

ICICI Prudential PMS – Absolute Return Portfolio

(A Series under Absolute Return Portfolio)

Investment Objective of the Portfolio Offering:

ICICI Prudential PMS – Absolute Return Portfolio (the Portfolio) aims to provide capital appreciation at the end of the portfolio tenure, viz. up to 24 months from the date of commencement of Portfolio; by investing in equity securities. The Portfolio Manager reserves the right to extend the term by another 12 months or opportunistically redeem the Portfolio in tranches or lump-sum at or before the end of the term.

Investment Strategy*:

The Portfolio Manager aims to follow a concentrated, absolute return strategy targeting returns by investing in companies across market capitalization. The Portfolio Manager proposes to construct a focused portfolio of 15-20 stocks aiming to provide capital appreciation by taking meaningful exposure per stock. The Portfolio aims to generate alpha by riding the dominant themes through market cycles.

The Portfolio Manager proposes to concentrate on business and economic fundamentals driven by in-depth research techniques and employing the full potential of the research team at the AMC. It will follow a balanced approach with top-down approach identifying trends and spot market anomalies; and bottom-up approach seeking to identify companies with potential for secular price performance. The Portfolio aims to optimally diversify across sectors and remain agnostic to market capitalizations.

Investment Approach*:

- Flexi Cap: Mid & Small Cap Stock – 0-40% Large Cap Stocks – 60-100%
- Concentration: Focused portfolio of 15-20 stocks.
- Sector Limit: 25% or sector weight in benchmark, whichever is higher.
- Bottom up and Top Down approach

Structure of the Portfolio*:

Instruments	Indicative allocations (% of Portfolio Value)	
	Maximum	Minimum
Equity Instruments	100	0
Money Market Instruments, Cash and Cash Equivalent	100	0

*The investment strategy, approach and the structure of the Portfolio herein involves risk and there can be no assurance that specific objectives will be met under differing market conditions or cycles. The investment strategy and the composition of the portfolio as stated herein is only indicative in nature and is subject to change within the provisions of the disclosure document and client agreement without any prior notice to investors. Please refer to the disclosure document & client agreement for details and risk factors.

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Key Features of the Portfolio:

- *Portfolio Tenure:* Up to 24 months from the date of commencement and may be extended by the Portfolio Manager, at its discretion, for a further period of 12 months at a time (this period collectively referred to as the Term). The Portfolio Manager reserves the right to redeem the Portfolio before the end of the Term, as it may deem fit in the interest of the investors.
- *Minimum Investment Amount:* INR 25,00,000 (Rupees Twenty Five Lakhs only) [principal amount]
- *Reference / Benchmark Index:* CNX Nifty Index
- *Investor Profile:* The Portfolio is suitable for investors who are looking for long term wealth creation by investing in equities. The investor must have an investment horizon of 24 months to 36 months
- *Liquidity:* Investors will be allowed to exit the Portfolio by paying an exit load. Exit load of 3% of the portfolio Value will be charged if Portfolio is redeemed within or upto 12 months from date on commencement, Exit Load of 2% of the portfolio value will be charged if redeemed from 12th month to 24 months of date of commencement. Exit Load of 1% of the portfolio Value will be charged if redeemed from 24th month to 36 months of date of commencement. Redemption amount is arrived at after calculation/charging of all Fees and Expenses (including Performance Linked Fee).

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Risk & Description specific to Equity Instruments	Risk mitigants / management strategy
<p>Market Risk The Portfolio is vulnerable to movements in the prices of securities invested by the portfolio manager, which could have a material bearing on the overall returns from the Portfolio. The value of the portfolio's investments, may be affected generally by factors affecting securities markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors in the equity market.</p>	<p>The Portfolio Manager aims to invest in select Equity and Equity related securities in which market risk is inherent.</p>
<p>Liquidity Risk The liquidity of the portfolio is inherently restricted by trading volumes in the securities in which it invests.</p>	<p>The liquidity of stocks that the Portfolio aims to invests into could be relatively low. The Portfolio would invest in securities keeping in mind the tenure of the Portfolio to ensure liquidity to meet redemption/ maturity requirements.</p>
<p>Concentration Risk Concentration risk represents the probability of loss arising from heavily lopsided exposure to a particular group of sectors or securities.</p>	<p>The Portfolio will try and mitigate this risk by investing in diverse sectors/securities so as to maintain optimum diversification and keep sector/securities specific concentration risk relatively low.</p>

Declaration by investor relating to ICICI Prudential PMS – Absolute Return Portfolio (A series under Absolute Return Portfolio)

I / We confirm that I / We have read and understood the provisions relating to this Portfolio including the Disclosure Document, and the Risk factors relating to ICICI Prudential PMS – Absolute Return Portfolio (A series under Absolute Return Portfolio). I / We further confirm that we have agreed to make an investment in the ICICI Prudential PMS - Absolute Return Portfolio (A series under Absolute Return Portfolio) only after satisfying ourselves on the terms and conditions governing this agreement, the risk factors and all the relevant documents pertaining to the ICICI Prudential PMS - Absolute Return Portfolio (A series under Absolute Return Portfolio) and shall be bound by the same. I / We agree and understand that, this note forms an integral part of the Agreement entered into between myself/ ourselves and Portfolio Manager.

Date:

Place:

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Risk Factors & Disclaimers:

- Investing in securities including equities and derivatives involves certain risks and considerations associated generally with making investments in securities. The value of the portfolio investments may be affected generally by factors affecting financial markets, such as price and volume, volatility in interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws) or other political and economic developments. Consequently, there can be no assurance that the objective of the Portfolio would achieve. The value of the portfolios may fluctuate and can go up or down. Prospective investors are advised to carefully review the Disclosure Document, Client Agreement, and other related documents carefully and in its entirety and consult their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of investing under this Portfolio, before making an investment decision. The Stock(s)/Sector(s) mentioned in this material do not constitute any recommendation of the same and the portfolios may or may not have any future positions in these Stock(s)/Sector(s). The composition of the portfolio is subject to changes within the provisions of the disclosure document. The benchmark of the portfolios can be changed from time to time in the future. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of investments in portfolios. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended securities purchases due to settlement problems could cause the portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well developed and liquid secondary market for debt securities would result, at times, in potential losses to the portfolio.
- Individual returns of Clients for a particular portfolio type may vary significantly from the data on performance of the portfolios as may be depicted. This is due to factors such as timing of entry and exit, timing of additional flows and redemptions, individual client mandates, specific portfolio construction characteristics or structural parameters, which may have a bearing on individual portfolio performance. No claims may be made or entertained for any variances between the performance depictions and individual portfolio performance. Neither the Portfolio Manager nor ICICI Prudential Asset Management Company Ltd. (the AMC) its Directors, Employees or Sponsors shall be in any way liable for any variations noticed in the returns of individual portfolios.
- The Client shall not make any claim against the Portfolio Manager against any losses (notional or real) or against any loss of opportunity for gain under various PMS Products, on account of or arising out of such circumstance/ change in market condition or for any other reason which may specifically affect a particular sector or security, including but not limited to disruption/prohibition/ discontinuation/ suspension of trading in a particular Security including any index or scrip specific futures/ options or due to any act of Company, Market Intermediary by SEBI or any other regulatory authority which may result in trading in such security(ies) being completely or partially affected, to which the Portfolio Manager has taken exposure/ proposed to take exposure and is unable to take additional exposure/ restrain him from taking any position in a particular equity or related derivative instruments etc. due to any reason beyond the control of the Portfolio Manager resulting in unhedged positions or losses due to unwinding of certain positions or losses due to any reason or related to any of the aforesaid circumstances.
- The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client's account in any type of security subject to the Agreement and as stated in the Disclosure Document and make such changes in the investments and invest some or all of the Client's investment amount in such manner and in such markets as it deems fit would benefit the Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Clients' account is absolute and final and can never be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force from time to time.
- By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The recipient(s) alone shall be fully responsible/are liable for any decision taken on the basis of this material. All recipients of this material should before dealing and/or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this may not be suitable for all investors. Financial products and instruments are subject to market risks and yields may fluctuate depending on various factors affecting capital/debt markets. There is no assurance or guarantee that the objectives of the portfolio will be achieved. Please note that past performance of the financial products, instruments and the portfolio does not necessarily indicate the future prospects and performance thereof. Such past performance may or may not be sustained in future. Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. The investors are not being offered any guaranteed or assured returns. The AMC may be engaged in buying/selling of such securities. Please refer to the Disclosure Document and Client Agreement for portfolio specific risk factors.
- In the preparation of this material the AMC has used information that is publicly available, including information developed in-house. Some of the material used herein 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 herein is believed to be from reliable sources. The AMC however does not warrant the accuracy, reasonableness and/or completeness of any information. For data reference to any third party in this material no such party will assume any liability for the same. We have included statements/opinions/recommendations

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in this material, which contain words, or phrases such as “will”, “expect”, “should”, “believe” and also PE ratios, EPS and Earnings Growth for forthcoming years and similar expressions or variations of such expressions, which 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, the monetary and interest policies of India, inflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry.

- All data/information used in the preparation of this material is dated and may or may not be relevant any time after the issuance of this material. The Portfolio Manager/ the AMC take no responsibility of updating any data/information in this material from time to time. The Portfolio Manager and the AMC (including its affiliates), 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, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner.

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