

An FOF that may offer wealth creation opportunities while aiming to limit risk.



ICICI Prudential
**Nifty Low Vol
30 ETF FOF**

NFO
PERIOD

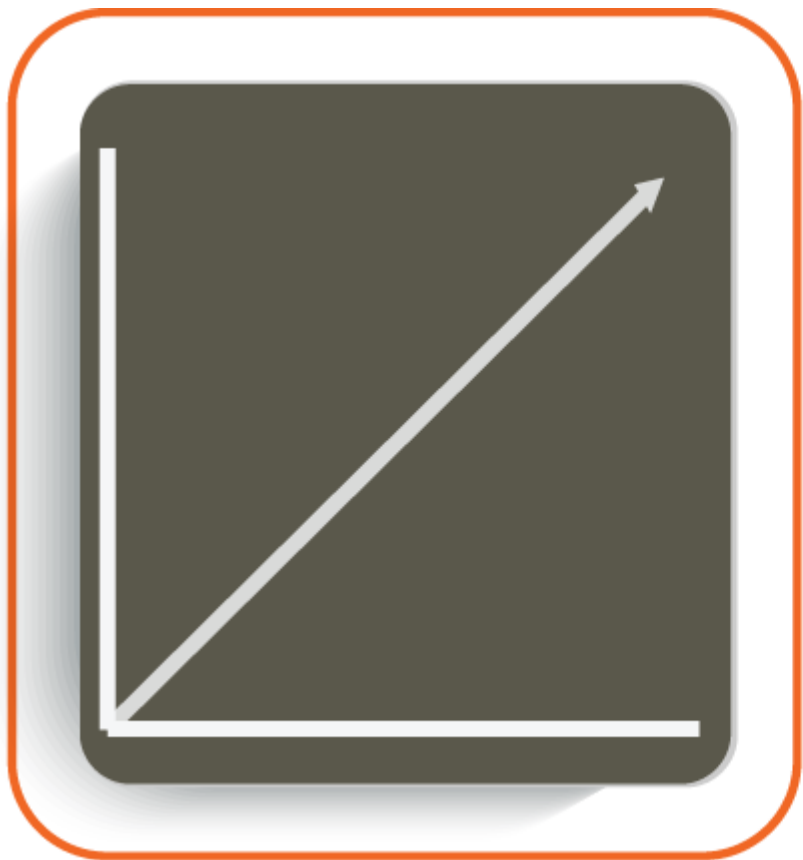
MARCH 23, 2021
APRIL 6, 2021

 **ICICI**
PRUDENTIAL 
MUTUAL FUND
TARAKKI KAREIN!



Expectation vs Reality

INVESTORS USUALLY SIMPLIFY THE CONCEPT OF RETURNS IN THEIR HEADS AND FAIL TO ADJUST FOR THE UNCERTAINTY ASSOCIATED WITH IT



The above is only for illustrative purposes.



Market Parameter: Volatility

VOLATILITY MEASURES THE EXTENT OF UPWARD OR DOWNWARD FLUCTUATIONS EXPERIENCED BY THE MARKET/STOCK.

HIGH VOLATILITY = LOWER STABILITY


LOW VOLATILITY = HIGHER STABILITY

 Higher Fluctuations

 Higher Uncertainty

 Higher Risk



 Lower Fluctuations

 Lower Uncertainty

 Lower Risk

**More volatile stocks tends to fall more in a bear market.
Hence, Volatility is an important consideration while making investment decisions.**

The above is only for illustrative purposes.



Factors Impacting Volatility

WHILE ENDOGENOUS AS WELL EXOGENOUS FACTORS, BOTH CAUSE VOLATILITY, EXOGENOUS SHOCKS ARE BEYOND OUR CONTROL AND HENCE, CAN TRIGGER EXTREME UNCERTAINTIES.

ENDOGENOUS SHOCK

When a financial crisis/recession is caused due to factors intrinsic to an economy - Like Economic or financial imbalances it is called an Endogenous Shock

Eg.: The Great Recession of 2008, Demonetization in India in 2016, etc.



EXOGENOUS SHOCK

When a financial crisis/recession is caused due to factors that originate outside the ambit of any country; s economic or financial factors, it is called an Exogenous Shock

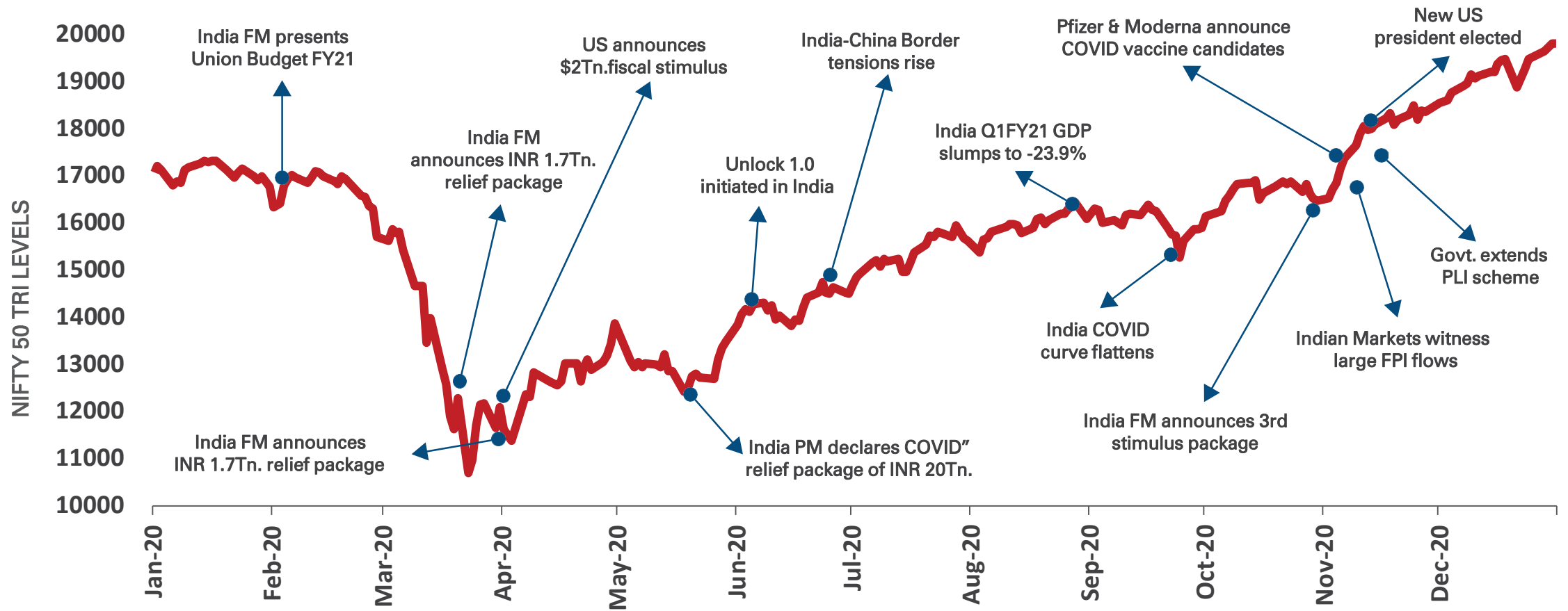
Eg.: COVID-19, SARS, natural disasters like earthquake, oil price war, etc.



The above is only for illustrative purposes. The above list is not exhaustive.

Rear-View Mirror: Volatility Through 2020 (Equity)

MARKET MOVEMENT IN 2020 SHOWED WHAT UNCERTAINTY CAN DO ...



Source: KPMG, www.indiabudget.gov.in, Ministry of Finance, NSO, www.pmindia.gov.in, CNN, NSE, BSE NSDL. Data as of Dec 18, 2020. COVID-19 Coronavirus Disease 2019, US – United States, GDP – Gross Domestic Product, FM – Finance Minister, PM – Prime Minister, PLI – Production Linked Incentive, FPI – Foreign Portfolio Investors. Past performance may or may not sustain in future

Our 'VCTS' framework is currently indicating that market Valuations are high. Business Cycle has begun to recover.

Future market Triggers would be the mass availability of COVID-19 vaccine, pace of earnings recovery & growth sustainability,

US Fed's policy stance. Sentiments in terms of flows look optimistic due to record FPI flows in last 4 months.



Market Valuations

PE or PBV helps in ascertaining whether the market is expensive or cheap

Buy – Valuations Cheap
Sell – Valuations Expensive

Trailing P/E Nifty 50 : 39.65
Trailing P/B Nifty 50 : 4.12



Business Cycle

Indicators like capacity utilization or credit growth helps in understanding the strength of business cycle

Buy – Cycle is weak
Sell – Cycle is Strong

Capacity Utilisation: 63.3% (Q2FY21)
Credit Growth
(YoY as of Feb 12, 2021) : 6.6%



Triggers

Triggers are events which can have impact on the overall equity market

Triggers – Unpredictable event like COVID-19

Availability Of COVID-19 Vaccine,
Pace Of Earnings Recovery,
Growth Sustainability
& US Fed's Policy Stance.



Sentiments

Sentiments helps in understanding investors affinity towards the equity market

Buy – Negative Sentiments
Sell – Positive

Net FPI Flows : 2,01,57
(12 Months trailing in Rs. Cr)



WE PRESENT:

**ICICI
PRUDENTIAL
NIFTY LOW VOL
30 ETF FOF**



For an aim to limit the impact of market volatility

For investors aiming to gain exposure to the least volatile large cap companies



For assistance to face challenges against exogenous events

For creating a hedge against endogenous factors



THE FOF

ICICI PRUDENTIAL
NIFTY LOW VOL 30 ETF FOF

INVESTS IN



An Open-ended Fund Of Funds Scheme That Invests In Units Of ICICI Prudential Nifty Low Vol 30 ETF

THE UNDERLYING ETF

ICICI PRUDENTIAL
NIFTY LOW VOL 30 ETF

INVESTS AS



Factor-based Smart Beta ETF That Replicates The Nifty 100 Low Volatility 30 Index

THE UNDERLYING INDEX

NIFTY 100
LOW VOLATILTY 30 INDEX

30 LOW VOL COS.



The Index Identifies 30 Low Volatile Bluechip Stocks From Nifty 100 Index

About Nifty 100 Low Volatility 30 Index



Objective –

Aims to capture performance of the **30 least volatile stocks in the NIFTY 100 index.**



Eligible Universe –

Stocks forming part of NIFTY 100 index



Stock selection criteria –

Stocks are ranked based on their volatility score. Top 30 ranked stocks with least volatility form part of the index.



Stock weighting mechanism –

The least volatile stocks receive the highest weights.



Cap on exposure to illiquid stocks –

Weights of stocks with low liquidity *are capped at 3%.



Index review and rebalancing – Quarterly basis

Note: **Volatility** is measured as standard deviation of stock returns over a one year period.

*Stocks having 6 month average turn over less than the stock with the lowest 6 month average turnover in NIFTY 50 Index



Nifty 100 Low Volatility 30 Index

Least volatile stocks receive highest weightage



“HIGHER THE VOLATILITY, RISKIER THE SECURITY, LOWER THE WEIGHTAGE”

ILLUSTRATION		
SECURITY	VOLATILITY (RISK)	WEIGHT*
A	10.2	4.2%
B	13.4	3.2%
C	16.0	2.7%
D	19.8	2.2%
E	22.0	1.9%
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LESS VOLATILE STOCK GETS HIGHER WEIGHTAGE

HIGH VOLATILE STOCK GETS LOWER WEIGHTAGE

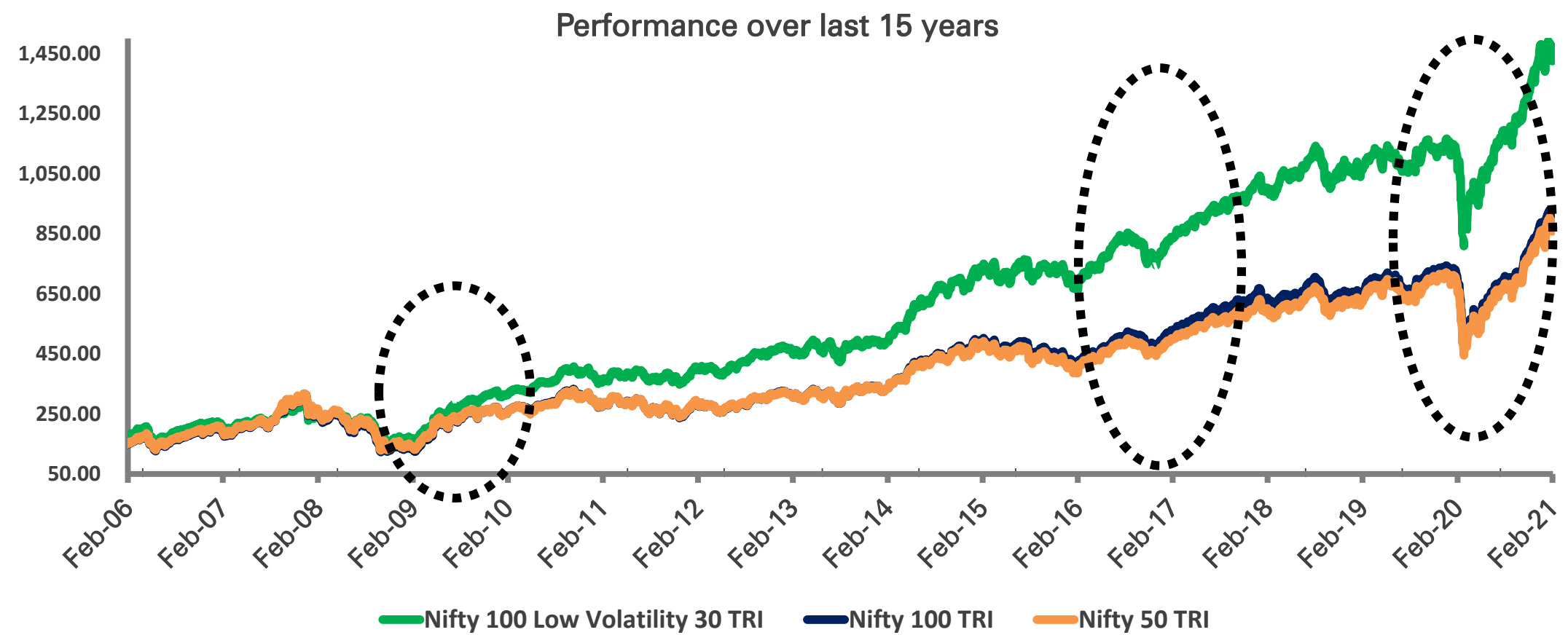
*Weight = [(1/ Volatility)/ sum (1/ Volatility)]. Volatility is Average Daily Std. Deviation annualized. The above table is for illustration purpose only. Actual results may vary as per the index construction methodology devised by the index provider.



Performance during Volatile Markets



- Indian markets have witnessed volatility due to domestic and global factors over the years. e.g. Pandemic in 2020
- The Nifty 100 Low Vol 30 Index has handled the volatility better than most indices. Below is a chart depicting the same:



Returns are as on February 28, 2021. Returns are in CAGR terms. Data source: MFI Explorer. Figures in the chart are rebased to 100. Past performance may or may not be sustained in the future. Index Launch Date: July 08, 2016. Index Base Date: April 01, 2005. The performance of the indices is the Total Return variant of the Index. The performance of the index shown does not in any manner indicate the performance of the Scheme.



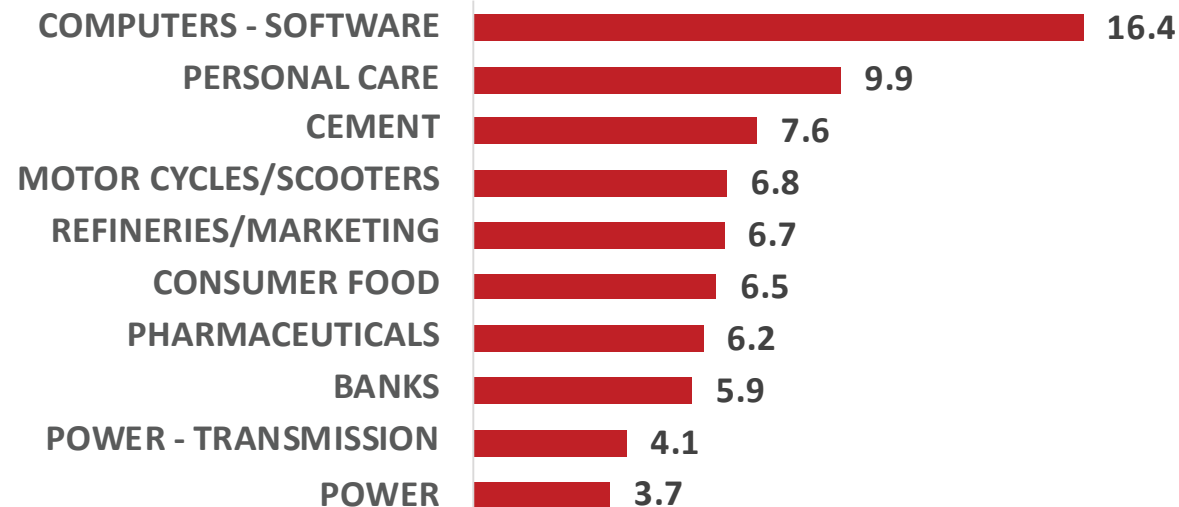
Nifty 100 Low Volatility 30 Index

Index Constituents and Statistics



Top 10 securities by weight	Weightage (%)
Power grid corporation of india	4.1
Dabur india	4.0
Ultratech cement	4.0
Indian oil corporation	3.9
Bajaj auto	3.8
NTPC	3.7
ACC	3.7
Pidilite industries	3.6
Wipro	3.5
Tata consultancy services	3.5

TOP 10 SECTORS



Name of the index	Price to Earnings	Price to Book	Dividend Yield (%)	Volatility (%) (1 year Std. Deviation*)
Nifty 100 Low Volatility 30 Index	24.45	4.17	1.89	25.70
Nifty 100 Index	39.49	4.17	1.08	30.76
Nifty 50 Index	39.65	4.12	1.09	31.71

Above index constituents and statistics are as on February 28, 2021. Data source: www.nseindia.com. *Average daily standard deviation annualized. The performance of the index shown does not in any manner indicate the performance of the Scheme. The sector(s)/stock(s) mentioned in this document do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future positions in the sector(s)/stock(s). The asset allocation and investment strategy will be as per Scheme Information Document.



Nifty 100 Low Volatility 30 Index

Higher Risk Adjusted Returns



Risk Adjusted Returns means Return per unit of Risk.

Nifty 100 Low Volatility 30 Index has given better Returns after adjusting for Risk.

PERIOD	RISK ADJUSTED RETURNS		
	NIFTY100 LOW VOLATILITY 30 INDEX	NIFTY 100 INDEX	NIFTY 50 INDEX
1 year	1.13	0.84	0.82
3 years	0.70	0.55	0.58
5 years	1.08	0.95	0.94

Data Source: MFI explorer. Data as on February 28, 2021. Past performance may or may not be sustained in the future. Index Launch Date: July 08, 2016. Index Base Date: Apr 01, 2005. Risk Adjusted Returns = Returns (CAGR %)/ Annualised Std. Deviation of daily returns. The performance of the index shown does not in any manner indicate the performance of the Scheme.



We believe lower risk need not necessarily mean lower returns

CALENDAR YEAR

SECURITY	NIFTY 100 LOW VOLATILITY 30 TRI	NIFTY 100 TRI	NIFTY 50 TRI
2020	23.8%	16.0%	16.0%
2019	5.4%	11.4%	13.0%
2018	7.4%	2.6%	4.6%
2017	30.3%	32.9%	30.3%
2016	3.1%	5.0%	4.4%
2015	9.8%	-1.3%	-3.0%
2014	36.8%	34.9%	32.9%
2013	6.6%	7.9%	8.1%
2012	32.1%	32.5%	29.4%
2011	-12.0%	-24.9%	-23.8%
2010	25.5%	19.3%	19.2%
2009	92.9%	84.9%	77.6%
2008	-42.3%	-53.1%	-51.3%

CAGR

Period	RETURNS (CAGR %)		
	Nifty100 Low Volatility 30 Index	Nifty 100 Index	Nifty 50 Index
1 year	29.05	25.75	25.83
3 years	12.41	11.58	12.54
5 years	16.43	17.05	17.12
7 Years	16.36	14.78	14.23
10 Years	14.88	12.35	11.97

**NIFTY 100 LOW VOLATILITY 30 TRI
OUTPERFORMED NIFTY 100 AND NIFTY 50
INDEX 8 TIMES IN THE LAST 13 CYs**

Data Source: MFI explorer. Data as on February 28, 2021. Past performance may or may not be sustained in the future. Index Launch Date: July 08, 2016. Index Base Date: Apr 01, 2005. The performance of the index shown does not in any manner indicate the performance of the Scheme.



Why invest in ICICI Prudential Nifty Low Vol 30 ETF FOF?



To invest in a factor-based smart beta ETF that limits downside risk



To invest in equity with an aim to limit the impact of market volatility on their investment.



To create wealth over the long term.



To invest in large cap and low volatility bluechip companies of different sectors.



Allows people without a Demat account to invest in an ETF through lumpsum or SIP.



About the FOF



CHARACTERISTICS	ICICI PRUDENTIAL NIFTY LOW VOL 30 ETF FOF
Investment Objective	Aim to generate returns by investing in units of ICICI Prudential Nifty Low Vol 30 ETF
Taxation	Equity
Asset Allocation	95% to 100% in units of ICICI Prudential Nifty Low Vol 30 ETF 0% to 5% in Reverse Repo, Tri-Party Repo*, Units of Debt Mutual Funds and ETFs
Demat Account	Not Required
Trades At	Closing NAV
Transparency of Holdings	Monthly

*or similar instruments as may be permitted by RBI/ SEBI, subject to requisite approvals from SEBI / RBI, if needed.



About the FOF



NFO Period	March 23, 2021 to April 6, 2021
Plans / Options	Plans: ICICI Prudential Nifty Low Vol 30 ETF FOF – Regular Plan - Growth & Dividend ICICI Prudential Nifty Low Vol 30 ETF FOF – Direct Plan- Growth & Dividend
Exit Load	If units purchased or switched in from another scheme of the Fund are redeemed or switched out: <ul style="list-style-type: none"> · upto 10% of the units (the limit) purchased or switched within 1 year from the date of allotment – Nil · in excess of the limit within 1 Year from the date of allotment - 1% of the applicable NAV · after 1 Year from the date of allotment – Nil
Minimum Application Amount	DURING NEW FUND OFFER PERIOD / DURING ONGOING OFFER PERIOD: Rs. 1,000/- (plus in multiple of Re. 1) Minimum application amount is applicable for switches made during the New Fund Offer period as well.
Minimum additional application amount	Rs. 500/- and in multiples of Re. 1/-
SIP amount	DURING NEW FUND OFFER PERIOD / DURING ONGOING OFFER PERIOD: Daily, Weekly, Fortnightly, Monthly SIP\$: Rs. 100/- (plus in multiple of Re. 1/-) Minimum installments: 6 Quarterly SIP\$: Rs. 5,000/- (plus in multiple of Re. 1/-) Minimum installments – 4 \$The applicability of the minimum amount of installment mentioned is at the time of registration only.
Benchmark	Nifty 100 Low Volatility 30 TRI.
Listing	The Units of the Scheme will not be listed on any stock exchange.
Fund Manager	Kayzad Eghlim & Nishit Patel
MICR Cheques, Electronic Payments and RTGS	MICR cheques, Electronic Payments and Real Time Gross Settlement (RTGS) request will be accepted till the end of business hours up to April 6, 2021
Switch-in	Switch-in requests from equity and other schemes will be accepted up to April 6, 2021 till the cut-off time applicable for switches. Switch-in request from ICICI Prudential US Bluechip Equity Fund, ICICI Prudential Global Advantage Fund (FOF) and ICICI Prudential Global Stable Equity Fund (FOF) will not be accepted.



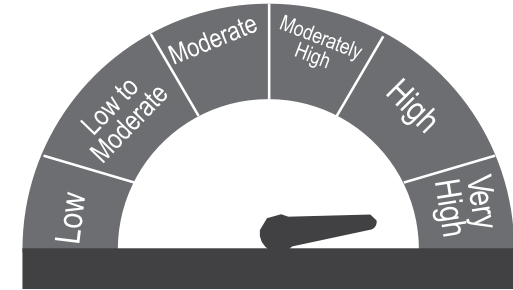
ICICI Prudential Nifty Low Vol 30 ETF FOF is suitable for investors who are seeking:*

Long term wealth creation

An Open-ended Fund of Funds scheme with the primary objective to generate returns by investing in units of ICICI Prudential Nifty Low Vol 30 ETF

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

RISKOMETER



Investors understand that their principal will be at **Very High** risk

Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis as per SEBI circular dated October 05, 2020 on Product Labeling in Mutual Fund schemes - Risk-o-meter. Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details."

Investors may please note that they will be bearing the recurring expenses of the relevant Fund of Funds Scheme in addition to the expenses of the underlying schemes in which the Fund of Funds Scheme makes investment.

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

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The AMC (including its affiliates), the Mutual Fund, the trust 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, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner. The recipient alone shall be fully responsible/are liable for any decision taken on this material. Investors are advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of ICICI Prudential Mutual Fund.

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