

THERE IS AN OPPORTUNITY BEHIND EVERY DARK CLOUD.

A chance to benefit from good companies going through a temporary downturn.

ICICI Prudential
India Opportunities Fund



A Company's Growth Path is Filled with Challenges

1
COMPETITION



2

**BOARD AND
MANAGEMENT CONFLICTS**



3

LAWSUITS



4

**GOVT. POLICIES AND
REGULATION**



The above list is illustrative and not exhaustive, there are several other opportunities that may give rise to special situations. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors.

These Challenges are Special Situations that can become inflection points for the company

PROBLEM



GOOD

Outcome is to the benefit of the company and results in monetary gain for shareholders.

BAD

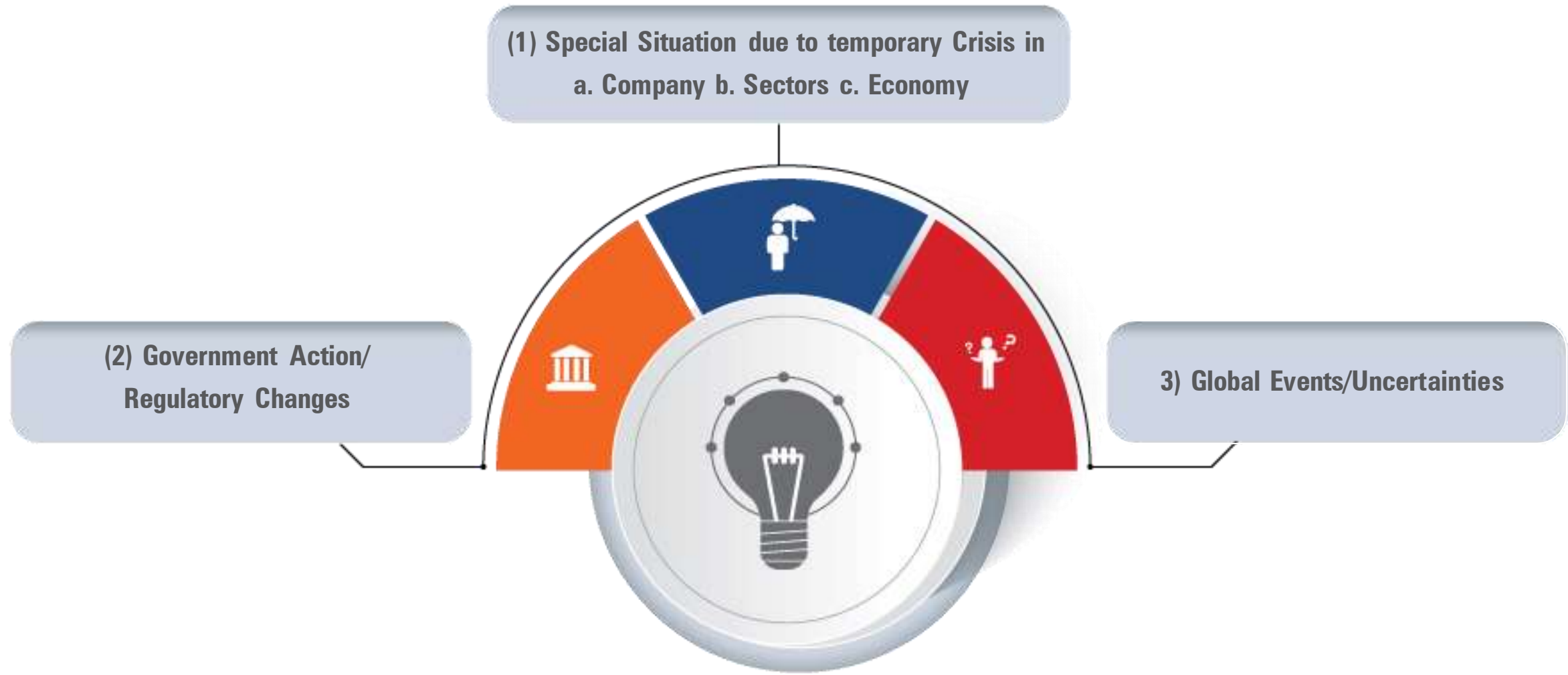
Outcome results in bigger problems for the company and may even result in losses to shareholders.

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Situations that can be turned into opportunities



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Best of the stocks and sectors may face challenges!!!



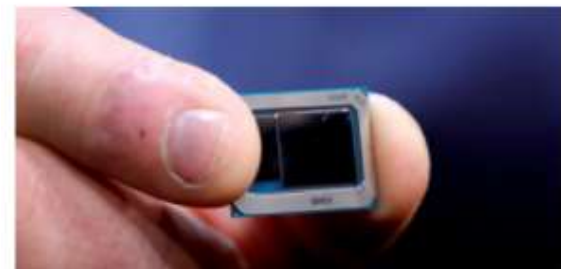
DH DECCAN HERALD

Auto industry grappling with semiconductor shortage

This is the result of the Covid-19 pandemic and rise in demand for cars and consumer electronics

Vivek Phadnis, DH Web Desk,

APR 19 2021, 13:01 IST UPDATED: APR 19 2021, 13:18 IST



ET Realty.com
From The Economic Times

Commercial real estate will continue to face significant pressure in near term: ICRA

"Though cash flows remained materially unimpacted in FY21, we are seeing increasing vacancy levels in the rated portfolio as the pandemic has resulted in deferment of new leasing transactions by tenants while the available inventory builds up in line with scheduled completions," said Jain.

ETRealty • Updated: June 19, 2021, 19:25 IST

FORTUNE
INDIA

MACRO

Second wave of Covid-19 hits multiplexes' recovery

Experts say that while ramping up of vaccination could give some relief to multiplexes, the ongoing staggered lockdown in many states poses a bigger threat.

By PRERNA LIDHOO, Apr 20, 2021
4 min read

DECCAN
Chronicle

Telecom stocks crash over DoT move

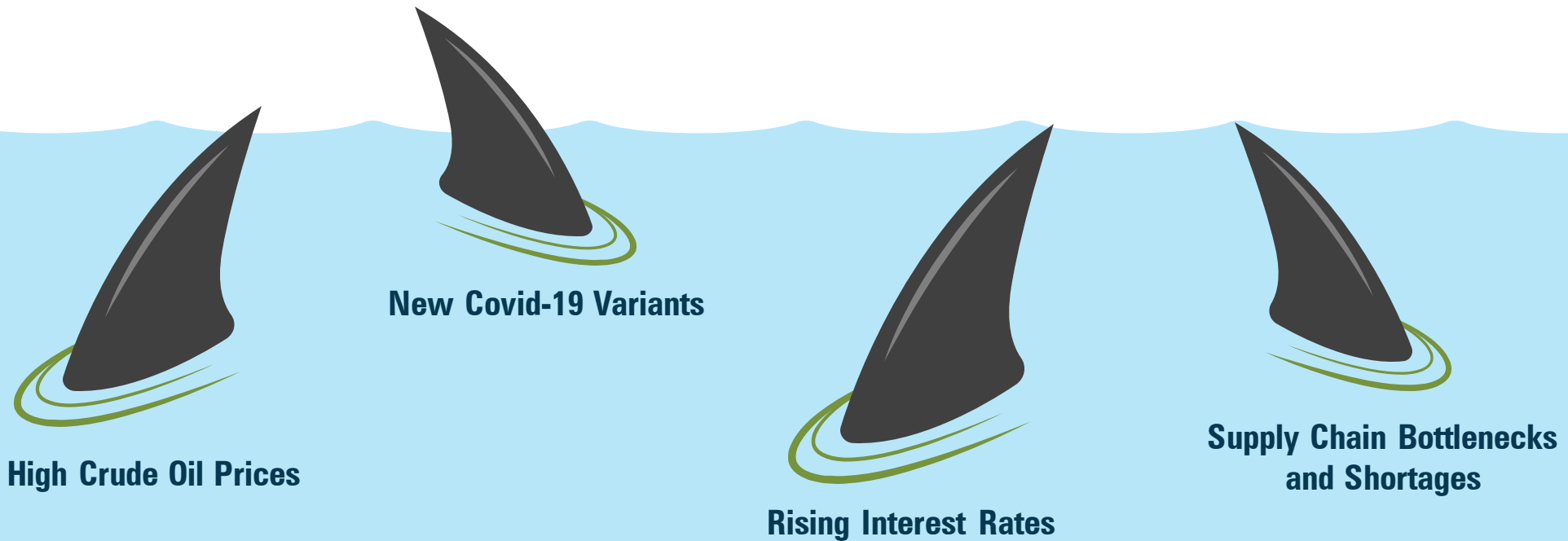
Rough estimates indicate Vodafone Idea may have to pay Rs 28,300 crore and Bharti Airtel, Rs 21,000 crore as per the Supreme Court order.



The above instances are for explaining the events occurred in particular stocks/ sectors. Source: BSE filing and various media sources

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Broader Challenges at the Macro Level



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Examples of Special Situations with favorable outcomes

Govt nullifies retro tax; introduces Bill to amend Income Tax Act



Relief for Telecom Stocks: Cabinet approves 4-year moratorium on telecom dues; changes AGR definition

The Cabinet on Wednesday announced a telecom relief package including a change in the definition of contentious Adjusted Gross Revenues (AGR), moratorium with interest rates for four years.

THE HINDU

BUDGET 2021

Budget 2020 | No more double taxation on dividends

Centre removes 15% tax plus applicable surcharge and cess on dividends, currently paid by companies

The government fulfilled a long-standing demand of the capital markets when it proposed scrapping the dividend distribution tax (DDT) that is levied on companies. Dividend will now be taxed only in the hands of the investors.

India saves ₹5,000 crore on filling strategic oil reserves



Oil prices globally had slumped after coronavirus pummeled demand (REUTERS)

The above instances are for explaining the events occurred in particular stocks/ sectors. Source: BSE filing and various media sources

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Special Situations: The road less traveled

Special situations are unique situations that companies may face from time to time.

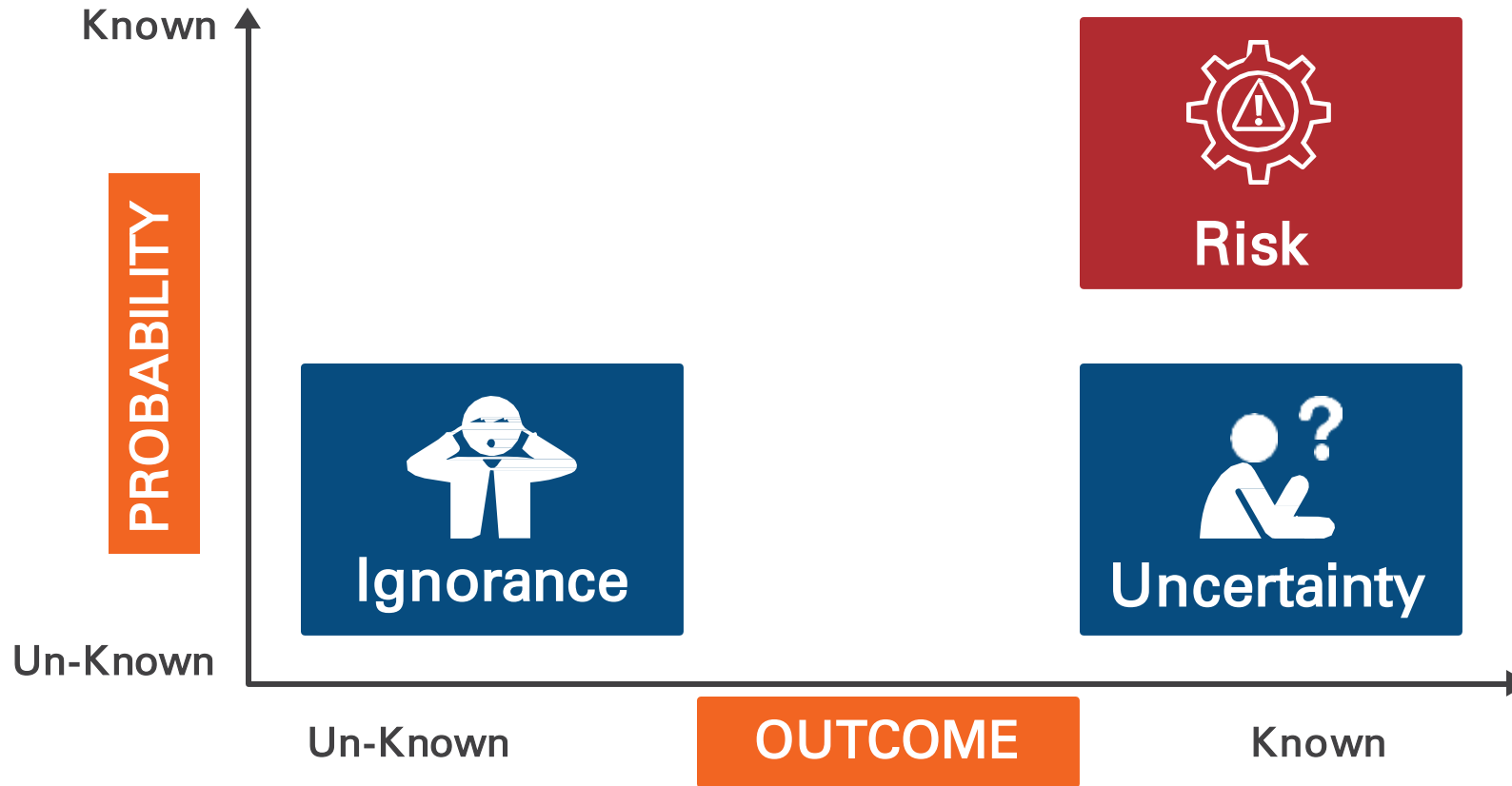
These situations present an investment opportunity to a fund manager who can foresee and interpret the implications of that opportunity.

This style of investing is a bottom up stock picking style because the core of its investment strategy is identifying companies in special situations which requires rigorous 360 degree stock research.

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Uncertainties Vs. Risk



One can make profit out of uncertainty & not out of risk...

Travelling by train & getting late by 'n' number of reasons is called uncertainty, & traveling in a train by hanging on the door is called Risk...

The above list is illustrative and not exhaustive, there are several other opportunities that may give rise to special situations.

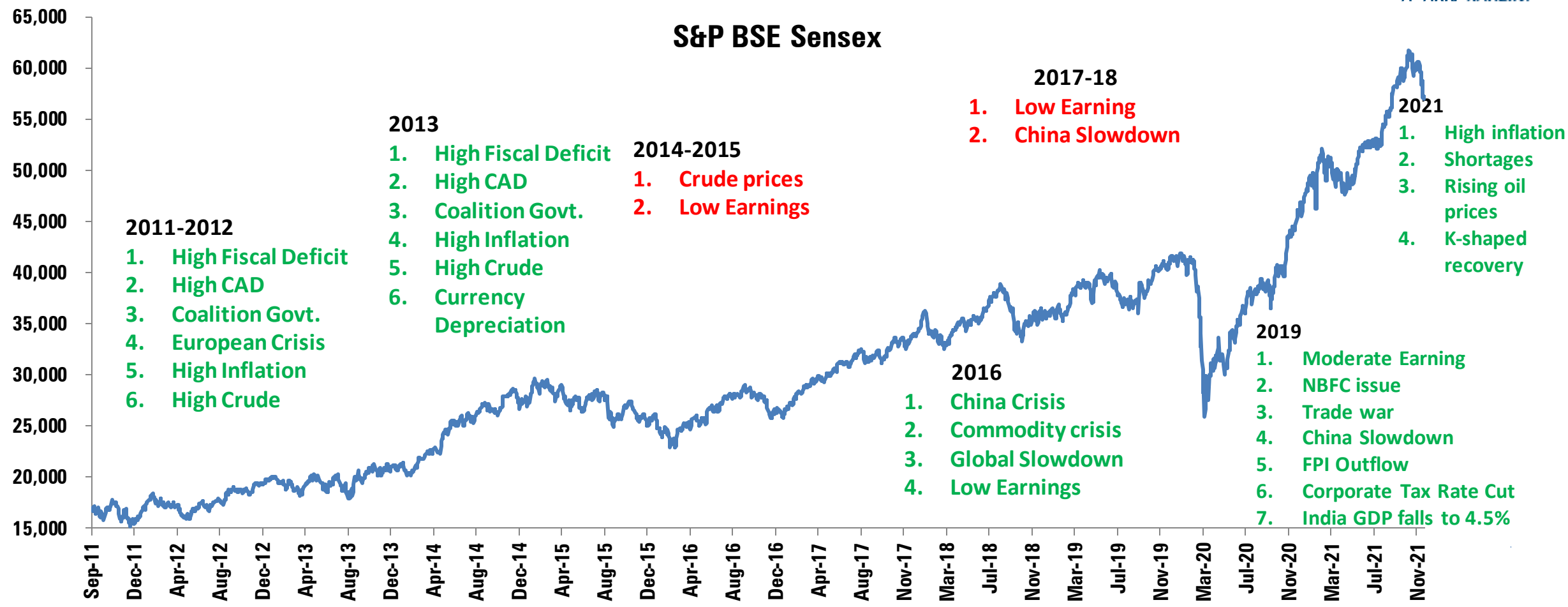
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Normally how Investor behaves!!!



**I will invest
after getting
clarity of Event**

More Uncertainties – Bigger Opportunity!!!

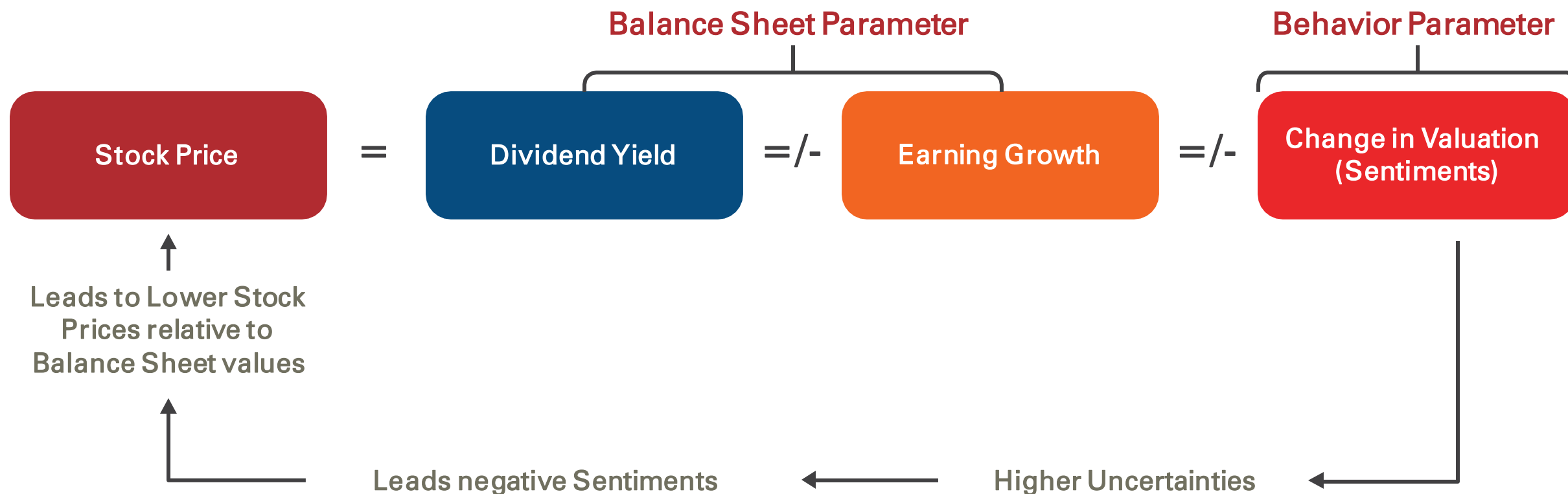


Longer list of uncertainty has resulted in better returns in subsequent years

The index mentioned is S&P BSE Sensex PRI. Source: BSE Ltd. Past performance may or may not be sustained in the future. The above list is illustrative and not exhaustive, there are several other opportunities that may give rise to special situations. CAD- Current Account Deficit , NBFC- Non Banking Financial Company ,FPI- Foreign Portfolio Investment. GDP – Gross Domestic Product, Covid- Corona virus Disease.Data as on Nov 30, 2021. Source: MFI

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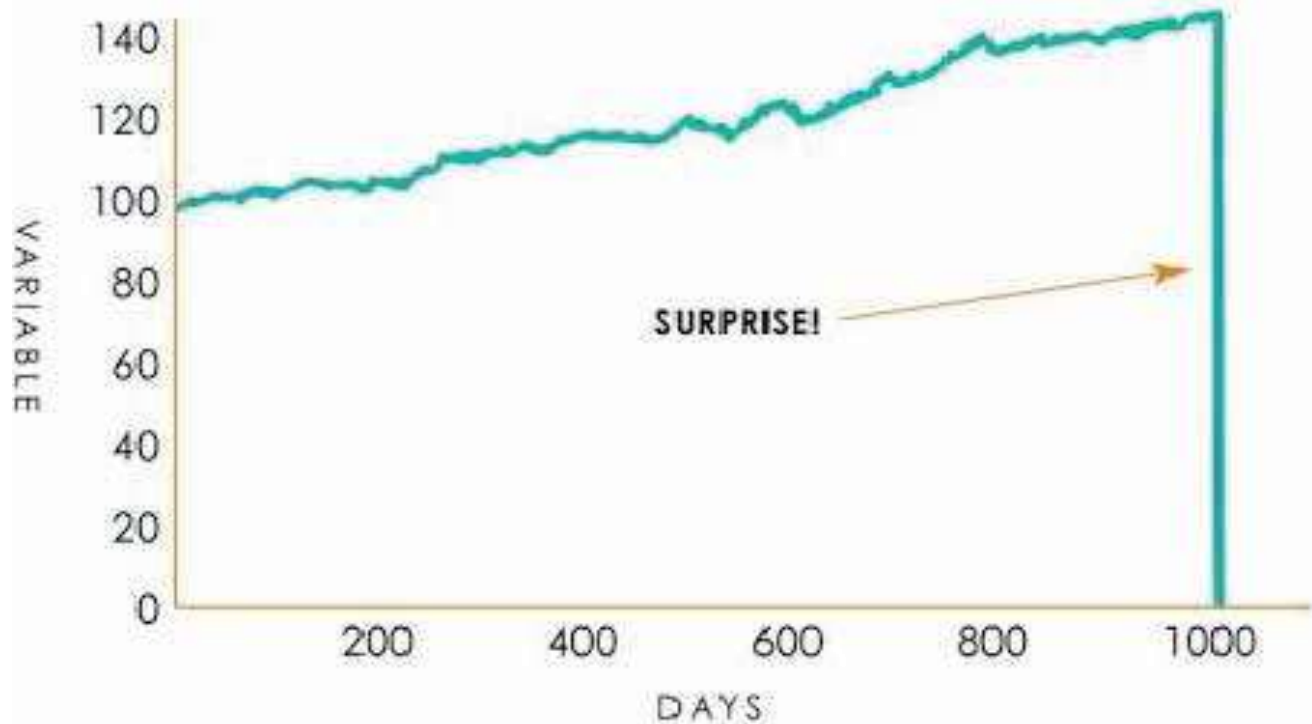
How such Uncertainties in Companies & Sectors can lead to special situation opportunities??





Future Wealth Creating Companies & “Uncertainties”

One Thousand and One day of History



A turkey before & after Thanksgiving:

The History of process over Thousand day tells you nothing about happening next. This naïve projection of the future from the past can applied to anything

- After a long & huge out performance of a stock which results in gradual build up of investment
- confidence But the future may be exactly opposite than the expectation build up based on past experience
- Similarly a long & huge under performance despite of good business may exhibit huge out performance in future

Just for illustration . Source : Nasim Nicholas taleb's the black swan

Rationale of select stocks in the portfolio



Special Situation	Stocks	Rationale
Company Specific	Sun Pharmaceutical Industries Ltd.	<p>The stock presents a special situation opportunity as there were worries of investigation outcome over whistle-blower complaint and concerns with respect to pricing of an acquired company. Sun Pharma is known well for its Specialty and Global generics segment with strong presence in the US (10-12 Specialty brands launched). The company reported significant pick-up in sales in 3QFY21 across global markets and managed to launch 25 new drugs in domestic markets in 3Q. The company is also building a pipeline of specialty products and is focusing on adding new markets & more products. With management focus on gaining revenue traction, cost controls/optimizations and business continuity, the company is expected to do well.</p>
	Axis Bank Ltd.	<p>The rumoured senior management changes and subsequently a worry of failing strategies at the bank is the special situation in the stock. Axis Bank is one of the largest private sector bank in India offering financial services for personal & corporate banking. The bank's retail disbursements were at all time high in 3QFY21 with stable NIMs at 3.59% on a QoQ basis. Stress formation has been much lower than anticipated with the bank fortifying its balance sheet with buffer at 200 bps. Axis may do well with expected improvement in Operating Profit Margins and stable to rising NIMs.</p>

The sector(s)/stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s), Source – BSE India, Company Report. Data as of November 30, 2021. NIM- Net Interest Margin.

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Rationale of select stocks in the portfolio



Special Situation	Stocks	Rationale
Global Events/Uncertainties	Hindalco Industries Ltd.	China consumes more than half of world's Aluminium produce. As China was the epicentre of recent COVID crisis, slowdown fears in Aluminium presented a special opportunity in the stock last year. Hindalco is a large-scale aluminium rolling company and is into aluminium recycling. It reported commendable performance in 3QFY21 due to significant improvement in India Aluminium business supported by higher volumes and better product mix, lower input costs, stability in operations and cost saving actions. The company may do well as the fundamentals remain strong and recovery in auto demand in China & US, may contribute further to its growth.
	ONGC	The fall in oil price due to slowdown led by COVID-19 was the special situation in the stock last year. ONGC is a major crude oil and natural gas company in India, contributing around 75% to Indian domestic production. ONGC reported good 3QFY21 numbers driven by better operational results, high crude sales volume and decent gas volume. ONGC is expected to do well as it is a key beneficiary of higher crude price. Also, it may benefit from potential de-regulation of/hike in domestic gas price given that a proposal for the same is under consideration.

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Rationale of select stocks in the portfolio

Special Situation	Stocks	Rationale
Regulatory Changes	COAL INDIA LTD.	<p>Markets were worried that the Govt. may go ahead with stake sale in Coal India given the weak revenues to the exchequer during the current fiscal. Coal India is one of the few large PSU entities where Govt. owns > 65% stake. Coal India is one of the largest coal mining and refining company. Coal India reported good 3QFY21 numbers reflecting broad recovery in power demand. The company is also looking at diversifying into solar cell manufacturing, coal gasification and aluminium smelting. Though muted power demand has impacted e-auction realizations, with expected recovery in demand and large cash position, Coal India is expected to sail through the current situation</p> <p>PSU – Public Sector Undertaking.</p>

Source: BSE India, Company Report. Data as of November 30, 2021. PSU – Public Sector Undertaking, The sector(s)/stock(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 sector(s)/stock(s).

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Rationale of select stocks in the portfolio

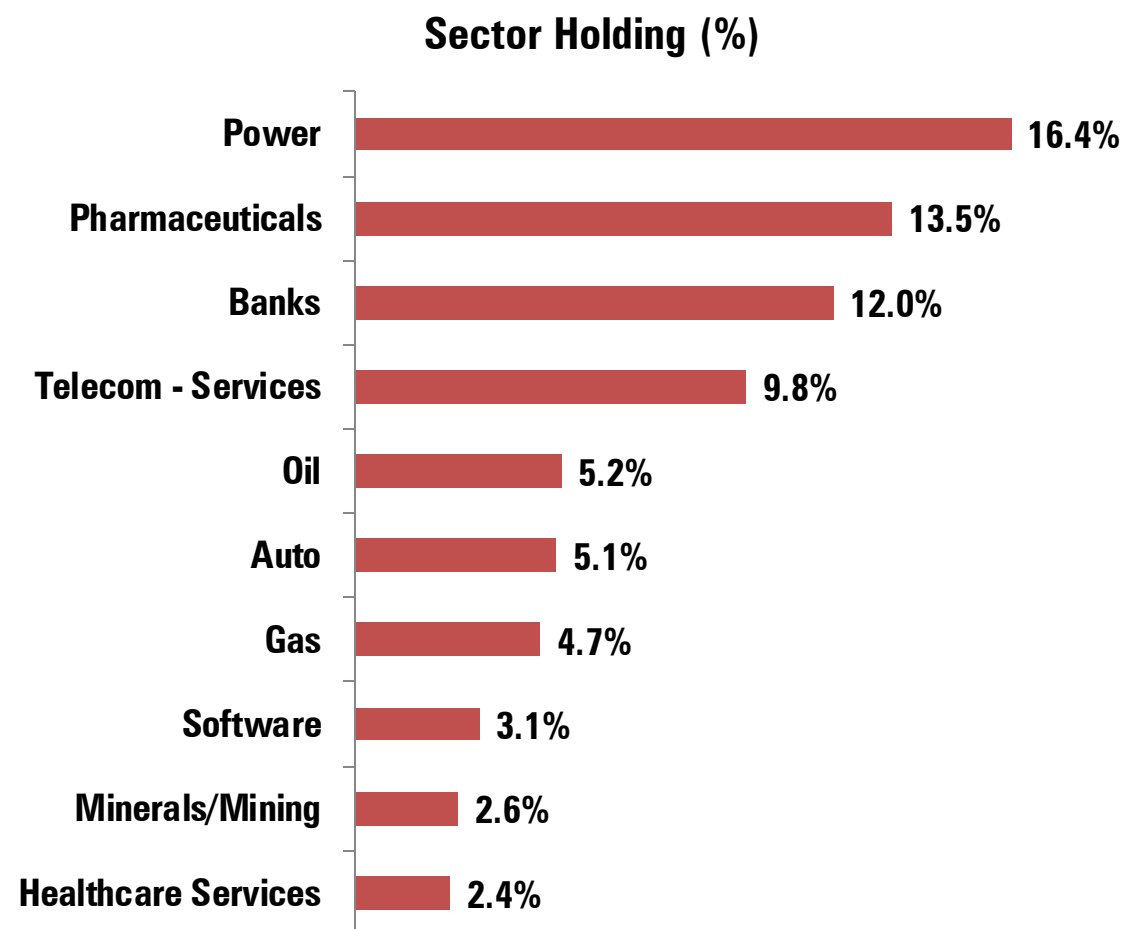
Special Situation	Stocks	Rationale
<p>Sector Specific</p>	<p>Bharti Airtel Ltd.</p>	<p>The pending AGR judgement on deferred payments and one of the players introducing a new post-paid tariff plan was a special situation in the stock. Bharti Airtel is a major telecommunication player which seems well placed to capitalize on industry recovery and gain revenue market from weak players. The company delivered a good set of 3QFY21 numbers due to better execution & market share win across mobile, FTTH enterprise & DTH. It also added to its 4G and postpaid customer base which may help Bharti to better translate tariff hike into ARPU. With the consolidation of telecom sector, fewer players, barriers to new entrants due to high costs, proactive fund raising activities and its scale of operations & business, Bharti is expected to perform well.</p>

The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s). ARPU – Average Revenue Per Unit. FTTH – Fiber to the home, DTH – Direct to Home, FCF – Free Cash Flow. PLF – Plant Load Factor, UMPP – Ultra Mega Power Plant, Discom- Distribution Companies, EPC – Engineering, Procurement and Construction. Source: BSE India, Company Report. Data as of November 30, 2021. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors.

ICICI Prudential India Opportunities Fund - Portfolio



Top 10 Stock Holdings	%to NAV
NTPC Ltd.	10.5%
Bharti Airtel Ltd.	9.8%
Sun Pharmaceutical Industries Ltd.	9.5%
Axis Bank Ltd.	7.1%
GAIL (India) Ltd.	4.7%
CESC Ltd.	4.2%
Oil & Natural Gas Corporation Ltd.	4.0%
TVS Motor Company Ltd.	3.2%
Coal India Ltd.	2.6%
ICICI Bank Ltd.	2.5%



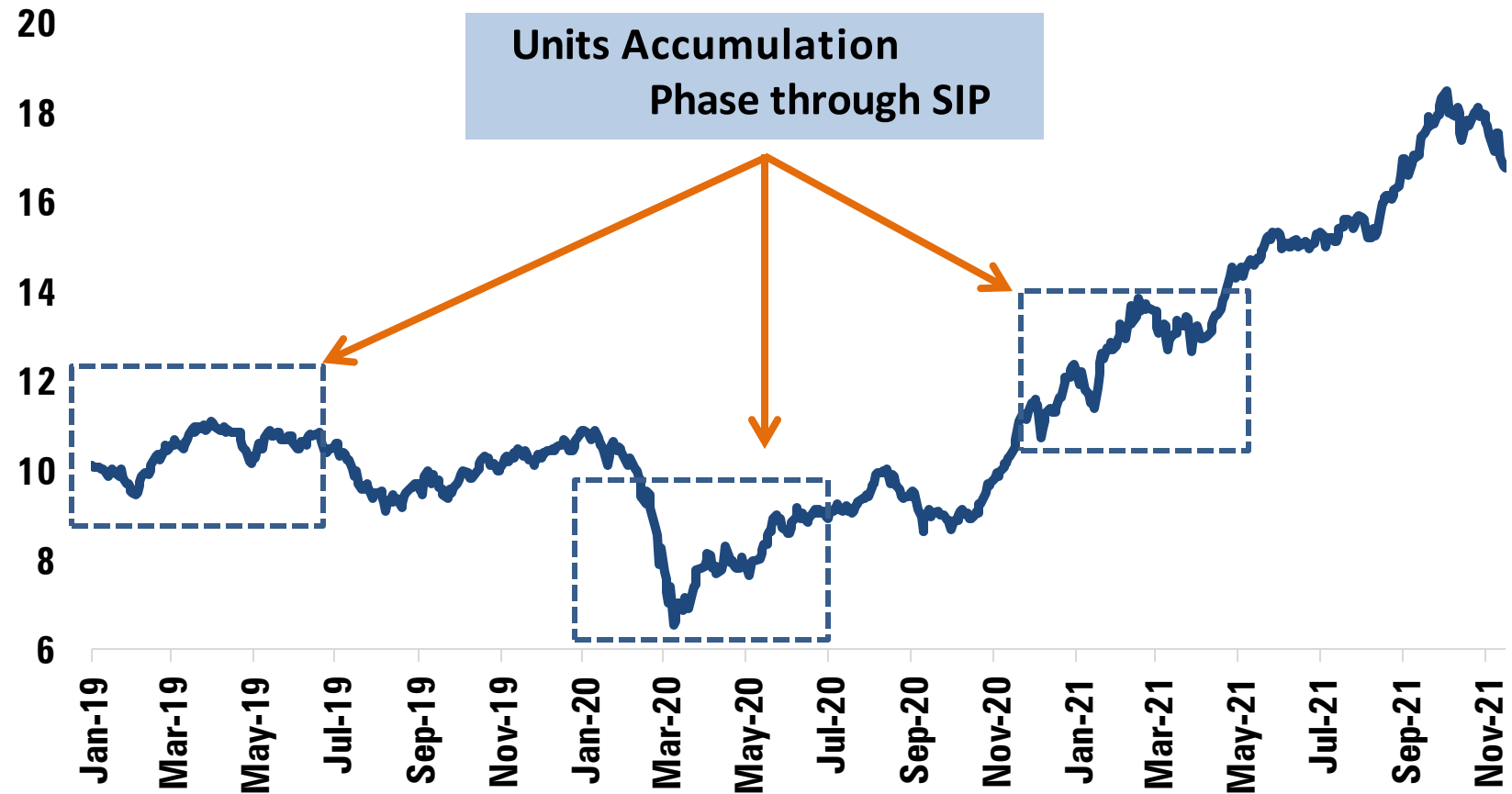
As on Nov 30, 2021

Source: CRISIL. The sector(s)/stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s)

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SIP: Suitable For Special Situations

- Special Situations may arise at any moment, incrementally investing through SIPs can further enhance investor experience
- Disciplined and regular investing helps investors in generating relatively better returns



Source: MFI Explorer. NAV Data till 30 Nov 2021



ICICI Prudential India Opportunities Fund



Investment Objective:

To generate long-term capital appreciation by investing in opportunities presented by special situations such as corporate restructuring, Government policy and/or regulatory changes, companies going through temporary unique challenges and other similar instances.

Investment Style:

- Concentrated portfolio with High Active Share
- Market Cap and Sector Agnostic approach
- Bottom up approach

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Features of the Scheme



Type of Scheme	An open ended equity scheme following special situation theme.
Plans	ICICI Prudential India Opportunities Fund & ICICI Prudential India Opportunities Fund – Direct; Options: Growth & IDCW* (IDCW payout and re-investment facility available)
Minimum Application Amount	Rs. 5,000 (plus in multiple of Re.1)
Minimum Additional Application Amount	Rs. 1,000 (plus in multiple of Re. 1)
Minimum Redemption Amount	Any Amount
Entry Load	Not Applicable
Exit Load	1% of applicable NAV if the amount, sought to be redeemed/switch out in invested for a period of upto 12 months from the date of allotment. Nil – if the amount, sought to be redeemed/switch out in invested for a period of more than 12 months from the date of allotment.
Fund Manager	Mr. Sankaran Naren (managing this fund since Jan, 2019, and has 31 years of experience) Mr. Roshan Chutkey (managing this fund since Jan, 2019 and has overall 14 years of experience) In addition to the fund manager managing this Scheme, the overseas investment of the scheme is managed by Ms. Priyanka Khandelwal.
Benchmark Index	NIFTY 500 TRI
SIP / SWP / STP (Flex/Value)	Available

*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 IDCW 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 IDCW. IDCW 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 IDCW payout option, the minimum amount for IDCW payout shall be 100 (net of IDCW distribution tax and other statutory levy, if any), else the IDCW would be mandatorily reinvested





Riskometer & Disclaimer



ICICI Prudential India Opportunities Fund (The scheme is suitable for investors who are seeking*)

- Long term wealth creation
- An equity scheme that invests in stocks based on special situations theme.

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

Scheme	Benchmark (Nifty 500 TRI)
 <p>Investors understand that their principal will be at Very High risk.</p>	 <p>Benchmark riskometer is at Very High risk.</p>
<p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.</p>	

Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis as per SEBI circular dated October 05, 2020 on Product Labelling in Mutual Fund schemes - Risk-o-meter.

Please refer to <https://www.icicpruamc.com/news-and-updates/all-news> for more details.

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

Disclaimer: All figures and data given in the document are dated unless stated otherwise. In the preparation of the material contained in this document, the AMC has used information that is publicly available, including information developed in-house. Some of the material used in the document may have been obtained from members/persons other than the AMC and/or its affiliates and which may have been made available to the AMC and/or to its affiliates. Information gathered and material used in this document is believed to be from reliable sources. The AMC however does not warrant the accuracy, reasonableness and / or completeness of any information. We have included statements / opinions / recommendations in this document, which contain words, or phrases such as "will", "expect", "should", "believe" and similar expressions or variations of such expressions, that are "forward looking statements". Actual results may differ 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.

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Investors are 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 ICICI Prudential Mutual Fund. The information contained herein should not be construed as a forecast or promise nor should it be considered as an investment advice.

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Performance Update

Particulars	Returns (%)			
	6 Months	1 Year	2 Years	Since Inception
ICICI Prudential India Opportunities Fund	13.8	62.0	26.7	19.7
Nifty 500 Total Returns Index (Benchmark)	11.5	37.7	23.4	19.1

Source: Value Research, Data as of November 30, 2021. *Category refers to Equity schemes. Past performance may or may not sustain in future, Returns are in absolute terms for period less than 1 year and annualized for 1 year and above. Since inception returns of benchmark index are for period since launch date of scheme as on 15-Jan-2019 to 30-Nov-2021.



Thank You