ICICI PRUDENTIAL MUTUAL FUND TARAKKI KAREIN!

ICICI Prudential Asset Management Company Limited

Corporate Identity Number: U99999DL1993PLC054135

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Corporate Office: One BKC, 13th Floor, Bandra Kurla Complex, Mumbai - 400 051. **Tel.:** +91 22 2652 5000, **Fax:** +91 22 2652 8100, **Website:** www.icicipruamc.com, **Email id:** enquiry@icicipruamc.com
Central Service Office: 2nd Floor, Block B-2, Nirlon Knowledge Park, Western Express Highway, Goregaon (E), Mumbai - 400 063. **Tel.:** 022 2685 2000 Fax: 022 26868313

NOTICE-CUM-ADDENDUM

Notice-cum-Addendum to the Scheme Information Document (SID)/Key Information Memorandum (KIM) of ICICI Prudential Multi-Asset Fund (referred as 'the Scheme')

NOTICE IS HEREBY GIVEN THAT ICICI Prudential Trust Limited (the Trustee), has approved change in fundamental attributes of the Scheme with effect from April 01, 2019 ("Effective Date").

Securities and Exchange Board of India has communicated its no-objection for the above changes vide its Letter no. IMD/DF3/OW/P/2019/5174/1 dated February 26, 2019.

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

<table>
<tr><th>Particulars</th><th>Existing Provision</th><th>Revised Provision</th></tr>
<tr><td>Type of the Scheme</td><td>An open ended scheme investing in Equity, Debt, Gold/ Gold ETF/units of REITs & InvITs and such other asset classes as may be permitted from time to time.</td><td>An open ended scheme investing in Equity, Debt, Gold/ Gold ETF/units of REITs & InvITs and other asset classes as may be permitted from time to time.</td></tr>
<tr><td>Investment Objective</td><td>To generate capital appreciation and income for investors by investing across asset classes.

However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.</td><td>To generate capital appreciation for investors by investing predominantly in equity and equity related instruments and income by investing across other asset classes.

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<tr><td>Asset allocation</td><td>
<table>
<tr><th>Type of Security</th><th>Indicative allocation (% of total assets)</th><th>Risk Profile</th></tr>
<tr><td>Equity & Equity related instruments</td><td>10% - 80%</td><td>Medium to High</td></tr>
<tr><td>Debt and Money Market instruments</td><td>10% - 80%</td><td>Low to Medium</td></tr>
<tr><td>Gold/Gold ETF/Units of REITs & INVITs/ such other asset classes as may be permitted by SEBI from time to time#</td><td>10 % - 80%</td><td>Medium to High</td></tr>
</table>
The Scheme may also take exposure to:

Derivatives instruments up to 100% of the Net Assets.
ADR/GDR/Foreign securities/Overseas ETFs up to 50% of the Net Assets. Investments in ADR/GDR and foreign securities would be as per SEBI Circular dated September 26, 2007 as may be amended from time to time.
Securitised Debt up to 15% of the Net Assets or maximum permissible limit for debt portfolio, whichever is lower.
Stock lending up to 50% of its net assets. The Scheme shall also not lend more than 5% of its net assets to any single counter party.

#subject to applicable SEBI limits.

The Cumulative Gross Exposure across various asset classes will not exceed 100% of the Net Assets of the Scheme.

In the event of variance in the 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.
</td><td>
<table>
<tr><th>Type of Security</th><th>Indicative allocation (% of total assets)</th><th>Risk Profile</th></tr>
<tr><td>Equity & Equity related instruments</td><td>65% - 80%</td><td>Medium to High</td></tr>
<tr><td>Debt and Money Market instruments</td><td>10% - 35%</td><td>Low to Medium</td></tr>
<tr><td>Gold/Gold ETF/ other asset classes as may be permitted by SEBI from time to time#</td><td>10% - 35%</td><td>Medium to High</td></tr>
<tr><td>Units of REITs & INVITs</td><td>0% - 10%</td><td>Medium to High</td></tr>
</table>
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</td></tr>
<tr><td>Investment Strategy</td><td>
The Scheme proposes to invest across asset classes, in line with the asset allocation mentioned in the SID, with the aim of generating capital appreciation. With this aim the Investment Manager will allocate the assets of the Scheme between Equity, Debt, Gold/Gold ETF/commodities and units of REITs & InvITs. The actual percentage of investment in the asset class will be decided after considering the prevailing market conditions, the macroeconomic environment (including interest rates and inflation), the performance of the corporate sector, the equity markets and general liquidity and other considerations in the economy and markets.

The AMC may choose to continuously churn the portfolio of the Scheme in order to achieve the investment objective. The AMC will have the discretion to take aggressive asset calls i.e. by staying 80% in an asset class and 10% at another or as per the view of the fund manager. Given the nature of the Scheme, the portfolio turnover ratio could be very high and AMC may change the full portfolio, commensurate with the investment objectives of the Scheme.

The Scheme proposes to take long term call on stocks, which in an opinion of the Fund Manager offer better return over a long period. In stocks selection process, the AMC proposes to consider stocks with long-term growth prospects but currently trading at modest relative valuations.

The Scheme proposes to concentrate on business and economic fundamentals driven by in-depth research techniques, employing strong stock selection. Stock-picking process proposed to be adopted is generally a "bottom-up" approach, seeking to identify companies with above average profitability supported by sustainable competitive advantages and also to use a "top-down" discipline for risk control by ensuring representation of companies from various industries.

In case of Debt and Money Market securities, the scheme aims to identify securities which offer optimal level of yields/ returns, considering risk-reward ratio. 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 issuer, the short as well as long-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 Schemes could invest in Fixed Income Securities issued by government, quasi government entities, corporate issuers, structured notes and multilateral agencies in line with the investment objectives of the Scheme and as permitted by SEBI from time to time.

The scheme will also invest in the appropriate commodity or gold or gold ETF in order to achieve the investment objective. The scheme may also invest in Units issued by REITs & InvITs after doing due research on the same.

Further, the Scheme may invest in other schemes managed by the AMC or in the Schemes of any other Mutual Funds, provided it is in conformity with the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.

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/Trustee.
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The Scheme proposes to invest across asset classes, in line with the asset allocation mentioned in the SID, with the aim of generating capital appreciation and income for investors. With this aim the Investment Manager will allocate the assets of the Scheme predominantly in Equity and equity related instruments, and remaining portion of the corpus in Debt, Gold/Gold ETF/commodities and units of REITs & InvITs and other asset classes as may be permitted by SEBI from time to time. The AMC shall maintain the gross equity exposure of the Scheme at 65% or above in line with the asset allocation. The actual percentage of investment in other asset classes will be decided after considering the prevailing market conditions, the macroeconomic environment (including interest rates and inflation), the performance of the corporate sector, the equity markets and general liquidity and other considerations in the economy and markets.

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The Scheme may also take exposure to various equity derivatives including futures and option strategies, as may be permitted by SEBI from time to time.

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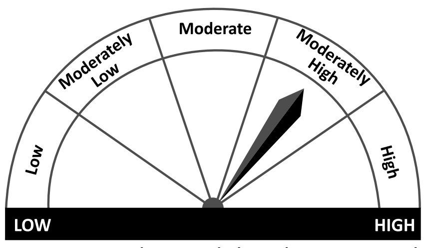
</td></tr>
<tr><td></td><th>Existing Provision</th><th>Revised Provision</th></tr>
<tr><td>Benchmark</td><td>70% Nifty 50 Index + 20% Nifty Composite Debt Index + 10% LBMA AM Fixing Prices</td><td>No Change</td></tr>
<tr><td>Product labeling and Riskometer</td><td>
This product is suitable for investors who are seeking*:

Long term wealth creation
An open ended scheme investing in at least three asset classes with minimum allocation of 10% to each asset class



Investors understand that their principal will be at moderately high risk

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them
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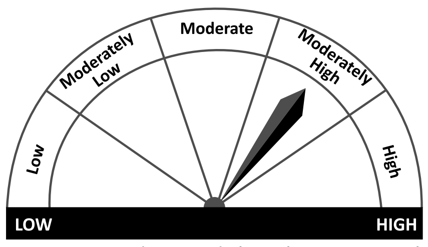
This product is suitable for investors who are seeking*:

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



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It is further proposed to enable the Scheme to write call options and to create segregated portfolio in case of a credit event. In view of the same, below mentioned provisions shall be inserted in the Scheme Information Document (SID) under the paragraphs 'Exposure to Derivatives', 'Scheme specific risk factors', 'Investment restrictions', 'Information about the Scheme', etc. as applicable.

1. 'COVERED CALL OPTION' STRATEGY

A call option gives the holder (buyer) the right but not the obligation to buy an asset by a certain date for a certain price. Covered calls are an options strategy where a person holds a long position in an asset and writes (sells) call options on that same asset.

1.1. Benefits of using Covered Call strategy in Mutual Funds:

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. The strategy offers the following benefits:

a) Hedge against market risk - Since the fund manager sells a call option on a stock already owned by the mutual fund scheme, the downside from fall in the stock price would be lower to the extent of the premium earned from the call option.

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

Thus, a covered call strategy involves gains for unit holders in case the strategy plays out in the right direction

1.2. Risks for writing covered call options for equity shares

a) Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing is capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares. This downside risk is reduced by writing covered call options.

b) The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.

c) The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the scheme would be at a loss.

d) The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the scheme. This may restrict the ability of Scheme to buy any options.

1.3. Investment Restrictions for Covered Call strategy

Mutual Fund schemes (excluding ETFs and Index funds) can write Call options under a covered strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:

a) The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.

b) The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.

c) At all points of time the Mutual Fund scheme shall comply with the provisions at points (a) and (b) above. In case of any passive breach of the requirement at paragraph (a) above, the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.

d) In case a Mutual Fund scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (a) and (b) above while selling the securities.

e) In no case, a scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.

f) The premium received shall be within the requirements prescribed in terms of SEBI circular dated August 18, 2010 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.

g) The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of paragraph 3 of SEBI Circular no. Cir/IMD/DF/11/2010, dated August 18, 2010.

h) The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective scheme(s) until the position is closed or expired.

2. SEGREGATION OF PORTFOLIOS

The AMC may create a segregated portfolio of debt and money market instruments in a mutual fund scheme in case of a credit event and to deal with liquidity risk.

In this regard, the term 'segregated portfolio' shall mean a portfolio comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme and the term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio. The term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

A segregated portfolio may be created in a mutual fund scheme in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

a. Downgrade of a debt or money market instrument to 'below investment grade', or

b. Subsequent downgrades of the said instruments from 'below investment grade', or

c. Similar such downgrades of a loan rating.

In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as detailed above and implemented at the ISIN level. Investors may please note that the detailed process to be followed for segregation of portfolios shall be stated in the Statement of Additional Information (SAI). A separate addendum to the SAI has been published in this regard.

Provisions related to Change in Fundamental Attributes

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 February 27, 2019) under the Scheme 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 30 days exit period starting from March 1, 2019 till March 30, 2019 (both days inclusive) 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 March 30, 2019 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 Scheme 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 scheme 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 Scheme shall remain unchanged.

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

For ICICI Prudential Asset Management Company Limited
Sd/-
Authorised Signatory

Place : Mumbai
Date : February 26, 2019

No. 017/02/2019