ICICI Prudential Equity & Debt Fund

An open ended hybrid scheme investing predominantly in equity and equity related instruments

Fund Details

Inception Date

03-Nov-99

Fund Manager

For Equity Portfolio:
Sankaran Naren

(Managing this fund since Dec, 2015 & Overall 26 years of experience)

Atul Patel

(Managing this fund since Aug, 2016 & Overall 7 years of experience)

For Debt Portfolio:

Manish Banthia

(Managing this fund since Sep, 2013 & Overall 13 years of experience)

Ms. Priyanka Khandelwal

(Managing overseas investment)

Benchmark

CRISIL Hybrid 35+65 - Aggressive Index

Plans

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

Month End AUM(Crs.) (As on February 28,2019)

₹ 25,466.67

Minimum application amount

₹ 5,000 (plus in multiples of ₹1)

Minimum Additional Application

₹1,000 (plus in multiples of ₹1)

Minimum Redemption Amount

₹ 500/- or all units where amount is below ₹ 500/-

Exit Load

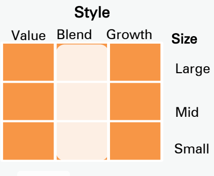
Upto 10% of units within 1 Year from the date of allotment - Nil

More than 10% of units within 1 Year from the date of allotment - 1% of applicable Net Asset Value (NAV)

After 1 Year from the date of allotment - Nil w.e.f. 10th November 2016.

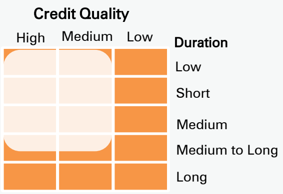
Style Box

Equity



Diversified

Debt



About ICICI Prudential Equity & Debt Fund

- Launched on November 3, 1999, ICICI Prudential Equity & Debt Fund is an Aggressive Hybrid scheme investing predominantly in equity and equity related instruments. The Scheme aims to generate long-term capital appreciation and accrual income from a portfolio that is invested in equity and debt.
- The Scheme's equity exposure would range between 65%-80% and debt exposure would be maintained between 20%-35%

Why ICICI Prudential Equity & Debt Fund?

- The Scheme is suitable for investors who seek diversification across debt and equity with an aim to benefit from accrual income as well as long-term capital growth.
- Investors who wish to participate in the growth story of the equity markets with a portion of their portfolio invested in fixed income securities could consider investing in this scheme for a period of 3 years and above.

Portfolio Commentary

Equity:

- The scheme shall invest across market capitalization. While the large cap stocks represent established enterprises selected from the Top 100 stocks by market capitalization, the mid- and small-caps represent business entities with higher growth potential over the long-term. The allocation will depend on the net equity level of the scheme as per the in-house Price to book model. As on Feb 28, 2019, the exposure to large, mid and small cap stocks is 87%, 8% and 5% respectively.
- The scheme shall use a blend of top-down and bottom-up approach for stock selection.
- The scheme shall remain sector agnostic in its investment approach. For stock picking, the Fund manager shall identify those stocks with long-term growth prospects but currently trading at modest to relative valuations.
- The scheme may also take derivatives exposure for portfolio hedging or any other permitted strategy with a view to minimize downside risk. As on February 28, 2019, the *net equity exposure of the scheme stands at ~71%.

*Note : The net equity exposure includes Foreign equity and Units of equity mutual fund

Debt:

- The Scheme intends to tactically allocate to longer duration fixed income securities with credit rating AA and above, which offer reasonable accrual. The scheme shall take exposure in well-researched corporate securities to earn reasonable carry over wealth.
- The Scheme also invests in fixed income securities issued by the government, quasi-government agencies and corporate and multilateral agencies.

The debt exposure as on February 28, 2019 stands at ~25%. Within the debt holdings, the scheme has a higher exposure towards good credit quality instruments to benefit from higher carry.

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. We recommend investors to invest in asset allocation schemes that benefit from volatility.

ICICI PRUDENTIAL MUTUAL FUND
TARAKKI KAREIN!

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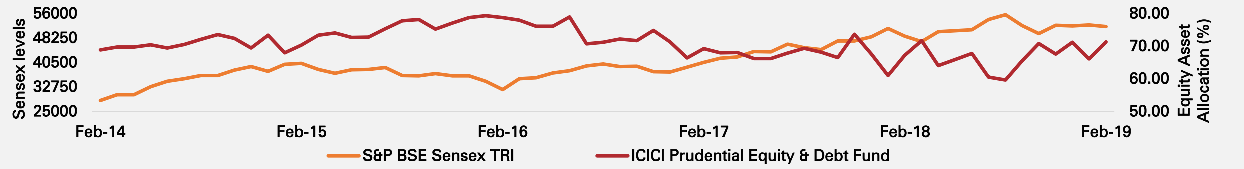
Portfolio Snapshot

Historical Equity Asset Allocation over past 5 Years (As on February 28, 2019)



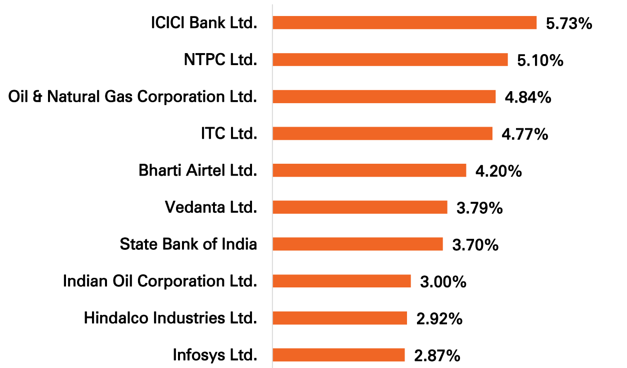
Source: S&P BSE Sensex. Note : The net equity exposure includes Foreign equity and Units of equity mutual fund

Top 10 Sectors - Equity (As on February 28,2019)

Sectors	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18
Banks	12.5%	12.2%	12.8%	13.9%	14.0%
Power	8.1%	7.7%	7.9%	6.8%	6.9%
Non - Ferrous Metals	6.9%	7.0%	7.2%	7.1%	7.2%
Consumer Non Durables	6.0%	5.3%	5.1%	5.1%	6.5%
Oil	5.2%	4.9%	4.6%	3.8%	3.6%
Pharmaceuticals	4.5%	4.3%	3.9%	3.6%	3.4%
Telecom - Services	4.5%	4.3%	4.9%	5.0%	4.8%
Software	4.5%	5.8%	6.7%	7.2%	7.2%
Finance	3.6%	3.1%	3.3%	3.7%	4.0%
Petroleum Products	3.5%	3.4%	3.1%	2.7%	2.7%

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

Top 10 Porfolio Holdings (% of net assets) - Equity (As on February 28,2019)



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	87.14%	87.12%	88.61%	89.22%	89.83%	90.37%
Mid Cap	7.60%	8.01%	7.28%	6.92%	6.76%	6.49%
Small Cap	5.27%	4.87%	4.11%	3.85%	3.41%	3.15%

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

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

Sectors	Feb-19
Banks	27.3%
Power	2.1%
Non - Ferrous Metals	1.4%
Consumer Non Durables	9.8%
Oil	1.1%
Pharmaceuticals	2.5%
Telecom - Services	1.0%
Software	14.8%
Finance	9.9%
Petroleum Products	11.6%

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

Stock Entry	% of Net Assets
Chalet Hotels Ltd.	0.46%
Kotak Mahindra Bank Ltd.	0.18%
National Aluminium Co. Ltd.	0.15%
Stock Exit	**% of Net Assets***
Info Edge Ltd.	0.14%
Wipro Ltd.	0.09%
Spencers Retail Ltd.	0.01%

* Data as on Jan 31, 2019

Portfolio Statistics (As on February 28,2019)

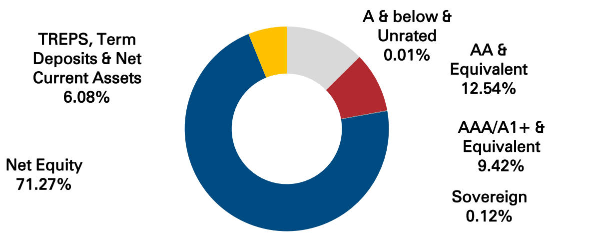
	Values
P/B	3.04
P/E	18.60
Dividend Yield	3.00
Top 10 % Holdings	59.26%
Top 10 Sectors	40.92%
No. of Stocks	84

Past performance may or may not be sustained in the future

Average Maturity	Macaulay Duration
1.86 Years	1.60 Years

Yield to Maturity	Modified Duration
8.91%	1.46 Years

Rating Profile (As on February 28, 2019)



March 2019

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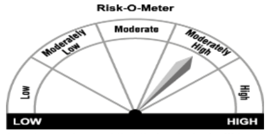
Product Label

This Scheme is suitable for investors who are seeking*

- **Long term wealth creation solution**
- **A balanced fund aiming for long term capital appreciation and current income by investing in equity as well as fixed income securities.**

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



Investors understand that their principal will be at Moderately High risk

Disclaimer:

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

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