




ICICI Prudential Banking and Financial Services Fund

An open ended equity scheme investing in Banking & Financial Services sector


Fund Details

 **Inception Date**
22-Aug-08

 **Fund Manager**
Roshan Chutkey
(Managing this fund since Jan, 2018 & Overall 11 years of experience)


In addition to the fund manager managing this fund, overseas investment is managed by Ms. Priyanka Khandelwal.

 **Benchmark**
Nifty Financial Services Index

 **Plans and Options**
Growth and Dividend (Dividend Payout* and Reinvestment available, Frequencies - Monthly)


*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.

 **Month End AUM(Crs.) (As on February 28,2019)**
₹ 2,604.45

 **Minimum Application Amount**
₹ 5,000 (plus in multiples of ₹1)

Minimum Additional Application Amount
₹ 1,000 (plus in multiples of ₹1)

Minimum Redemption Amount
₹ 500/- or all units where amount is below ₹ 500/-

 **Exit Load**

- If units purchased or switched in from another scheme of the Fund are redeemed or switched out within 15 days from the date of allotment - 1% of applicable NAV,
- If units purchased or switched in from another scheme of the Fund are redeemed or switched out after 15 days from the date of allotment - NIL

 **Style Box**

Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

Concentrated

About ICICI Prudential Banking and Financial Services Fund

Launched on August 22, 2008, ICICI Prudential Banking & Financial Services Fund is an open-ended equity scheme that seeks to generate long-term capital appreciation for its unit-holders from a portfolio that is invested predominantly in equity and equity-related securities of companies engaged in banking and financial services sector.

Why ICICI Prudential Banking and Financial Services Fund?

- The scheme is suitable for investors who wish to focus on opportunities in the banking and financial services sector in India.
- The banking and financial services sector, proxies India's growing economy, since every aspect of the economy is influenced by it.
- It gives the investors an opportunity to invest across all market caps with an indicative investment horizon of 5 years and more.

Portfolio Commentary



- **Portfolio construction:** The scheme will invest minimum 80% of its total assets in stocks of companies engaged in the banking and financial services sector including banking, broking, asset management, wealth management, insurance, non-banking financial companies (NBFC), and other companies that maybe engaged in providing financial services.
- **Benchmark agnostic:** While the Scheme's performance is benchmarked against Nifty Financial Services Index, it may opportunistically invest in companies outside the same.
- **Investment approach:** The scheme invests across market capitalisations and uses a combination of growth and blend investment style.

Market Outlook

- Indian equities ended a very volatile month of February down 1.1% from the previous month on account of the Interim Budget, a pre-emptive military strike by India, slow recovery in earnings growth over the last two quarters, buzz around general elections, and receding tensions between US and China.
- Market sentiment remained nervous through the month as expected in the run-up to the general elections to be held in April-May this year.
- Foreign flows were volatile through the month with heavy-selling seen during the military stand-off between India and Pakistan. Foreign Portfolio Investors (FPIs) were net buyers of equity at Rs 17,222 cr in February 2019.
- Even though earnings for Q3FY19 were in-line with expectations, earnings growth is expected to pick up going forward. The recovery could be primarily led by some of the leading names in the banking sector shedding some of the NPA-baggage, pharma companies benefitting from revival in US generic revenues, and relatively strong growth in companies of the consumption sector.
- Globally, markets remained watchful of the US Federal Reserve's stance to pause rate hikes for now and signal flexibility in the rate-hike process.
- We maintain our neutral stance and would like to remain nimble footed at this juncture, as the valuations looks completely priced in and lots of macro plus political noise is expected over the next few months.
- We continue to believe that, we are in the accumulation phase of investing.
- There continues to remain large disconnect between price and value in many 'Growth' and 'Value' stocks. Due to such valuation divergence, Value and special situation themes are expected to play out during 2019. Themes such as banking and infrastructure could also be explored in 2019, post the recent oil price correction.



Portfolio Snapshot

Top 10 Sectors (As on February 28, 2019)

Sectors	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18
 Banks	54.5%	52.1%	49.4%	53.0%	53.4%
 Finance	42.7%	42.6%	44.4%	44.8%	43.2%

The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the scheme. Please refer to the SID for investment pattern, strategy and risk factors. The asset allocation and investment strategy will be as per Scheme Information Document

Nifty 50 exposure to top 10 sectors of the Scheme's portfolio (As on February 28, 2019)




Sectors	Exposure
 Banks	27.29%
 Finance	9.89%

Top 10 Holdings (As on February 28, 2019)

ICICI Bank Ltd.	13.67%
HDFC Bank Ltd.	9.49%
State Bank of India	9.21%
Bank of Baroda	5.91%
Bajaj Finserv Ltd.	5.47%
SBI Life Insurance...	4.55%
Mahindra & Mahindra...	3.96%
Muthoot Finance Ltd.	3.37%
LIC Housing Finance Ltd.	3.19%
Bajaj Finance Ltd.	2.74%

The Top 10 Holdings and Top 10 Sectors are after adjusting for derivative exposures. Debt Holdings, Units of Mutual Fund schemes, cash, cash equivalents are not considered.

Market Cap (As on February 28, 2019)

	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18
 Large Cap	65.20%	63.18%	61.34%	61.04%	61.50%	61.95%
 Mid Cap	17.46%	16.40%	17.45%	19.94%	19.79%	18.73%
 Small Cap	17.33%	20.43%	21.21%	19.02%	18.72%	19.32%

Market cap classification for February 2019 is as per AMFI classification, for past periods, classification is as per MFI Explorer. Past performance may or may not be sustained in the future

Stock Entry/Exit (As on February 28, 2019)

Stocks Entry	% of Net Assets
 Axis Bank Ltd.	1.73%
Kotak Mahindra Bank Ltd.	1.71%

Stocks Exit	% of Net Assets*
 Manappuram Finance Ltd.	0.65%
Aavas Financiers Ltd.	0.32%

*Data as on Jan 31, 2019

Portfolio Statistics (As on February 28, 2019)

	Values
P/B	4.91
P/E	21.59
Dividend Yield	0.61
Top 10 % Holdings	61.56%
Top 10 Sectors	97.12%
No. of Stocks	31

Past performance may or may not be sustained in the future

Product Label

This Scheme is suitable for investors who are seeking*

- Long term wealth creation
- An open-ended equity scheme that predominantly invests in equity and equity related securities of companies engaged in banking and financial services.

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



Disclaimer:

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

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