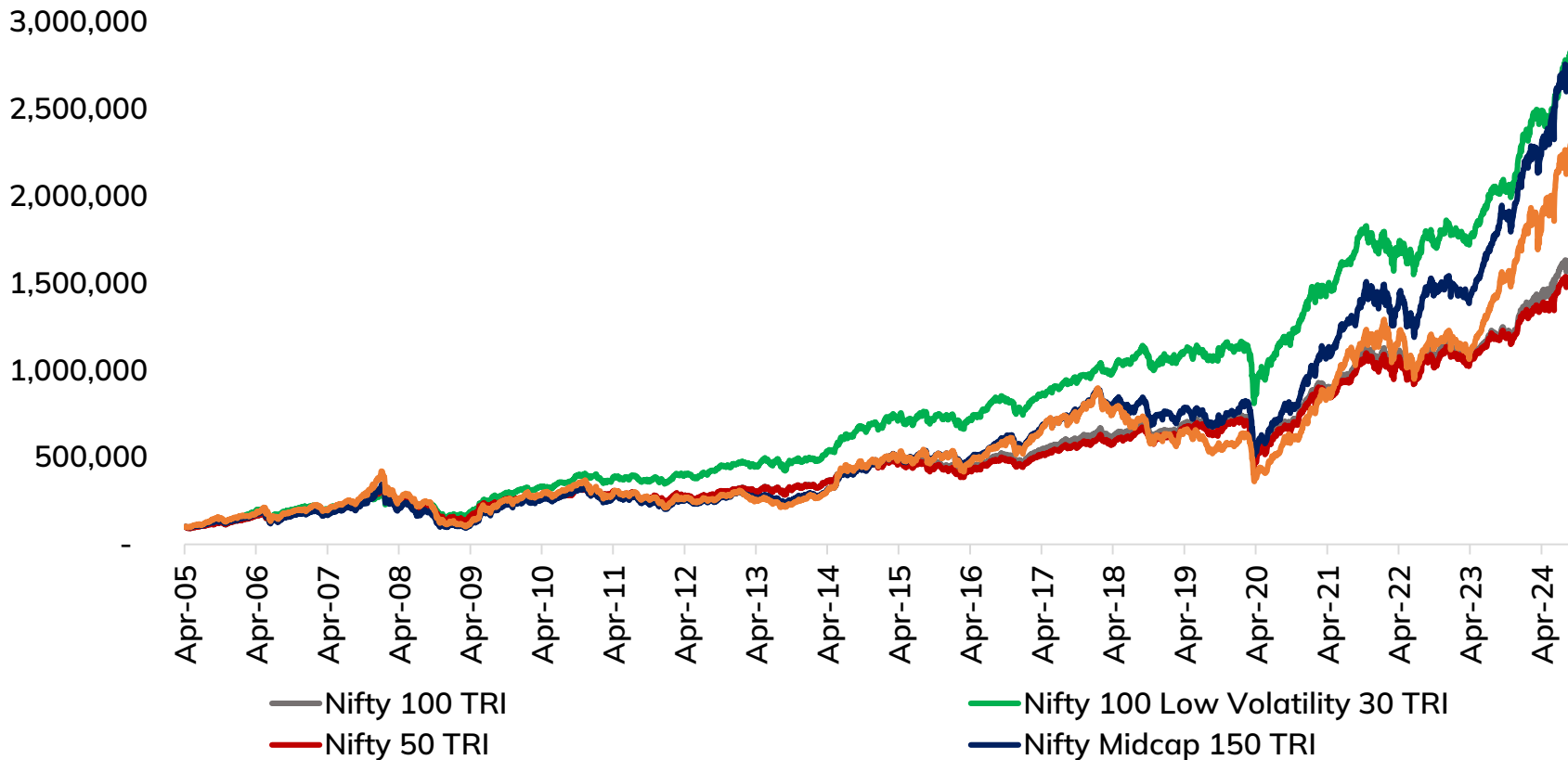
*The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of returns, however the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor, to enhance the overall portfolio risk-adjusted returns



How does Low Variance approach Help?

Due to lower volatility and low drawdown, the approach has created better experience

The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of returns, however the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor, to enhance the overall portfolio risk-adjusted returns



Index	Value of Investment (INR)	CAGR (%)
Nifty 100 low Vol 30 TRI	27.30 Lakhs	18.4
Nifty Midcap 150 TRI	26.0 Lakhs	18.1
Nifty Smallcap 250 TRI	21.4 Lakhs	16.9
Nifty 100 TRI	15.73 Lakhs	15.1
Nifty 50 TRI	14.91 Lakhs	14.8



How does Low Variance approach Help?

For 60% of the times, the Nifty 100 Low Volatility 30 TRI have outperformed Nifty 100 TRI.

CY	Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
2005	38.1	52.6	39.3	43.4	55.8
2006	40.2	43.3	41.9	28.5	32.9
2007	59.5	31.5	56.8	78.2	97.4
2008	-53.1	-42.3	-51.3	-64.9	-68.6
2009	84.9	92.9	77.6	113.9	117.4
2010	19.3	25.5	19.2	20.1	17.6
2011	-24.6	-11.9	-23.4	-31.2	-35.2
2012	32.0	31.9	28.8	47.0	40.7
2013	7.9	6.6	8.1	-1.3	-6.4
2014	34.9	36.8	32.9	62.7	71.7
2015	-1.3	9.8	-3.0	9.7	11.3
2016	3.9	2.3	3.3	5.9	0.3
2017	34.2	31.4	31.6	56.6	60.2
2018	2.6	7.4	4.6	-12.6	-26.1
2019	11.8	5.2	13.5	0.6	-7.3
2020	16.1	24.3	16.1	25.6	26.5
2021	26.4	24.2	25.6	48.2	63.3
2022	5.4	2.4	6.2	3.4	-3.4
2023	20.7	31.2	21.0	44.1	49.3
CYTD	23.7	25.5	19.7	32.4	32.6

Source: MFI Explorer. MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit <http://www.icraonline.com/legal/standard-disclaimer.html>. Data as on Oct 27,2024 is considered. Returns are in absolute basis. CY: Calendar Year, CYTD: Calendar Year Till Date. Past performance may or may not be sustained in the future. The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of returns, however the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor, to enhance the overall portfolio risk-adjusted returns



How does Low Variance approach Help?

The approach has been able to capture most of the upside in the bull phase

Events	Period	Bull Phase				
		Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
2007 Boom	Mar 07 - Jan 08	64%	37%	61%	81%	90%
2009 Recovery	Mar 09 - May 09	62%	40%	57%	82%	91%
BJP Govt. being elected	Feb 14 - Feb 15	45%	46%	43%	73%	80%
Recovery after Yuan devaluation	Dec 16 to Aug 18	29%	29%	28%	30%	22%
Recovery Post Covid -19	Mar 20 to Oct 21	77%	68%	78%	100%	117%
Strong Earnings Momentum	June 22 to Sep 24	28%	32%	27%	44%	45%

Source: MFI Explorer. MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit <http://www.icraonline.com/legal/standard-disclaimer.html>. Returns for less than 1 year are in absolute basis and more than 1 year are in CAGR terms. Past performance may or may not be sustained in the future. The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of returns, however the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor, to enhance the overall portfolio risk-adjusted returns. Covid - 19 refers to Coronavirus Disease 2019.



How does Low Variance approach Help?

But the major outperformance can be attributed mainly to limiting downside

Events	Period	Bear Phase				
		Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
Eurozone Crisis	Nov 10 - Dec 11	-21%	-9%	-19%	-32%	-36%
US Fed Taper Tantrum	Dec 12- Sep 13	-10%	-8%	-9%	-21%	-28%
Yuan Devaluation	Aug 15 to Feb 16	-18%	-12%	-17%	-17%	-22%
NBFC Crisis	Sep 18 - Oct 18	-13%	-10%	-12%	-16%	-19%
Covid-19	June 19 - Mar 20	-34%	-27%	-34%	-33%	-40%
High Valuations	Oct 21- June 22	-17%	-14%	-16%	-21%	-23%

Source: MFI Explorer. MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit <http://www.icraonline.com/legal/standard-disclaimer.html>. Returns for less than 1 year are in absolute basis and more than 1 year are in CAGR terms. Past performance may or may not be sustained in the future. The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of returns, however the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor, to enhance the overall portfolio risk-adjusted returns



How does Low Variance approach Help?

Even in flat markets, the approach has given better experience to investors

Period	Flat Phase				
	Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
Nov 09 - May 10	2%	9%	1%	10%	13%
Mar 10 - June 12	1%	10%	2%	-1%	-5%
Jan 11 to June 13	2%	9%	2%	-1%	-8%
Jan 15 - Sep 16	3%	11%	3%	14%	10%
Feb 21 - Jun 22	3%	3%	2%	11%	15%
Oct 21 to Feb 23	-1%	2%	0%	2%	0%

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How does Low Variance approach Help?

3 Y Rolling Return daily basis from April 2005

Returns	Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
Min	-6.9	-3.9	-5.6	-17.2	-17.5
Max	40.7	38.6	41.8	40.8	44.9
Average	12.7	15.7	12.4	15.7	13.7
Std Deviation	6.9	6.1	6.8	11.7	14.1
Risk Adjusted Returns	1.8	2.6	1.8	1.3	1.0
Total Observations	4084	4084	4084	4084	4084

Returns Range	Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
<0%	3%	1%	2%	10%	19%
0-10%	30%	11%	35%	22%	23%
10-15%	31%	35%	29%	14%	9%
>15%	37%	53%	34%	53%	49%

Data Source: MFI; MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit <http://www.icraonline.com/legal/standard-disclaimer.html>. Data in % CAGR terms; The above analysis is done considering the investment period between April 01, 2005 and September 30, 2021. Returns are calculated for the period between April 01, 2008 to September 30, 2024. Past performance may or may not sustain in the future. The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of returns, however the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor, to enhance the overall portfolio risk-adjusted returns



How does Low Variance approach Help?

5 Y Rolling Return daily basis from April 2005

Returns	Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
Minimum	(0.7)	2.2	(1.0)	(2.3)	(6.2)
Maximum	24.4	27.9	24.2	32.4	34.2
Average	12.5	15.7	12.1	15.3	12.5
Std Deviation	4.6	4.0	4.6	7.0	8.3
Risk Adjusted Returns	2.7	3.9	2.6	2.2	1.5
Total Observations	3598	3598	3598	3598	3598

Returns Range	Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
<0%	0%	0%	0%	1%	8%
0-10%	28%	5%	30%	22%	29%
10-15%	42%	39%	45%	26%	24%
>15%	30%	56%	25%	51%	39%

Data Source: MFI; MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit <http://www.icraonline.com/legal/standard-disclaimer.html>. Data in % CAGR terms; The above analysis is done considering the investment period between April 01, 2005 and September 30, 2021. Returns are calculated for the period between April 01, 2008 to September 30, 2024. Past performance may or may not sustain in the future. The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of returns, however the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor, to enhance the overall portfolio risk-adjusted returns



How does Low Variance approach Help?

The low variance approach has performed well across time periods & in different zones of IPRU Equity Valuation Index (EVI)

Investment Zones Zones (as per EVI)	No of Observations in the zone	Average Point to Point monthly Returns				
		Nifty 100 TRI	Nifty 100 Low Volatility 30 TRI	Nifty 50 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 250 TRI
Dark Green	9	26.60%	31.58%	25.78%	30.95%	30.97%
Green	58	15.96%	18.38%	15.21%	21.79%	20.47%
Amber	103	10.19%	12.85%	10.21%	11.54%	8.79%
Red	20	10.36%	14.06%	9.91%	12.44%	11.29%
Dark Red	8	6.90%	15.16%	6.27%	8.83%	6.57%

Methodology for calculation : EVI month-end values are taken and the next three year returns of the respective index is calculated, the final number is arrived by taking average of all the return observations in that particular zone. Data Source: MFI; MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit <http://www.icraonline.com/legal/standard-disclaimer.html>. Returns are calculated on CAGR basis. Above analysis is done considering the investment period between April 2005 and Sep 2021. The returns are calculated for the period between April 2008 and Sep 2024. Equity Valuation Index (EVI) is a proprietary model of ICICI Prudential AMC Ltd. (the AMC) used for assessing overall equity market valuations. The AMC may also use this model for other facilities/features offered by the AMC. Equity Valuation index is calculated by assigning equal weights to Price-to-Earnings (PE), Price-to-Book (PB), G-Sec*PE and Market Cap to GDP ratio any other factor which the AMC may add/delete from time to time. G-Sec – Government Securities. GDP – Gross Domestic Product. Past performance may or may not sustain in future. The objective of using Nifty 100 Low Volatility 30 TRI is to give a broad understanding of returns, however the endeavor would be to actively manage the portfolio within the Nifty 50 basket over and above variance as a factor, to enhance the overall portfolio risk-adjusted returns



Ideal for Investors

- **Who are looking for long-term capital appreciation**
- **Who are looking for equity investments, but worried about high market volatility**
- **Who are looking to invest in large-cap companies having good corporate governance and high cash-flows**





Our Experience in identifying Ideas!

2018-19

Theme/Sector based fund

Launched Pharma, Manufacturing, Consumption, Commodities etc., post narrow rally



2021-22

Broad theme based fund

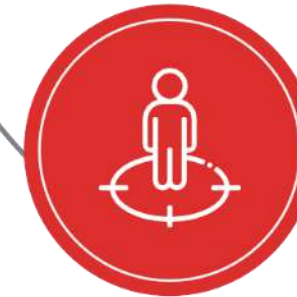
Launched PSU Equity, Transportation, Housing, Innovation etc. post COVID, due to attractive valuations



2021-23

Positioning change in ESF

Markets expensive & Taxation impact, parking solution



Special Situation Theme

Launched Special situation fund, post NBFC Crisis in 2018

2019

Business Cycle & Flexicap Theme

Launched pure Macro fund & Flexi Fund, due to rapid macro challenges (COVID, Geo-political tensions, Energy shortage etc.)

2021



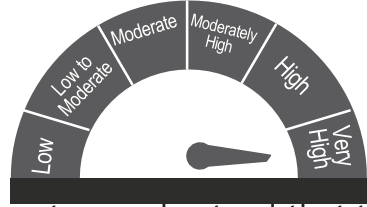
Scheme Features

Type of Scheme	An open ended equity scheme following Minimum Variance theme	
Plans	ICICI Prudential Equity Minimum Variance Fund-Direct Plan ICICI Prudential Equity Minimum Varinace Fund – Regular Plan	
Options	Growth & IDCW*	
Minimum Application Amount	Rs. 5,000 (plus in multiples of Re.1)	
Minimum Additional Application Amount	Rs. 1,000 (plus in multiples of Re.1)	
Minimum Redemption Amount	Any Amount	
Entry Load	Not applicable	
Exit Load	Less than 12 months	1% of applicable NAV
	More than 12 months	Nil
Benchmark Index	Nifty 50 TRI	
SIP / SWP / STP	Available	
Fund Managers	Vaibhav Dusad, for Overseas investment Nitya Mishra	

*IDCW – Income Distribution cum Capital Withdrawal Option. Payment of dividend is subject to availability of distributable surplus and Trustee approval. Pursuant to payment of IDCW, the NAV of the scheme falls to the extent of dividend payout. When units are sold and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay dividend. Dividend can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains. In case the unit holder has opted for dividend payout option, the minimum amount for dividend payout shall be 100 (net of dividend distribution tax and other statutory levy, if any), else the dividend would be mandatorily reinvested



Riskometer & Disclaimer

<p>ICICI Prudential Equity Minimum Variance Fund (An open ended equity scheme following Minimum Variance theme) is suitable for investors who are seeking*:</p>	 <p>Investors understand that their principal will be at Very High Risk</p>
<ul style="list-style-type: none"> • Long Term Wealth Creation • To generate long term capital appreciation by investing in Equity & Equity related instruments through a diversified basket with an aim to minimize the portfolio volatility. 	
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	

It may be noted that the scheme risk-o-meter specified above is based on the internal assessment of the scheme characteristics and may vary post NFO when the actual investments are made. The same shall be updated on ongoing basis in accordance with clause 17.4 of the Master Circular.

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

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