The existing and revised provisions of the Scheme are mentioned below:

Securities and Exchange Board of India has communicated its no-objection for the above changes vide its letter no. IMD/DF3/OW/P/2019/22227/1.

Strategy

Asset Allocation

Objective

Scheme

The AMC would use this analysis to attempt to predict the macroeconomic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC may use the results to anticipate the

Investment Restrictions

The Scheme would not invest in companies whose business is essentially polishing, metal finishing, metal coating, metal transformation and metal fabrication.

The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the obligation of the security pledged or failure to make timely payment of the amount due. The Scheme may incur a loss of opportunity or be unable to realise the security pledged if the Scheme fails to honour its obligations under the contract.

Other risks associated with using covered call options for equity shares

- Risk factors associated with writing covered call options for equity shares

The scheme may be exposed to a number of risks, including:

- Market Risk:

- Reinvestment Risk:

- Liquidity Risk:

- Counter party Risk:

- Other risks associated with using covered call options for equity shares
3. Exposure to Derivatives:

Net Gain –

Scenario 2: Stock prices stay below

Net Gain –

Suppose, a fund manager buys equity stock of ABC Ltd. For Illustration – Covered Call strategy using stock call options:

b) Generating additional returns in the form of option premium in a range bound market.

Covered Call Option Strategy:

- The covered call strategy can be followed by the Fund Manager in order to hedge risk thereby resulting in better risk adjusted returns of the Scheme. This strategy is also employed when the Fund Manager has a short term neutral view on the asset and for this reason holds the asset long and simultaneously takes a short position via covered call option strategy to generate income from the option premium. The strategy offers

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Benefits of using Covered Call strategy in Mutual Funds:

- The schemes shall participate in repo transactions only in AA (or equivalent shorter rating) and above rated corporate debt securities.

- The AMC would be guided by the parameters for applying haircut as may be specified by RBI and/or SEBI for undertaking repo in corporate debt securities, from time to time.

- The AMC follows an issuer selection and approval process for fixed income investments and the same shall be used for selection of counterparties for repo in corporate debt securities. Repo transactions shall be carried out with only those counterparties who have a credit rating of AA-

- Tenor of Repo shall not exceed 6 months. There shall be no restriction/limitation on tenor of call.

- Suppose, a fund manager buys equity stock of ABC Ltd. For Illustration – Covered Call strategy using stock call options:

- Place : Mumbai Sd/-

- Date : November 14, 2019

- As part of the Go Green Initiative, investors are encouraged to register/update their e-mail id and mobile number to support paper-less communications.

- The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption / switch request at any Official Point of Acceptance

- ICICI Prudential Asset Management Company Limited

- Corporate Identity Number: U99999DL1993PLC054135

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