

ICICI Prudential P.H.D Fund

Name of the Scheme	ICICI Prudential Pharma Healthcare and Diagnostics (P.H.D) Fund
Fund Manager	Mr. Ihab Dalwai (Ms. Priyanka Khandelwal – overseas securities)
NFO Period	25 th June 2018 to 09 th July 2018
Exit Load	1% of the applicable NAV - If units purchased or switched in from another scheme of the Fund are redeemed or switched out within 18 months from the date of allotment
Type of Fund	Open Ended Equity Scheme following Pharma, Healthcare, Diagnostic and allied Theme.
Expense Ratio	Maximum 2.50%
Face Value	Rs. 10
Minimum Investment Lumpsum	Purchase: Rs. 5,000 and in multiple of Rs. 1 thereafter
Minimum Investment SIP	Monthly SIP: Rs. 1,000 and in multiple of Rs. 1 thereafter; Minimum installments: 6 Quarterly SIP: Rs. 5,000 and in multiple of Rs. 1 thereafter; Minimum installments: 4
Benchmark	S&P BSE Healthcare Index
Riskometer	High

Investment Objective: To generate long-term capital appreciation by creating a portfolio that is invested in equity and equity related securities of pharma, healthcare, hospitals, diagnostics, wellness and allied companies.

Type of Options:

Growth (cumulative) Option, Dividend Option (Dividend Payout) Option and Dividend Option (Reinvestment) Option.

Who can Apply?

- 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 Section 11(5)(xii) of the Income Tax Act, 1961 read with Rule 17C of Income-tax Rules, 1962.
- Partnership Firms
- Karta of Hindu Undivided Family (HUF)
- Banks and 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 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 Apply?

- 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

Rationale behind investing in this fund:

Pharmaceuticals

- India has established itself as a global manufacturing and research hub in pharmaceutical space.
- The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value.
- Branded generics dominate the pharmaceuticals market, constituting nearly 70 to 80 per cent of the market. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume.
- The cost of setting up a production plant in India is 40 per cent lower than in Western countries. Labour costs are 50–55% cheaper than in Western countries.
- Cumulative Indian Top – 10 companies Research & Development expense has went up 8x in last 7 years. Companies have been focusing more on generic products which has some entry barriers.
- Government initiative: “Pharma Vision 2020” to make India a global leader in manufacturing.
- Indian Pharmaceutical Company are currently going through rough patch. Under-performance compared to broad market makes strong case for investment.

Healthcare

- Healthcare has become one of India's largest sectors. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment.
- India is also cost competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe.
- Hospitals adhering to quality standards, accredited by agencies like NABH & JCI. Lack of quality healthcare infrastructure in neighbouring Asian countries fuelling the growth.
- Rising pollution levels, rich diets, sedentary life style and rising stress levels are leading to an increase in the incidence of non-communicable diseases. Currently 50% of spending on in-patients beds account for life style diseases.
- Healthcare spend as % of GDP is expected to increase driven by increasing demand for quality healthcare (increasing per-capita income).
- Rising income levels, increased health awareness, improvement in treatment technologies, increasing penetration of health insurance has made healthcare sector as one of the fastest growing sector in the country.

Diagnostics

- The Diagnostic industry, growing at approximately 15% year on year, is on structural uptrend owing to sharpening focus on evidence – based treatment, rising incidence of lifestyle diseases, rising awareness of preventive healthcare and increase in health insurance coverage.
- Companies in organized segment (account for merely 15% of industry) can immensely benefit from rapid expansion in sample collection centers, lower input cost due to economies of scale.
- Advancement in medical technology, substantial demand, coupled with ongoing standardization of regulation and accreditation, has made India an attractive destination for foreign companies to outsource manufacturing of high end devices.

This fund is suitable for investors seeking:

- Long term wealth creation;
- An equity Scheme that predominantly invests in pharma, healthcare, hospitals, diagnostics, wellness and allied companies;
- The fund is not suitable for risk averse investors.

Asset Allocation:

Instruments	Indicative allocations (% of total assets)		Risk Profile High/ Medium/ Low
	Maximum	Minimum	
Equity & Equity related instruments of pharma, healthcare, diagnostics, wellness and allied companies.	100	80	High
Other Equity & Equity related instruments	20	0	Medium to High
Debt, Money Market Instruments, Unit of Mutual fund scheme and Cash	20	0	Low to Medium

Performance of other Sectoral schemes of ICICI Prudential Mutual Fund:

Scheme Name	1 Year CAGR		5 Year CAGR		5 Years CAGR	
	Scheme	Benchmark	Scheme	Benchmark	Scheme	Benchmark
ICICI Pru Banking & Financial Services (G)	7.44	18.18	17.03	15.04	22.11	17.84
ICICI Pru FMCG Fund - (G)	13.45	13.94	12.44	14.63	14.05	11.94
ICICI Pru Infrastructure Fund - (G)	5.34	5.26	7.36	2.48	15.53	8.79
ICICI Pru Technology Fund - Direct (G)	36.35	34.47	11.48	9.51	23.56	19.57

Source: NAVIndia, returns as on May 31, 2018

Standard Risk Factors:

- Investment in Mutual Funds involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme(s) may go up or down.
- Mutual Fund investments are subject to market risks, read all scheme related documents carefully.
- Mutual Funds and securities investments are subject to market risks and there can be no assurance and no guarantee that the Scheme(s) will achieve its objective.

- As with any investment in stocks, shares and securities, the NAV of the Units under this Scheme(s) can go up or down, depending on the factors and forces affecting the capital markets.
- Past performance of the previous Scheme(s), the Sponsors or its Group / Affiliates / AMC / Mutual Fund is not indicative of and does not guarantee the future performance of the Scheme(s).
- The sponsors are not responsible or liable for any loss resulting from the operations of the scheme beyond the initial contribution of Rs. 1 lakh made by them towards setting up of the mutual fund.
- The name of the scheme does not in any manner indicate either the quality of the schemes, its future prospects or the returns. Investors therefore are urged to study the terms of the Offer carefully and consult their tax and Investment Advisor before they invest in the Scheme.
- The scheme is not guaranteed or assured return scheme.

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

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Disclosure:

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Any holding in stock – Yes/ No

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