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. ICICI Prudential Asset Management Company Limited (the Portfolio Manager/ the AMC) takes no responsibility of updating any data/information in this material from time to time. The recipient of this material is solely responsible for any action taken based on this material. The information contained herein are strictly confidential and are meant solely for the benefit of the addressee and shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of the AMC. Further, the information contained herein should not be construed as forecast or promise. Past performance of the Portfolio Manager may not be indicative of the performance in the future. Please refer to page 23 to 25 for risk factors and disclaimers.
Index

01 Equity Market & Economy Overview

02 Investment Framework

03 Presenting ICICI Prudential PMS Value Strategy

04 Current Strategy Positioning & Performance
Indian markets had a healthy performance, riding high on Global liquidity, fiscal support, decent macro-prints and progressing vaccination drive.

<table>
<thead>
<tr>
<th>Country</th>
<th>Returns (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>12.7</td>
</tr>
<tr>
<td>Russia</td>
<td>7.5</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5.0</td>
</tr>
<tr>
<td>Japan</td>
<td>2.3</td>
</tr>
<tr>
<td>Eurozone</td>
<td>0.9</td>
</tr>
<tr>
<td>U.K.</td>
<td>0.7</td>
</tr>
<tr>
<td>France</td>
<td>0.2</td>
</tr>
<tr>
<td>China</td>
<td>-0.6</td>
</tr>
<tr>
<td>Singapore</td>
<td>-1.4</td>
</tr>
<tr>
<td>Germany</td>
<td>-1.7</td>
</tr>
<tr>
<td>US</td>
<td>-1.9</td>
</tr>
<tr>
<td>Switzerland</td>
<td>-2.5</td>
</tr>
<tr>
<td>Taiwan</td>
<td>-4.6</td>
</tr>
<tr>
<td>South Korea</td>
<td>-6.9</td>
</tr>
<tr>
<td>Brazil</td>
<td>-12.5</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>-14.8</td>
</tr>
</tbody>
</table>

3-Month Return - As on September 30, 2021

Germany - DAX Index; China - SSE Composite Index; France - CAC 40 Index; Japan - Nikkei; Eurozone - Euronext 100; Hong Kong - HangSeng; US - Dow Jones; Singapore - Strait Times; Russia - RTS Index; Indonesia - Jakarta Composite Index; U.K. - FTSE; South Korea - Kospi; Brazil - Ibovespa Sao Paulo Index; Indonesia – Jakarta Composite Index; Switzerland – Swiss Market Index; Taiwan – Taiwan Stock Exchange Corporation; India – S&P BSE Sensex; Returns in % terms. Data Source: MFI & ACEMF, Returns are absolute returns for the index calculated between July 1, 2021 – Sep 30, 2021. Past performance may or may not sustain in future. MFI Explorer is a tool provided by ICRA Online Ltd. For their standard disclaimer please visit [http://www.icraonline.com/legal/standard-disclaimer.html](http://www.icraonline.com/legal/standard-disclaimer.html)
India – Sectoral Indices Performance

In sectoral trends, Realty & Telecom were key contributors, while Healthcare and Auto were key laggards.
COVID 2.0 – Declining Cases, Improving Vaccinations

New COVID cases remained under control

Vaccinations in India has been picking up

Source: JM Financial, Ministry of Health & Family Welfare, Data as October 04, 2021. 7DMA – 7 Day Moving Average
Economic Activity Picking Up

E-way Bills V-Shaped Recovery Post 2nd Covid Wave

Google Mobility Index shows sharp improvement in retail and workplace mobility since May 2021

Sources: JM Financial; Data as on September 30, 2021 | *Growth in E-way Bills | ^Change in mobility over February 2020
Investment Framework
Core Belief: Companies create wealth, not markets

In search of companies with meaningful and sustainable earnings growth

Business
FIRST FILTER

Management
SECOND FILTER

Valuation
THIRD FILTER

Aims to Identify Prominent businesses, with Competent Management, at Reasonable Valuations

The aforesaid factors/framework are only indicative. There may be other factors that may be relevant for identification/selection of stock depending upon the varied market conditions
First Filter: Business

- Company growing faster than industry, industry faster than market
- Structural and long-term sustainable
-Focused; simple to understand

- Brand franchise
- Industry structure
- Technology/Patents

- Cost advantage
- License area
- Distribution, etc

- Foreseeable changes in business leading to a positive outcome
- Receding competitive intensity - watch out for increasing HHI
- Sectors which have experienced consolidation of players have created wealth in long term

The aforesaid factors/framework are only indicative. There may be other factors that may be relevant for identification/selection of stock.

#HHI refers to the Herfindahl-Hirschman Index, a commonly accepted measure of market/segment concentration.
Second Filter: Management

The aforesaid factors/framework are only indicative. There may be other factors that may be relevant for identification/selection of stock.
Third Filter: Valuation

Cash flow is central in our Investment Process about a company’s value.

Intrinsic value, DCF, Dividend Yield, Op. Cash Yield, etc.

The narrower the ‘moat’ or weaker the management, the greater is the margin of safety required.

Better risk-reward profile.

The aforesaid factors/framework are only indicative. There may be other factors that may be relevant for identification/selection of stock. DCF: Discounted Cash Flow. Op.: Operating Moat – A sustainable competitive advantage.
The Circle of Competence

The aforesaid factors/framework are only indicative. There may be other factors that may be relevant for identification/selection of stock. #HHI refers to the Herfindahl–Hirschman Index, a commonly accepted measure of market/segment concentration *Moat: A sustainable competitive advantage
Presenting

ICICI Prudential PMS Value Strategy
About The Strategy

**Investment Objective:** ICICI Prudential PMS Value Strategy (the “Strategy”) aims to follow a value investment style and intends to offer a diversified portfolio of stocks that have high potential but are quoting at a discount to their fair/intrinsic value.

**Value Investing**

- The most common definition for Value Investing is “Investing in under valued companies currently out of flavour with potential to realize value in future”
- The Strategy defines Value Investing as “Good business at reasonable / attractive price” and not mediocre business at a bargain price

**The core investment philosophy of value investing is based on the belief that**

- Stocks cannot continue to quote at values that are below their fair values over the long term;
- At some point in time, the markets are likely to recognize the extent of under-valuation of these companies.

**The same could lead to a rerating/appreciation in the company’s stock price.**

**We believe that Value Stocks are available at all point of time.**

---

The Strategy features as stated herein is only indicative in nature and is subject to change within the provisions of the disclosure document and client agreement. The Strategy features as stated herein is a subset of details specified in the Disclosure Document. Kindly refer the Disclosure Document for the detailed investment approach before investing.
Aims to Identify Potential Undervalued Securities

The process of identification of undervalued securities mentioned above are only indicative. There may be other processes to identify such securities. Moat – A sustainable competitive advantage.
Three Types of Stock Buckets

Bucket A: Stocks and sectors which could be **out of flavor** currently but their long term potential isn’t damaged and could be available at a good discount to their intrinsic value.

Bucket B: Stocks and sectors where there could be a potential **turn in Business Cycle** and so there could be a chance of multiple expansion and improvement in cash flows, Return metrics etc.

Bucket C: Some Stocks where **reverse DCF implied growth** expectations can be reasonably justified even if world markets goes into a slightly low growth environment after few years.

The process of identification of undervalued securities mentioned above are only indicative. There may be other processes to identify such securities.

DFC - Discounted Cash Flows
The investment process mentioned above is only indicative. There may be other processes for investment decision.
Current Positioning
The portfolio data and the statistical analysis mentioned above is of the oldest client of the Strategy. The actual portfolio composition in the Strategy shall vary from client to client.

The Stock(s)/Sector(s) mentioned in this material do not constitute any recommendation of the same and the strategy may or may not have any future positions in these stock(s)/Sector(s).

Data as on September 30, 2021
Portfolio Statistics

Top 5 Sector Exposure (%)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Exposure (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>13.58</td>
</tr>
<tr>
<td>Finance</td>
<td>11.35</td>
</tr>
<tr>
<td>Industrial Products</td>
<td>9.06</td>
</tr>
<tr>
<td>Transportation</td>
<td>7.52</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>6.31</td>
</tr>
</tbody>
</table>

Market Capitalization Break-up (%)

- Large Cap: 50%
- Mid Cap: 28%
- Small Cap: 22%

The data mentioned above is of an oldest client and data of an individual client may vary significantly from the above.

The Stock(s)/Sector(s) mentioned in this material do not constitute any recommendation of the same and strategy may or may not have any future positions in these stock(s)/Sector(s).

Data as on September 30, 2021
### Strategy Performance

#### Trailing Returns (%)

<table>
<thead>
<tr>
<th></th>
<th>1 M</th>
<th>3 M</th>
<th>6 M</th>
<th>1 Y</th>
<th>2 Y</th>
<th>3 Y</th>
<th>5 Y</th>
<th>Since Inception (^\wedge)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI Prudential PMS Value Strategy</td>
<td>2.32</td>
<td>11.80</td>
<td>28.63</td>
<td>63.25</td>
<td>26.69</td>
<td>17.81</td>
<td>13.59</td>
<td>17.94</td>
</tr>
<tr>
<td>Nifty 200 Index</td>
<td>3.25</td>
<td>11.93</td>
<td>21.47</td>
<td>59.32</td>
<td>25.52</td>
<td>17.56</td>
<td>15.12</td>
<td>14.59</td>
</tr>
</tbody>
</table>

#### Calendar Year Performance (%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI Prudential PMS Value Strategy</td>
<td>36.05</td>
<td>13.33</td>
<td>3.39</td>
<td>-7.77</td>
<td>38.93</td>
<td>-3.62</td>
<td>2.69</td>
</tr>
<tr>
<td>Nifty 200 Index</td>
<td>28.86</td>
<td>15.62</td>
<td>8.68</td>
<td>-1.01</td>
<td>33.43</td>
<td>3.70</td>
<td>-1.90</td>
</tr>
</tbody>
</table>

Calendar year return in absolute terms.

Strategy performance mentioned above is the aggregate performance of all clients in the Strategy using the Time Weighted Rate of Return (TWRR) methodology and the performance of an individual clients may vary significantly from the above. Returns for one year or less are on absolute basis, while returns more than one year are on annualized basis. All the returns calculated above are after deduction of the applicable expenses. Past performance may or may not be sustained in future and is no guarantee of future results. \(^\wedge\) Since inception return from April 1, 2014. Returns for one year or less are on absolute basis, while returns more than one year are on annualized basis. Performance as on 30 September 2021.

Investor’s may note that the entity level performance of the Portfolio Manager is disclosed in the Disclosure Document and the same is available on the website of Portfolio Manager - [www.icicipru.com](http://www.icicipru.com).

Performance data provided herein is not verified by SEBI.
### Key Highlights of The Strategy

<table>
<thead>
<tr>
<th>Strategy Name</th>
<th>ICICI Prudential PMS Value Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Objective</td>
<td>The Strategy aims to follow a value investment style and intends to offer a diversified portfolio of stocks that have high potential but are quoting at a discount to their fair/intrinsic value.</td>
</tr>
<tr>
<td>Basis for selection of securities as a part of investment approach</td>
<td>The Portfolio Manager follows value style of investing. The Value Strategy defines ‘Value Investing’ as “Good business at reasonable / attractive price” and not mediocre business at a bargain price. The Value Strategy uses various stock selection parameters while also adhering to the due diligence processes to identify stocks with potential to generate a compounded performance over the long term.</td>
</tr>
<tr>
<td>Benchmark*</td>
<td>Nifty 200 Index</td>
</tr>
<tr>
<td>Minimum Investment</td>
<td>Rs. 50 Lakh</td>
</tr>
<tr>
<td>Indicative Investment Horizon</td>
<td>The ideal investment horizon in the Strategy shall be 3 years and above.</td>
</tr>
<tr>
<td>Direct Option</td>
<td>Investor’s may invest with us directly as well. To invest in any of our PMS strategies directly, kindly write to us at <a href="mailto:PMS@icicipruamc.com">PMS@icicipruamc.com</a></td>
</tr>
</tbody>
</table>

The investment strategy, approach and the structure of the strategy 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 (DD) and client agreement. Please refer to the disclosure document & client agreement for details and risk factors. The details of the Investment Approach/Strategy mentioned here are a brief subset of the details mentioned in the DD. Investors should refer the DD before investing.
The Strategy follows a value style of investing, where securities are selected based on their relevancy to the value style of investing as defined in the Investment Objectives above. This investor might be exposed to concentration risk due to stocks relevant to the investment style. This concentration may lead the portfolio returns to fluctuate heavily due to lack of diversification.

The securities in the Strategy may be predominantly characterized by a stock selection where more emphasis is on stock valuation. There could be time periods when securities of this nature may underperform relative to other stocks in the market. This could impact performance.

The Strategy invests across market capitalisations. The small/mid cap stocks give an opportunity to go beyond the usual large blue chip stocks and present possible higher capital appreciation, it is important to note that small/mid cap stocks can be riskier and more volatile on a relative basis. Therefore, the risk levels of investing in small/mid cap stocks are more than investing in large cap stocks. It may be noted that over a time these two categories have demonstrated different levels of volatility and investment returns. Among the reasons for the greater price volatility are the less certain growth prospects of small/mid cap stocks, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of small/mid cap stocks to changing economic conditions. Small/mid cap stocks carry large amount of liquidity risk compared to the large cap stocks, as the ability to sell is limited by overall trading volume in the securities, which it invests.

The Strategy retains the flexibility to hold from time to time relatively more concentrated investments in a few sectors as compared to plain diversified equity funds. This may make the Value Strategy vulnerable to factors that may affect these sectors in specific and may be subject to a greater level of market risk.

The Strategy predominantly invests in equity and equity related securities including exchange traded derivatives and liquid and other short term mutual fund schemes including liquid ETF.

Risk Factors & Disclaimers

Investing in securities 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 be achieved. 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. 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 securities would result, at times, in potential losses to the portfolio. 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 always be 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.

Individual returns of Clients for a particular portfolio type may vary significantly from the data on performance of the portfolios as may be depicted by the Portfolio Manager from time to time. 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 ICICI Prudential Asset Management Company Ltd. (the AMC) nor 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 Strategies, 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.
Risk Factors & Disclaimers

The Portfolio Manager shall have the sole and absolute discretion to invest in respect of the Client’s investment 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.

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 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, 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, 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.

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