

Small Moves, Big Potential

ICICI PRUDENTIAL PMS PIPE STRATEGY



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I Key Drivers of Stock Price

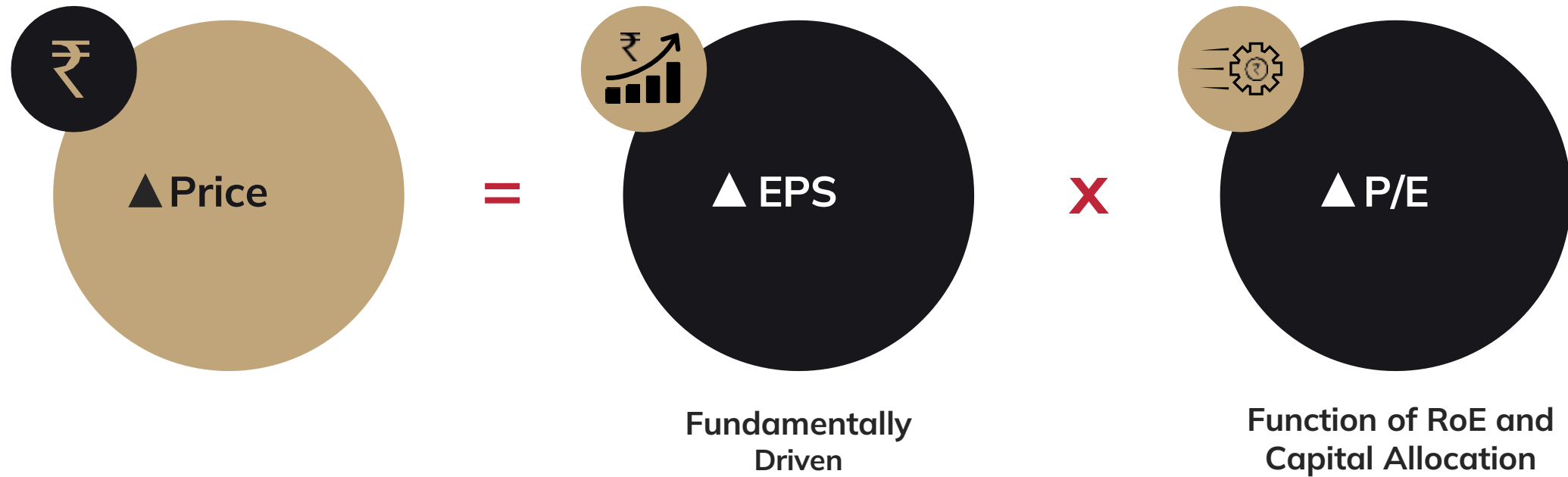
II Investment Framework

III Presenting ICICI Prudential PMS PIPE Strategy

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Key Drivers of Stock Price

Drivers of Stock Price



Price Benefitting from Both Earnings growth & P/E rerating.

Markets Reward Companies with Earnings Potential

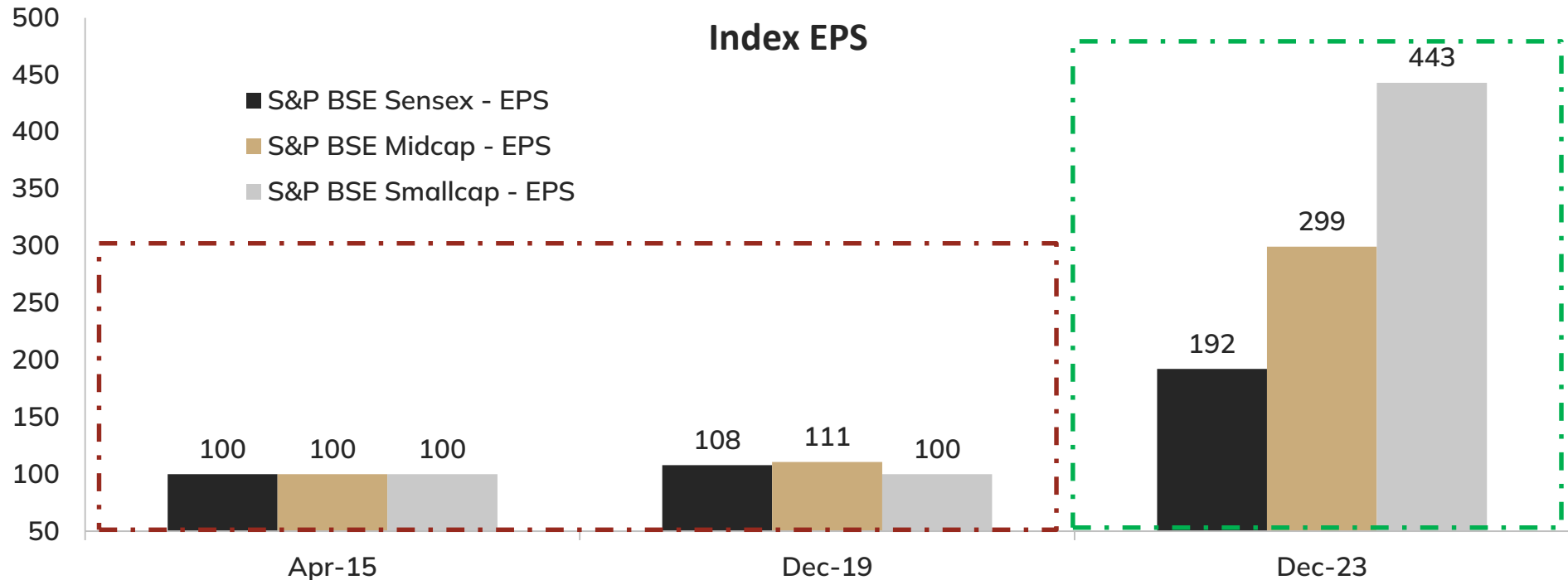
Universe of top NSE 500 Companies by Market Cap (Dec 2007 – Dec 2023)

	15-Year CAGR ↓	No. of Companies	PAT Growth	Median ROE		Median P/E		
				2007	2023	2007	2023	
Focus to Identify	>15%	130	17% ↑	20.99	18.68 ↑	19.43	46.03	PE Rerating
	0% - 15%	260	11%	21.42	12.29	23.81	24.50	
Aim to Eliminate	-15% - 0%	93	1%	19.16	1.54	41.92	13.79	PE Derating
	<-15%	17	Negative Growth	20.77	Negative Earnings	28.6	Negative Earnings	

Source: Nuvama, NSE | Data as on Dec 31, 2023 | Profit Growth: Reported Profit After Tax. Return/Market Cap between December 31, 2007 to December 31, 2023 | Universe of top 500 NSE Listed companies by Marketcap over the 15 year period. Past Performance may or may not sustain in future.

The Trend has Changed

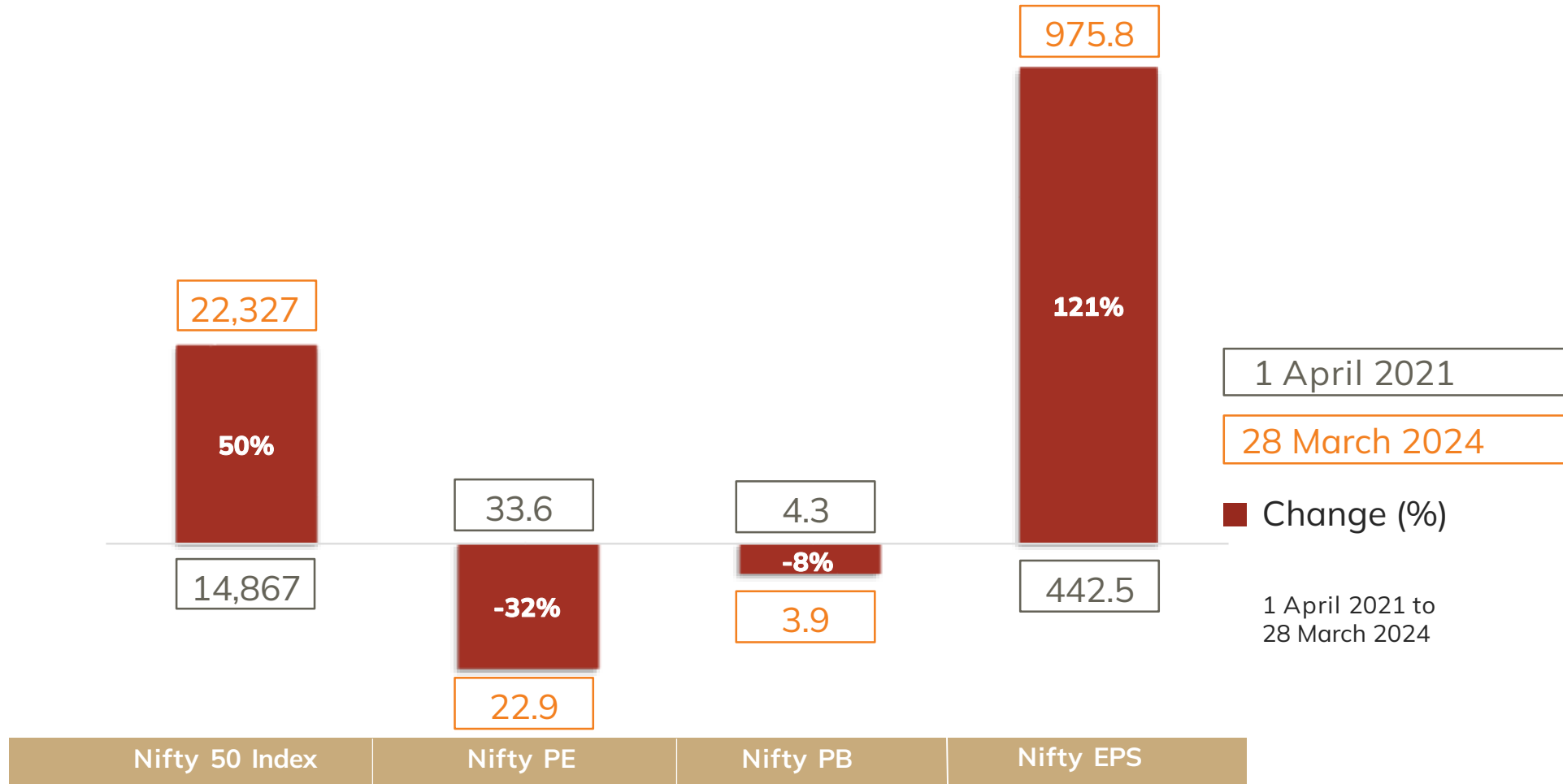
*“There are decades where nothing happens; and there are weeks where decades happen”
- Vladimir Ilyich*



Index	Apr 30, 2015 to Dec 29, 2023		April 30, 2015 to Dec 31, 2019		Dec 31, 2019 to Dec 29, 2023	
	Price CAGR	EPS CAGR	Price CAGR	EPS CAGR	Price CAGR	EPS CAGR
S&P BSE Sensex	12.0%	7.8%	9.5%	1.6%	15.0%	15.5%
S&P BSE Midcap	15.7%	13.5%	8.1%	2.2%	25.2%	28.2%
S&P BSE Smallcap	17.0%	18.7%	4.9%	0.0%	32.8%	45.1%

Source: BSE. Data as on December 29, 2023. EPS – Earnings per Share of Index constituents. Past Performance may or may not sustain in future.

Nifty 50 Index Movement

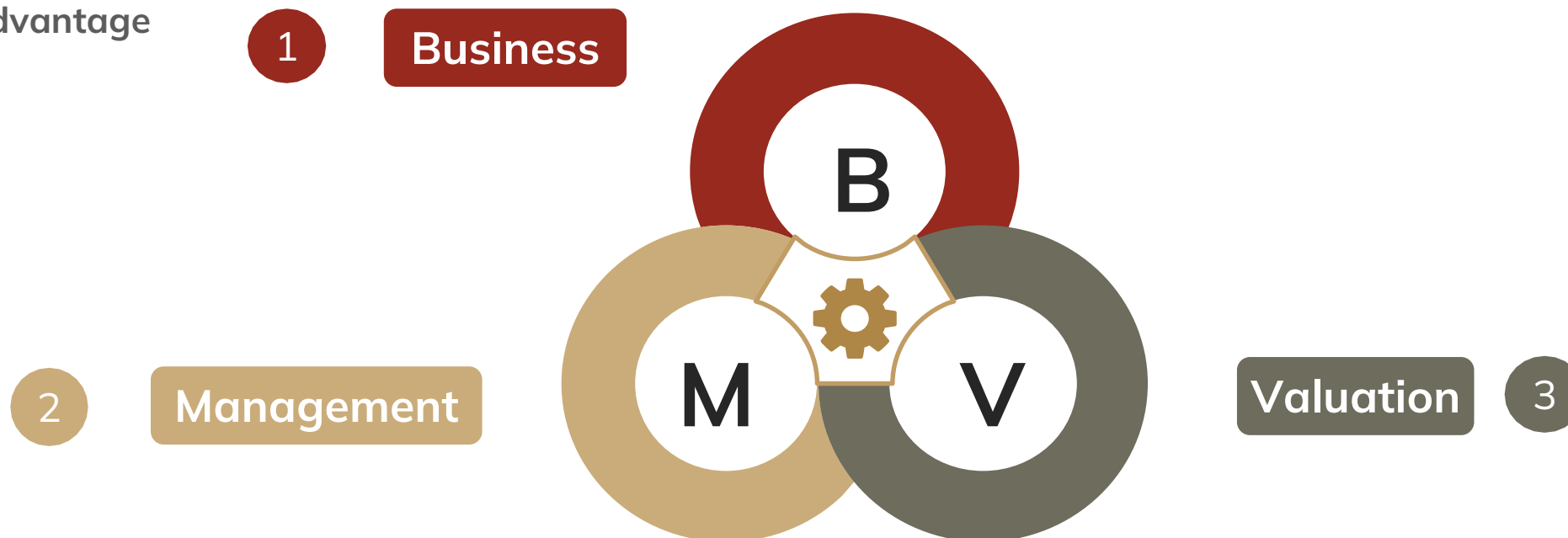


Source: Index Values -NSE India Limited. Data as on March 28, 2024. PE – Price to Earnings of Nifty 50 Index constituents | EPS – Earnings per Share of Nifty 50 Index constituents. Past Performance may or may not sustain in future

Investment Framework

Investment Framework

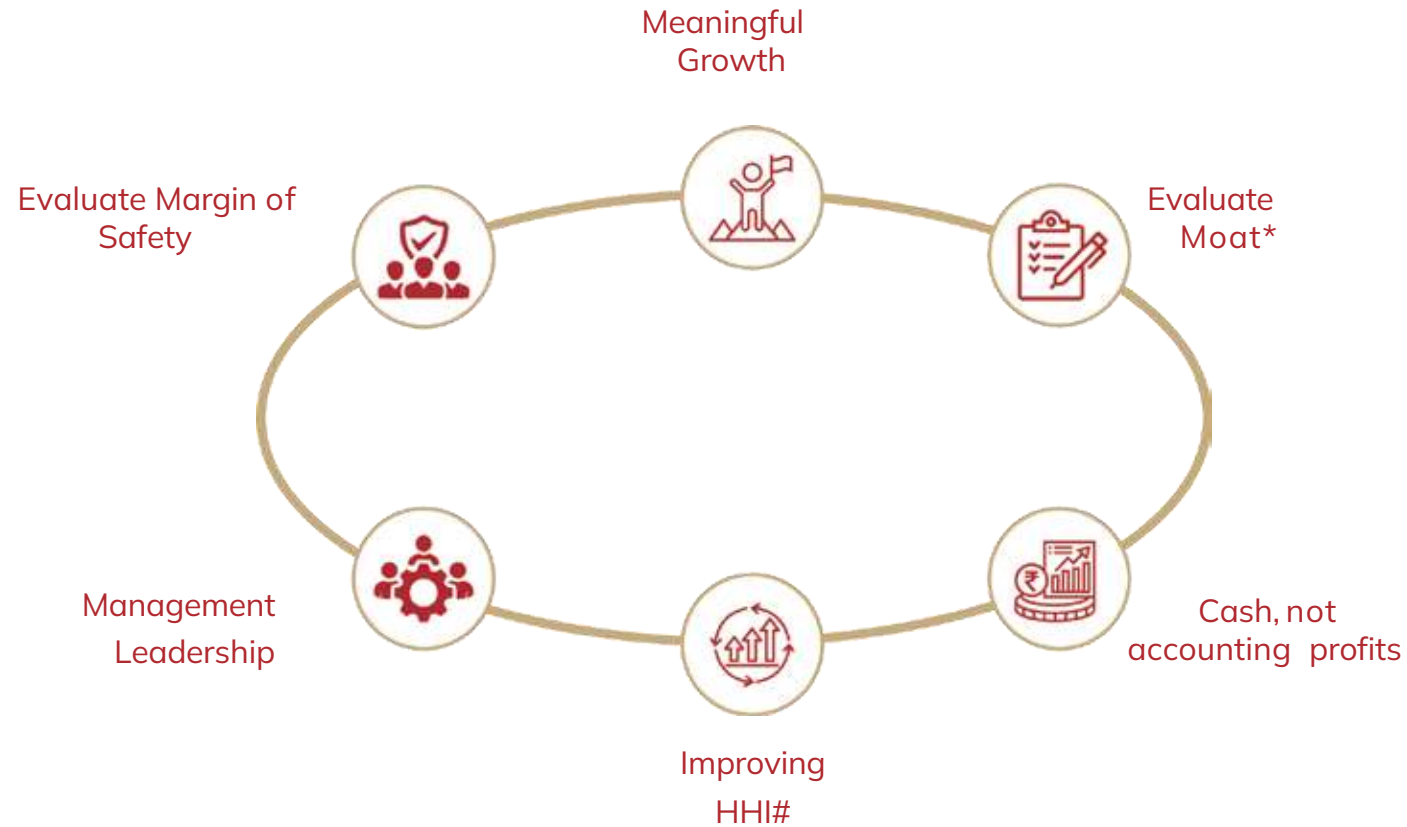
In search of companies with meaningful earnings growth and sustainable competitive advantage



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

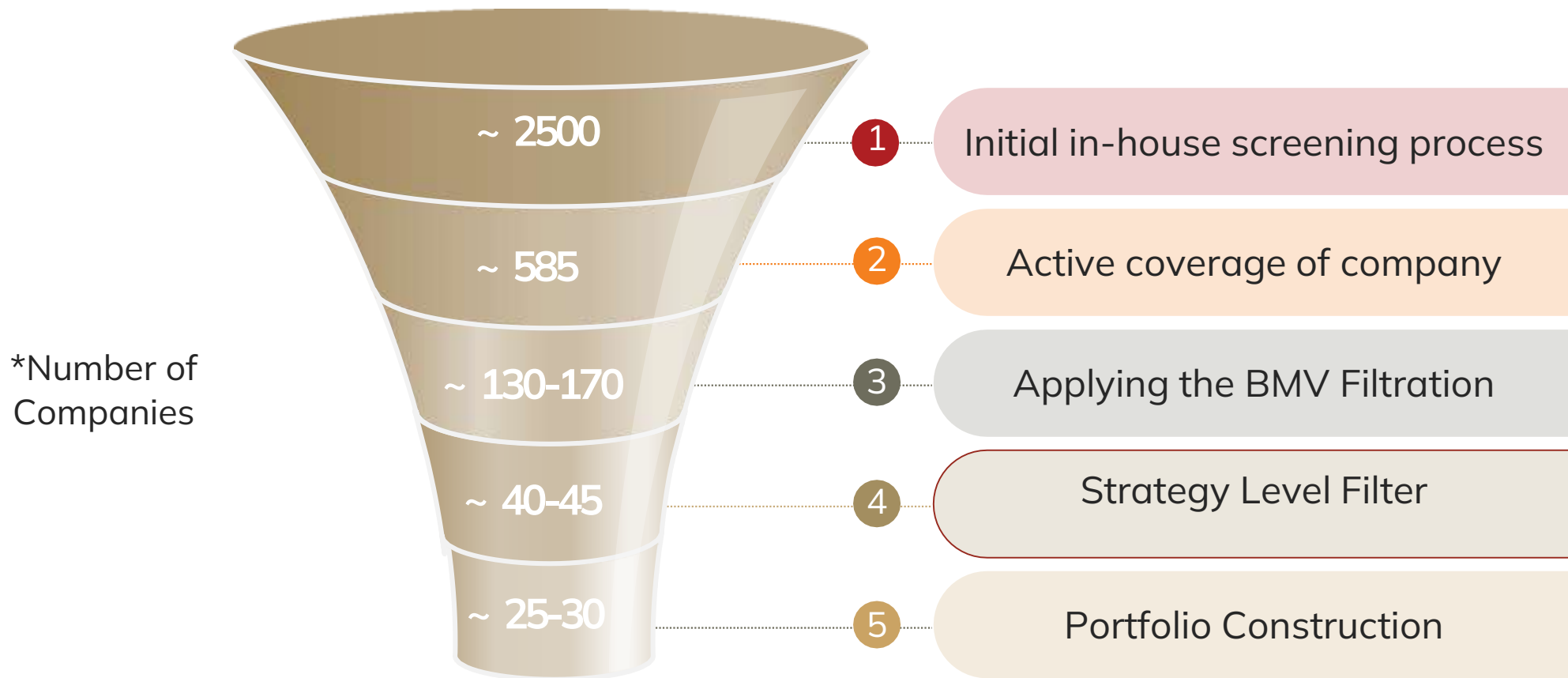
Please note that BMV framework mentioned above is developed in house and only indicative in nature. The strategies offered by the Portfolio Manager may or may not follow the above framework at all times. The framework is developed in order to select the right companies through a filtration process and endeavor the strategy to attain their investment objective. These models are based on various broad market parameters prevalent in the market and are dynamic in nature.

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. All these factors may not be applicable for the investment approach, The factor shall be referred as applicable. #HHI refers to the Herfindahl–Hirschman Index, a commonly accepted measure of market/segment concentration. *Moat: A competitive sustainable advantage

Evaluation, Selection and Sizing



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. BMV – Business – Management – Valuation | *The number of companies is indicative and may increase or decrease based on the discretion of Investment Manager.

Key Themes for CY2024

Rising Energy Intensity

Increased power connectivity expansion driving higher investments in the energy value chain.

Beneficiaries

- Power sector (Generation, Transmission and Distribution)
- Capital goods equipment manufacturers
- EPC (Engineering, Procurement & Construction) solution providers Financiers

Increasing Urbanization

India's low urbanization sparks urban center opportunities, revitalizing organized real estate after a decade long down cycle

- Construction
- Real Estate
- Fast Moving Electrical Goods
- Job creation

Government Capex on Strategic Sectors

Policy-maker-led digital adoption boosts GST collections, focusing on strategic sectors like defense and railways.

- EPC players
- Mobility equipment makers
- Defence equipment makers

Financialisation on Digital Backbone

Innovation in financial services amid rising income levels and demand for financial products.

- Banks
- Asset managers
- Insurance companies Exchanges
- Wealth managers
- NBFCs
- Telecom players and Tech providers

Experiential Consumption

Shift towards experiential consumption, with people preferring experiences over goods consumption.

- Aviation
- Hospitality
- Tech solution
- Providers
- Real estate

Research Team

A team of over 27 analysts, with a combined experience of over 7 decades, the research team covers as many as 585 companies across 20+ sectors (highlighted below).



Portfolio Management Team



ANAND SHAH
Head – PMS & AIF Investment

Fund Managers



**Chockalingam
Narayanan**
Sr. Fund Manager
PMS & AIF



**Geetika
Gupta**
Fund Manager
PMS & AIF



**Sandip
Santdasani**
Fund Manager
AIF



**Manan
Shah**
Fund Manager
PMS

Equity Research Analysts**

**We have an integrated common research team which includes Equity Research analysts across the business activities engaged by ICICI Prudential Asset Management Company Ltd. Note: Portfolio Managers form a part of the Investment team and they shall be supported by the dealing and research teams

— PRESENTING —

ICICI Prudential PMS

PIPE STRATEGY

Key Features of the Investment Approach

Investment Objective: ICICI Prudential PMS PIPE Strategy (the “PIPE Strategy”) aims to provide long-term capital appreciation and generate returns by investing predominantly in Mid and Small Cap segment of the market by having exposure in companies enjoying some economic moat; and/or undergoing special situations or in the midst of unfavourable business cycle.

Strategy : Equity

Basis for selection of securities as a part of investment approach: The Portfolio Manager under the Strategy predominantly invests in mid and small capitalisation companies which may be undergoing special situations or are in the midst of unfavourable business cycle.

Key Features

Investment Horizon:
5 Years & Above

Benchmark Index:
S& P BSE 500 TRI

Investment in mid and
smallcap companies

Minimum Investment Amount:
Rs. 50,00,000

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 and Portfolio Management Services Agreement. Please refer to the disclosure document & Portfolio Management Services Agreement for details and risk factors. The details of investment approach/strategy mentioned here are brief subset of details mentioned in the Disclosure Document(DD). Investors should refer the DD before investing. The investment process mentioned above are indicative in nature. There may be other investment process for stock selection.

The Proposition: Potential Sources of Alpha

1) Investing in growth stories which seem sustainable

Potential of price appreciation backed by Earnings Per Share growth.

2) Investing in companies with possibilities of demand explosion and margin expansions.

Expansion of revenue and profit growth rates surpasses historical averages leading to PE re-rating. Improves visibility and valuations leading to PE re-rating.

3) Buying businesses undergoing special situations, cyclicity and mispriced by market, now available at huge discount.

Aiming to provide margin of safety.

About the Strategy



The Portfolio Manager under the PIPE Strategy predominantly invests in mid and small capitalisation companies which may be undergoing special situations or are in the midst of unfavourable business cycle.



The Strategy shall follow top down approach in sector selection and bottom up process for stock selection.



The Strategy may look to invest in companies which are fundamentally strong, and which may be considered to be one of the market leaders in their industries.

Current Portfolio Positioning

Portfolio Statistics

As on March 31, 2024



- Aggregate earnings growth with improved capital efficiency (ROE) over three years
- Earnings growth outpacing stock returns, positions risk-reward favourably

	3 Year PAT Growth ¹ (CAGR)	3 Year Returns CAGR	ROE		P/B	P/E
			FY21	FY23		
ICICI Prudential PMS PIPE Strategy	67.25%	35.22%	12.39	16.23	2.79	17.00
S&P BSE 500	33.90%	19.30%	10.76	14.27	3.87	23.49

¹TTM PAT of companies declared results up to December 2023 vs corresponding TTM period three years ago

Source: Financial data from Nuvama Securities, www.bseindia.com, Morning Star | Profit Growth - Aggregate profit after tax growth (TTM vs TTM PY) of portfolio companies under each Strategy as on December 31, 2023 | P/E – Price to Earning | P/B – Price to Book Value | Valuations are of the aggregate portfolio under each Strategy. The portfolio data mentioned above is of the oldest client and data of an individual client may vary significantly from the above. The Strategy features mentioned herein involves risk and there can be no assurance that specific objectives will be met under differing market conditions or cycles. Please refer to the disclosure document & client agreement for details and risk factors. Above details represents dated facts of the underlying portfolio companies depending on the varied prevailing market and economic conditions. Past performance may or may not sustain in future. | Statistics based on strategy portfolio holding as on March 31, 2024

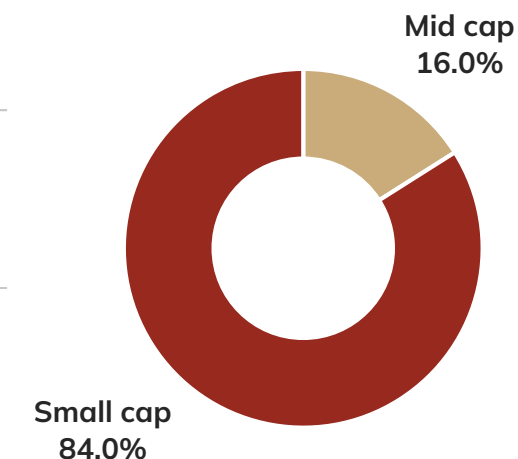
ICICI Prudential PMS PIPE Strategy

as of March 31, 2024



Top 15 Holdings	% Assets	Theme	Sector	% Assets	Total
Sarda Energy and Minerals	6.19	Manufacturing	Ferrous Metals	16.59	34.07
Godawari Power and Ispat	6.08		Auto Components	9.42	
Indian Bank	5.14		Textiles & Apparels	6.72	
Brigade Enterprises	5.01		Chemicals & Petrochemicals	1.34	
Nippon Life India Asset	4.83	Financial Services	Banks	14.29	23.29
Vardhman Textiles Ltd	4.68		Capital Markets	4.83	
Chalet Hotels Limited	4.65		Finance	4.17	
Karur Vysya Bank Ltd	4.58	Manufacturing Allied	Transport Services	8.76	21.12
Equitas Small Finance	4.57		Industrial Products	6.50	
Jindal Stainless Ltd	4.32		Electrical Equipment	5.86	
Repcos Home Finance Ltd	4.17	Experiential Consumption	Leisure Services	6.97	14.45
GE T&D India Limited	3.87		Realty	5.96	
Ingersoll Rand India	3.55		Entertainment	1.52	
VRL Logistic Ltd	3.49	IT	IT - Services	2.84	2.84
The Great Eastern Shipping	3.12	Services	Commercial Services & Supplies	2.63	2.63
		Other Consumption	Retailing	2.40	2.40

Market Cap Break –up



The portfolio data and related statistical analysis mentioned above is of the oldest client of the Strategy, the portfolio of other clients of the Strategy may vary significantly. The stocks / sectors mentioned hereinabove should not be construed as an investment advice or a forecast of their expected future performance. These stocks / sectors may or may not form part of the portfolio in future.

Strategy Performance

As on March 31, 2024



Aggregate Returns

	1 Month	3 Months	6 Months	1 Year	2 Years CAGR	3 Years CAGR	4 Years CAGR	Since Inception*
PIPE Strategy	-3.07%	0.79%	12.70%	57.29%	31.54%	35.22%	48.48%	31.22%
S&P BSE 500 TRI	0.86%	4.49%	17.40%	40.16%	17.84%	19.30%	31.97%	21.32%

Calendar Year Returns

	CYTD 2024	2023	2022	2021	2020
PIPE Strategy	0.79%	54.83%	20.32%	48.90%	20.57%
S&P BSE 500 TRI	4.49%	26.55%	4.77%	31.63%	18.41%

For performance relative to other Portfolio Managers within the Strategy by Association of Portfolio Managers in India (APMI) visit: [APMI \(apmiindia.org\)](http://apmiindia.org).

Performance data provided herein is not verified by SEBI.

PIPE Strategy – ICICI Prudential PMS PIPE Strategy

*Inception Date: 05-Sep-19

Inception Date of the Strategy is the date of onboarding of first client of the Strategy | Since inception return from March 31, 2007 or Inception Date, whichever is later.

Index Data Source: www.bseindia.com | 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 Client 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. Please note that performance of your portfolio may vary from that of other clients and that generated by the Investment Approach across all clients because of 1) the timing of inflows and outflows of funds; and 2) differences in the portfolio composition because of restrictions and other constraints. Past performance may or may not be sustained in future and is no guarantee of future results. clients 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 - <https://iciciprudalternates.com/Investor>

Key Highlights of The Investment Approach



Investment Objective: ICICI Prudential PMS PIPE Strategy (the “PIPE Strategy”) aims to provide long-term capital appreciation and generate returns by investing predominantly in Mid and Small Cap segment of the market by having exposure in companies enjoying some economic moat ; and/or undergoing special situations or in the midst of unfavourable business cycle.

Strategy: Equity

Types of securities: Predominantly invests in listed equity and equity related securities. The PIPE Strategy may also take exposure to exchange traded derivative instruments for hedging purpose. For liquidity or defensive considerations or pending deployment, the Portfolio Manager may invest in debt, money market instruments, mutual fund schemes or debt ETFs.

Basis for Selection of securities: The Portfolio Manager under the PIPE Strategy predominantly invests in mid and small capitalisation companies which may be undergoing special situations or are in the midst of unfavourable business cycle.

Investment Horizon: 5 years and above | **Inception Date:** September 05, 2019 | **Benchmark:** S&P BSE 500 TRI | **Minimum Investment:** ₹ 50 Lacs

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 and client agreement without any prior notice to investors. Please refer to the disclosure document & client agreement for details and risk factors. Investment Objective in line with Disclosure Document (DD). Basis of selection of securities, Risks associated with Strategy specific investment approach mentioned here are brief subset of details mentioned in the DD. Investors should refer the DD before investing and the same is available on the website of Portfolio Manager – <https://iciciprualternates.com/Investor>

Strategy Specific Risks & Disclaimer



Risks associated with ICICI Prudential PMS PIPE Strategy investment approach:

Investing in mid and smaller companies may lack depth of management, be unable to generate funds necessary for growth or development, or be developing or marketing new products or services for which markets are not yet established and may never become established. They could also suffer from disadvantages such as outdated technologies, lack of bargaining power with suppliers, low entry barriers and inadequate management depth. Overall, the risks of investing in mid and small companies are:

- transparency may not be on par with established companies;
- liquidity on the exchanges may be lower than large companies;
- corporate governance may be an issue with some companies; and
- Resilience to withstand shocks of business/economic cycles may be comparatively lower than large companies.

The PIPE Strategy invests in mid and small capitalisation companies that are undergoing special situations or are in midst of an unfavourable business cycle. Such strategy may take longer than anticipated to play out as desired by the Portfolio Manager which may fluctuate the PIPE Strategy returns.

In addition to the above, the Portfolio would be subject to the following risks, which are elaborated in the Risk Factors section of the Disclosure Document:

- Risks related to equity and equity linked investments
- Risks related to derivative investments
- Risks related to investments in debt and debt related instruments

Risk Factors & Disclaimers



Mr. Anand Shah is the Head of PMS & AIF Investments. He oversees all PMS Strategies offered by ICICI Prudential Asset Management Company Limited (the AMC/ Portfolio Manager). The performance of the stock across Individual portfolios may vary significantly from the data depicted above. 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 above performance depictions and that of the stock within individual client portfolios. There is no assurance that the value may be unlocked during our holding period of the stock. 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.iciciprups.com. Performance data provided herein is not verified by SEBI.

Direct Option Investor's may invest with us directly as well. To invest in any of our PMS strategies directly, kindly write to us at PMS@icicipruamc.com

Investment in securities involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. The value of the portfolio may be affected by changes in the general market conditions, factors and forces affecting capital market. There can be no assurance that the objective of the Portfolio would be achieved. Investors are advised to refer to the Disclosure Document, Portfolio Management Services Agreement and other related documents carefully and consult their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of investing/ redeeming under this Portfolio, before making a decision. Please note that performance of one investor in the portfolio may vary significantly from that of other investors and that generated by the Investment Approach across all investors because of 1) the timing of inflows and outflows of funds; and 2) differences in the portfolio composition because of restrictions and other constraints.

The details pertaining to the investment approach mentioned herein is a subset of details specified in the Disclosure Document. Kindly refer the Disclosure Document for the detailed investment approach, including specific risk factors, before investing. 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 in accordance with the regulatory provisions. No claims may be made or entertained for any variances between the performance depictions and individual portfolio performance or for any losses (notional or real) or against any loss of opportunity for gain under various PMS Strategies. The Portfolio Manager (including its affiliates) and any of its employee/officers', directors shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner. The recipient(s) alone shall be fully responsible/are liable for any decision taken on the basis of this material. The investments discussed in this may not be suitable for all investors. Please note that past performance of the financial strategies, 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. The investors are not being offered any guaranteed or assured returns.

In the preparation of this material, the Portfolio Manager 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 Portfolio Manager and/or its affiliates and which may have been made available to the Portfolio Manager and/ or to its affiliates. Information gathered and material used herein is believed to be from reliable sources. The Portfolio Manager 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. The Portfolio Manager has included statements/opinions/recommendations in this material, which contain words, or phrases such as "will", "expect", "should", "believe" 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 money 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.

All data/ information used in the preparation of this material is dated as mentioned in the portfolio data and may or may not be relevant any time after the issuance of this material. The Portfolio Manager takes no responsibility of updating any data/information in this material from time to time. ICICI Prudential Asset Management Company Limited is registered with SEBI as a Portfolio Manager vide registration number INP000000373.

Thank You