ICICI PRUDENTIAL MUTUAL FUND TARAKKI KAREIN!

ICICI Prudential Asset Management Company Limited

Corporate Identity Number: U99999DL1993PLC054135

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Notice-cum-Addendum to the Scheme Information Document (SID)/Key Information Memoranda (KIM) of ICICI Prudential Banking & PSU Debt Fund and ICICI Prudential Dynamic Bond Fund (referred as 'the Schemes')

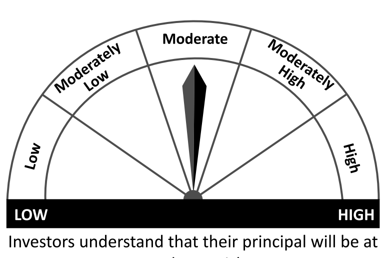
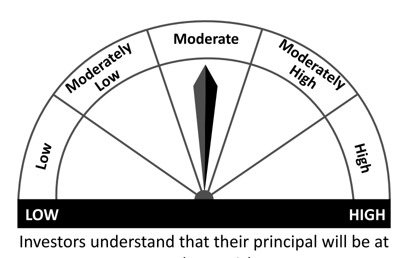
NOTICE IS HEREBY GIVEN THAT, in accordance with SEBI Circular Nos. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017 and SEBI/HO/IMD/DF3/CIR/P/2017/126 dated December 4, 2017, ICICI Prudential Trust Limited (the Trustee), has approved following changes in the Schemes of ICICI Prudential Mutual Fund ("the Fund") with effect from May 28, 2018 ("Effective Date").

1. Change in fundamental attributes, type of scheme, etc in ICICI Prudential Banking & PSU Debt Fund
2. Merger of ICICI Prudential Dynamic Bond Fund ("the merging Scheme") with ICICI Prudential Banking & PSU Debt Fund ("the Surviving Scheme").

Securities and Exchange Board of India has communicated its no-objection for the above changes vide its letter nos. IMD/DF3/OW/P/2018/7267/1 dated March 08, 2018 and OW/P/2018/11750/1 dated April 17, 2018.

1. Change in fundamental attributes, change in type of scheme, etc in ICICI Prudential Banking & PSU Debt Fund:

The existing and revised features of ICICI Prudential Banking & PSU Debt Fund are mentioned below:

	Existing Provision	Revised/Proposed Provision
Type of Scheme	An open ended income fund	An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds.
Investment Objective	To generate regular income through investments in a basket of debt and money market instruments consisting predominantly of securities issued by entities such as Banks and Public Sector Undertakings (PSU) with a view to providing reasonable returns, while maintaining an optimum balance of safety, liquidity and yield.	To generate income through predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds while maintaining the optimum balance of yield, safety and liquidity. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
Asset Allocation	Under normal circumstances, the asset allocation under the Scheme will be as follows: (see Existing asset allocation table below) * Including securitized debt of up to 50% and stock lending up to 50% of the portfolio. The asset allocation pattern may be modified in the interest of investors; however, the same will be reviewed by the Fund Manager from time to time and will be rebalanced to its normal position in a time frame as permitted by the trustee. However the AMC will endeavour to achieve a normal asset allocation pattern in a maximum period of 6 months.	Under normal circumstances, the asset allocation under the Scheme will be as follows: (see Revised asset allocation table below) The Scheme may also take exposure to: • Securitized debt upto 50% of the net assets in debt and money market instruments • Derivatives upto 100% of the net assets in debt and money market instruments The cumulative gross exposure should not exceed 100% of the net assets of the scheme. In case of any variance from the above asset allocation, the fund manager will carry out portfolio rebalancing within 30 Days. Further, in case the portfolio is not rebalanced within the period of 30 days, justification for the same shall be placed before the investment committee and reasons for the same shall be recorded in writing. The investment committee shall then decide on the course of action.
Investment Strategy	The fund aims to invest in a basket of debt and money market instruments issued by entities such as Banks and Public Sector Undertakings (PSU) with a view to offer superior levels of yield at lower levels of risks. Investments will be made in securities with a view to providing reasonable returns, while maintaining an optimum balance of safety, liquidity and yield. The fund manager will focus on credit quality as an important criterion for investment decision making. Investment in Bank CDs, PSU debt securities and T-Bills (or other government securities) is primarily with the intention of maintaining high credit quality of the portfolio and to ensure safety in terms of timely repayment of interest and maturity proceeds. The credit quality of the portfolio will be maintained and managed by the fund manager with the help of in-house credit analysts and inputs from external entities like rating agencies. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. Liquidity will also be an important criterion for investment decisions. As a result, a reasonable proportion of the scheme's investments will be made in relatively liquid investments. With the aim of controlling risks, rigorous in-depth credit evaluation of the securities proposed to be invested in will be carried out by the Risk team of the AMC. The credit evaluation includes a study of the operating environment of the company, the past track record as well as the future prospects of the issuer, the short as well as longer-term financial health of the issuer. The AMC will also be guided by the ratings of such Rating Agencies as approved by SEBI to carry out the functioning of Rating agencies. In addition, the investment team of the AMC will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.	The Scheme aims to predominantly invest in a basket of debt and money market instruments of Banks, Public Sector Undertakings (PSU), Public Financial Institutions (PFI) and Municipal Bonds with a view to offer optimal level of yields/returns, considering risk-reward ratio. The scheme will invest minimum of 80% of net assets in debt and money market securities of banks, public sector undertakings, public financial institutions and municipal bonds. Balance amount will be invested in other debt and money market instruments, including government securities. An appropriate mix of debt market securities and money market securities will be used to achieve this. Money Market securities include cash and cash equivalents. Investment in debt and money market securities issued by banks, PSU, PFI and Municipal Bonds is primarily with the intention of maintaining high credit quality of the portfolio and to ensure safety in terms of timely repayment of interest and maturity proceeds. With the aim of controlling risks, rigorous in-depth credit evaluation of the securities proposed to be invested in will be carried out by the Risk Management team of the AMC. The credit evaluation includes a study of the operating environment of the company, the past track record as well as the future prospects of the issuer, the short as well as longer-term financial health of the issuer. The AMC may consider the ratings of such Rating Agencies as approved by SEBI to carry out the functioning of rating agencies. In addition, the investment team of the AMC will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same. The Scheme may use derivative instruments like Interest Rate Swaps, Interest Rate Futures, Forward Rate Agreements or other derivative instruments for the purpose of hedging, portfolio balancing and other purposes, as permitted under the Regulations. Hedging using Interest Rate Futures could be perfect or imperfect, subject to applicable regulations. Usage of derivatives may expose the Scheme to certain risks inherent to such derivatives. It may also invest in securitized debt. For the present, the Scheme does not intend to enter into underwriting obligations. However, if the Scheme does enter into an underwriting agreement, it would do so with the prior approval of the Board of the AMC/Trustees.
Product labeling and Riskometer	This product is suitable for investors who are seeking*: • Short term savings solution • A debt fund that aims to generate regular income by investing in debt and money market instruments predominantly issued by Banks and Public Sector Undertakings.  *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	This product is suitable for investors who are seeking*: • Short term savings • An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds.  *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Existing asset allocation:

Type of Securities	Indicative allocations (% of corpus) under normal circumstances		Risk Profile
	Maximum	Minimum	
Debt* (including government securities) and Money Market Securities issued by Banks and Public Sector Undertakings (PSU)	100	65	Low to Medium
Debt* and Money Market Securities issued by entities other than Banks and Public Sector Undertakings (PSU)	35	0	Low to Medium

Revised asset allocation:

Type of Securities	Indicative allocations (% of corpus) under normal circumstances		Risk Profile
	Maximum	Minimum	
Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds	100	80	Low to Medium
Debt and money market securities (including government securities) issued by entities other than banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds	20	0	Low to Medium

Scheme specific risk factors

Notes:

Risks associated with Investing in Derivatives:

1. The Schemes may use various derivative products as permitted by the Regulations. Use of derivatives requires an understanding of not only the underlying instrument but also of the derivative itself. Other risks include the risk of mis-pricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
2. The Fund may use derivatives instruments like Stock Index Futures, Interest Rate Swaps, Forward Rate Agreements or other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Schemes to certain risks inherent to such derivatives.
3. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
4. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India.
5. The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments.
6. The specific risk factors arising out of a derivative strategy used by the Fund Manager may be as below:
   - Lack of opportunity available in the market.
   - The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
   - Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place
   - Basis Risk: This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying asset being hedged
   - Exchanges could raise the initial margin, variation margin or other forms of margin on derivative contracts, impose one sided margins or insist that margins be placed in cash. All of these might force positions to be unwound at a loss, and might materially impact returns.

Investors may please refer SIDs of the relevant schemes for existing risk factors.

2. Merger of ICICI Prudential Dynamic Bond Fund ("the merging Scheme") with ICICI Prudential Banking & PSU Debt Fund ("the Surviving Scheme"):

Subsequent to change in fundamental attributes of ICICI Prudential Banking & PSU Debt Fund, as mentioned above, ICICI Prudential Dynamic Bond Fund will be merged into ICICI Prudential Banking & PSU Debt Fund.

Consequently, on the effective date of the merger of schemes, the Merging Scheme will cease to exist and the unit holders of Merging Scheme as at the close of business hours will be allotted units under the corresponding option of the Surviving Scheme at the last available applicable Net Asset Value ("NAV") on the effective date.

Details of Plans/Options proposed to be merged are as follows:

Merging Scheme	Surviving Scheme
ICICI Prudential Dynamic Bond Fund - Direct Plan - Daily Dividend	ICICI Prudential Banking & PSU Debt Fund - Direct Plan - Daily Dividend
ICICI Prudential Dynamic Bond Fund - Direct Plan - Growth	ICICI Prudential Banking & PSU Debt Fund - Direct Plan - Growth
ICICI Prudential Dynamic Bond Fund - Direct Plan - Half Yearly Dividend	ICICI Prudential Banking & PSU Debt Fund - Direct Plan - Half Yearly Dividend
ICICI Prudential Dynamic Bond Fund - Direct Plan - Quarterly Dividend	ICICI Prudential Banking & PSU Debt Fund - Direct Plan - Quarterly Dividend
ICICI Prudential Dynamic Bond Fund - Direct Plan - Monthly Dividend	ICICI Prudential Banking & PSU Debt Fund - Direct Plan - Quarterly Dividend
ICICI Prudential Dynamic Bond Fund - Direct Plan - Annual Dividend	ICICI Prudential Banking & PSU Debt Fund - Direct Plan - Half Yearly Dividend
ICICI Prudential Dynamic Bond Fund - Direct Plan - Bonus Option	ICICI Prudential Banking & PSU Debt Fund - Direct Plan - Growth
ICICI Prudential Dynamic Bond Fund - Annual Dividend	ICICI Prudential Banking & PSU Debt Fund - Half Yearly Dividend
ICICI Prudential Dynamic Bond Fund - Bonus	ICICI Prudential Banking & PSU Debt Fund - Growth
ICICI Prudential Dynamic Bond Fund - Daily Dividend	ICICI Prudential Banking & PSU Debt Fund - Daily Dividend
ICICI Prudential Dynamic Bond Fund - Growth	ICICI Prudential Banking & PSU Debt Fund - Growth
ICICI Prudential Dynamic Bond Fund - Half Yearly Dividend	ICICI Prudential Banking & PSU Debt Fund - Half Yearly Dividend
ICICI Prudential Dynamic Bond Fund - Monthly Dividend	ICICI Prudential Banking & PSU Debt Fund - Quarterly Dividend
ICICI Prudential Dynamic Bond Fund - Quarterly Dividend	ICICI Prudential Banking & PSU Debt Fund - Quarterly Dividend
ICICI Prudential Dynamic Bond Fund - Premium Plus Growth	ICICI Prudential Banking & PSU Debt Fund - Direct Plan - Growth

The units allotted in the Surviving Scheme shall be treated as a fresh subscription. Accordingly, all provisions under the Surviving Scheme will apply including exit load. The period of holding for the purpose of exit load will be computed from the date of allotment of such units in such Surviving Scheme.

Unit holders who have registered for systematic investment plan facilities such as Systematic Investment Plan (SIP), Micro SIP, Group SIP (as available under the Merging Scheme), may note that the said registration will continue under the Surviving Scheme subsequent to the merger. However, registrations for systematic transfer facilities such as Systematic Transfer Plans (STPs), Systematic Withdrawal Plans (SWPs), Flex STP, Value STP, etc (as available under the Merging Scheme) shall automatically cease to have effect on effective date of the merger. Unit holders seeking to continue with their systematic transfer facilities shall have to register afresh with ICICI Prudential Mutual Fund.

In case of any pledge/lien/other encumbrance marked on any units in the Merging Scheme, the same shall be marked on the corresponding number of units allotted in the Surviving Scheme.

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Unclaimed dividend and redemptions:

In view of the decision to transfer the balance remaining unclaimed on account of redemption proceeds and dividends in the accounts from ICICI Prudential Dynamic Bond Fund to ICICI Prudential Banking & PSU Debt Fund, set out are the details of the unclaimed dividend and redemption amounts in these Schemes as on March 31, 2018.

Scheme Name	Unclaimed Dividend (Amount in ₹)	Unclaimed Redemption (Amount in ₹)
ICICI Prudential Dynamic Bond Fund	0.00	42.73
ICICI Prudential Banking & PSU Debt Fund	5.14	57401.91

The request for reissue/revalidation of instruments towards unclaimed redemption/dividend should be made by the unit holder to Computer Age Management Services Private Limited (CAMS), the registrar to the schemes of ICICI Prudential Mutual Fund, or to the nearest branch of the AMC.

Tax impact on consolidation of Schemes:

As per section 47(xviii) of Income Tax Act, 1961 (the Act), any transfer of units held by the investor in the consolidating scheme of the mutual fund in consideration of allotment of units in the consolidated scheme, shall not to be regarded as a taxable transfer, provided that the consolidation is of two or more schemes of an equity oriented fund or two or more schemes of a fund other than equity oriented fund.

Further, as per section 49(2AD) of the Act, the cost of acquisition of units in the consolidated scheme shall be deemed to be the cost of acquisition of the units in the consolidating scheme. Also, as per section 2(42A) of the Act, the period of holding of the units in the consolidated scheme shall include the period of holding of the units in the consolidating scheme.

'Consolidating scheme' has been defined under section 47(xviii) of the Act as the scheme of a Mutual Fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulations, 1996. 'Consolidated scheme' has been defined as the scheme with which the consolidating scheme merges or which is formed as a result of such merger.

Securities Transaction Tax (STT) on redemption/switch-out of units, if any, exercised during the Exit Option Period shall be borne by the AMC. However, Securities Transaction Tax (STT) on extinguishment of units under Merging Scheme and allotment under the Surviving Scheme upon merger of schemes, shall not be levied.

In case of Non Resident Indians, tax, if any at applicable rates, shall be deducted by ICICI Prudential Mutual Fund/the AMC.

Investors are requested to refer Statement of Additional Information for more details.

Exit option under the Schemes:

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 the existing unitholders (i.e. whose names appear in the register of unitholders as on close of business hours on April 18, 2018) under the Schemes are hereby given an option to exit, i.e. either redeem their investments or switch their investments to any other schemes of ICICI Prudential Mutual Fund , within 31 days (at least 30 days) exit period starting from April 25, 2018 till May 25, 2018 (both days inclusive and upto 3.00 pm on May 25, 2018) at Applicable NAV, without payment of any exit load. The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption/switch request at any Official Point of Acceptance of the Fund. For list of Official Points of Acceptance, please visit our website. A separate written communication is being sent to the existing Unit holders in this regard. In case any existing Unit holder has not received an Exit Option Letter, they are advised to contact any of our Investor Service Centres. Unitholders who do not exercise the exit option by 3.00 pm on May 25, 2018 would be deemed to have consented to the proposed modification. It may also be noted that no action is required in case Unitholders are in agreement with the aforesaid changes, which shall be deemed as consent being given by them for the proposed changes. Kindly note that an offer to exit is merely optional and is not compulsory.

All the valid applications for redemptions/switch received under the Schemes shall be processed at Applicable NAV of the day of receipt of such redemption/switch request, without payment of any exit load, provided the same is received during the exit period mentioned above. Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges/encumbrances prior to the submission of redemption/switch requests. Unitholders should ensure that their change in address or bank details are updated in records of ICICI Prudential Mutual Fund as required by them, prior to exercising the exit option for redemption of units. Unit holders holding Units in dematerialized form may approach their Depository Participant for such changes. In case units have been frozen/locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze/lock order is vacated/revoked within the period specified above. The redemption proceeds shall be dispatched within 10 (ten) business days of receipt of valid redemption request to those unitholders who choose to exercise their exit option. Redemption/switch of units from the scheme, during the exit period, may entail capital gain/loss in the hands of the unitholder. Similarly, in case of NRI investors, TDS shall be deducted in accordance with the applicable Tax laws, upon exercise of exit option and the same would be required to be borne by such investor only. In view of individual nature of tax implications, unitholders are advised to consult their tax advisors.

The updated SID & KIM of the Schemes containing the revised provisions shall be made available with our Investor Service Centres and also displayed on the website immediately after completion of duration of exit option.

We hope that you will provide us your support; in case of any queries you can reach our call centre on 18002006666/ 1800222999. We assure you that these changes are in line with our best endeavors to serve you better.

All other features and terms and conditions of the Schemes shall remain unchanged.

This Notice-cum-Addendum forms an integral part of the SID/KIM issued for the Schemes, read with the addenda issued from time to time.

For ICICI Prudential Asset Management Company Limited

Sd/-

Authorised Signatory

Place : Mumbai
Date : April 17, 2018

No. 018/04/2018

CALL MTNL/BSNL: 1800 222 999 • Others : 1800 200 6666 • Or, apply online at www.icicipruamc.com

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

Size: 329 x 160 mm