

MUTUAL FUNDS

Sahi Hai

ICICI
PRUDENTIAL
MUTUAL FUND

TARAKKI KAREIN!



**Aim to gain from one of the world's
fastest rising consumer market**



Never Ending Consumption Story

Participate in One of the biggest consumption
market of the World



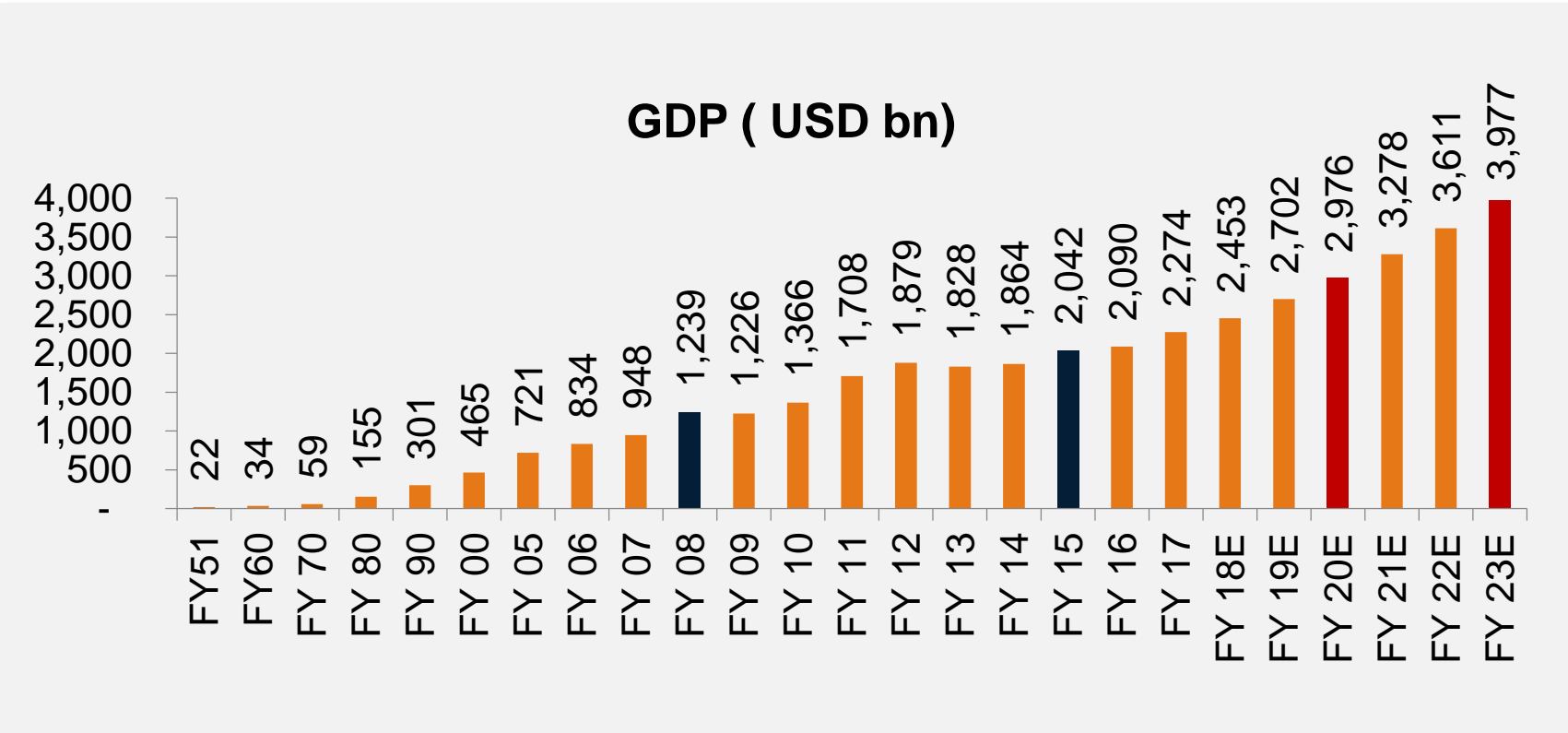
Presenting

ICICI Prudential
BHARAT
CONSUMPTION
FUND-SERIES 1



A Close-ended Equity Scheme following Consumption Theme

India: One of the fastest growing large economy



India took 60 years to enter prestigious Trillion Dollar Club. But it took ~ 7 years to double the size.

Growing GDP with Young Population makes Consumption a structural story for sustainable period

Source: Data as on 31st Dec. 2017 statisticstimes.com, E: Estimates. Past Performance may or may not be sustained in future.

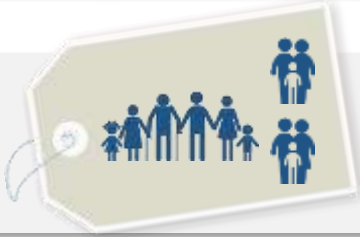
India Growth Story



- India with its 1.25 billion population enjoys a demographic advantage with proportion of working age population over 50%.



- India's per capita GDP has seen significant growth in last decade and had reached to level of approx. \$7000.
- Government's focus to improve rural income through rural focussed initiatives.



- The proportion of nuclear households, which has been on the rise during the past two decades, is projected to increase to 74% by 2025.
- Decision Makers in such household are Younger and more enthusiastic.

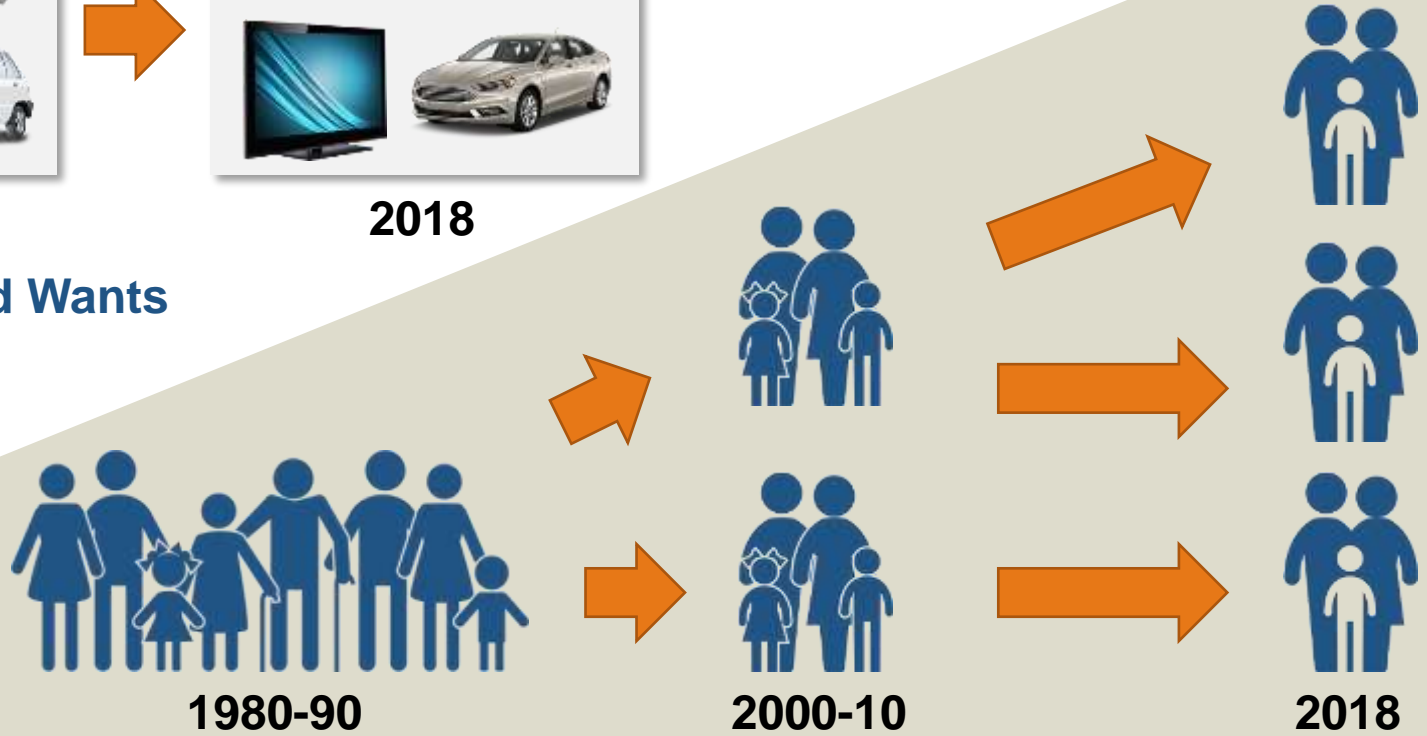


- Digital Influence on broader consumer spending is significant and growing rapidly.

Transition of Consumption Pattern



Changing Needs and Wants



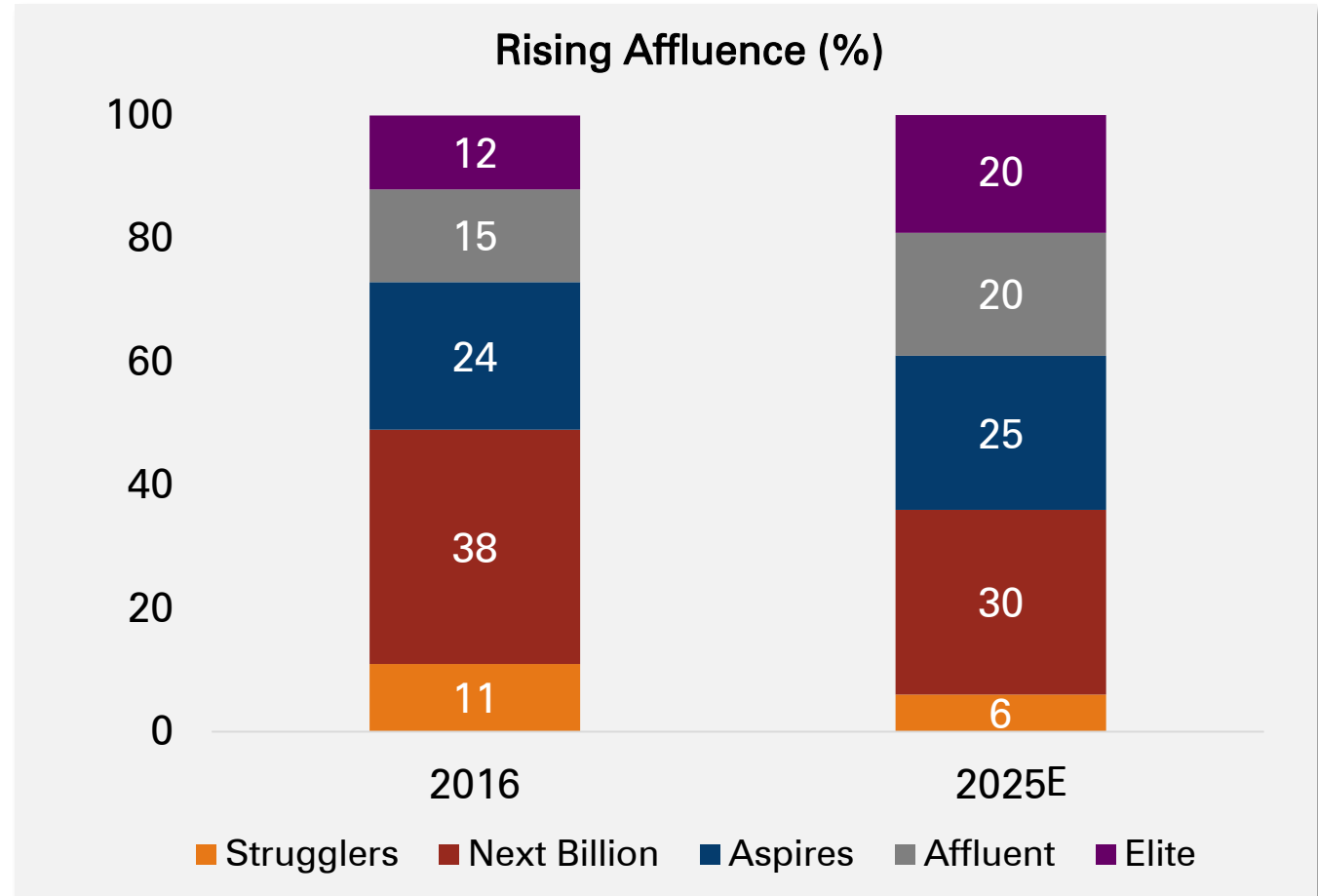
Nuclear Families will further fuel the consumption demand.

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Aspects of India's Changing Shape of Consumption



- In terms of consumption & spending, the two top consumer categories 'Elite and Affluent' may become the largest combined segment by 2025, accounting 40% as compared to 27% in 2016.
- The share of next billion and strugglers may come down from 49% to 36% by 2025



Annual gross household income (thousand dollars)

Elite: >30.8

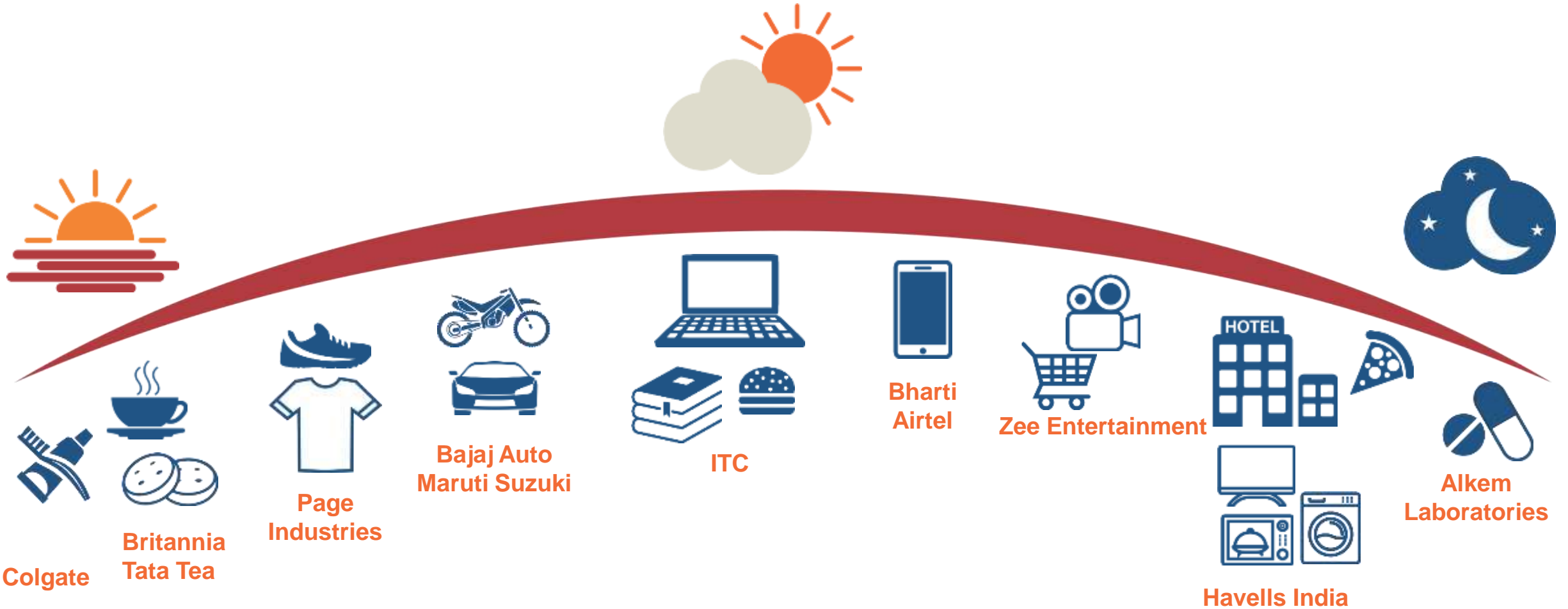
Next Billion: 2.3-7.7

Affluent: 15.4-30.8

Strugglers: <2.3

Aspires: 7.7- 15.4

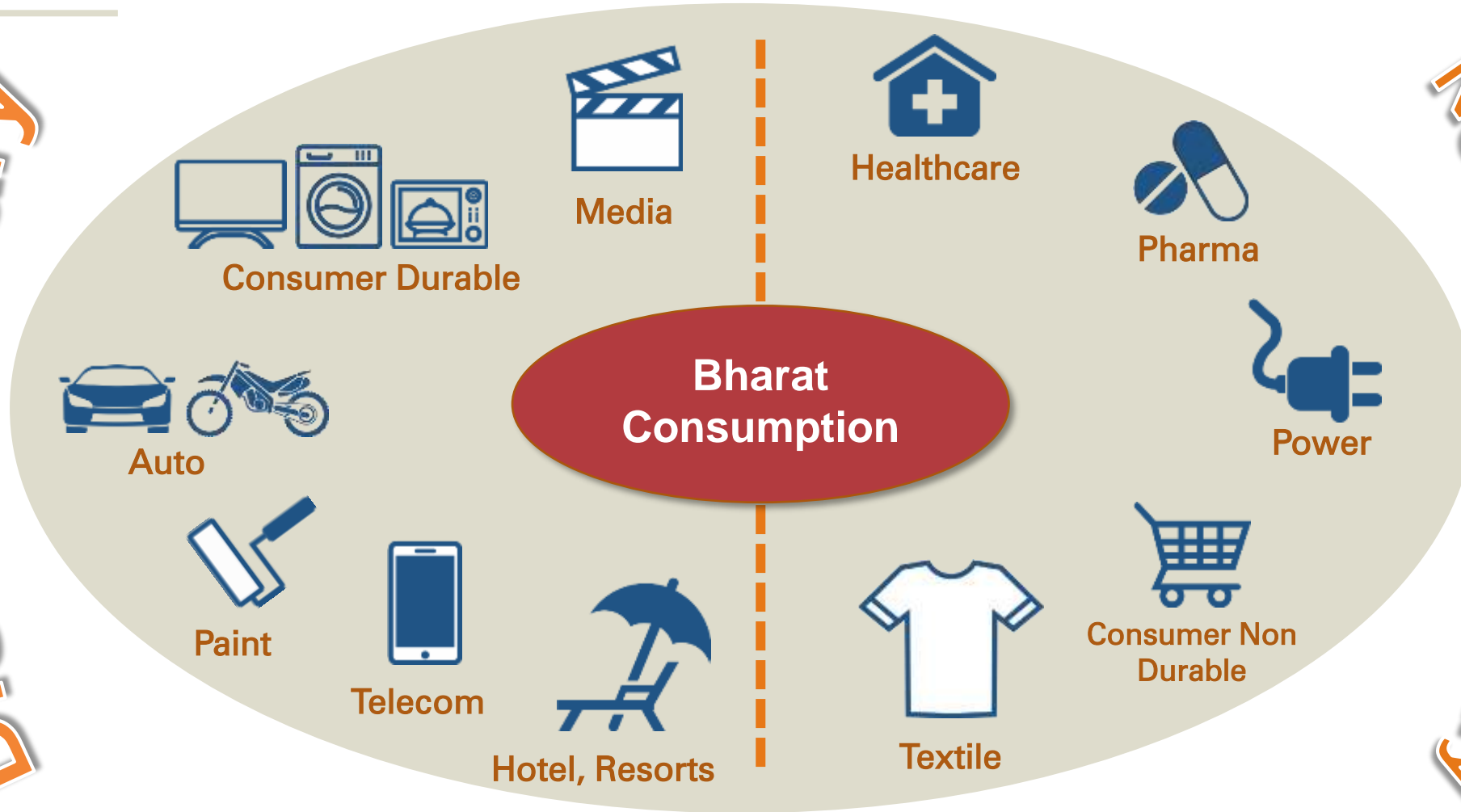
Indian's Normal Day



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Opportunities

Discretionary



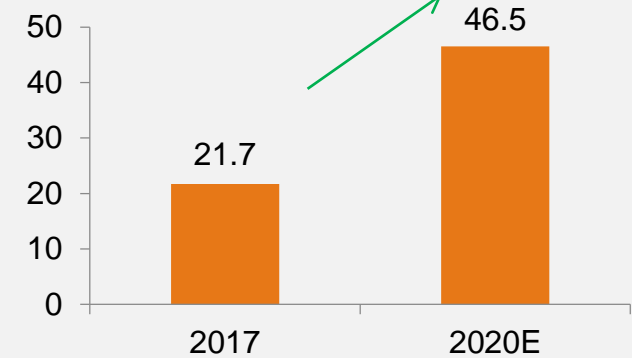
Non - Discretionary

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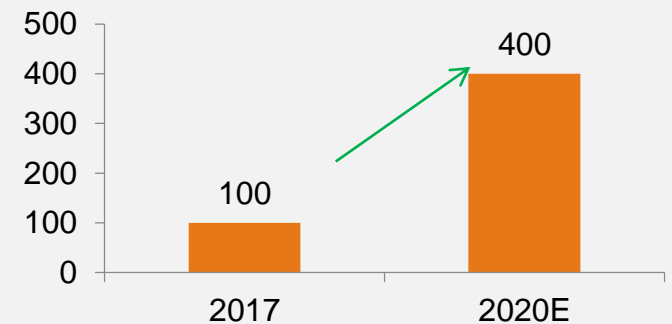
Consumer Durable: Discretionary Spend

- Consumer Durable/light electricals market in India increased at **11% CAGR between FY12-17** to reach Rs. 1.4 trillion(US\$ 21.70 bn).
- It is expected to grow at **13% CAGR** and reach Rs. 3 trillion (US\$ 46.54 bn) by **FY 2020**.
- Huge untapped market: Currently only 29% households owns refrigerator, 11% owns washing machine and 6% owns a computer or a laptop.
- Government has **allowed 100%** FDI in the electronics hardware manufacturing sector.
- India is one of the largest growing electronics market in the world.
- It is expected to grow 41% cagr between 2017-20 to reach US\$ 400 billion.
- Consumer electronics exports from India reached US\$ 270 million during April-December 2017.

Consumer Durables market in India (US\$ Billion)



Electronics market in India (US\$ Billion)



Consumer Durable: Discretionary Spend

- India's TV industry, is expected to grow at a CAGR of 14.7% over FY 16-21.
- Market size for AC in India was estimated at US\$ 2.76 billion, for room AC was estimated at around US\$ 1.79 billion in FY17.
- Penetration of electric fans in rural areas is expected to reach 76-78 per cent in 2019-20 from 65 per cent in 2017
- Refrigerator segment makes up 27% of the consumer appliances market.
- The estimated market size in value for refrigerators is US\$ 3.02 billion in 2017 and is expected to reach US\$ 5.34 billion by 2022.



Source: ibef.org, Makeinindia, Edeiweiss Research

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Auto: Discretionary Spend

- India is world's fourth largest automobile industry and 7th largest commercial vehicle manufacturer.
- Sales of cars, utility vehicles and vans grew at 8.85% during year 2017.
- As of FY 15, around 31% of global sale of small cars are manufactured in India.
- India, emerged as a world leader in manufacturing of
 - (i) Diesel and Petrol Engine of small capacity
 - (ii) Commuter 2 and 3 wheeler,
 - (iii) Low powered tractors,
 - (iv) Auto components.
- Automotive sector is likely to contribute in excess of 12% of India's GDP as per AMP 2016-26.



Source: Auto Motive Mission Plan 2016-26, IDFC Securities

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Entertainment: Discretionary Spend



Media & Entertainment

- Media & Entertainment sector is expected to grow at a CAGR of 14.3% to touch US\$ 33.9 bn by 2020.
- While revenues from advertising is expected to grow at 15.9% to US\$ 14.91 bn.
- India is one of the highest spending and fastest growing advertising market globally. Events like T20, IPL, and state elections are the opportune time to attract billion's eye.



SUN TV Network Ltd.
ZEE Entertainment Ltd.

Hotel & Resorts

- In the last 3 years, fortunes for the hotel industry have changed with improving demand with occupancy rates are around decadal high at 65%.
- It is due to supply growth at 3% against demand growth at 7-8%.
- The cycle is expected to remain favourable for at least the next couple of years with supply in low to mid single digits and demand growth in mid to high single digit.



INDIAN Hotel Co Ltd

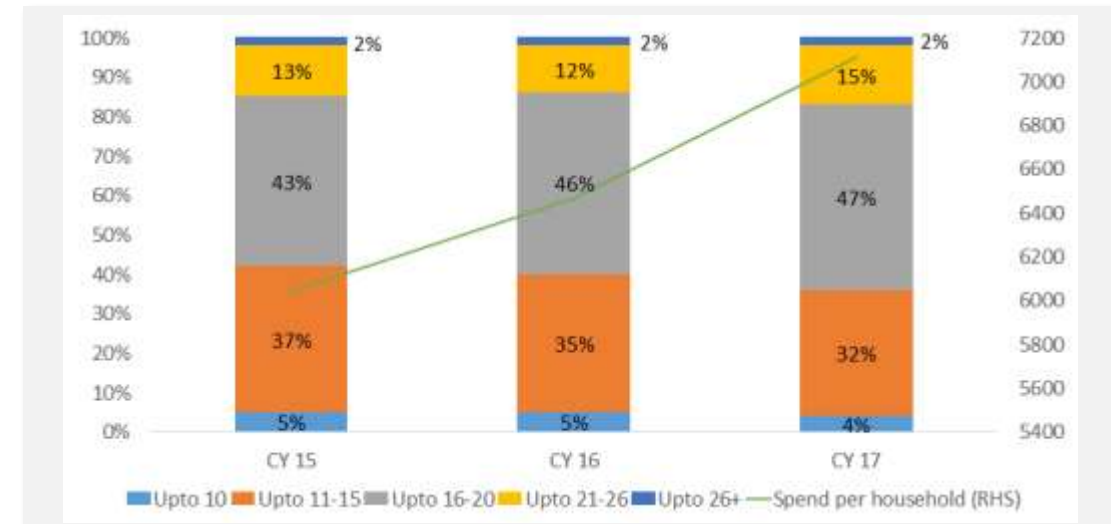
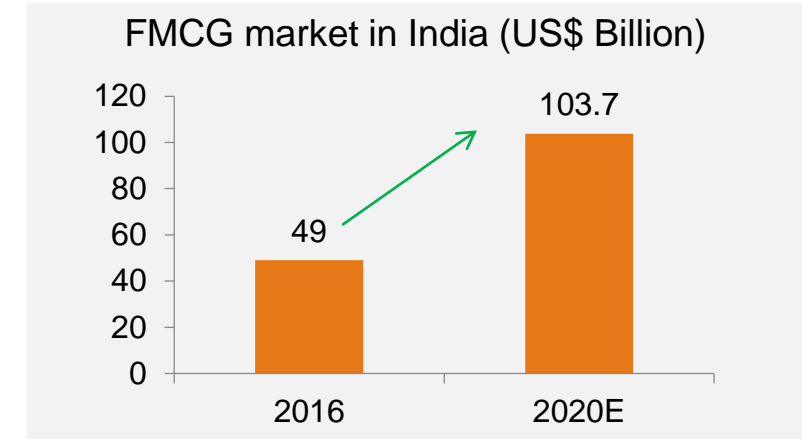
Source: Kaviraj Securities, KPMG-FICCI Media and Entertainment industry report 2016

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Consumer Non-Durable



- Consumer Non-Durable is 4th Largest sector in economy.
- It has grown from US\$ 31.6 bn in 2011 to US\$ 49 bn in 2016. It is further expected to grow at a cagr of 20.6 % to reach US\$ 103.7 bn by 2020.
- FMCG products account for 50% of total rural spending. Rural consumer is getting more aspirational.
- The % of households that purchased 16-20 FMCG categories in a year increased to 47% in CY17 from 43% in CY15.
- Similarly, average FMCG spend per household has risen, from Rs6,043 in CY15 to Rs7,108 in CY17 (cagr of 8%).



Consumer Non-Durable

- Household and Personal Care is the leading segment, accounting for 50% of the overall market.
- Hair care contributes 23% and Food and Beverages contributes 19% in terms of market share.
- Edible oil market in India grew by 25.6 per cent in 2017
- Aggregate financial performance of the leading 10 FMCG companies over the past 8 quarters displays that the industry has grown at an average 16-21 per cent in the past 2 years.
- In FY17, rural India accounted for 60% of the total FMCG market.
- With expected up-tick in rural income and better living quality due to Swachh Bharat Abhiyan may boost share of non-food expenditure in rural India.



Source: Kantar worldpanel india, World Bank, AC Nielsen, ibef.org. E : Estimate

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Non-Discretionary Spend



Pharma & Healthcare

- Healthcare has become one of largest sectors both in terms of revenue & employment.
- The industry is growing at a tremendous pace owing to its strengthening coverage, services and increasing expenditure by public as well private players.
- During 2008-20, the market is expected to record a CAGR of 16.5%
- Sector is also experiencing 22-25% growth in medical tourism and the industry is expected to double its size from US\$ 3 billion in April'17 to US\$ 6 billion by end of 2018.



APOLLO Hospitals Enterprises LTD.
Alkem Laboratories Ltd.

Power

- India's per capita power consumption was 1075 kwh in FY 16 according to CEA. This is 1/4 of china's consumption at 4000 kwh.
- India's energy deficit has declined to under 1% in FY17 and touched a low of 0.35% in March 17 versus highs of 11% in FY09. While reported power deficits in india have declined steeply, 40 million households still do not have access to electricity.



TATA Power Co. Ltd
Reliance Infrastructure Ltd

Source: World Bank, CITI Research ibef.org. E : Estimate CEA :Central Electricity Authority of India, KWH : Kilowatt hour.

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**Aiming to benefit from Rising Consumption of Bharat,
Invest In**



A Close-ended Equity Scheme following Consumption Theme

NFO Period : March 22nd , 2018 to April 5th , 2018
Fund Manager: S. Naren and Atul Patel

ICICI Prudential Bharat Consumption Fund Series 1



Sectors that can benefit from consumption theme like Consumer Non-Durable, Consumer Durable, Auto, Healthcare Services, etc. that are likely to play out well with ~3.5 years investment horizon

Helps in bottom-up stock selection with ~3.5 years view



Ability to reduce net equity risk at market peaks

Aims to limit downside of the portfolio by using hedging strategies



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ICICI Prudential Bharat Consumption Fund



Tenure	:	1300 days
NFO Period	:	22 nd March 2018 to 5 th April 2018
MICR cheques	:	Till end of business hours on 5 th April 2018
RTGS and transfer cheques	:	Till end of business hours on 5 th April 2018
Switches	:	Switches from equity schemes and other schemes - 5 th April 2018; Till cut off time (specified for switch outs in the source scheme)
Option to be launched	:	ICICI Prudential Bharat Consumption Fund – Cumulative & Dividend ICICI Prudential Bharat Consumption Fund Direct – Cumulative & Dividend
Entry / Exit Load	:	Nil
Minimum Application Amount	:	Rs.5,000/- (plus in multiple of Re.10)
Liquidity	:	To be listed
Benchmark	:	Nifty India Consumption Index
Fund Manager	:	Sankaran Naren and Atul Patel

*Priyanka Khandelwal for investment in ADR/GDR/ Foreign securities.

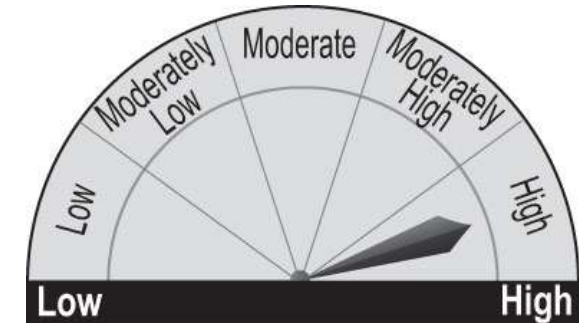
Riskometer & Disclaimer



ICICI Prudential Bharat Consumption Fund Series 1 is suitable for investors who are seeking:*

- Long term wealth creation
- A close ended equity scheme that aims to provide capital appreciation by investing in a well-diversified portfolio of stocks that could benefit from growth in consumption and related activities.

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



Investors understand that their principal will be at high risk

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

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