ICICI Prudential Capital Protection Oriented Fund Series I - NFO Analysis

Fund Features

NFO Date: June 03 to June 17 2011

Scheme Objective	The investment objective of the Plans is to seek to protect capital by investing a portion of the portfolio in good quality debt securities & money market instruments and also to provide capital appreciation by investing the balance in equity and equity related securities. The securities would mature on or before the maturity of the Plan under the scheme.		
Type of Fund	A Close ended Capital Protection Oriented Scheme.		
Bench Mark Index	Crisil MIP Blended Index		
Tenure	24 months		
Min. Investment	Rs.5000 & in multiples of Rs. 1 thereafter		
Listing	NSE		
Rating	mfAAA(so) by ICRA		
Entry/Exit Loads	NIL		
Plan / Option	Cumulative and Dividend option. Dividend Payout is the only facility available under the Dividend Option. The Cumulative Option is the default option under the Scheme.		
Fund Manager	Mr. Chaitanya Pande - Debt Portion Mr. Mrinal Singh - Equity Portion		
Asset Allocation	**Instruments**	**% of Net Assets**	**Risk Profile**
	Debt and Money Market Instruments	88% to 100%,	Low to Medium
	Equity & equity related securities	0-12%.	High

What is the Investment Strategy?

- **For Debt Portion:**
  - Portfolio which is high on accrual from an asset mix of high quality corporate securities and bonds. The portfolio will have AAA rated papers or equivalent from a rating agency.
  - Investments in securities with high investment grade rating and maturing on or before the duration of the Scheme i.e. 2 yrs and primarily with the objective of holding till maturity.
- **For Equity Portion:**
  - Focus on stock picking from BSE 200 with no sector or market capitalization bias
  - The objective is to create a basket of stocks with a 2-year perspective
  - The focus is on maximizing returns

Why Invest?

Unique structure that aims to protect your capital and grow your money

- A minimum of 88% (on the lower side) of investor capital will be invested in potentially safer investment options like high quality debt securities (rated LAAA investment grade or equivalent rating) of reputed companies and government securities. This is done with the aim to grow it to the size of the initial capital invested by the end of 2 years.
- The remaining, upto 12% will be invested in shares of companies without any sector or market capitalization bias. This exposure will help to participate in the growth of these companies thus providing the portfolio with an element of potential capital appreciation.

Comparison with Other Financial Products

- **Better than hybrid products**
  - Low credit risk as it carries the highest rating
  - Passive investment in fixed income allocation
  - Fixed Income component is held till maturity and hence low interest rate risk
- **Better than Fixed Term Plans**

  Investment in equity and debt instruments
- **Better than Fixed Deposits**
  - Tax efficiency
    - Gains will be taxed as long-term capital gains
    - Benefit of indexation
  - Inflation beating returns is aimed at by investment in equity

Suitable for

- Investors with low to medium risk profile.
- High net worth individuals.
- Partnership Firms, trusts etc. looking to invest in equity markets but aiming capital protection as well.
- First time mutual fund investors who seek to enjoy the benefit of traditional instruments.
- Investors who prefer to invest a significant part of their saving in traditional instruments.
- Investors who have shunned equities because of their market linked nature may consider investing in this fund