



ICICI Prudential

# Asset Allocation Schemes Blue Book



The information herein is solely for private circulation and for reading/understanding of registered Advisors/Distributors and should not be circulated to investors/prospective investors.



There are three ways in which an investment can make money:



Debt



Lend and  
earn  
INTEREST

Equity



Become a part  
owner and share  
PROFITS

Gold



Buy something that  
may become more  
VALUABLE  
over time

A single investment cannot meet all the requirements of growth, liquidity, regular income, capital protection and adequate returns – Hence there is a need for

**ASSET ALLOCATION**

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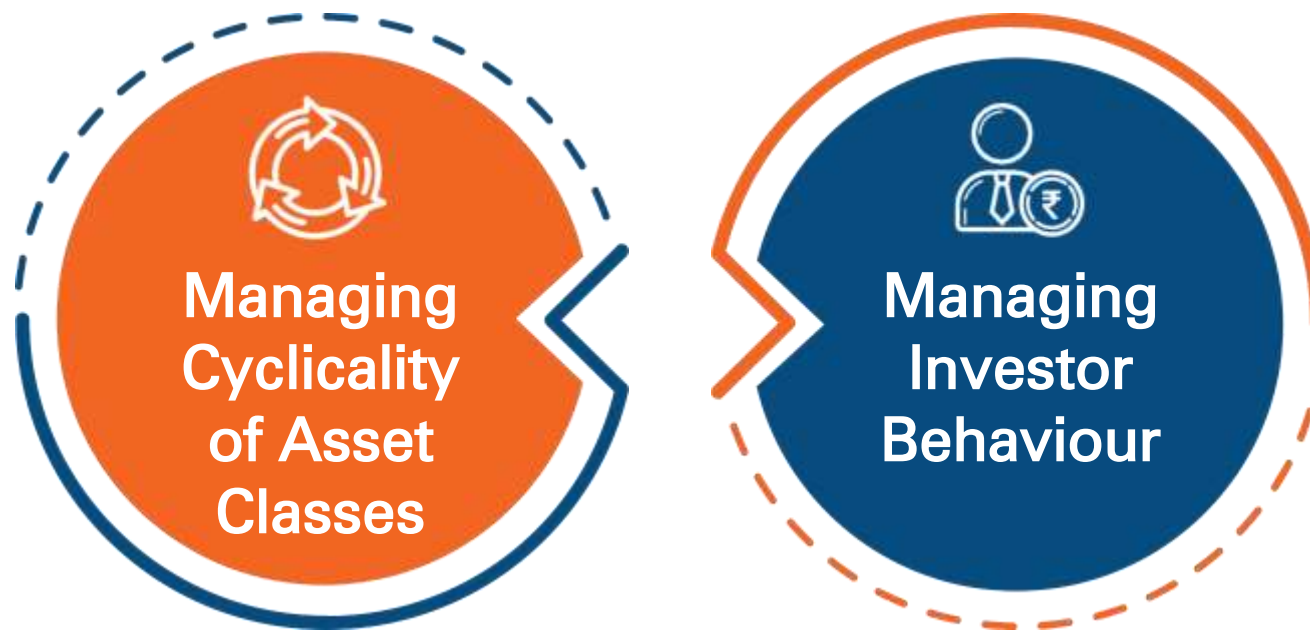


# Why Asset Allocation?



Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon.

**Asset Allocation provides the twin benefit of:**





# Asset Allocation Benefits-Managing Cyclicalty



Financial Markets are full of surprises and it is difficult to predict which asset class will do well!

Time Period	S&P BSE Sensex Returns (%)	CRISIL Short Term Bond Fund Index Returns (%)	Gold Returns (%)
2019	13.8	9.5	24.3
2018	5.1	6.7	7.9
2017	28	6.1	13.1
2016	2	9.8	8.6
2015	-5	8.7	-10.4
2014	29.9	10.5	-1.7
2013	9	8.3	-28
2012	25.6	9.1	7.1
2011	-24.7	7.9	10.1
2010	17.4	4.7	29.5
2009	81	6.6	24.4
2008	-52.4	9.5	5.8
2007	46.9	8	31
2006	46.8	5.5	23.2

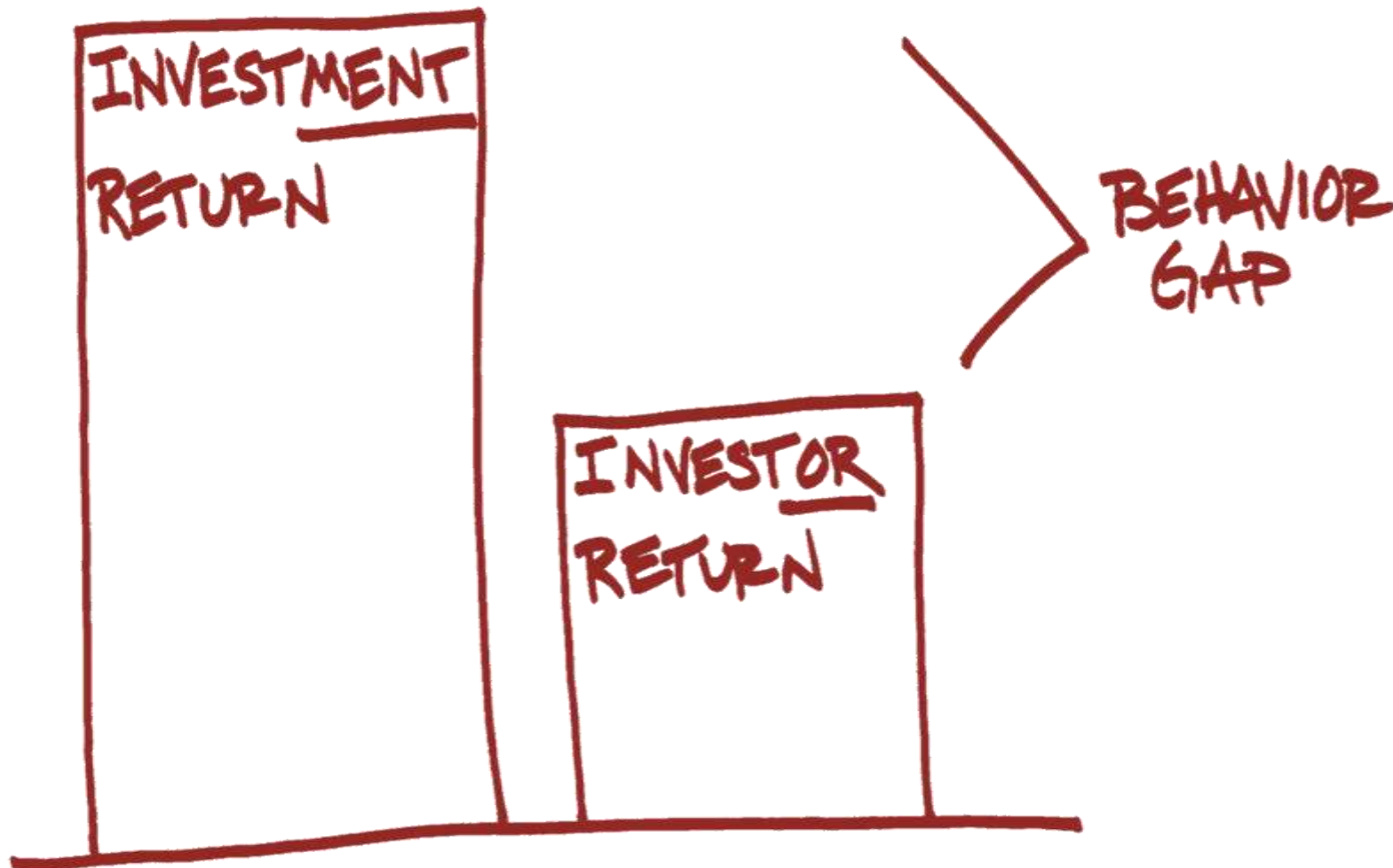
Different investments are affected differently by economic events!

ASSET ALLOCATION helps to manage cyclicalty of asset classes.

Data 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>. The information herein is solely for private circulation and for reading/understanding of registered Advisors/Distributors and should not be circulated to investors/prospective investors. Past performance may or may not sustain in the future.



# Asset Allocation Benefits-Managing Investor Behaviour





# Asset Allocation Benefits-Managing Investor Behaviour



Investors generally expect *constant* annual returns on their investments

Expectations		
Year	Amount	Annual Returns
--	1000	--
1	1120	12%
2	1254	12%
3	1405	12%
4	1574	12%
5	1760	12%
Average Return		12%

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# Asset Allocation Benefits-Managing Investor Behaviour



However, the investment in an asset class *may not give constant returns on an annual basis*

Expectations		
Year	Amount	Annual Returns
--	1000	--
1	1120	12%
2	1254	12%
3	1405	12%
4	1574	12%
5	1762	12%
Average Return		12%

Reality		
Year	Amount	Annual Returns
--	1000	--
1	1080	8%
2	929	-14%
3	1375	48%
4	1333	-3%
5	1760	32%
Average Return		12%

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# Asset Allocation Benefits-Managing Investor Behaviour



Selling After 'Unexpected' Returns in Initial Year			
Year	Amount	Annual Returns	Remarks
--	1000	--	
1	1080	8%	Below Expectations of 12%
2	929	-14%	
3	994	7%	Moved to Traditional Instrument
4	1063	7%	
5	1138	7%	
Average Return		2.6%	Unhappy Experience



*Unexpected investment returns may induce investors into **panic selling** and lead to poor investor returns*

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# Asset Allocation Benefits-Managing Investor Behaviour



Asset Allocation helps to protect investors from downturns in any one asset class

Returns under various portfolio scenarios

Year	Without Asset Allocation		With Asset Allocation
	100% Equity Portfolio Return	100% Debt Portfolio Return	50% Equity + 50% Debt
2010	17.43%	2.06%	9.74%
2011	<b>-24.64%</b>	18.17%	<b>-3.24%</b>
2012	25.70%	5.53%	15.62%
2013	8.12%	17.98%	13.05%
2014	30.08%	0.31%	15.20%
2015	-5.05%	11.01%	2.98%
2016	1.78%	5.90%	3.84%
2017	27.91%	5.29%	16.60%
2018	6.67%	<b>-6.57%</b>	<b>0.05%</b>
2019	13.80%	10.82%	12.31%

Asset Allocation can limit downside risk



# ASSET ALLOCATION is just like the winning strategy in a cricket match



**EQUITY**

**+**

**DEBT**

**Aggressive –  
Hitting SIXES  
and FOURS**



**Defensive –  
Picking singles**





# Why Dynamic Asset Allocation Funds?



## Manages Cyclicalty



Allows investors to enjoy more consistent returns through diversifying asset classes

## Benefit from volatility



Asset Allocation schemes have room to manoeuvre asset proportions based on market conditions

## Manages Investor's behavior



Helps to reducing the negative impact on returns due to poor performance of one asset class by tactically managing portfolios

## Professionally managed



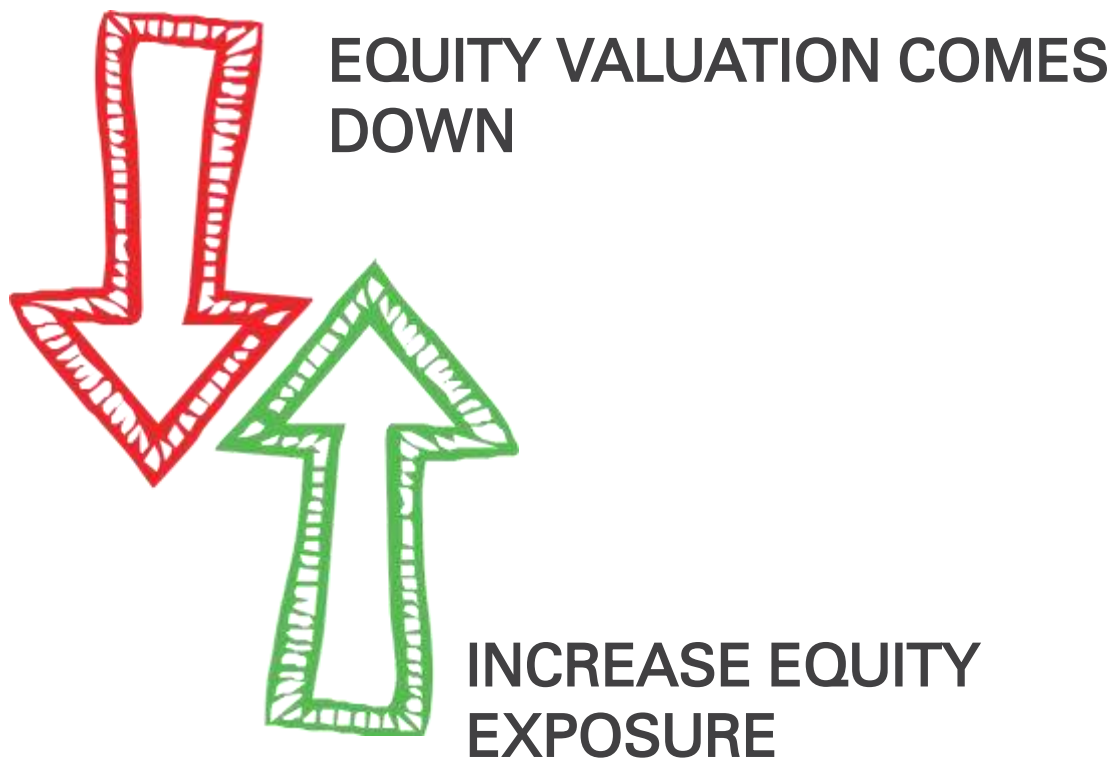
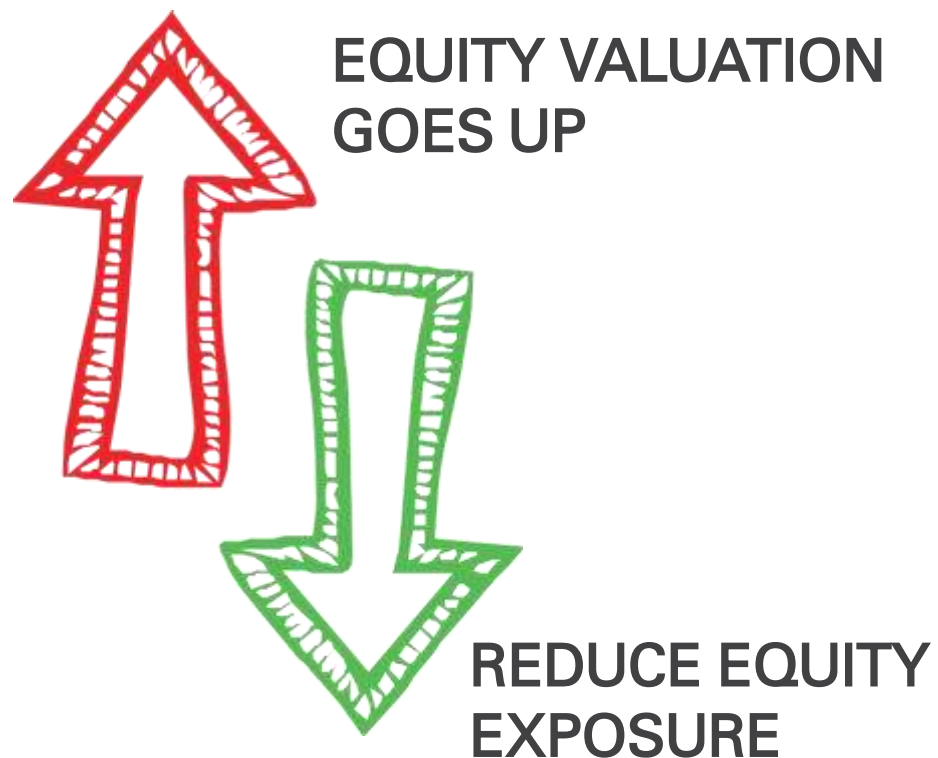
Hybrid funds are managed by qualified professionals who can efficiently allocate investor's funds to various asset classes based on their understanding of markets.



# Why ICICI Prudential Asset Allocation schemes?



We have an In house Market Valuation Model allows “Buying Low and Selling High” while keeping human emotions aside

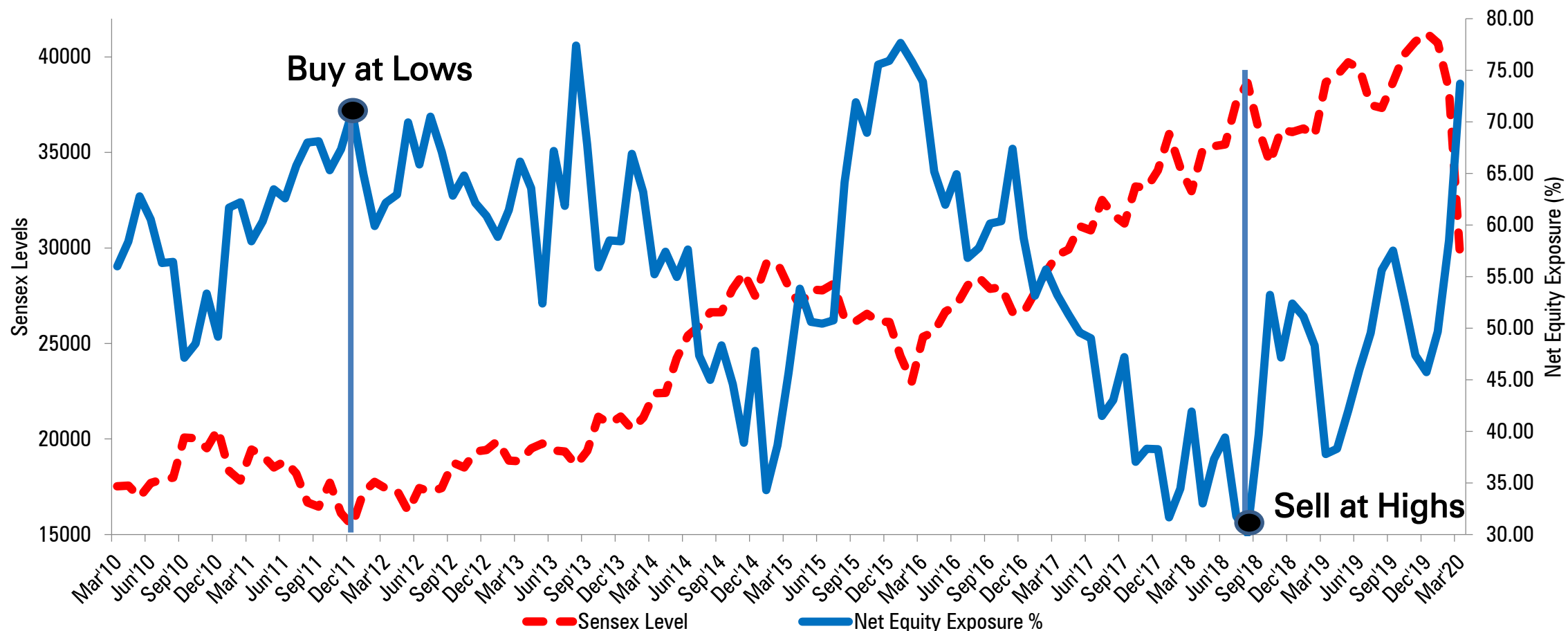




# In-House Valuation Model Levels



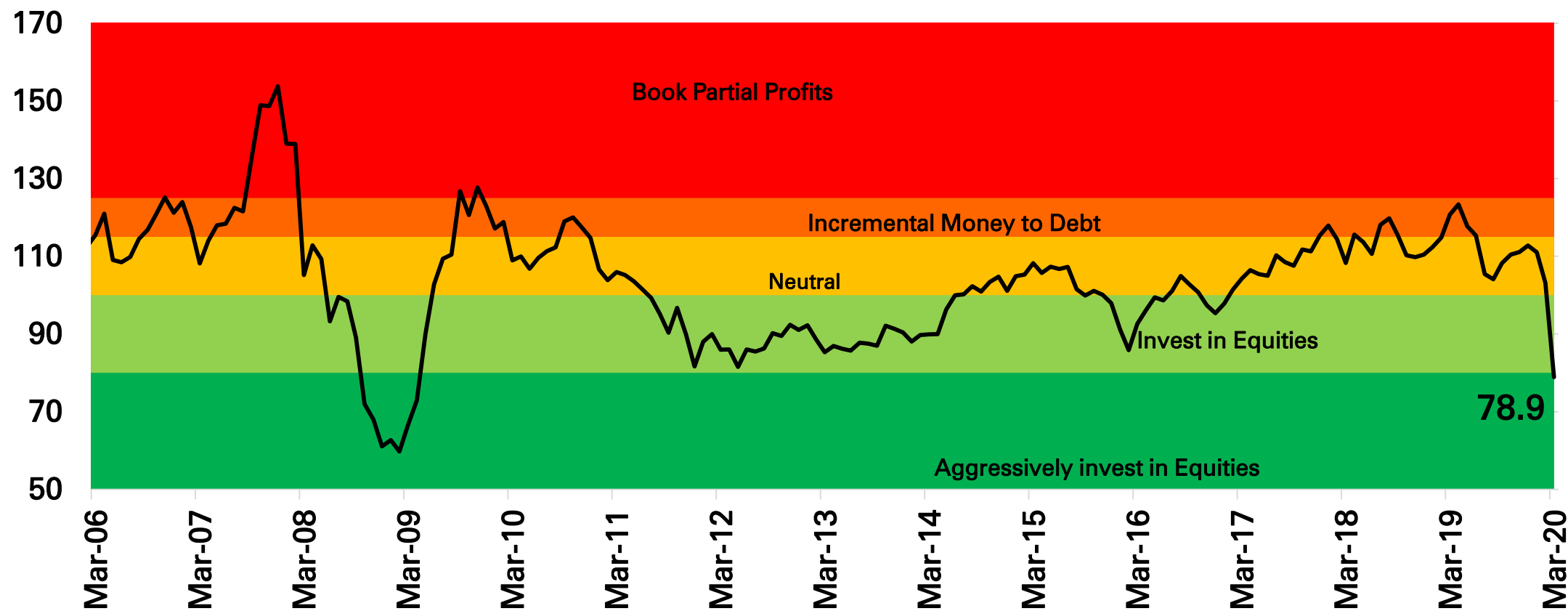
The model exhibits the principles of “Buy Low, Sell High” by increasing equity exposures when markets have fallen and vice-versa.



The net equity levels are only for illustrative purpose, actual figures may vary. The information herein is solely for private circulation and for reading/understanding of registered Advisors/Distributors and should not be circulated to investors/prospective investors. Past performance may or may not sustain in the future.



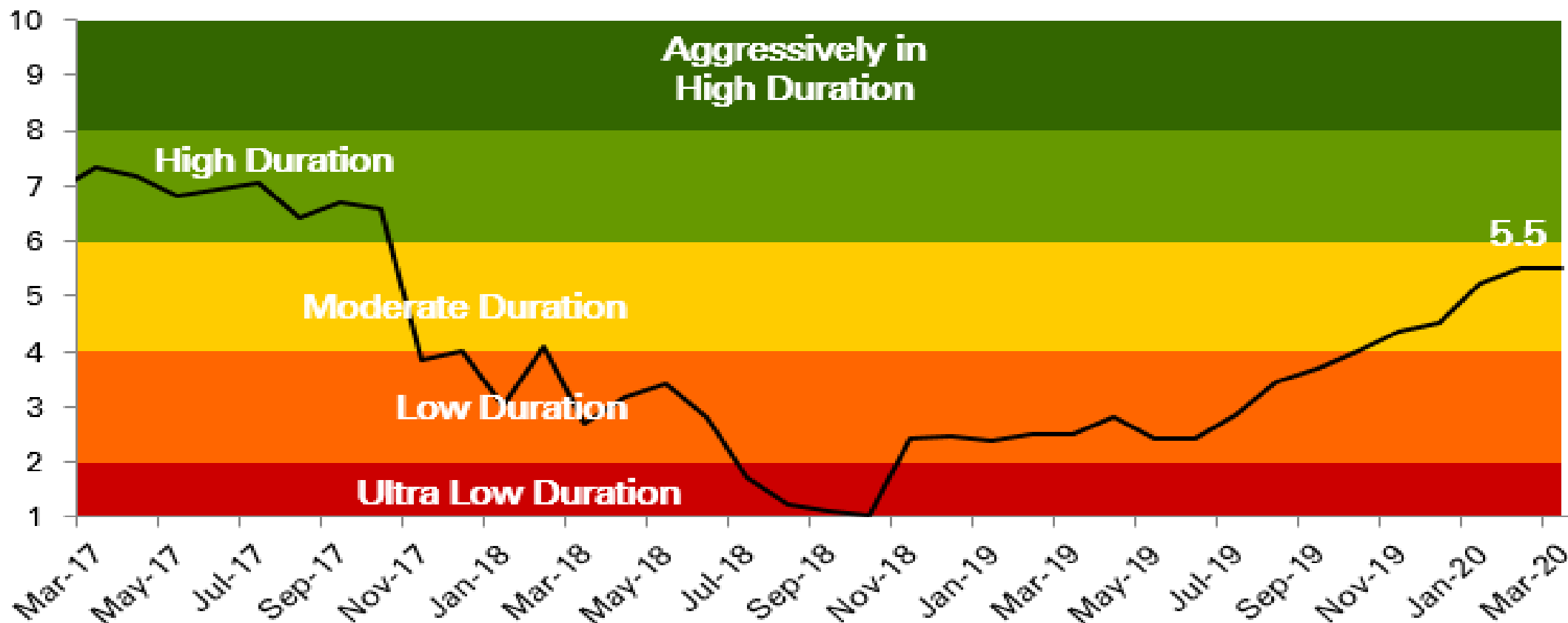
# In House Valuation Model – Equity



Equity valuation index is calculated by assigning equal weights to Price to equity (PE), Price to book (PB), G-Sec\*PE and Market Cap to GDP



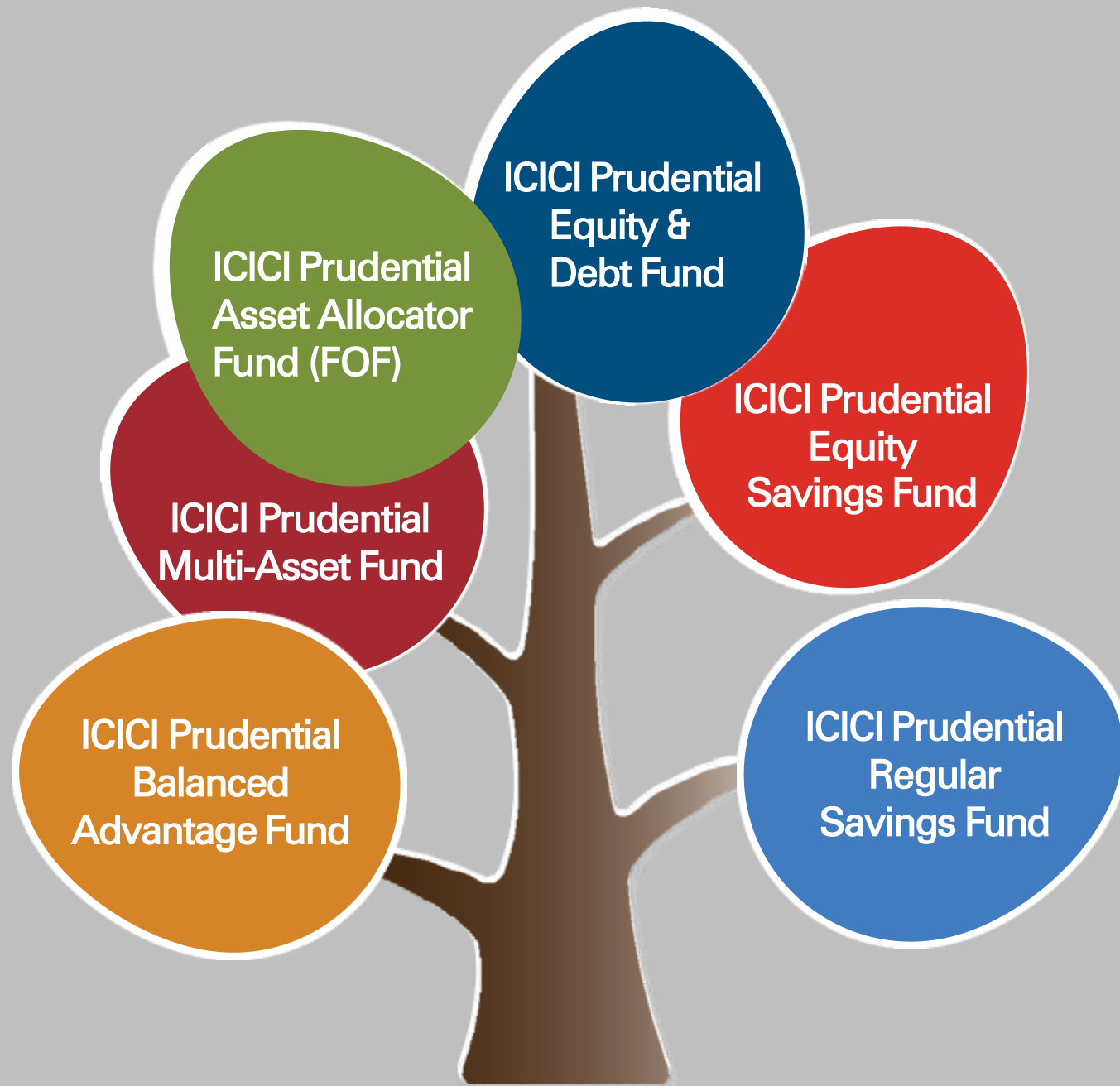
# In-House Valuation Model Debt



Debt Valuation Index considers WPI, CPI, Sensex YOY returns, Gold YOY returns and Real estate YOY returns over G-Sec yield, Current Account Balance and Crude Oil Movement for calculation. WPI – Wholesale Price Index; CPI – Consumer Price Index. None of the aforesaid recommendations are based on any assumptions. These are purely for reference and the investors are requested to consult their financial advisors before investing.

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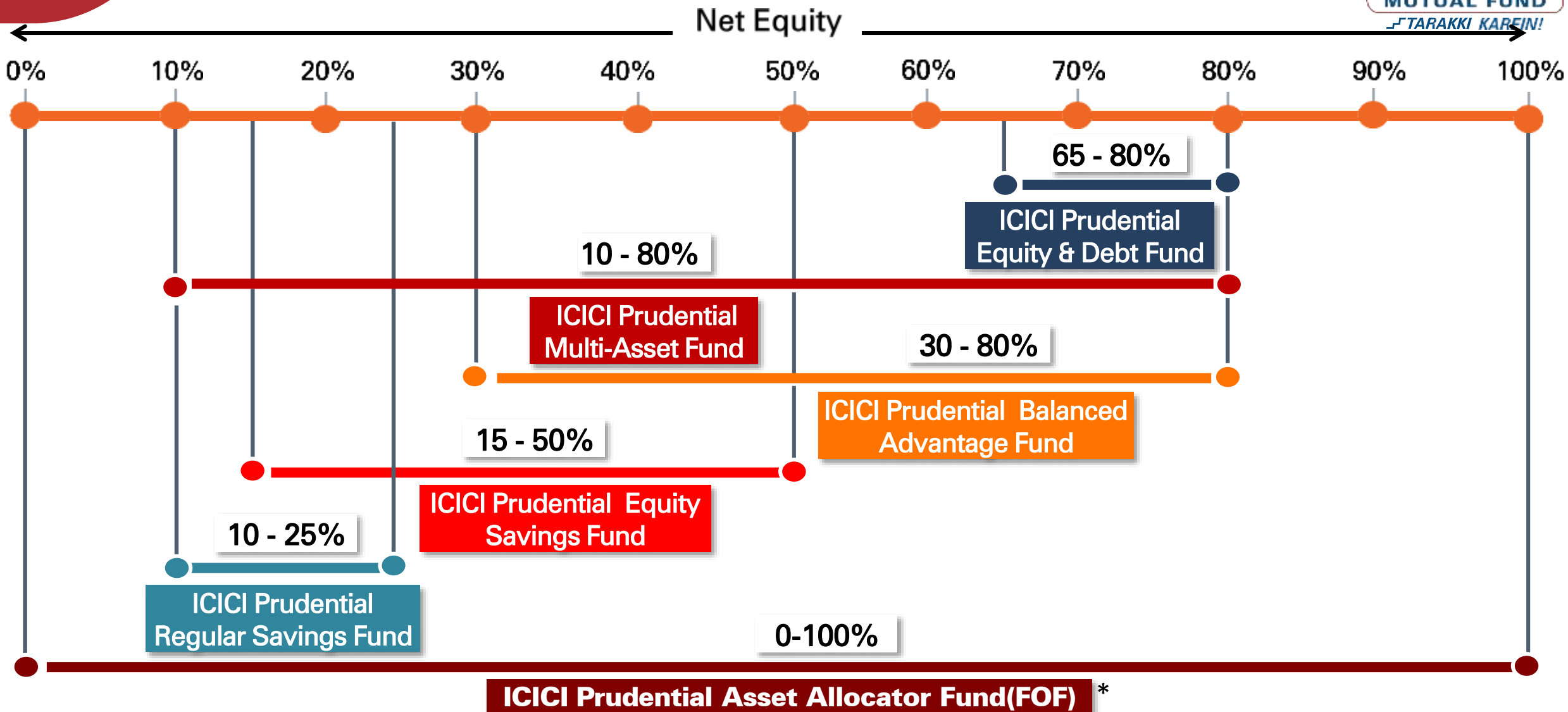




# ICICI Prudential Mutual Fund Hybrid Product Bouquet



# ICICI Prudential Asset Allocation Products



\*ICICI Prudential Asset Allocator Fund is a Fund of Funds Scheme. The information herein is solely for private circulation and for reading/understanding of registered Advisors/Distributors and should not be circulated to investors/prospective investors. Past performance may or may not sustain in the future.



# ICICI Prudential Regular Savings Fund

Scheme Category : Conservative Hybrid Fund



## Why should one invest?

The scheme invests predominantly in debt instruments with an aim to generate accrual income while the equity portion of the scheme shall seek to generate capital appreciation



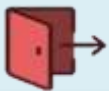
## Who should invest?

Investors who are risk averse and are looking for limited exposure to equity with a comfort of accrual income from the debt portion



## What is the ideal holding period?

3 years & above



## 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 NAV; After 1 year from the date of allotment – Nil

## Taxation: Debt Taxation

## Rebalancing Frequency: Fortnightly

Salient  
Features

## Range of Equity: 10-25%

## Net Equity Level:

Current*	Last 1 year average
16.9%	17.2%

Equity  
Strategy

## Market Capitalisation – Multi-Cap

## Duration: 1- 5 years

## Credit Profile: Predominantly invests in AA rated papers

## Debt Strategy: Accrual

Debt  
Strategy



# ICICI Prudential Equity Savings Fund

Scheme Category : Equity Savings Fund



## Why should one invest?

The scheme seeks to balance risk and returns by taking moderate exposure to equity. The allocation to equity and debt is managed dynamically based on market scenarios



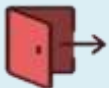
## Who should invest?

Suitable for conservative investors who seek moderate exposure to equity and limit downside risk through debt



## What is the ideal holding period?

3 years & above



## Exit Load

If units are redeemed or switched out within 15 days from date of allotment – 1%; After 15 Days - Nil

- Taxation: Equity Taxation
- Rebalancing Frequency: Fortnightly

Salient  
Features

- Range of Equity: 15-50%
- Net Equity Level:

Current*	Last 1 year average
46.7%	31.8%

- Market Capitalisation – Multi-Cap

Equity  
Strategy

- Duration: 1 – 5 years
- Credit Profile: Invests across AAA, AA & sovereign rated instruments
- Debt Strategy : Total Return strategy

Debt  
Strategy



# ICICI Prudential Balanced Advantage Fund

Scheme Category : Dynamic Asset Allocation/ Balanced Advantage Fund



## Why should one invest?

It is a scheme that follows a buy low, sell high strategy by investing in equity and debt to capture upside while limiting downside risk



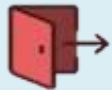
## Who should invest?

Investors seeking an all seasoned product that does not require timing the market and seek to benefit from volatility



## What is the ideal holding period?

3 years & above



## 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 NAV; After 1 year from the date of allotment – Nil

- Taxation: Equity Taxation
- Rebalancing Frequency: Daily

Salient  
Features

- Range of Equity: 30-80%
- Net Equity Level:

Current*	Last 1 year average
73.7%	51.4%

- Market Capitalisation – Multi-Cap

Equity  
Strategy

- Duration: 1 – 5 years

- Credit Profile: Invests across AAA, AA & sovereign rated instruments

- Debt Strategy : Total Return strategy

Debt  
Strategy



# ICICI Prudential Multi- Asset Fund

Scheme Category : Multi Asset Allocation



## Why should one invest?

The scheme seeks to provide the benefits of capital appreciation through equity, regular income through debt instruments and hedge against inflation through gold



## Who should invest?

Investors who wish to diversify their portfolio across various asset classes



## What is the ideal holding period?

5 years & above



## 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 NAV; After 1 year from the date of allotment – Nil

- Taxation: Equity Taxation
- Rebalancing Frequency: Monthly

Salient Features

- Range of Equity: 10-80%
- Net Equity Level:

Current*	Last 1 year average
72.6%	67.9%

Equity Strategy

- Market Capitalisation – Multi-Cap

- Duration: 1 – 5 years
- Credit Profile: Invests across AAA, AA & sovereign rated instruments
- Debt Strategy : Total Return strategy

Debt Strategy

- Allocation Range:
  - A. Units of Gold ETF/Exchange Traded Commodity Derivatives : 10 – 30%
  - B. Preference Shares: 0-10%
  - C. REITs & InvITs : 0-10%

Gold & Others





# ICICI Prudential Equity & Debt Fund

Scheme Category : Aggressive Hybrid



## Why should one invest?

The scheme provides the best of both worlds by predominantly investing in equity and a small portion in debt and money market instruments for limiting downside



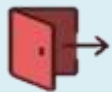
## Who should invest?

Investors with a reasonably high risk appetite who wish to participate in the growth story of the equity markets with a portion of their portfolio invested in debt



## What is the ideal holding period?

3 years & above



## 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 NAV; After 1 year from the date of allotment – Nil

- Taxation: Equity Taxation
- Rebalancing Frequency: Monthly

Salient  
Features

- Range of Equity: 65-80%
- Net Equity Level:

Current*	Last 1 year average
71.9%	69.9%

Equity  
Strategy

- Market Capitalisation – Multi-Cap

- Duration: 1 – 5 years

- Credit Profile: Invests across AAA, AA & sovereign rated instruments

- Debt Strategy : Total Return strategy

Debt  
Strategy





# ICICI Prudential Asset Allocator Fund (FOF)

Scheme Category : Other scheme - Fund of Funds Scheme



## Why should one invest?

The scheme invests in equity & debt mutual fund schemes. The allocation is based on the attractiveness of one asset class over the other as reflected by an in house valuation model



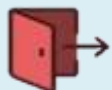
## Who should invest?

Investors who are looking at getting a dual benefit of optimum asset allocation and selecting the right mutual fund schemes



## What is the ideal holding period?

5 years & above



## 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 NAV; After 1 year from the date of allotment – Nil

- Taxation: Debt Taxation
- Rebalancing Frequency: Weekly

Salient  
Features

- Range of Equity: 0-100%
- Net Equity Level:

Current*	Last 1 year average
82.7%	40%

Equity  
Strategy

- Market Capitalisation – Multi-Cap

Debt  
Strategy

- Duration: Dynamically investing across duration through underlying schemes
- Credit Profile: Flexibility to invest in mutual fund schemes having exposure across AAA, AA, A and sovereign rated Instruments
- Debt Strategy : Tactically follows accrual or duration strategy through underlying schemes



# Riskometers

## ICICI Prudential Regular Savings Fund

(erstwhile ICICI Prudential MIP 25)

(An open ended hybrid scheme investing predominantly in debt instruments)

This Product is suitable for investors who are seeking\*:

- Medium to long term regular income solution
- A hybrid fund that aims to generate regular income through investments primarily in debt and money market instruments and long term capital appreciation by investing a portion in equity.

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

**Riskometer**



Investors understand that their principal will be at moderately high risk

## ICICI Prudential Balanced Advantage Fund

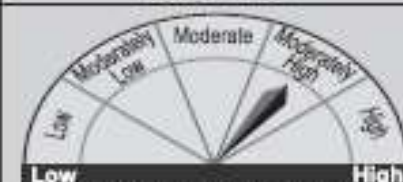
(An open ended dynamic asset allocation fund)

This Product is suitable for investors who are seeking\*:

- Long term wealth creation solution
- An equity fund that aims for growth by investing in equity and derivatives.

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

**Riskometer**



Investors understand that their principal will be at moderately high risk

## ICICI Prudential Equity Savings Fund

(erstwhile ICICI Prudential Equity Income Fund)

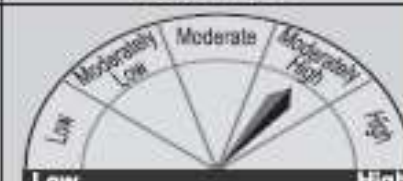
(An open ended scheme investing in equity, arbitrage and debt.)

This Product is suitable for investors who are seeking\*:

- Long term wealth creation
- An open ended scheme that seeks to generate regular income through investments in fixed income securities, arbitrage and other derivative strategies and aim for long term capital appreciation by investing in equity and equity related instruments.

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

**Riskometer**



Investors understand that their principal will be at moderately high risk





# Riskometers



## ICICI Prudential Equity & Debt Fund

(Erstwhile ICICI Prudential Balanced Fund)

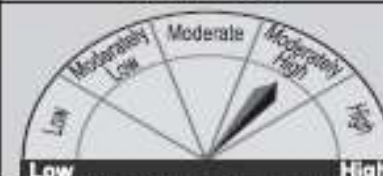
(An open ended hybrid scheme investing predominantly in equity and equity related instruments)

This Product 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 advisers if in doubt about whether the product is suitable for them.

Riskometer



Investors understand that their principal will be at moderately high risk

## ICICI Prudential Multi-Asset Fund

(erstwhile ICICI Prudential Dynamic Plan)

(An open ended scheme investing in Equity, Debt and Exchange Traded Commodity Derivatives/units of Gold ETFs/units of REITs & InvITs/Preference shares.)

This Product is suitable for investors who are seeking\*:

- Long term wealth creation
- An open ended scheme investing across asset classes

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

Riskometer



Investors understand that their principal will be at moderately high risk

## ICICI Prudential Asset Allocator Fund (FOF)

(erstwhile ICICI Prudential Advisor Series - Conservative Fund)

(An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETFs/schemes.)

This Product is suitable for investors who are seeking\*:

- Long term wealth creation
- An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETF/schemes.

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

Riskometer



Investors understand that their principal will be at moderately high risk



## Disclaimers



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

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