ICICI Prudential Private Banks ETF

Name of the Scheme	ICICI Prudential Private Banks ETF
Fund Manager	Mr. Kayzad Eghlim
NFO Period	01st August 2019 to 06th August 2019
Exit Load	There will be no exit load for units sold through the secondary market on the BSE/NSE. Redemption of units can be made directly with the Fund in creation unit size (15000 units). Currently there is no exit load applicable for the said transactions.
Type of Fund	An open ended Exchange Traded Fund replicating/ tracking NIFTY Private Bank Index
Expense Ratio	Maximum 1.00% of daily net assets p.a.
Face Value	Rs. 10
Minimum Application	Rs 5,000/- (plus in multiple of Re.1 thereafter)
Benchmark	Nifty Private Bank Index
Riskometer	High
Minimum Target Amount	Seeks to raise a minimum subscription amount of Rs. 10 crores under the scheme during its New Fund Offer (NFO) period
Liquidity	The Scheme is proposed to be listed on BSE & NSE. Authorised Participant(s)/ Investor(s) can subscribe/redeem the units of the Scheme directly with the Fund only in creation unit size i.e. 15,000 units and in multiples thereof.

Investment Objective: The investment objective of the scheme is to provide returns before expenses that closely correspond to the total return of the underlying index subject to tracking error.

Plans/ Options:

Currently, there are no plans/ options under the Scheme.

Who can Invest?

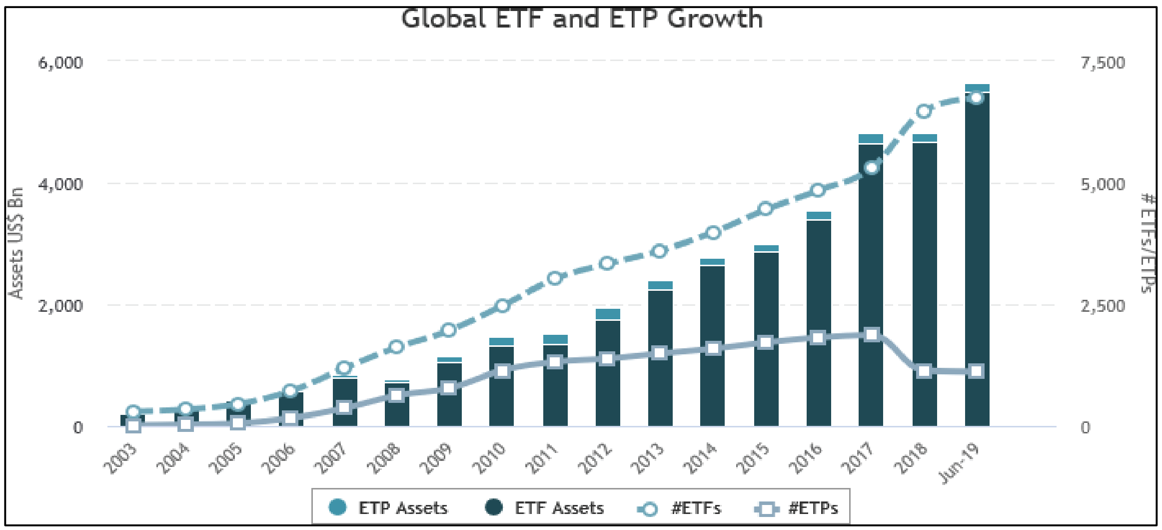
- Resident adult individual either singly or jointly (not exceeding Four)
- Minor through parent/lawful guardian
- Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions)
- Religious and Charitable Trusts under the provisions of 11(5)(xii) of Income-tax Act, 1961 read with Rule 17C of Income-Tax Rules, 1962 subject to the provisions of the respective constitutions under which they are established permits to invest.
- Partnership Firms
- Karta of Hindu Undivided Family (HUF)
- Banks & Financial Institutions
- Non-resident Indians/Persons of Indian origin residing abroad (NRIs) on full repatriation basis or on non-repatriation basis
- Army, Air Force, Navy and other para-military funds
- Scientific and Industrial Research Organizations
- Mutual fund schemes, as may be permitted by SEBI from time to time.
- Foreign Portfolio Investor (FPI) subject to the applicable regulations.

- Any other category of investor who may be notified by Trustees from time to time by display on the website of the AMC.

Who cannot Invest?

- A person who falls within the definition of the term —U.S. Person under Regulation S promulgated under the Securities Act of 1933 of the United States, as amended, and corporations or other entities organised under the laws of the U.S. are not eligible to invest in the schemes and apply for subscription to the units of the schemes, except for lump sum subscription, Systematic transactions and switch transactions requests received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by ICICI Prudential Asset Management Company Limited (the AMC)/ICICI Prudential Trust Limited (the Trustee) from time to time.
- A person who is resident of Canada
- Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time

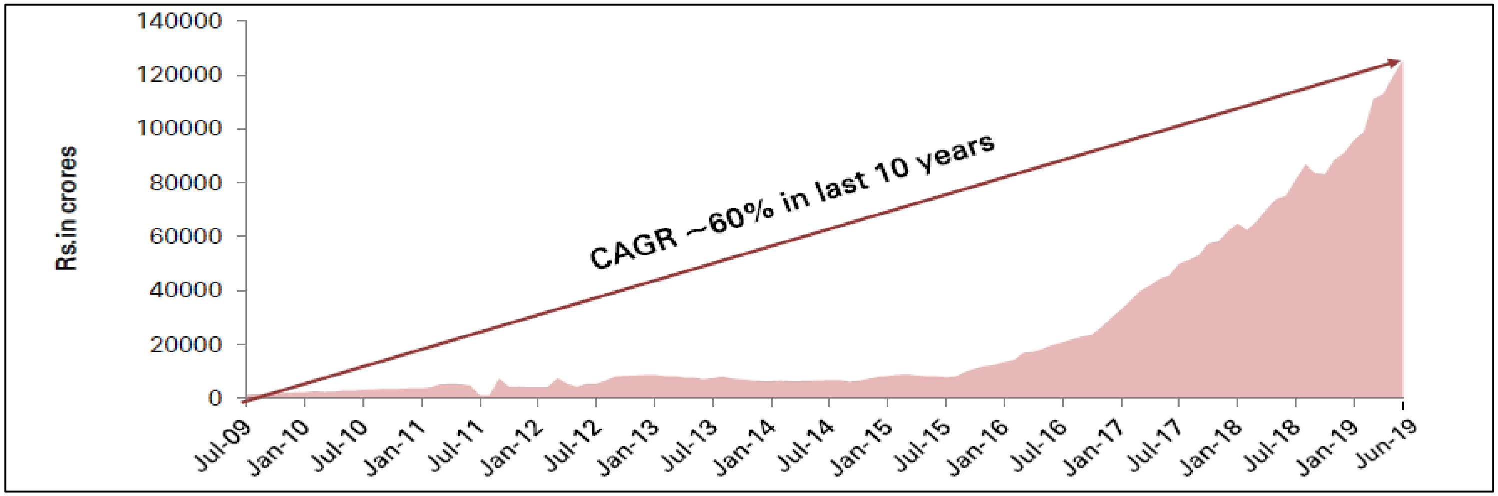
Growth of Global ETFs



Assets under Management (AUM) of ETFs across the globe has grown exponentially from $453 bn in 2005 to $5,489 bn in June 2019 – a CAGR of ~20%

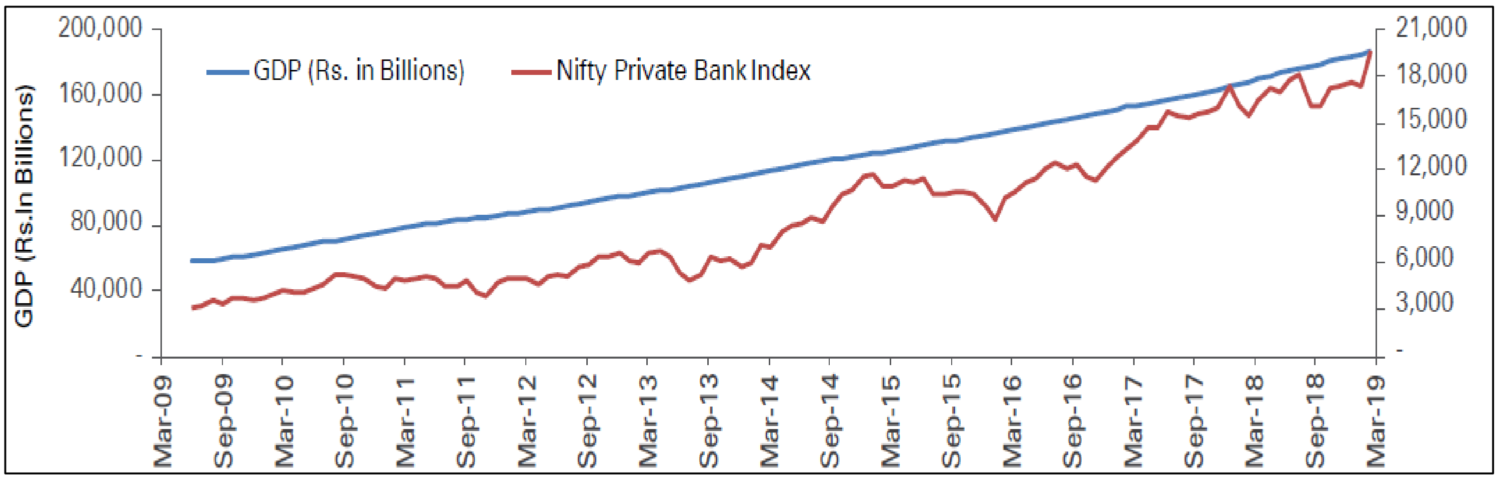
Growth of ETFs in India

Indian ETF industry has seen rapid growth in last 3 years. EPFO's apex decision making body is considering to increase investments in equity ETFs to 15% of the investible deposits. The major contribution towards AUM of ETFs is by EPFO.



Why Banking Sector?

- Increase in working population and growing disposable income will raise the demand of banking sector.
- Mobile banking, internet banking & various extensions of facilities at the ATM's will improve the operational efficiency.
- Healthy business fundamentals can be reflected through high interest margins.
- Industry has healthy regulatory oversight along with credible monitory policy by the Reserve Bank of India.



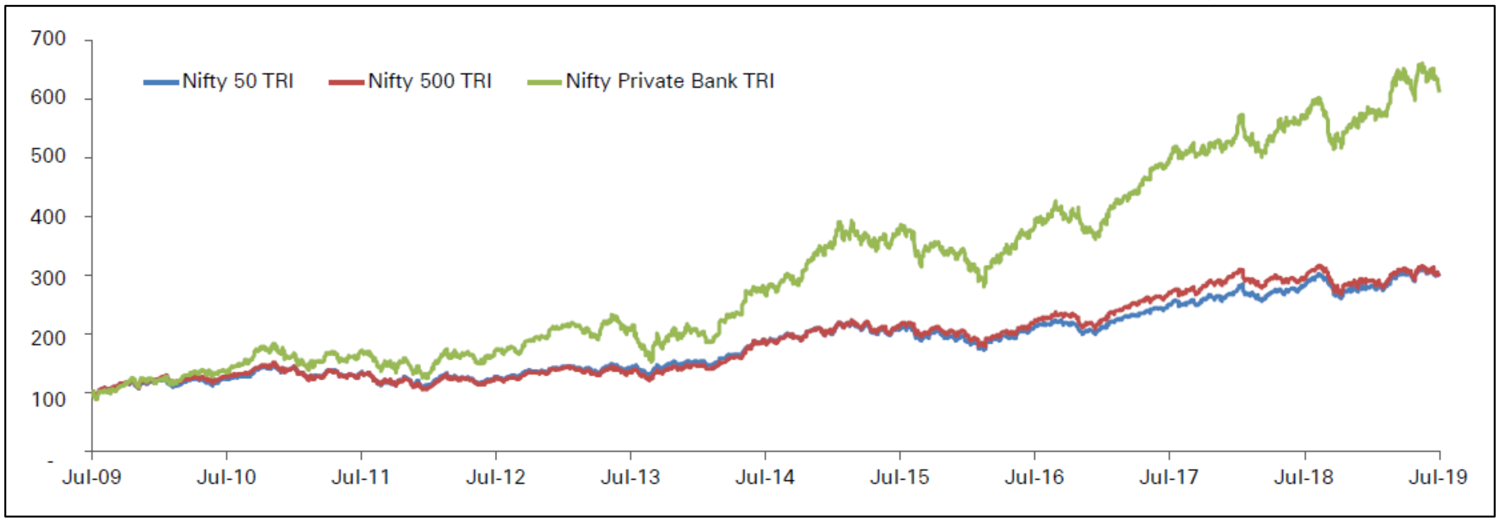
Nifty Private Bank Index

- Represents the 10 large capitalised stocks which reflects the behavior and performance of the private sector banks.
- May grow faster than growth in Nominal GDP of the country as market share of private sector banks keeps growing due to easier access to capital.
- Currently market is positive on corporate lending banks.
- Good Asset-Liability Management, high current & savings account franchise and broad based financial services presence.
- Banks have a major role to play in Government's Digitalization drive which can help in the growth of banks.

Constituents	Weightage
HDFC Bank Ltd.	29.7%
ICICI Bank Ltd.	19.6%
Kotak Mahindra Bank Ltd.	14.8%
Axis Bank Ltd.	14.5%
IndusInd Bank Ltd.	11.3%
RBL Bank Ltd.	3.1%
Federal Bank Ltd.	2.9%
Yes Bank Ltd.	2.3%
IDFC First Bank Ltd.	1.1%
DCB Bank Ltd	0.8%

Nifty Private Bank Index Past Performance

Nifty Private Bank Index has outperformed the broad market indices over the long run



This fund is suitable for investors seeking:

- Long Term wealth creation
- An Exchange Traded Fund that aims to provide returns that closely correspond to the returns provided by Nifty Private Bank Index, subject to tracking error.

Why Invest in ICICI Prudential Private Banks ETF?

- Our economy is growing. Growth in banking sector is also directly related to the growth of our economy, making it a good opportunity to invest.
- Currently banks are in consolidation phase, making it good opportunity to invest at current levels.

- Outperformance against broader market indices over the period of time.
- Most of the private banks are part of Nifty 50 index.
- Access to invest in major private banks with a minimum investment of 1 unit on the exchange.

Asset Allocation:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/ Medium/ Low
Equity and Equity related securities of companies constituting the underlying index (Nifty Private Bank Index)	95	100	Medium to High
Units of Liquid schemes, Money Market Instruments (with maturity not exceeding 91 days), including Tri-party repos, cash & cash equivalents	0	5	Low to Medium

Performance of other schemes of the fund house managed by Mr Kayzad Eghlim:

Scheme Name	Trailing Returns			Rolling Returns			Corpus Rs Cr (June 2019)	Tracking Error (%)
	1 Year CAGR	3 Years CAGR	5 Years CAGR	1 Year CAGR	3 Years CAGR	5 Years CAGR		
ICICI Pru Equity - Arbitrage Fund (G)	6.61	6.21	6.62	6.17	6.17	6.88	10337.8	0.9
ICICI Pru Midcap Select ETF	-13.1	3.02	-	-6.97	5.28	-	32.5	0.7
ICICI Pru Nifty 100 ETF	-2.33	9.1	8.64	6.49	13.29	12.66	5.1	0.1
ICICI Pru Nifty ETF	-0.87	9.94	8.54	8.66	13.69	12.91	1160.2	0.1
ICICI Pru Nifty Index Fund - Regular (G)	-1.66	8.92	7.66	7.55	12.61	12.1	375.1	0.1
ICICI Pru Nifty Next 50 Index Fund (G)	-12.35	5.3	9.84	-5.22	12.77	16.44	523.5	0.6
ICICI Pru NV20 ETF	1.12	12.63	-	15.71	13.82	-	5.8	0.5
ICICI Pru Sensex ETF	0.99	11.22	8.68	11.02	14.08	12.66	20.9	0.0

Source: NAVIndia, returns as on July 30, 2019

Key Standard Risk Factors:

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- As the price / value / interest rate of the securities in which the Scheme invests fluctuates, the value of your investment in the scheme can go up or down depending on various factors and forces affecting capital markets and money markets.
- Past performance of the Sponsor/ AMC/ Mutual Fund does not guarantee the future performance of the Scheme.
- The Scheme is an Exchange Traded Fund (ETF).There can be no assurance that an active secondary market will develop or be maintained.
- The Scheme name does not in any manner indicate its quality or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 22.2 lakh made by it towards setting up the Mutual Fund.

- The present scheme is not a guaranteed or assured return scheme. In addition, the scheme does not guarantee or assure any dividend and also does not guarantee or assure that it will make any dividend distribution, though it has every intention to make the same in the dividend option. All dividend distributions will be subjected to the investment performance of the Scheme.
- The risk levels of investing in midcap and small cap stocks are more than investing in stocks of large well established companies.
- Factors such as the fees and expenses of the Scheme, corporate actions, cash balance, changes to the Underlying Index and regulatory policies may affect the AMC‘s ability to achieve close correlation with the Underlying Index of the Scheme.
- The Scheme‘s NAV will react to the stock market movements.
- The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal circumstances, the AMC will endeavour that the tracking error of the Scheme does not exceed 2% per annum.

Source for this Note: (SID, NAVIndia, PPT)

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066
Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193