



ICICI Prudential PMS Focused 20 Stock Portfolio

December 31, 2009

Structure of Presentation

Theory of Portfolio Construction and Diversification

ICICI Prudential Focused 20 Stock Portfolio

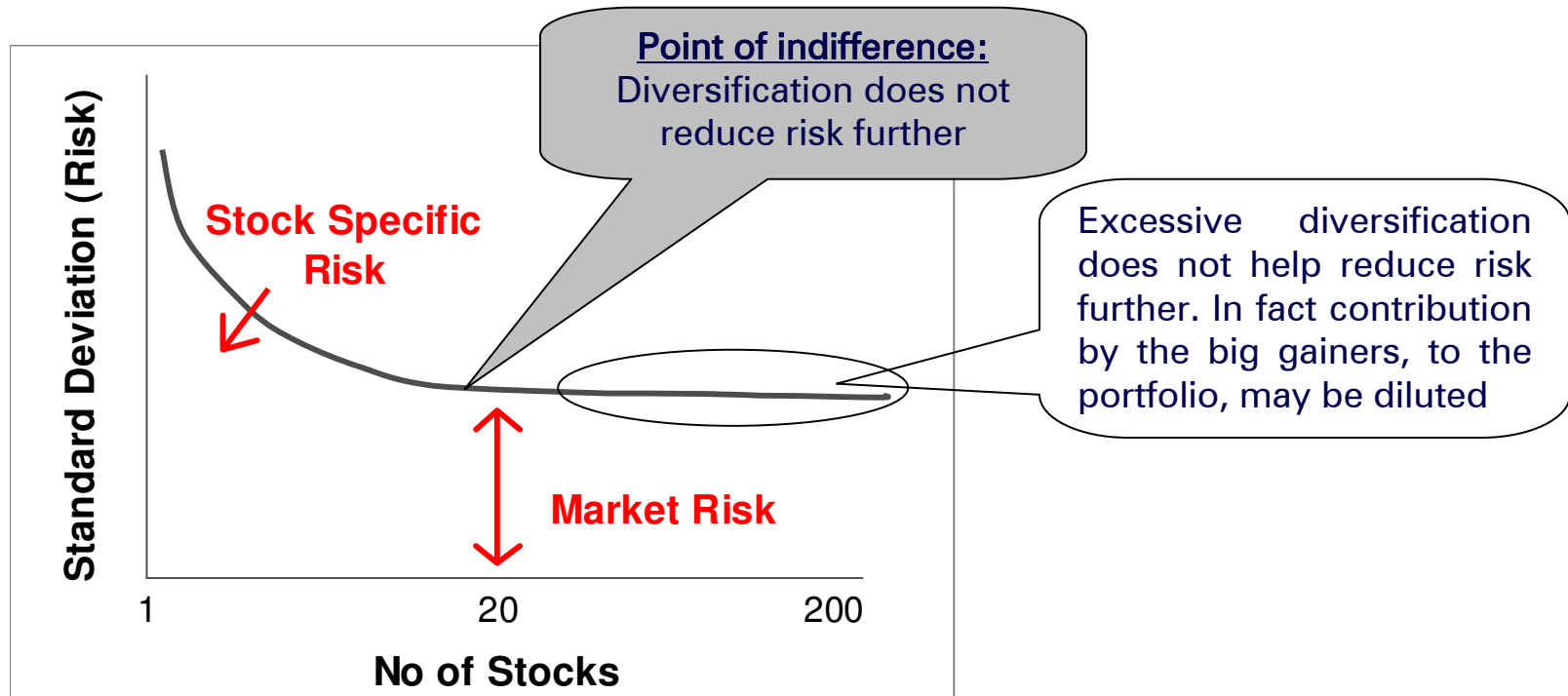
Portfolio Composition

Performance Snapshot

Some Success Stories

Theory of Portfolio Construction and Diversification

Diversification Reduces Risk, but Only to an Extent!!!



As established in the Modern Portfolio Theory, founded by Harry Markowitz, a Nobel Prize Winning Economist. This theory is now globally accepted as a foundation for portfolio selection

Pictorial Representation Source: Investopedia.com

Theory of Portfolio Construction and Diversification

The Significance of 20

- According to the Modern Portfolio Theory,
 - Optimal diversification can be achieved after adding about the 20th stock
 - The average standard deviation (risk) of a portfolio in relation to number of stocks in the portfolio changes as follows:

No. of Stocks	Standard Deviation
1	49.50%
20	20.00%
21-1000	19.20%

Therefore, the additional stocks from 20 to 1,000 reduced the portfolio's risk by only about 0.8%

- A well-balanced portfolio with approximately 20 stocks diversifies away the maximum amount of market risk. Owning additional stocks takes away the potential of big gainers significantly impacting your portfolio performance, as is the case with some portfolios investing in hundreds of stocks.

“Wide diversification is only required when investors do not understand what they are doing”.

- Warren Buffet

ICICI Prudential PMS Focused 20 Stock Portfolio

An Ideal Mix of Concentration and Diversification; With a Flexible Universe

- TOP 20 ideas from our extensive universe
- Bottom up stock picking
- Concentration but not undue risk
 - Single stock exposure limited to 15%
 - Single sector exposure limited to 40%
 - Top 10 holdings would generally comprise 50% - 60% of the portfolio
 - Tactical allocation to cash / hedging as defensive strategies
- Flexible universe: Investments in companies across market capitalization and sectors

The investment strategy and the composition, of the portfolio is subject to change within the provisions of the disclosure document. Please refer to the disclosure document for details and risk factors

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The Significance of TOP 20

- DISCIPLINE of sticking to TOP 20 best ideas AT ANY GIVEN POINT IN TIME
 - Just like in Twenty20 cricket, seniority and popularity are challenged by upcoming stock performers and potential businesses.
 - Non performers make way for performers
 - Performers have to make way for better performers...

Resulting in the portfolio comprising only TOP 20 ideas.

..... *Thus, no ticket less traveling*

Suitable for

- The portfolio is suitable for investors seeking a focused, potentially superior risk-adjusted return portfolio, with an investment horizon of 2-3 years
- Portfolio performance is benchmarked to BSE 200. The portfolio performance could vary significantly from that of the benchmark, as the holdings may be concentrated

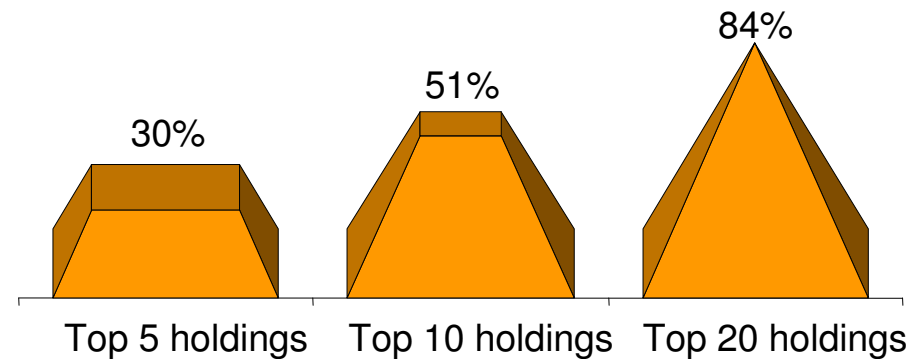
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Diversification within concentration

- The Top 5 equity holdings in the portfolio have constituted:
 - Maximum : 39.05%
 - Minimum : 26.80%

Therefore, no excessive concentration



- On an average the portfolio has taken exposure to 10 – 11 sectors

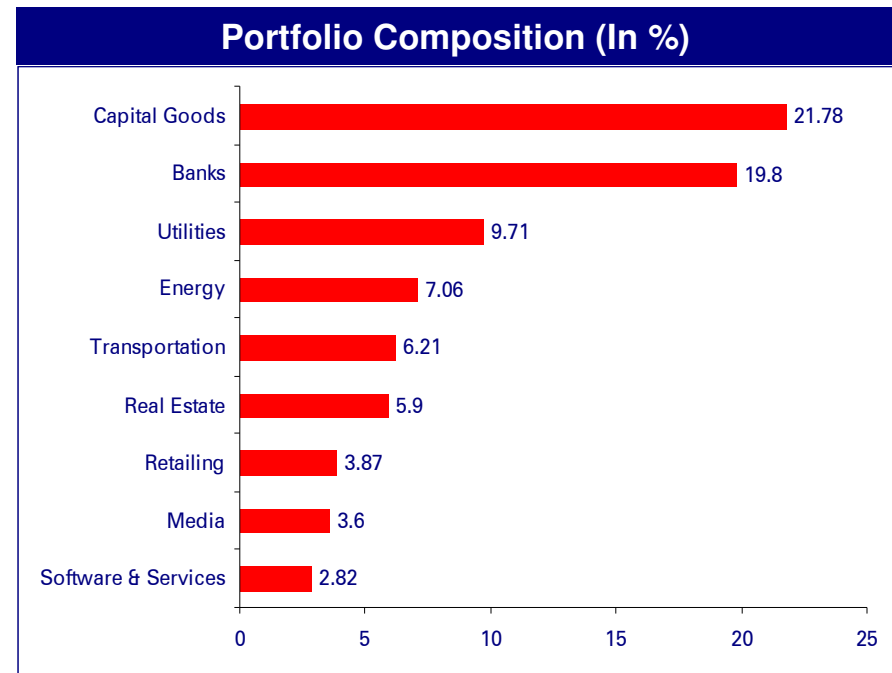
Note:

- Data as on based on month end portfolio for the period July 2006 to November 2009. The investment strategy and the composition, of the portfolio is subject to change within the provisions of the disclosure document. Please refer to the disclosure document for details and risk factors.
- Factors such as timing of entry and exit, timing of additional flows and redemptions, individual client mandates, specific portfolio construction characteristics or structural parameters have a bearing on individual portfolio performance. The performance of the stock illustrated above, across Individual portfolios may vary significantly from the data depicted above.
- No claims may be made or entertained for any variances between the above performance depictions and that of the stock within individual client portfolios. Neither the Portfolio Manager, nor the Asset Management Company, its Directors, employees or Sponsors shall in any way be liable for any variation noticed in the returns of individual portfolios.
- Past performance may or may not be sustained.

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Portfolio Snapshot

Top 10 Holdings	
Mundra Port And Special Economic Zone	6.21
ICICI Bank	5.65
Dhanalaxmi Bank	5.23
Gail (India)	4.89
Tata Power	4.82
Max India	4.79
BPCL	4.11
Trent	3.87
Ing Vysya Bank	3.68
Dish TV India	3.60
Total	46.85

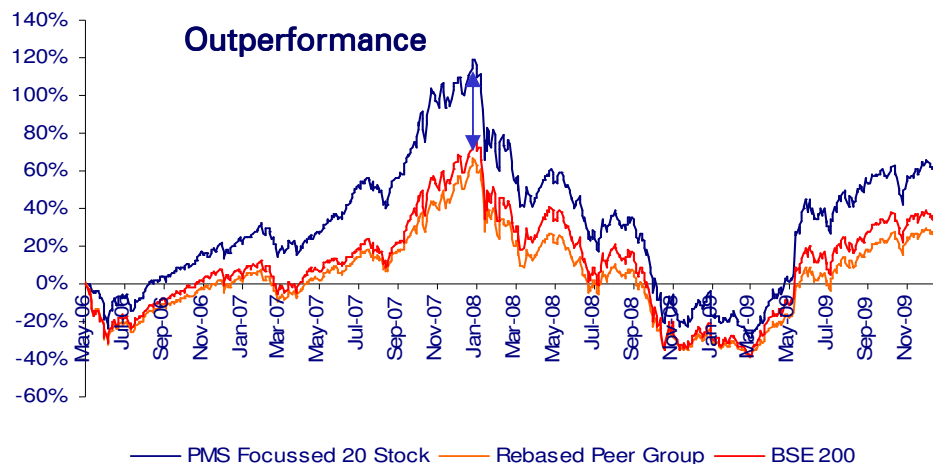


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Performance Snapshot and Investment Philosophy

Cumulative Rolling Returns (rolled daily since inception of Focused 20 Stock vis-à-vis Benchmark and Peer group



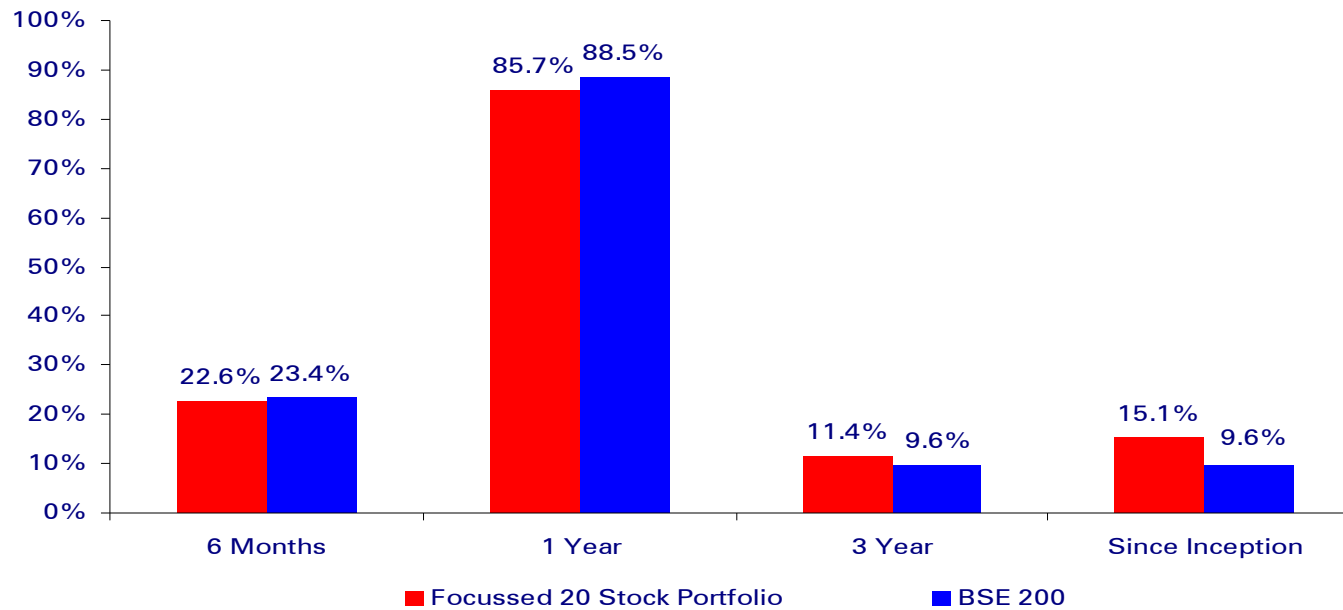
99.8% of times, Focused 20 Stock Portfolio has outperformed benchmark and Peer Group on a cumulative rolling returns basis

- The Focused 20 Portfolio will be concentrated in select stocks/sectors and use bottom up investment style and diversify optimally across stocks & sectors
- Portfolio performance will thus be significantly leveraged to those particular stocks/sectors
- Greater concentration of the portfolio increases both the risks and potential returns from the portfolio
- The number of stocks in the portfolio will generally not exceed 20
- The Portfolio is not limited by any particular theme / sector / market capitalization and has the flexibility to choose between stocks across themes / sectors / investment styles
- Greater concentration may also result in the portfolio performance not closely correlated to market

Data as on December 31, 2009. Past Performance may or may not be sustained in the future., Peer Group data comprising of 220 Diversified Equity (Open Ended – Growth Option) Mutual Fund schemes as per Mutual Funds India Explorer, as of December 31, 2009. The Peer Group data is solely for reference purpose and should not be construed to be an indication of portfolio performance. Methodology: BSE 200, Peer Group & Equity Portfolio re-based to 10, Cumulative rolling returns (rolled daily) taken into consideration for calculation of returns

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Portfolio Snapshot



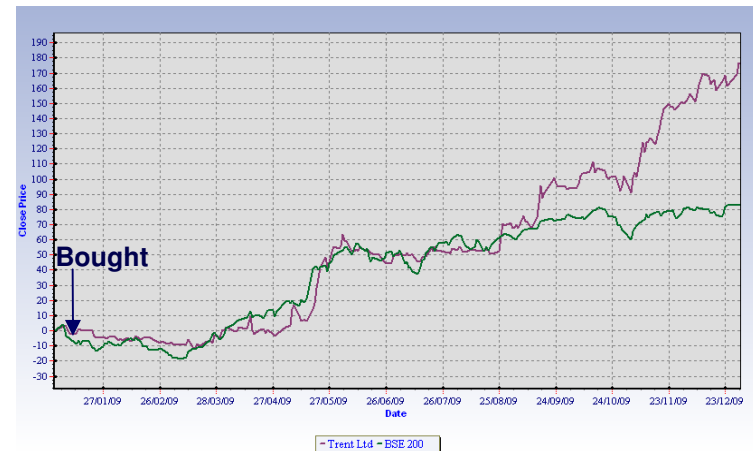
Outperformance to the benchmark as well as Peer Group in long-term

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Some Success Stories

Trent

- Trent is one of India’s leading retailers and is a part of the Tata group. The company owns a chain of departmental stores i.e. Westside across the country and is also increasing its foothold in the high volume ‘Hyper Market’ sector with Star Bazaar. Further the company also owns stake in a chain of bookstores i.e. Landmark
- In FY10 the company expects to add 10 Westside stores, 5 Star Bazars and 5 Landmarks, taking the total squarefeet under coverage to around 2 mn.
- Trent is a play on the “Retail growth” story of India. The proportion of organized retail has been consistently increasing on account of factors such as rising income levels, improved standard of living and changing consumer preferences from unorganised to organised retailing. The company’s cash position continues to be strong in order to fund its aggressive capex plan.



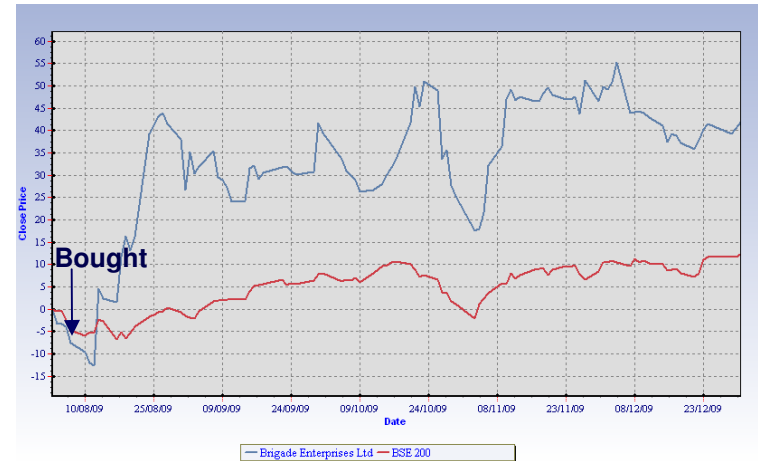
Note:

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- 3) The stock mentioned in this material does not constitute any recommendation of the same and the portfolios may or may not have any future positions in these stock. There is no assurance that value may be unlocked during our holding period of the stock.
- 4) No claims may be made or entertained for any variances between the above performance depictions and that of the stock within individual client portfolios. Neither the Portfolio Manager, nor the Asset Management Company, its Directors, employees or Sponsors shall in any way be liable for any variation noticed in the returns of individual portfolios.
- 5) Past performance may or may not be sustained.

Some Success Stories

Brigade Enterprise

- Brigade Enterprise is a Bangalore based premium real estate developer with interest in Residential, Commercial, Lifestyle and Hospitality
- The company enjoys strong brand name and strong execution skills. The company is expected to benefit from the increased traction witnessed across segments



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Risk Factors and Disclaimers

Investing in securities including equities and derivatives involves certain risks and considerations associated generally with making investments in securities. The value of the portfolio investments may be affected generally by factors affecting financial markets, such as price and volume, volatility in interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws) or other political and economic developments. Consequently, there can be no assurance that the objective of the Portfolio would achieve. The value of the portfolios may fluctuate and can go up or down. Prospective investors are advised to carefully review the Disclosure Document, Client Agreement, and other related documents carefully and in its entirety and consult their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of investing under these Portfolios, before making an investment decision. 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. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of investments in portfolios. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended securities purchases due to settlement problems could cause the portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well developed and liquid secondary market for debt securities would result, at times, in potential losses to the portfolio.

Individual returns of Clients for a particular portfolio type may vary significantly from the data on performance of the portfolios depicted in this material. 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 performance depictions and individual portfolio performance. Neither the Portfolio Manager nor ICICI Prudential Asset Management Company Ltd. (the AMC) its Directors, Employees or Sponsors shall be in any way liable for any variations noticed in the returns of individual portfolios

The Client shall not make any claim against the Portfolio Manager against any losses (notional or real) or against any loss of opportunity for gain under various PMS Products, on account of or arising out of such circumstance/ change in market condition or for any other reason which may specifically affect a particular sector or security, including but not limited to disruption/prohibition/ discontinuation/ suspension of trading in a particular Security including any index or scrip specific futures/ options or due to any act of Company, Market Intermediary by SEBI or any other regulatory authority which may result in trading in such security (ies) being completely or partially affected, to which the Portfolio Manager has taken exposure/ proposed to take exposure and is unable to take additional exposure/ restrain him from taking any position in a particular equity or related derivative instruments etc. due to any reason beyond the control of the Portfolio Manager resulting in unhedged positions or losses due to unwinding of certain positions or losses due to any reason or related to any of the aforesaid circumstances.

Risk Factors and Disclaimers

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The recipient(s) alone shall be fully responsible/are liable for any decision taken on the basis of this material. All recipients of this material should before dealing and/or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this may not be suitable for all investors. Financial products and instruments are subject to market risks and yields may fluctuate depending on various factors affecting capital/debt markets. There is no assurance or guarantee that the objectives of the portfolio will be achieved. Please note that past performance of the financial products, 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. Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. The investors are not being offered any guaranteed or assured returns. The AMC may be engaged in buying/selling of such securities. Please refer to the Disclosure Document and Client Agreement for portfolio specific risk factors

Risks attached with the use of derivatives:

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India. The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments.

Risk Factors and Disclaimers

In the preparation of this material the AMC 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 AMC and/or its affiliates and which may have been made available to the AMC and/or to its affiliates. Information gathered and material used herein is believed to be from reliable sources. The AMC 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. We have included statements/opinions/recommendations in this material, which contain words, or phrases such as “will”, “expect”, “should”, “believe” and also PE ratios, EPS and Earnings Growth for forthcoming years 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 monetary 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 as on December 31, 2009 and may or may not be relevant any time after the issuance of this material i.e. January 2010. The Portfolio Manager/ the AMC takes no responsibility of updating any data/information in this material from time to time. The Portfolio Manager and the AMC (including its affiliates), and any of its officers directors, personnel and employees, shall not be 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



Thank You