



# ICICI Prudential PMS India Recovery Portfolio

December 31, 2009



## Structure of Presentation

Why you should have this product in your investment portfolio?

About ICICI Prudential PMS India Recovery Portfolio

Portfolio Snapshot of ICICI Prudential PMS India Recovery Portfolio

Top Sector Views

## Why you should have this product in your investment portfolio ?

### Benefits of India Recovery Portfolio

- The portfolio endeavours to identify companies with the potential to outperform in the recovery phase
- A focused portfolio of upto 20 stocks which aims to deliver superior risk adjusted returns. Essentially a large cap oriented portfolio with the flexibility to invest in mid & small caps
- The portfolio manager will seek to potentially generate alpha by being overweight on certain high conviction ideas
- The portfolio endeavours to invest through bottom up stock picking approach
- The portfolio will aim at optimal diversification across stocks & sectors
- The portfolio will not be limited by any particular sector / investment styles and has the flexibility to choose between stocks across sectors / investment styles
- Cash & derivatives to be used as hedges against sharp declines in equity markets in an endeavour to protect the portfolio
- **Investment expertise & established track record in successfully managing focused equity portfolios**

# ICICI Prudential India Recovery Portfolio

A series under The Focused Portfolio

## Investment Philosophy

A focused portfolio of 20 stocks which aims to deliver superior risk adjusted returns. Essentially a large cap oriented portfolio with the flexibility to invest in mid & small caps.

## Investment Strategy

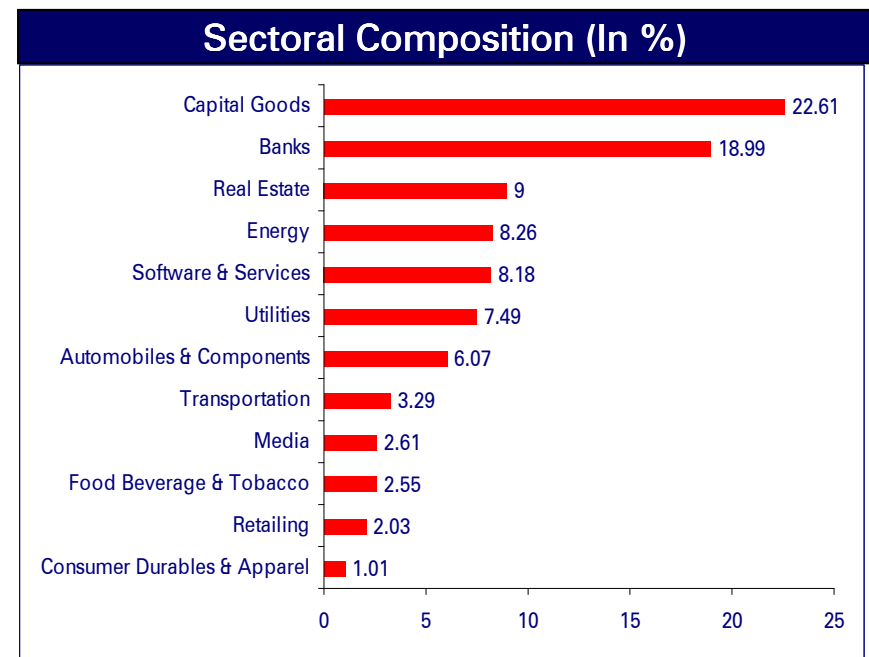
- The portfolio endeavours to invest in high conviction ideas across stocks through bottom up stock picking approach
- Buying companies with the potential to outperform in the recovery phase, while being available at attractive valuations along with adequate Margin of Safety
- Optimal diversifying across stocks & sectors, with the opportunity to be over weight on certain high conviction picks, to potentially generate higher alpha
- The Portfolio is not limited by any sectors / investment styles and has the flexibility to choose between stocks across sectors / investment styles
- Cash & derivatives to be used as hedges against sharp declines in equity in an endeavour to protect the portfolio

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## Portfolio Snapshot for the month of December '09

Top 10 Holdings (In %)	
ICICI Bank	6.20
Max India	5.99
Dhanalaxmi Bank	4.92
ONGC Corporation	4.26
BHEL	4.21
Bharat Electronics	4.12
BPCL	4.00
Gail (India)	3.89
Phoenix Mills	3.69
ING Vysya Bank	3.66
<b>Total</b>	<b>44.94</b>



**Note:**

1) Individual portfolios of clients may vary for a particular portfolio type 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. These factors may have bearing on individual portfolio performance and hence individual returns of clients for the said portfolio type may vary significantly from the data on performance of the portfolio depicted above. 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. Portfolio Information provided is as on December 31, 2009. Past performance may or may not be sustained in the future. Please refer to disclosure document



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## Top Sector Views

Sector	Weight	Sector View
Capital Goods	23.61%	<ul style="list-style-type: none"><li>• Lower raw material cost, sustained demand due to government's expenditure on infrastructure are the key growth drivers of companies engaged in the sector</li><li>• The capital goods companies engaged in the portfolio continue to enjoy strong order book positions, that provide visibility in terms of their revenue streams</li></ul>
Banks	18.9%	<ul style="list-style-type: none"><li>• While the credit offtake continue to be sluggish, the same is expected to improve over the coming quarters</li><li>• Banks are expected to benefit from the repricing of high cost deposits, held in their portfolio</li></ul>

## Key Portfolio Matrices

P/E for FY10E : 15.29

Earnings Growth for FY10E : 37.89%

Portfolio Turnover: ---

Data as on December 31, 2009

Thank You

## 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.

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

## Risk Factors and Disclaimers

### 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.

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 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