

# MONTHLY MARKET OUTLOOK



AUGUST 2025



**ICICI**  
**PRUDENTIAL**  
**MUTUAL FUND**



# Prologue

Imagine you're in middle of a long journey and up ahead you see two ways to cross

## Path One:

A frozen lake glistening under the sun, smooth and serene. But beneath its glossy surface, lie deep dangerous cracks

Such are the global markets today, moving forward in appearance, yet resting on fragile macros and deep structural flaws in the economy

## Path Two:

A stone walkway that winds steadily through the valley. It may not be fast or shiny but each stone is firmly set into the ground, built to withstand every season.

Such is the Indian economy today. Though the markets appear like a rocky road but rest on strong, resilient macros

**It is better to walk on the stones to reach destination safely than gamble on ice and hope it holds despite the cracks**

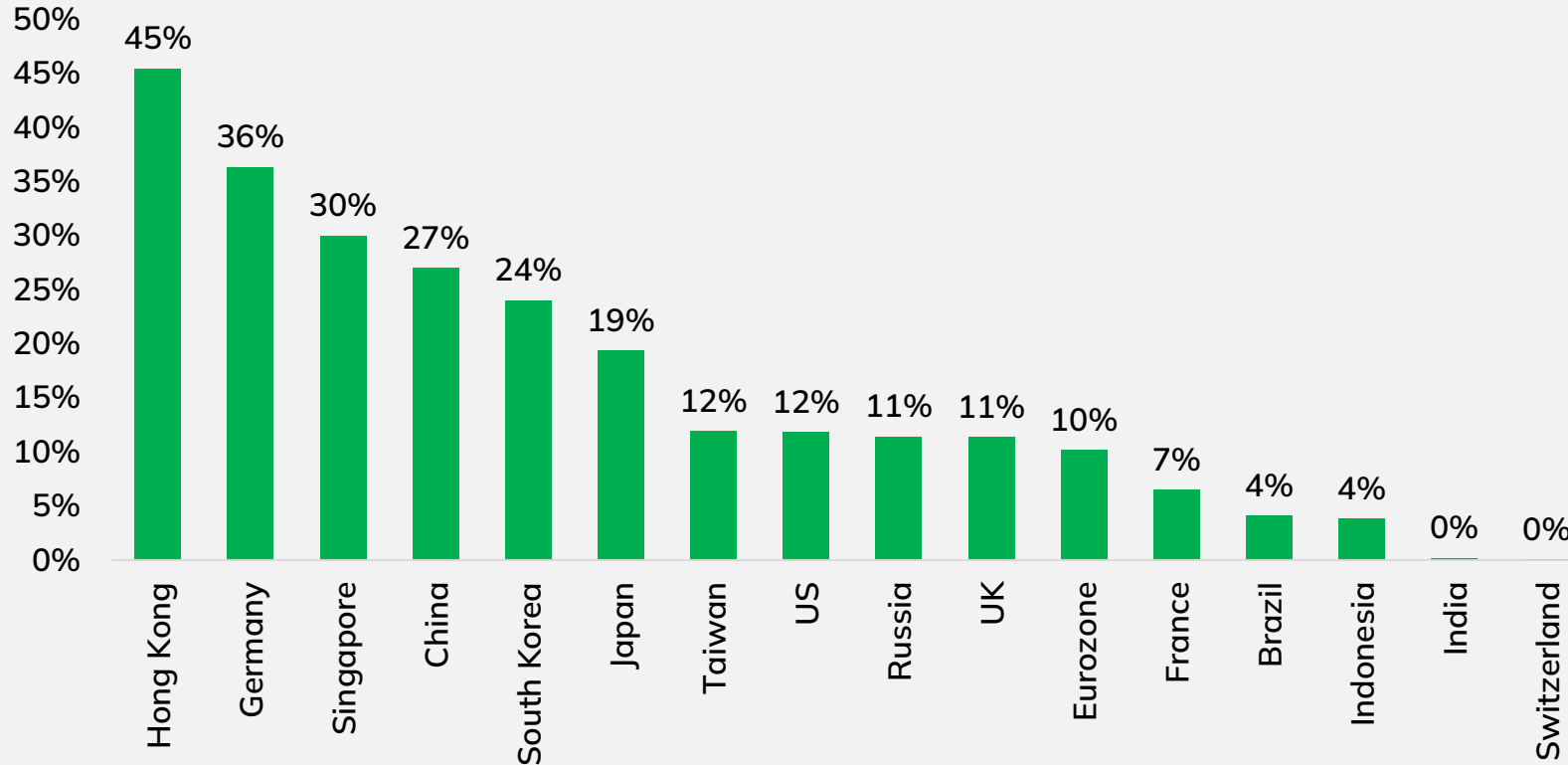


# Fragile Global Macros



# Global Equity Markets: Rising investor optimism despite deep cracks

One year absolute returns



- (i) Bold stimulus measures to revive growth such as rate cuts and reserve reductions (ii) Pro growth policy shifts in late 2024s and (iii) Reasonable valuations have spurred investor interest in Chinese & Hong kong markets
- South Korean markets were driven by robust semi conductor investment, political stability and low valuations
- Market rally in US is powered by gain in mega cap tech stocks due to AI optimism

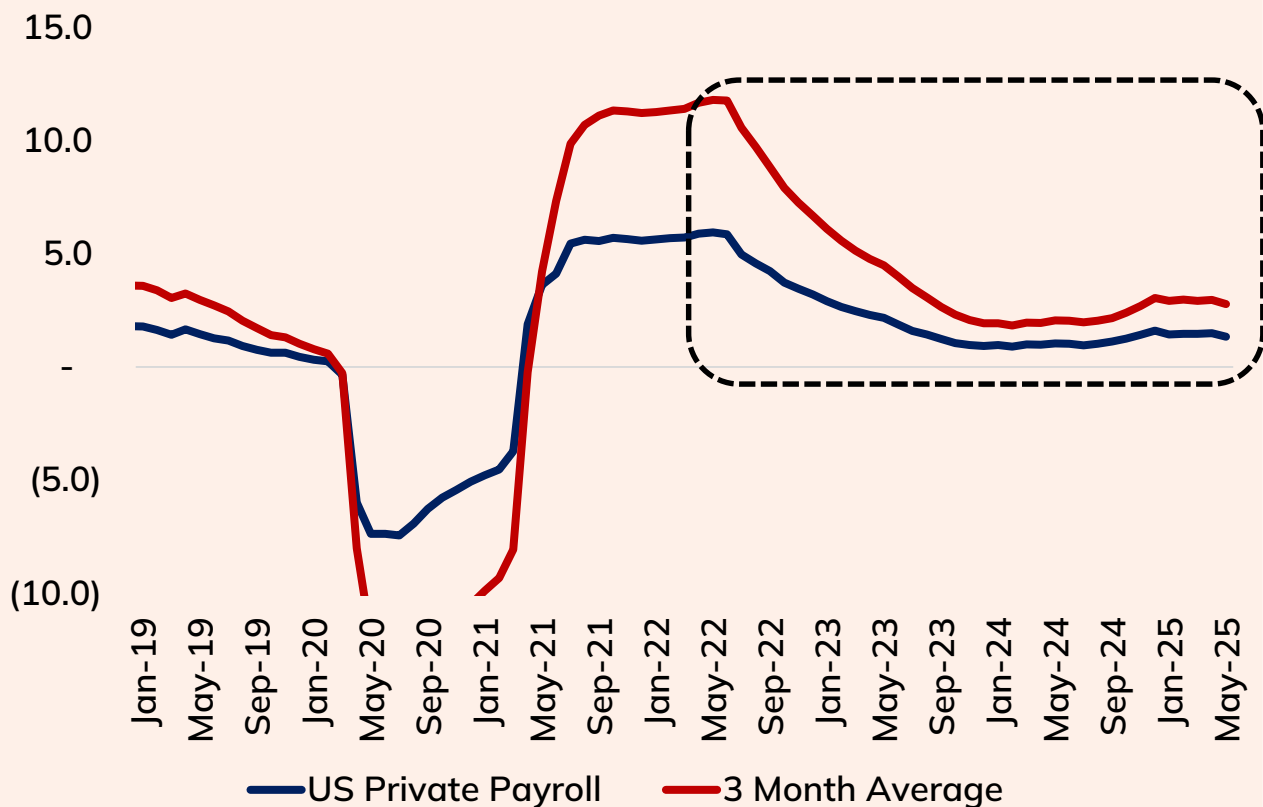
Data as on August 08,2025. Indices used: Germany - DAX Index; China - SSE Composite Index; Japan - Nikkei; Eurozone - Euronext 100; Hong Kong - HangSeng; US - Dow Jones; U.K. - FTSE; Brazil - Ibovespa Sao Paulo Index; Taiwan – Taiwan Stock Exchange Corporation; India –BSE Sensex. US: United States, UK: United Kingdom, AI: Artificial Intelligence. Data Source: MFIE Research. MFI Explorer is a tool provided by ICRA Analytics Ltd. For their standard disclaimer please visit <https://icraanalytics.com/home/Disclaimer>. Returns are absolute returns for the index. Past performance may or may not sustain in the future. The returns are mentioned in respective domestic currencies. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



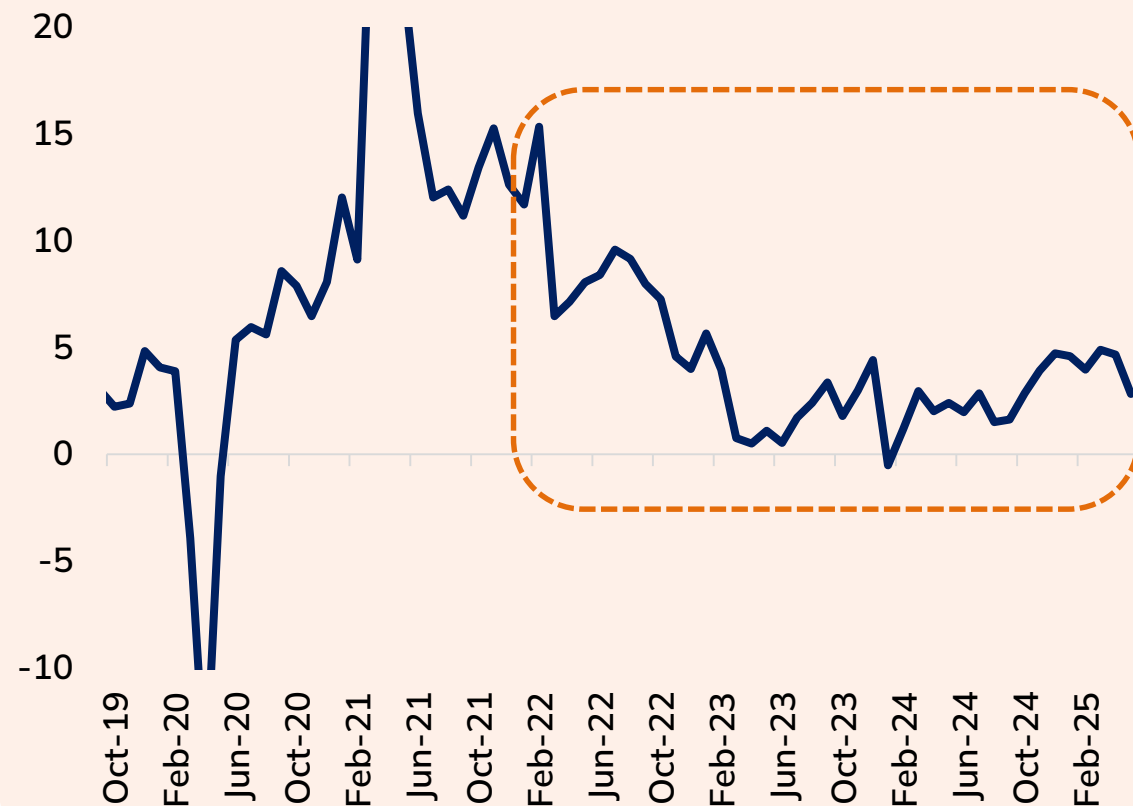
# Underlying structural weakness in the US

US economy shows cracks with weak retail sales, cooling manufacturing, slowing payrolls, stubborn unemployment rate and high inflation

## US Non Farm Private Payroll - YoY Growth



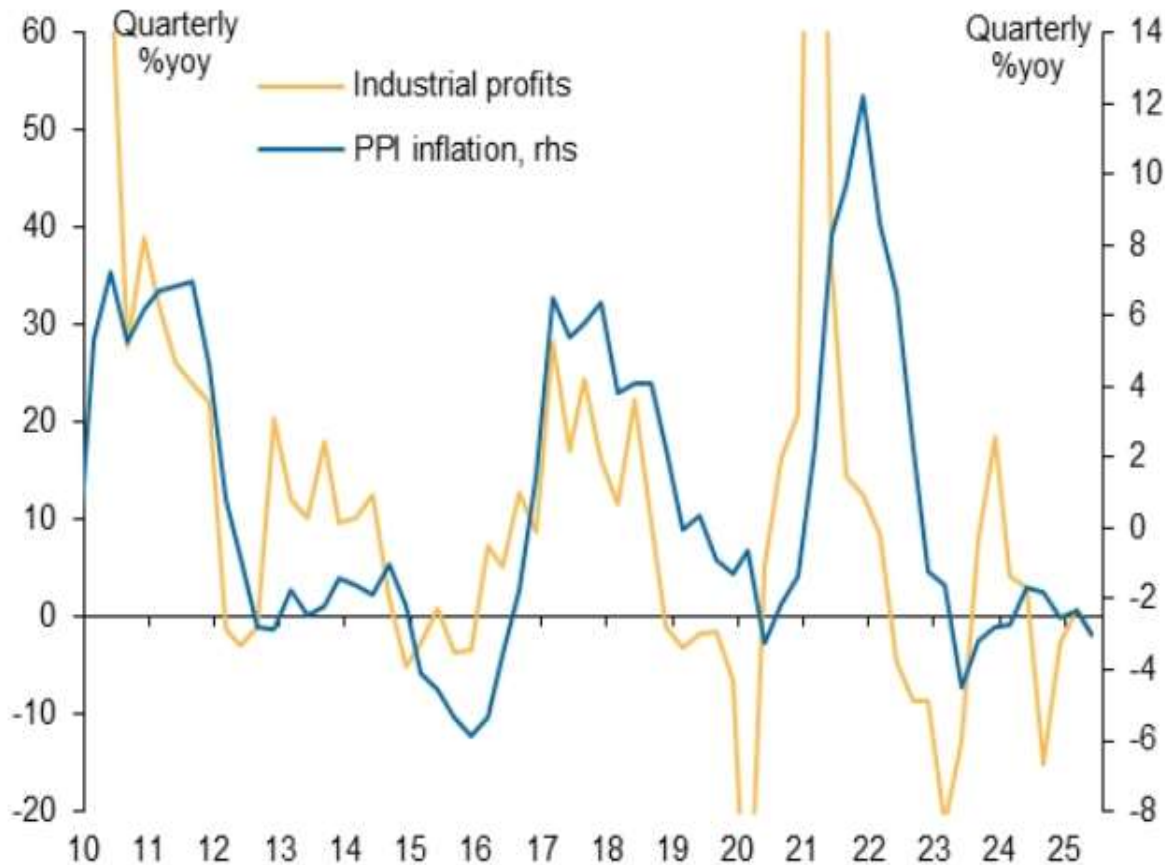
## US Retail Sales - YoY Growth





# Different Economy = Different Inflation Worry

China's corporate earnings remain subdued amid persistent deflation.



Diverging views among BOE's top official show concern over UK's inflation trajectory

- The BoE cut interest rates to 4% but 4 of its 9 policymakers were worried about high inflation thereby seeking to keep rates steady
- Due to the contrasting views, BoE held two votes for the first time since 1997





# IMF flags worsening debt outlook

Policy makes are facing complex trade offs between high debt , slow growth and supply side pressures

IMF expects most country's national debt to exceed Pre-Covid levels. India is relatively better off when it comes to debt sustainability

Country	General Govt. Gross Debt (as % of GDP)				
	2019- Pre Covid	2020 – Covid	2024 – Current	2025- Estimated	2030 - Estimated
Hong Kong	0.3	1	9.3	11.8	14.6
Indonesia	30.6	39.7	40.2	41	40.6
Taiwan	32.6	32	26.2	24	16
Korea	39.7	45.9	52.5	54.5	59.2
China	59.4	69	88.3	96.3	116
<b>India</b>	<b>75</b>	<b>88.4</b>	<b>81.3</b>	<b>80.4</b>	<b>75.8</b>
Euro Area	83.6	96.5	87.7	88.7	92.9
United Kingdom	85.7	105.8	101.2	103.9	106.1
United States	108.2	132	120.8	122.5	128.2
Singapore	127.9	148.2	174.3	174.9	178
Japan	236.4	258.4	236.7	234.9	231.7



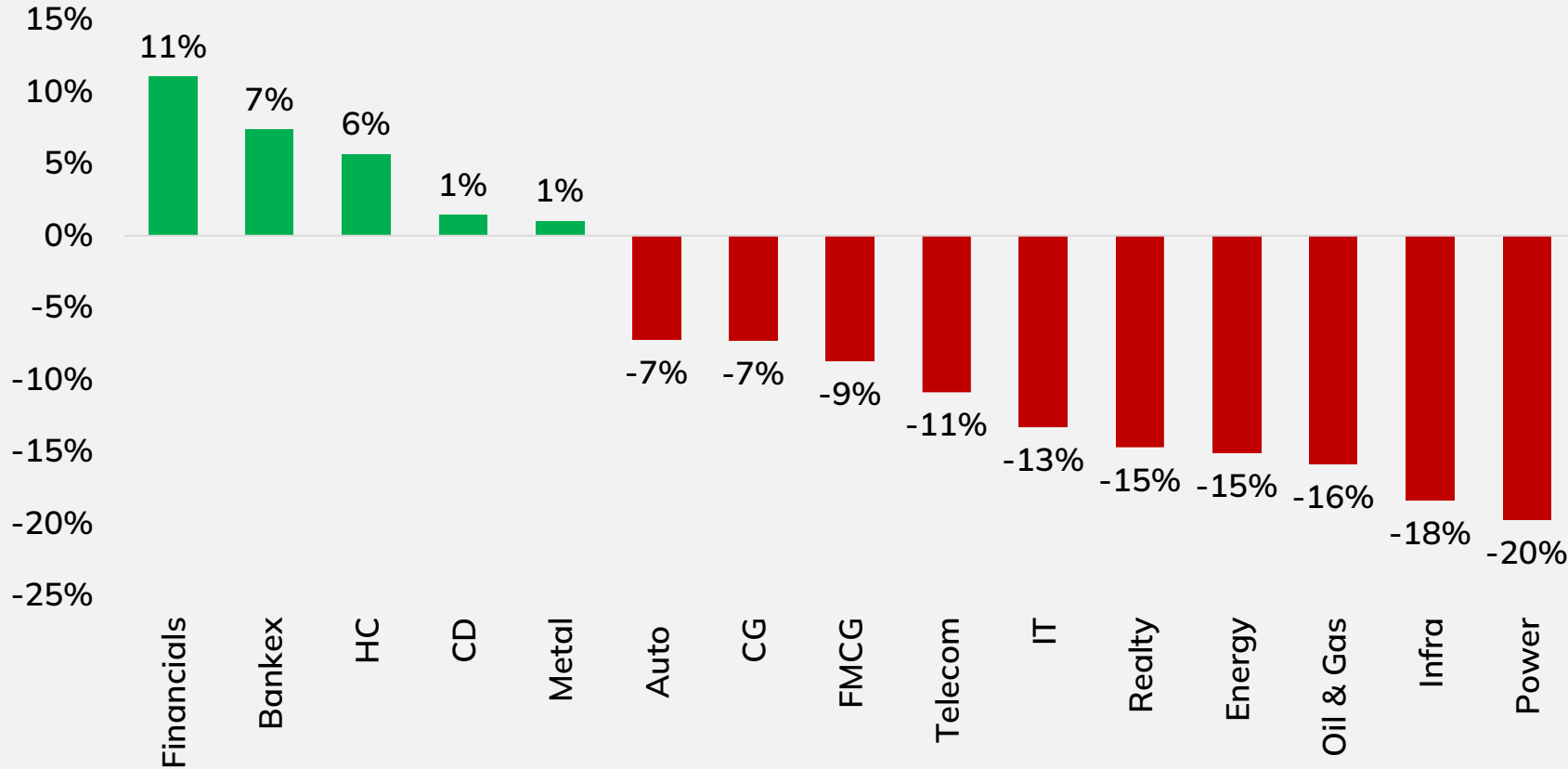
# Indian economy built on solid rocks





# Indian Markets: A rocky path

One Year Absolute Returns



- Overall Indian markets under performed due on concerns of high valuations, rising supply in primary markets, and global volatilities
- Banking & Financial stocks saw the most gains due to improved profitability. Decent credit expansion, improved asset quality, and strong balance sheets boosted the performance
- Weak power demand and above normal monsoon led to weak power consumption

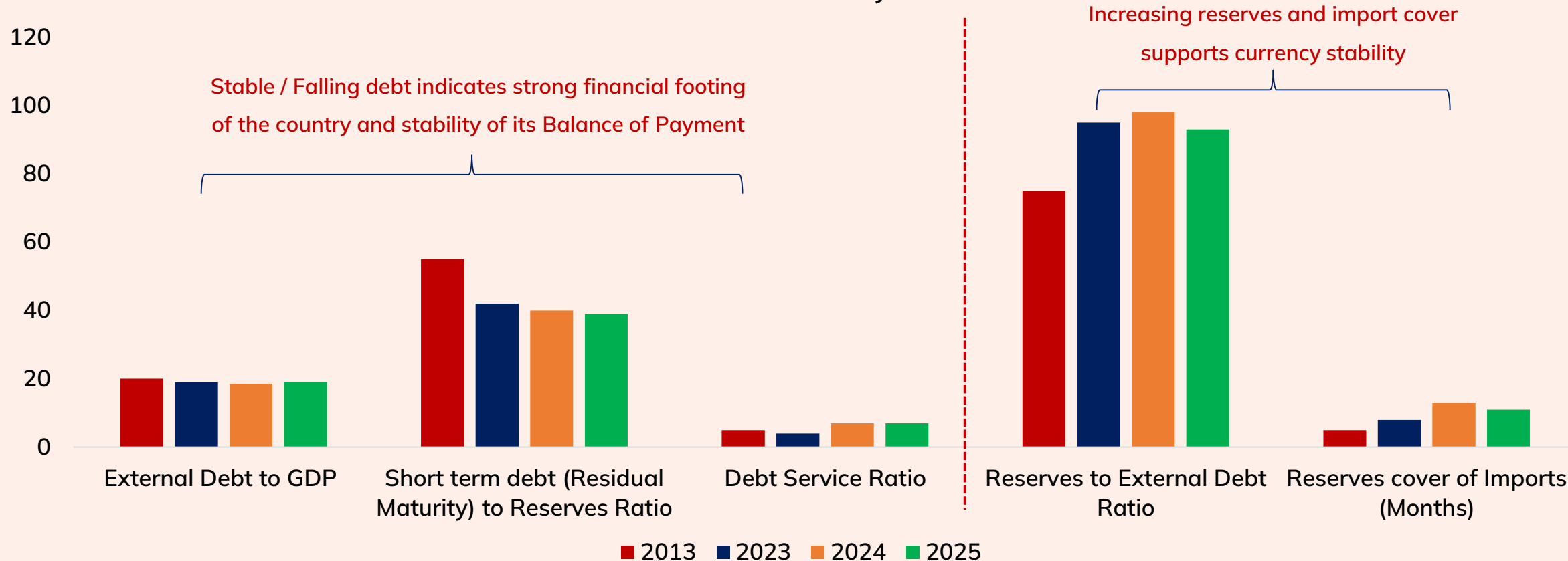
Data as on August 08, 2025. Data Source: BSE and ACE Mf. Returns have been calculated on absolute basis. CY: Calendar Year. For Power Sector- BSE Power TRI , Bankex Sector- BSE Bankex TRI , FMCG Sector- BSE FMCG TRI , Energy Sector- BSE Energy TRI , For CG Sector - BSE CG Index , Auto Sector- BSE AUTO Index , Oil & Gas Sector- BSE Oil & Gas TRI Index , Finance Sector- BSE Financial Services TRI , Metal Sector BSE METAL TRI , Infra Sector - BSE India Infrastructure Index , Telecom Sector- BSE Telecom TRI , HC Sector- BSE HC TRI , Realty Sector- BSE Realty TRI , CD Sector - BSE CD TRI , IT Sector- BSE IT TRI is considered. CG: Capital Goods, CD: Consumer Durables, IT: Information Technology, FMCG: Fast moving Consumer Goods. Absolute returns are mentioned in INR Terms. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



# External checks in control

Amid evolving global headwinds, India's external vulnerabilities remain stable and have become more favorable over the years

India's External Vulnerability Indicators



Source: RBI Bulletin. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation and ICICI Prudential Mutual Fund may or may not have any future position in these stock(s)/sector(s). The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



# Internal demand remains healthy

India's consumption basket is likely to be supported by following factors



01

Low Interest rate cycle to aid consumer balance sheets

02

Govt. spending increasing especially the consumption impulse

03

Implementation fo Eight Pay Comission Award (*Estimated at 3-3.15 Rs Tn*) likely to boost GDP by 0.65-0.80%

04

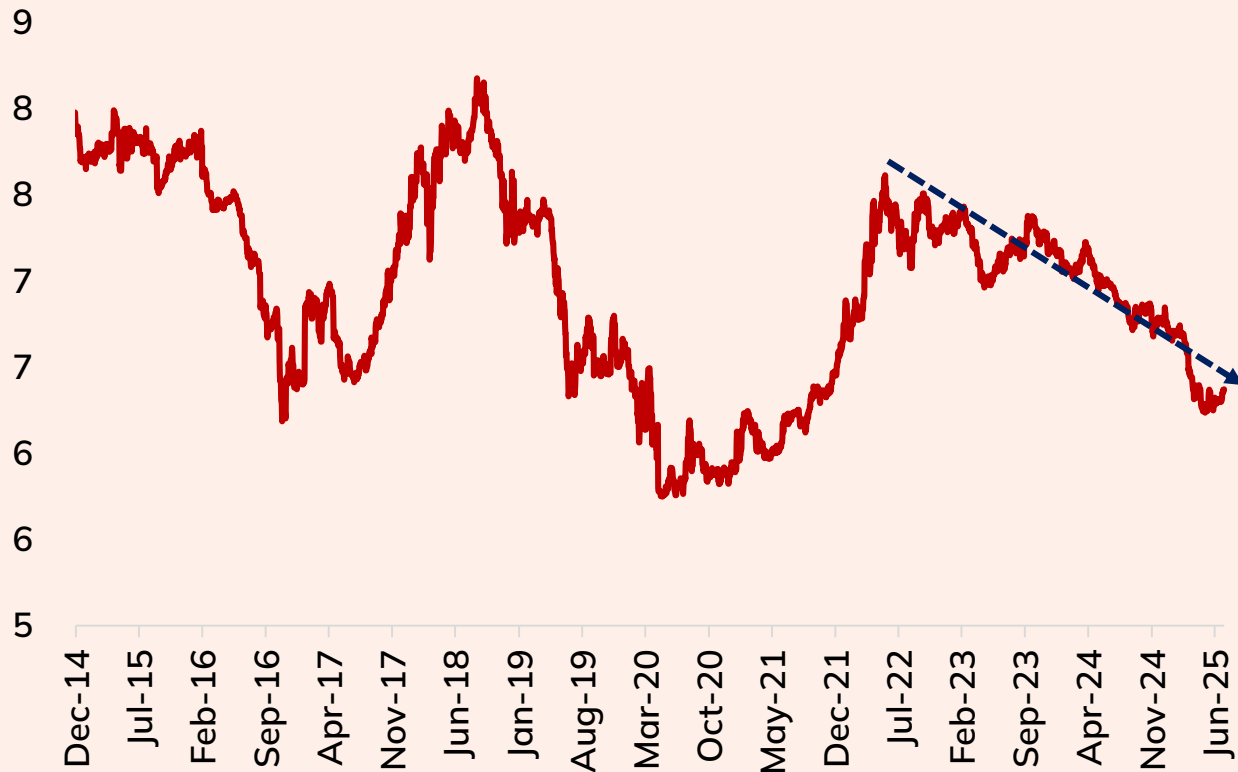
Tax rebates, increased rural income, shifting premiuzation trends etc. likely to spur consupntion growth



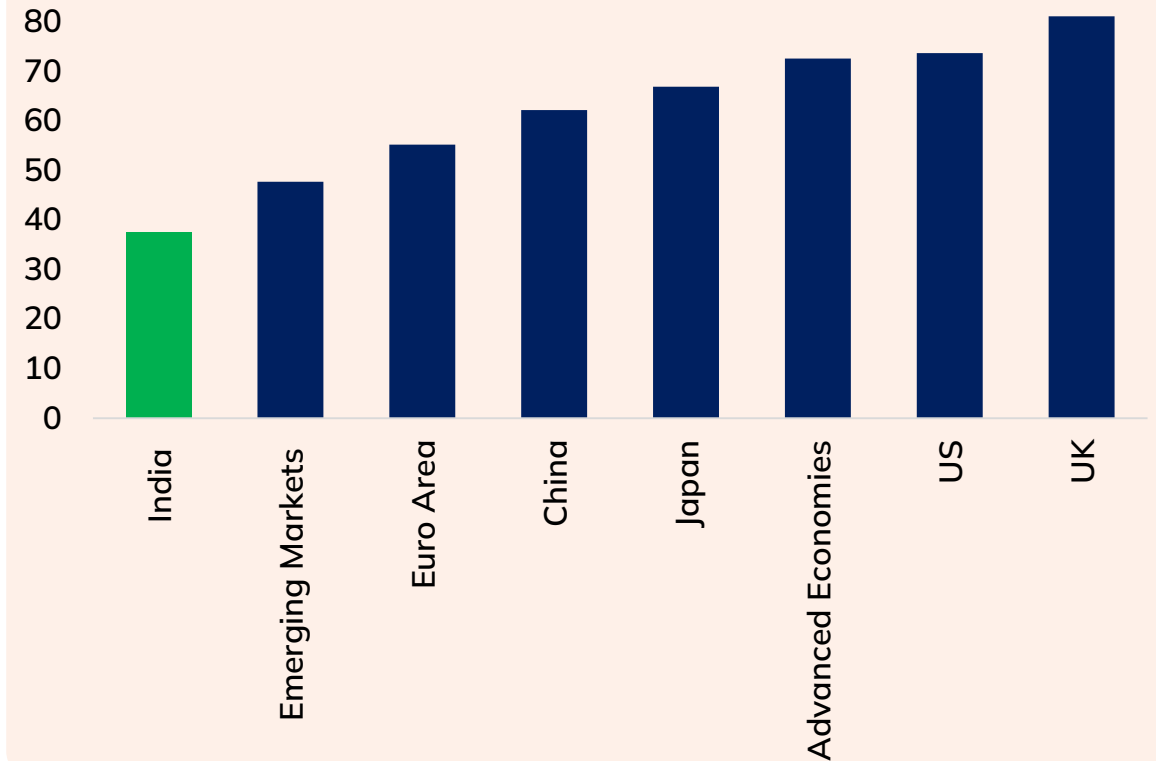
# Internal demand remains healthy

Falling interest rate cycle & infused liquidity is likely to aid leveraged consumption in India which is far low as compared to other nations

10-Year G-sec Yields



Household Debt (as a % of GDP)





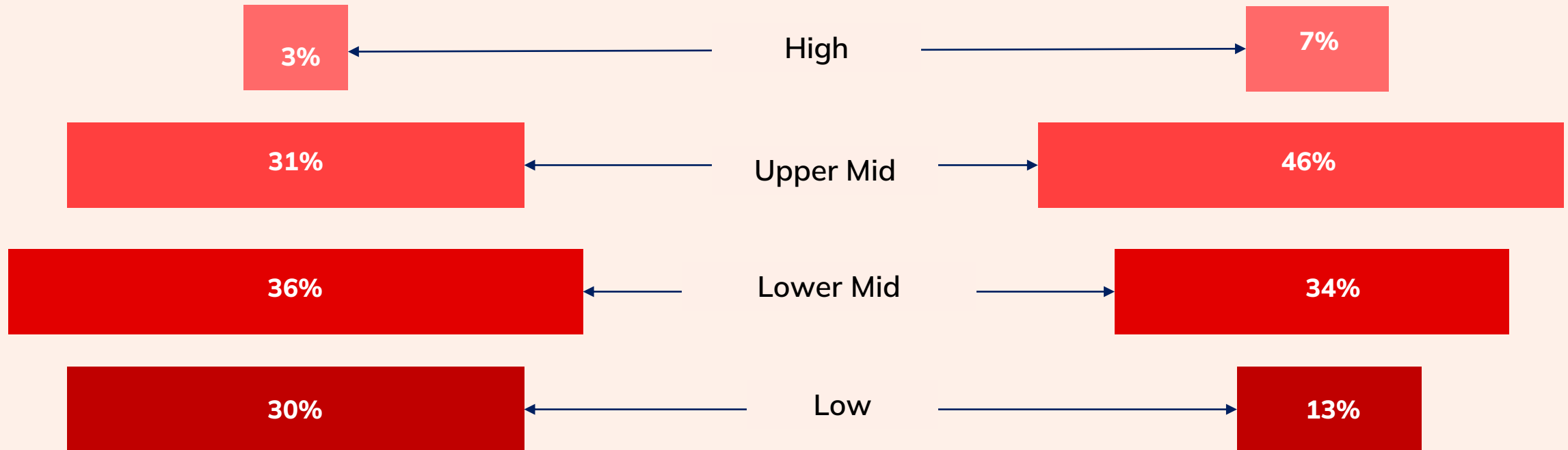


# Internal demand remains healthy

Shift in the income distribution is expected to drive stronger and premium-oriented consumer demand

2023 Households by Income Distribution

2031 Households by Income Distribution











# Internal demand remains healthy

Underpenetrated market along with rapidly expanding desire for premium products can do wonders to the domestic demand dynamics

## India has wider scope for penetration

	Products	India	China	USA
	Auto	4%	15%	81%
	Outbound Trips	6%	9%	42%
	Air Conditioners	8%	60%	90%
	Refrigerators	18%	94%	100%
	Smartphone Users	37%	54%	83%
	Internet Users	58%	60%	95%

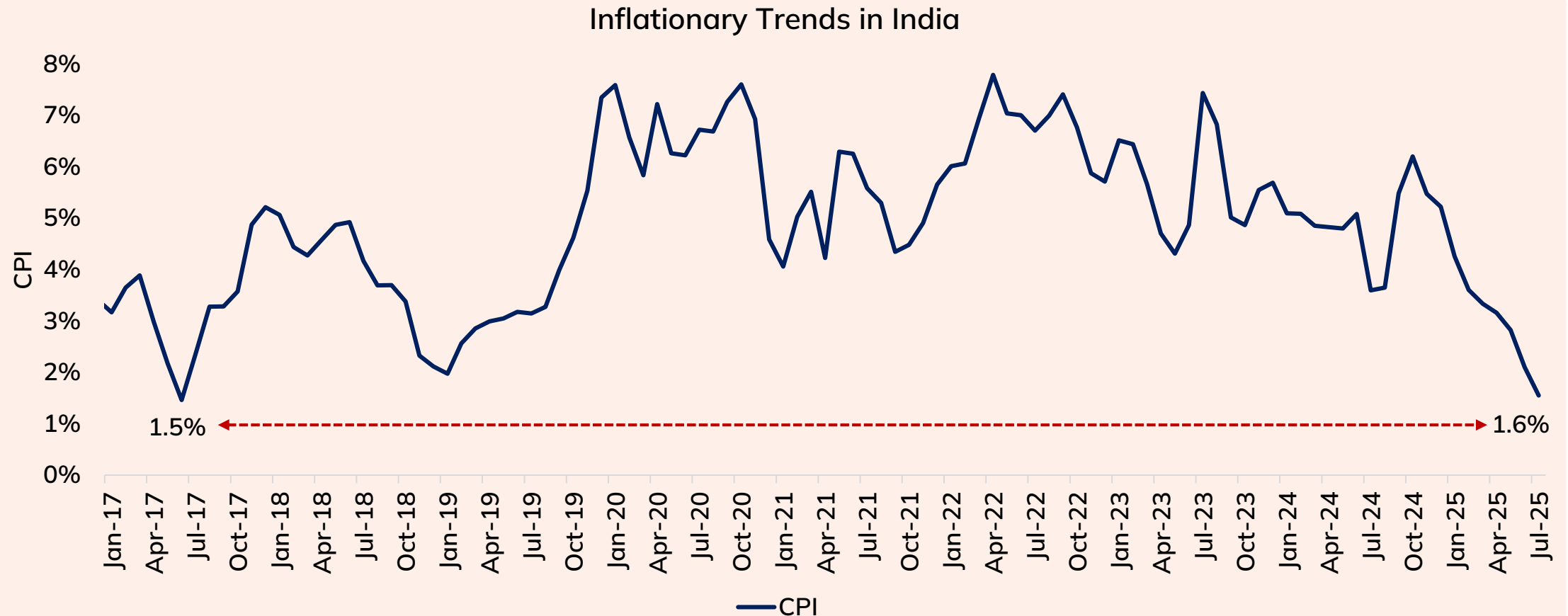
Category	Premium Products Growth		Normal Products Growth	
	Sub category	10 Yr CAGR (%)	Sub category	10 Yr CAGR (%)
Cleansing	Body Wash / Liquid Soaps	15.8	Bar Soap	8.1
Haircare	Premium Hair care	14.7	Mass Hair Care	7.1
Tea	Green Tea	26.3	Normal Tea	9.4
Deodorant	Premium Deodorant	18.9	Mass Deodorant	12
Beverages	Nutrition Drink	7.1	Non alcoholic beverages	9.2
Homecare	Air care	10.1	Dishwashing	9.9
Footwear	Sports Footwear	16.1	Normal Footwear	9.2

Data Source: Avendus Spark and CLSA Research. Data for white goods consumption is for Calendar Year 2021. Data for Premium & Normal Products is as on March 2024. Yr: Year. Past performance may or may not sustain in future. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



# Inflation hits a 8 Yr Low !

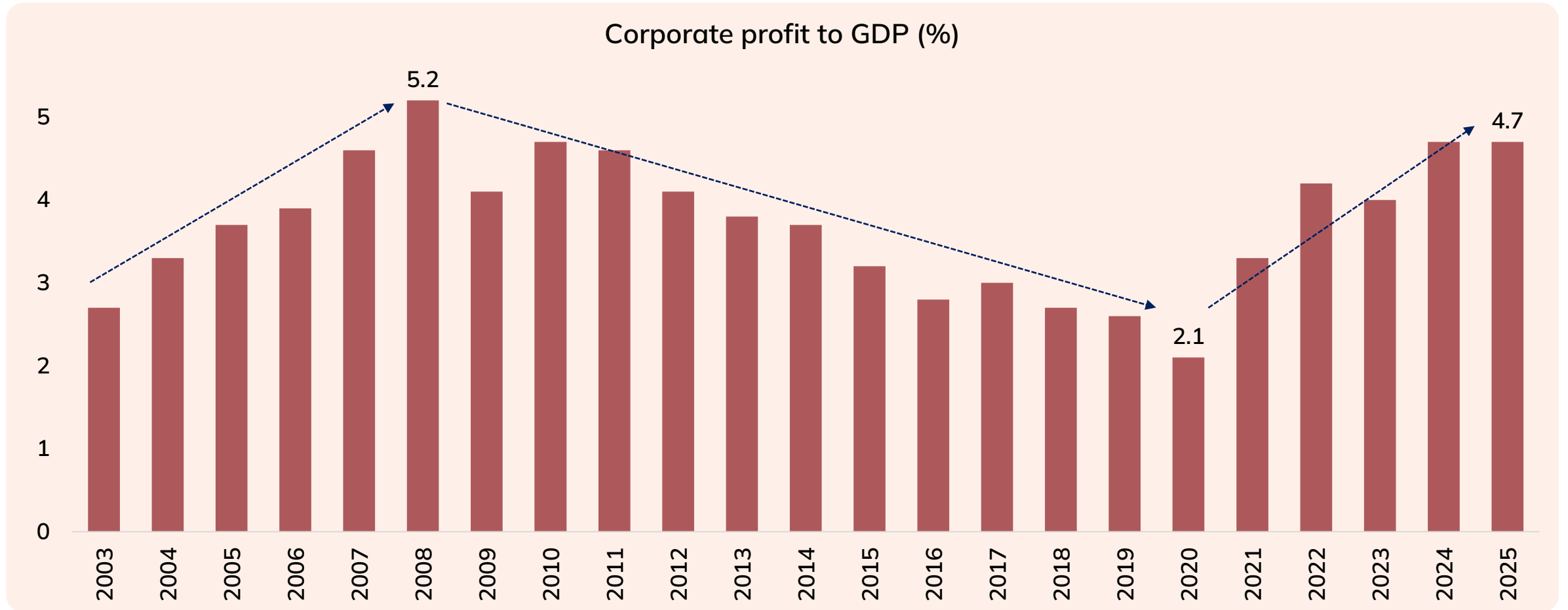
Inflation moderated to levels not seen in last 8 years. Downtrend of the inflation is likely to make room for rate cuts thereby improving liquidity and supporting growth





# Maintained the 17 Yr High Run Rate

Corporate profits to GDP maintained its run rate of 17 Yr high at 4.7% implying that balance sheets are holding up well

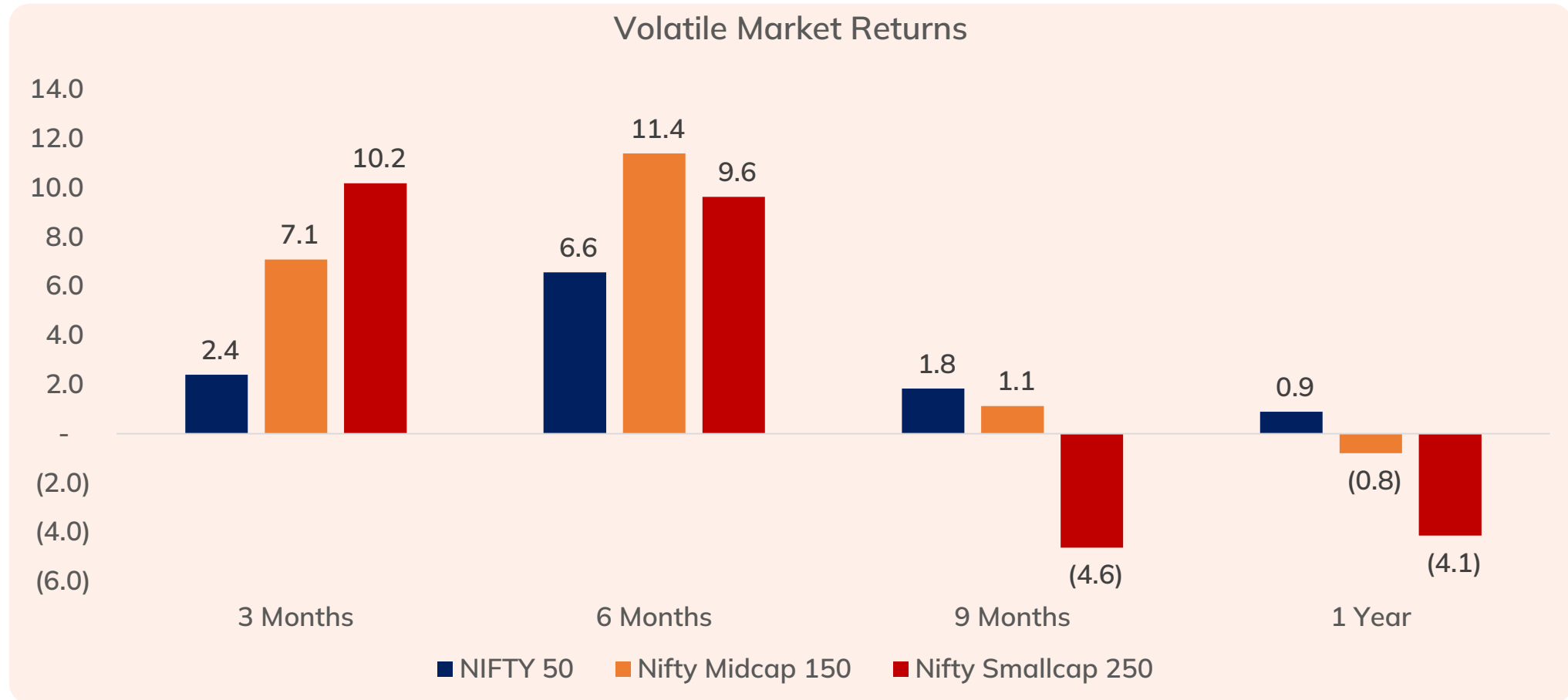






# Strong Economy but shaky markets

Even with the economy showing strength and resilience, market movements have noticeably been volatile off late





# Ever wondered why?



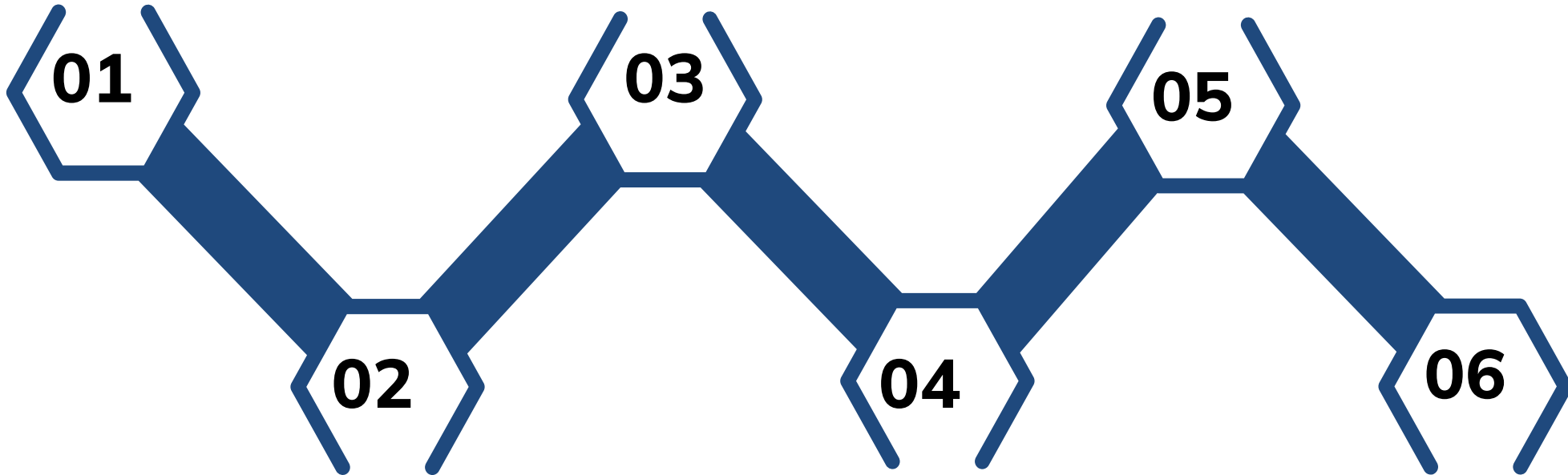


# Catalyst for downside risks

**Valuations not cheap**

**Global Slowdown**

**Populism Step Up**



**Continued Consensus cuts**

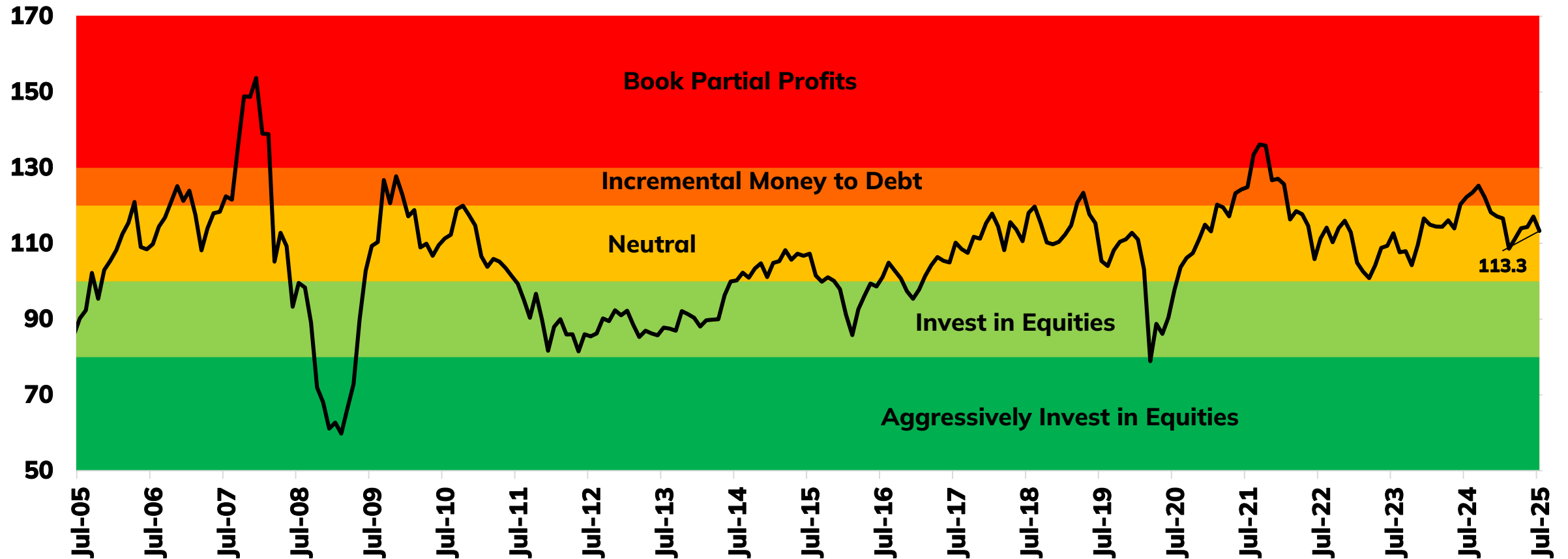
**Trade Tariff**

**Volatile Flows**



# Valuations not cheap

Our in-house Equity Valuations Index suggest that market valuations are not cheap and continue to remain in neutral zone



Data as on July 31, 2025 has been considered. Equity Valuation Index (EVI) is a proprietary model of ICICI Prudential AMC Ltd. (the AMC) used for assessing overall equity market valuations. The AMC may also use this model for other facilities/features offered by the AMC. Equity Valuation index is calculated by assigning equal weights to Price-to-Earnings (PE), Price-to-Book (PB), G-Sec\*PE and Market Cap to GDP ratio any other factor which the AMC may add/delete from time to time. G-Sec – Government Securities. GDP – Gross Domestic Product. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors





# Valuations of SMIDs continue to remain high

Valuations are particularly high in the Mid & Smallcap space

Period	As a % of Total Market Cap			
	Top 50	Next 50	Midcap 150	Smallcap 250
2014	62.5	14.3	14.1	9.1
2015	59.8	14	15.2	11
2016	58.8	14.1	15.3	11.8
2017	53.4	14.7	17.3	14.6
2018	58.3	13.7	16.3	11.7
2019	61.8	13.1	15.6	9.5
2020	60.9	13.3	15.5	10.2
2021	55.6	13.1	16.8	14.4
2022	56.7	12.5	16.1	14.7
2023	51.4	13.1	17.6	17.8
2024	46.1	13.8	19.3	20.8
July-25	46.9	13.9	19.6	19.7

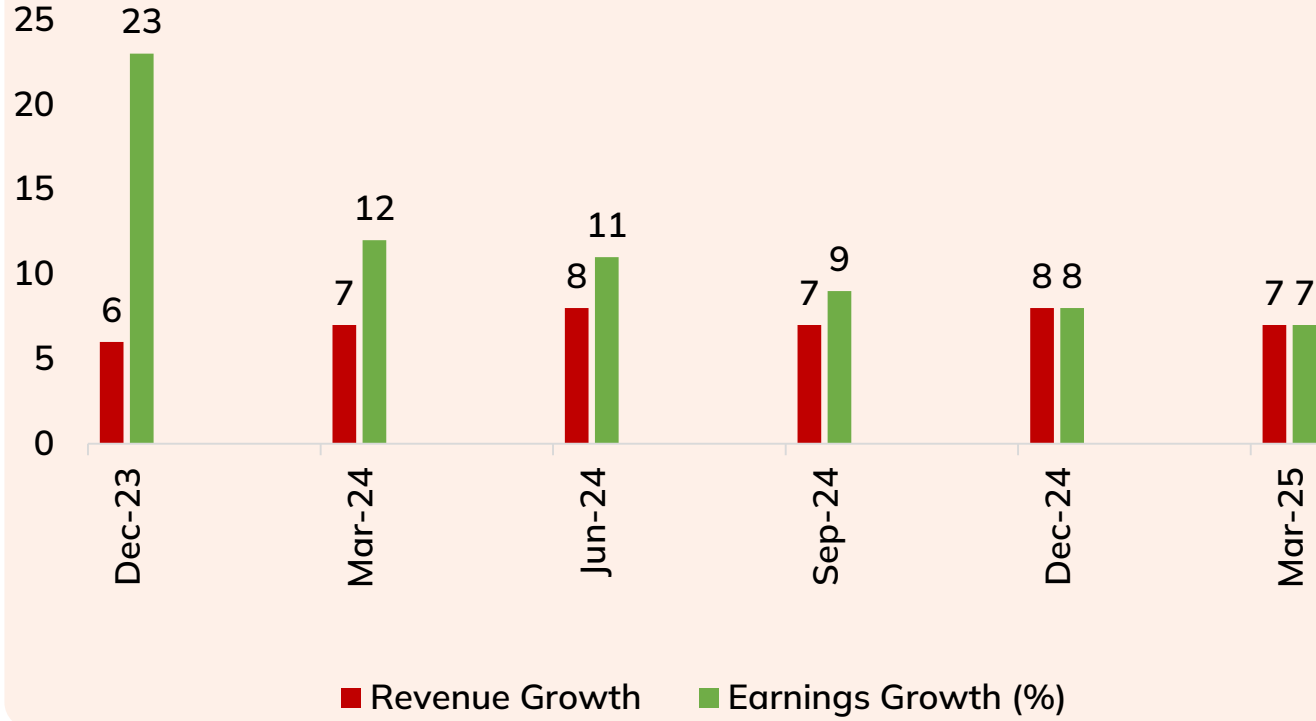
Source: NSE. Data as on July 31,2025. Data is on calendar year basis. Past performance may or may not sustain in future. Red indicates high valuations, Amber indicates neutral valuations and Green indicates attractive valuations. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



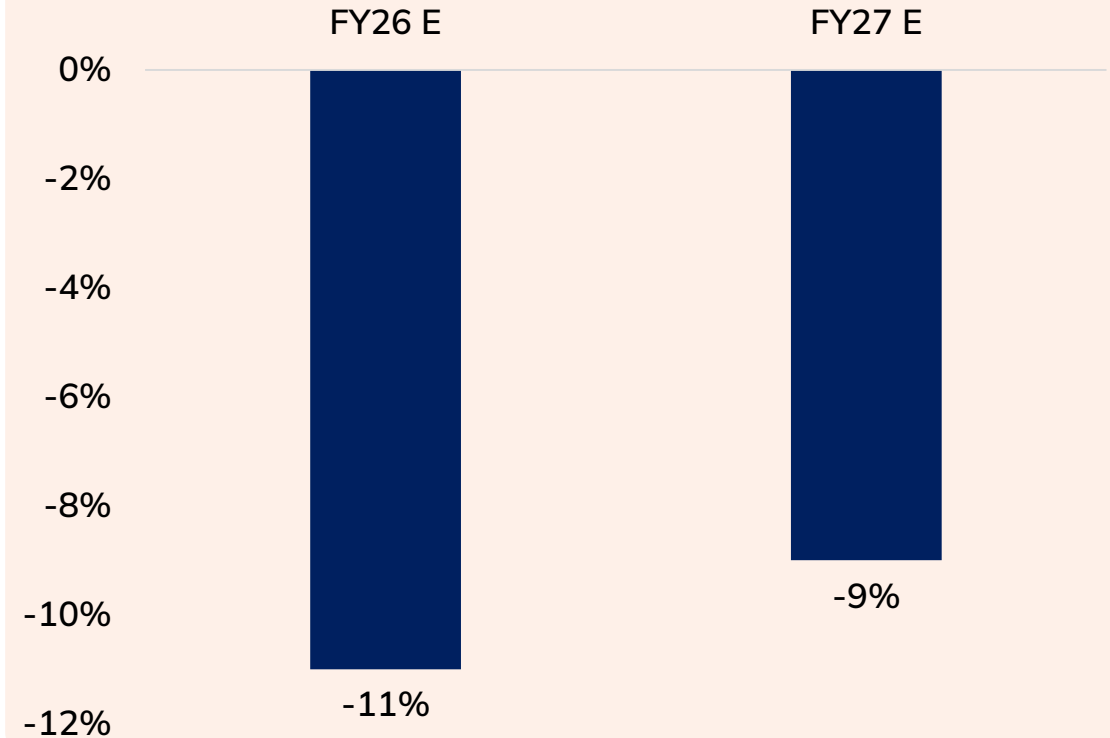
# Continued Consensus cuts

Earnings remain moderate across the board and there has been downward revision in Nifty earnings

Revenue & Earnings YoY Growth - BSE 500 (%)



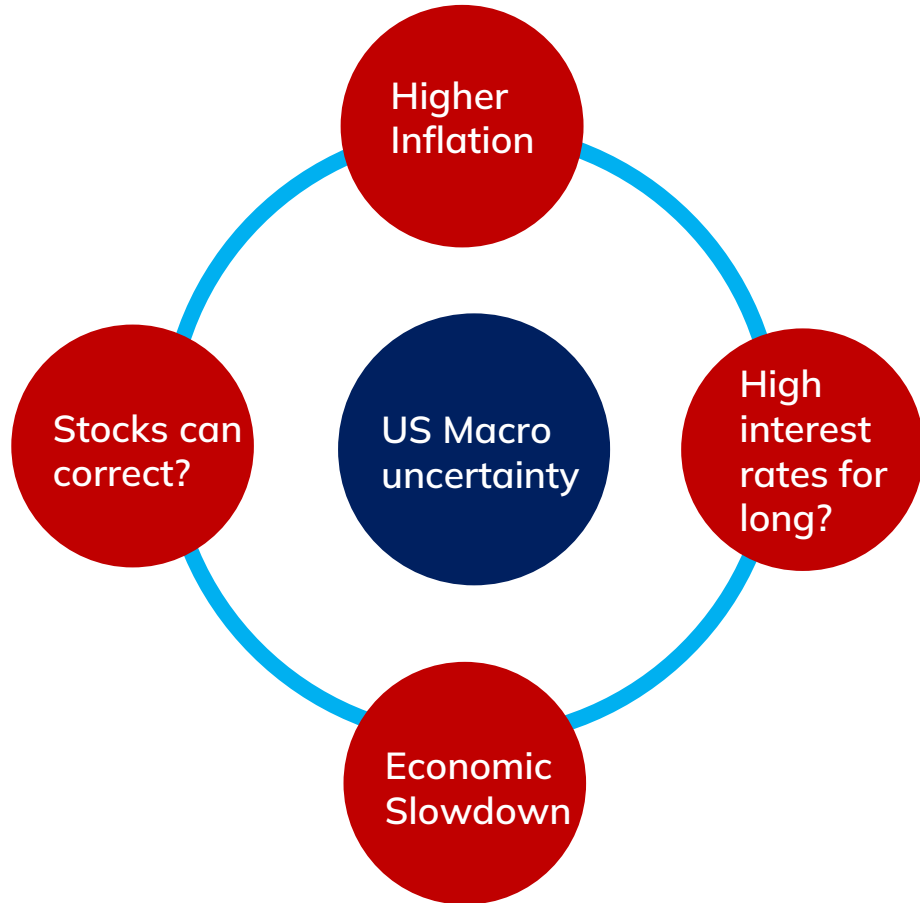
Earnings revision in Nifty since sep-24





# Global Uncertainty and Trade ‘Tariff’ ied

While uncertainty of the US macros already kept the markets volatile, high tariff imposition is likely to add fuel to the turbulence



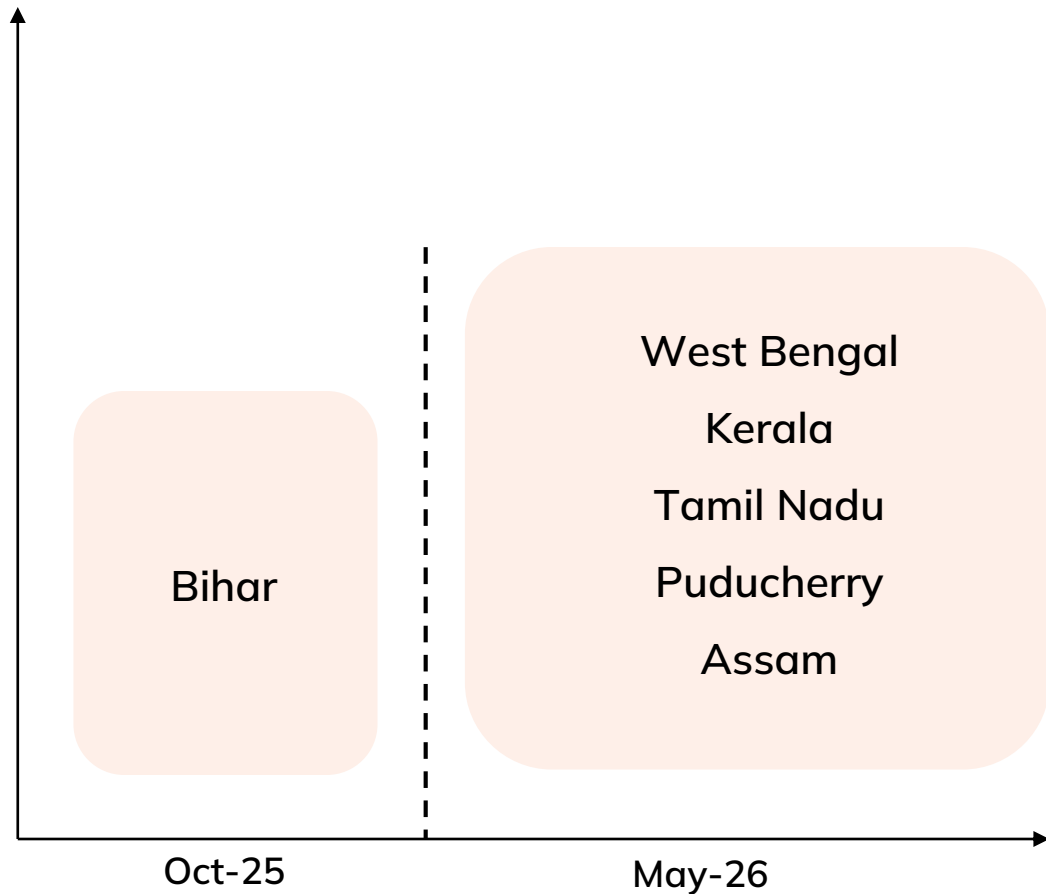
Sector	Risks from High Tariff of 25% on India by US
Automobile	Limited impact on OEMs but ancillary companies face greater risk
Pharma	Currently exempted from tariffs but if it is imposed, companies can comfortably pass on the costs
Textile	High tariff and cost differential with the competitors like Vietnam and Bangladesh imply a disadvantage of 15% for garment exports
Chemical	The US constitutes 15.5% of India's chemical exports; hence the sector is highly susceptible for higher US tariffs
Capital Goods	Highly exposed to tariff risks as it contributes 20% to US exports
IT	Inflation triggered in the US by tariff imposition can reduce company spending thereby posing risk to IT companies



# Populism Step Up

With states likely to face elections around 2HFY26, risk of populism may reaccelerate as they plan out more welfare spends

## Upcoming State Elections



## States yearly spending on committed and recurring Welfare schemes stand at Rs. 3.1 Tn per year, which is 1.1% of India's total GDP

States	Welfare Schemes ( Rs. Bn.)	Welfare Schemes (% of State GDP)
Telangana	836	5.6%
Maharashtra	727	1.8%
Madhya Pradesh	364	2.7%
Karnataka	319	1.3%
West Bengal	277	1.6%
Rajasthan	193	1.3%
Andhra Pradesh	190	1.3%
Tamil Nadu	127	0.5%
Punjab	55	0.7%
Jhrakhand	45	1.0%
Assam	23	0.4%
Himachal Pradesh	8	0.4%
Total of 12 States	3164	1.1%

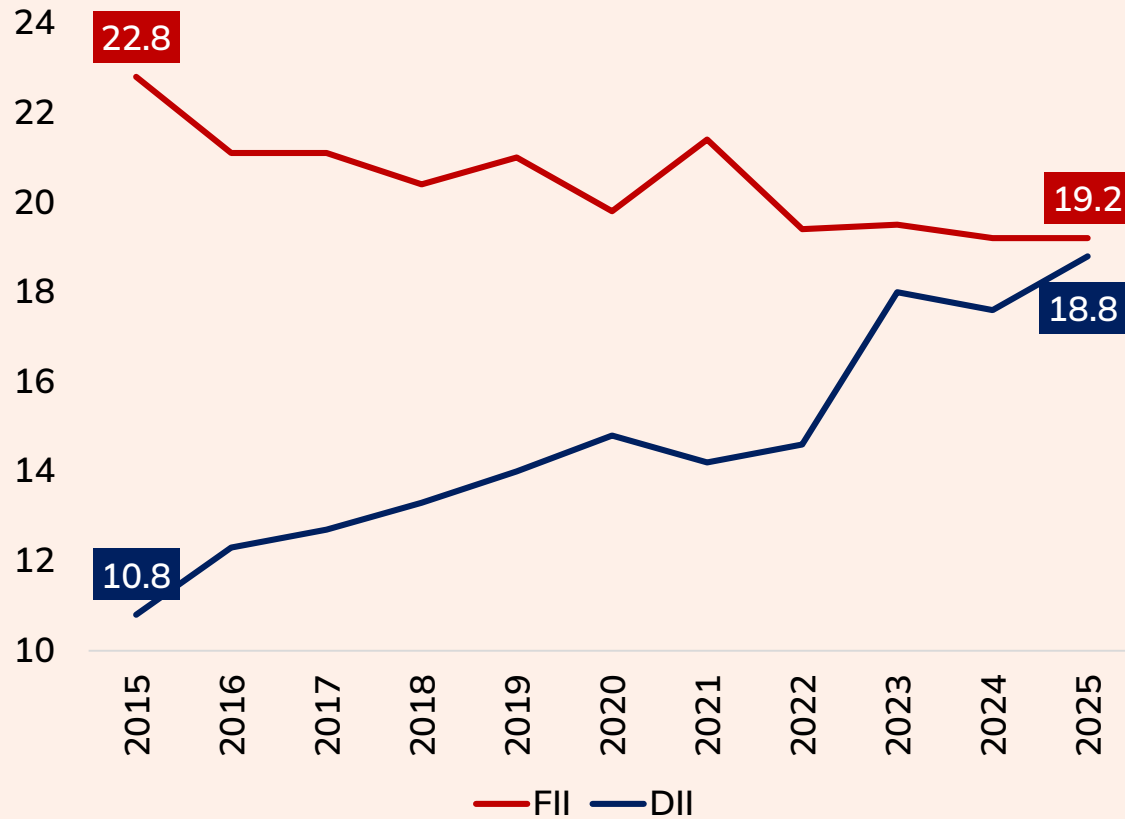




# Volatile Flows

Rising domestic participation has bolstered overall market stability. However, persistent FII outflows continue to exert downward pressure despite DII support

Ownership in Nifty 500 (%)



Calendar Years	FII (\$, Bn)	DII (\$, Bn)
2015	3274	10315
2016	2903	5425
2017	7951	14043
2018	-4617	15896
2019	14234	5971
2020	23373	-4910
2021	3761	13034
2022	-17016	35771
2023	21427	22331
2024	-755	62893
CYTD	-977	45862



# Summary



Global macros at this point of time are more challenging which may impact global growth



Contrary to this, India's fundamental attributes are robust and sustainable – Clean balance sheets, a structural increase in consumption, unwavering domestic demand, and fiscal prudence. Hence, long term structural story remains intact



Recent RBI actions like liquidity injection; key policy rate cuts, large dividend to the Govt. are positive for India's business cycle and in-turn may result in India growth and corporate earnings to pick-up



So, investors with a long-term view can remain invested in equity markets. However, due to high valuations the fresh investments should be done in a prudent manner



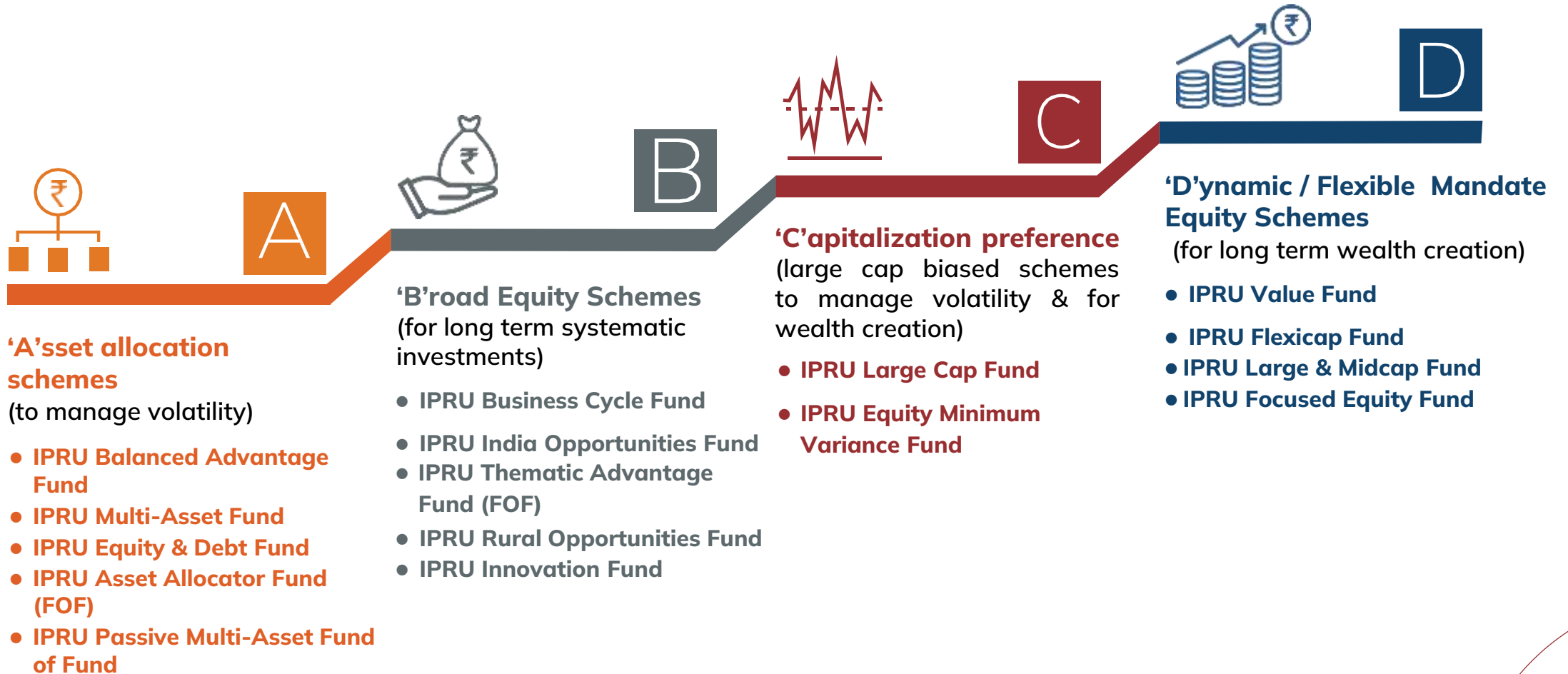
Mid-cap and Small-cap valuations continue to remain high



Also we believe at this point, middle of the road approach should be followed as most of the asset classes are fully valued. Therefore, we recommend investing in (a) Hybrid & Multi Asset allocation schemes and (b) staggered investment in large cap schemes or schemes with flexible investment mandate that can take high large cap exposure



# Recommendations – Equity & Hybrid



# Fixed Income Outlook

August 2025

## Navigating the

**PAUSE**



## Navigating the Pause

“

Rate cuts, liquidity injections, CRR cuts and looser restrictions on loans – the RBI has acted on all fronts to address the mid-cycle growth slowdown and low inflation.

However, during their Aug 2025 policy meet, the monetary policy committee of the RBI did not announce any further easing. Rather, the committee decided to wait for its previously done stimulus to take full effect onto the real economy and prices.

Given the pause on monetary stimulus from the RBI, India's turn at Trump's tariff strikes and global uncertainty, how should one navigate their bond portfolio and investments?

In this Outlook, we will look at the transmission of RBI's stimulus measures on the real economy; the other factors influencing bond markets and our investment approach in this period.

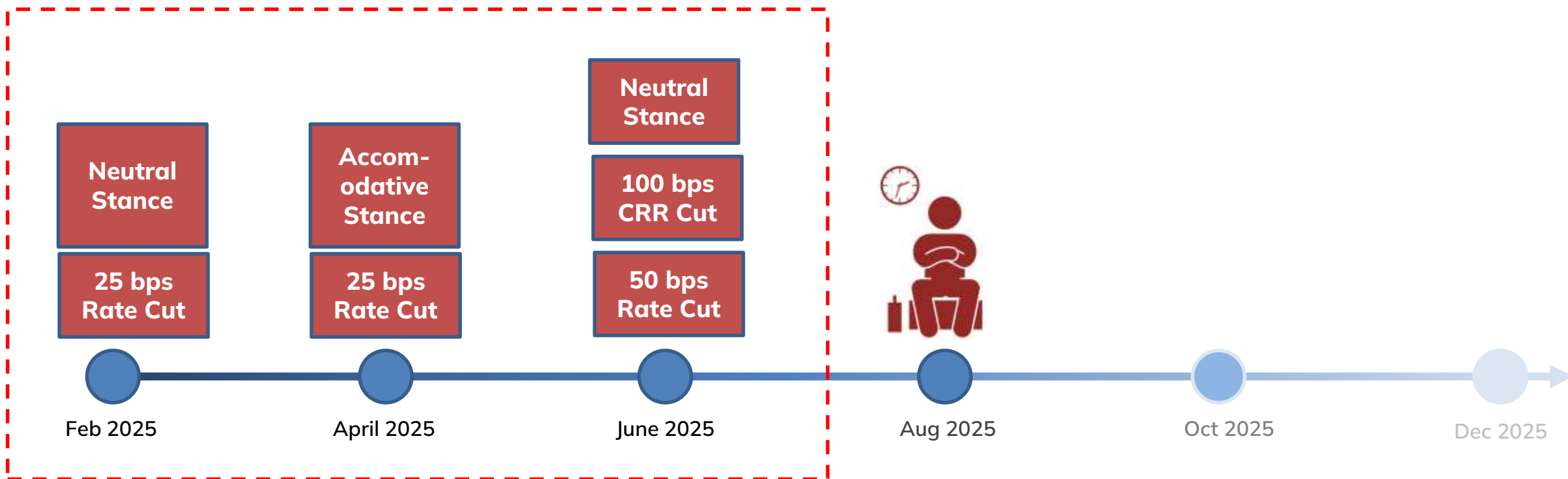
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# Monetary Policy

## RBI on Wait-and-Watch Mode

The 3<sup>rd</sup> bi-monthly meet of the MPC in Aug 2025 saw no policy changes as the committee awaits transmission of its front-loaded policy stimulus into the real economy.



Source: RBI. Data as on Aug 6, 2025. MPC – Monetary Policy Committee.

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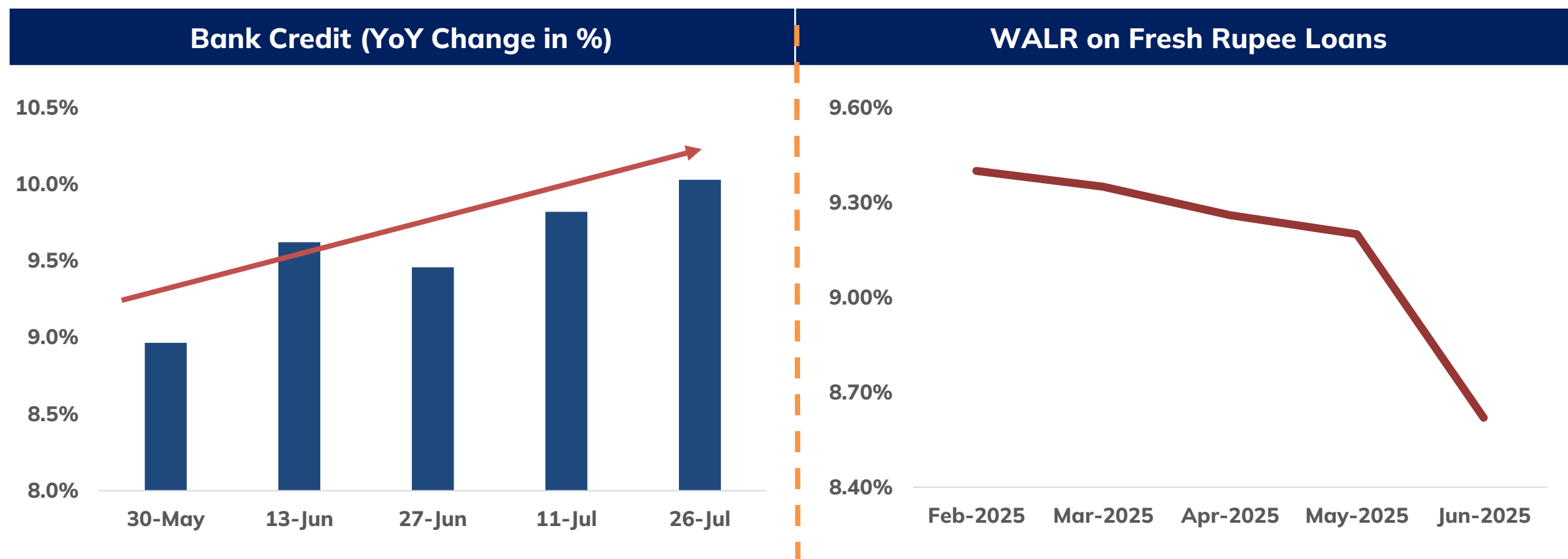




# Progress on Policy Transmission

## Borrowing Cost Down; Credit Growth Up

Credit growth appears to have bottomed out; meanwhile, lending rates have fallen ~80 bps, closer to the 100 bps of rate cuts announced by the RBI. This is a positive indicator of RBI's goal of policy transmission.



Source: PIB; GST portal. Data as on July 31, 2025. WALR – weighted average lending rate data as on June 30, 2025 as it comes with 1 month lag.

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# Progress on Policy Transmission

## Bond Markets Response

The bond market, too, has reacted to the RBI's rate cuts as witnessed in the below yield differences before the start of the easing cycle and after a cumulative 100 bps of rate cut.

Yields	Before Rate Cuts (Jan 31, 2025)	After 100 bps Rate Cuts (June 30, 2025)	Rate Cut Transmission (in bps)	Remarks
1-year Sovereign	6.57%	5.58%	-99	Nearly full transmission has happened due to proximity to policy target overnight rates
1-year AAA	7.49%	6.52%	-97	
1-year AA	8.28%	7.27%	-101	
3-year Sovereign	6.62%	5.87%	-75	Major portion of transmission has happened as market participants chase yields.
3-year AAA	7.37%	6.70%	-67	
3-year AA	8.16%	7.45%	-71	
5-year Sovereign	6.67%	6.11%	-56	Transmission has lagged in this segment. Yield curve has steepened as a result.
5-year AAA	7.20%	6.74%	-46	
5-year AA	8.10%	7.58%	-52	

Source: RBI; CCIL; NSE. Data as on June 30, 2025. For representation purpose only.

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# Tariff & Fixed Income Markets

Global uncertainties have increased owing to major tariff strikes by US President Trump; and the subsequent large trade-related negotiations and investments by major trading partners to the US to protect their export industries.

Currently, India has been penalised with a combined 50%\$ tariff on Indian exports to the US. While the impact of tariffs on sectors, industries is well understood, let us understand what has been the reaction of bond markets to Trump's tariff attacks.



\$ - Penal tariff of 25% - [Addressing Threats to The United States by the Government of the Russian Federation – The White House.](#)  
 Reciprocal tariff of 25% - [Further Modifying the Reciprocal Tariff Rates – The White House](#)

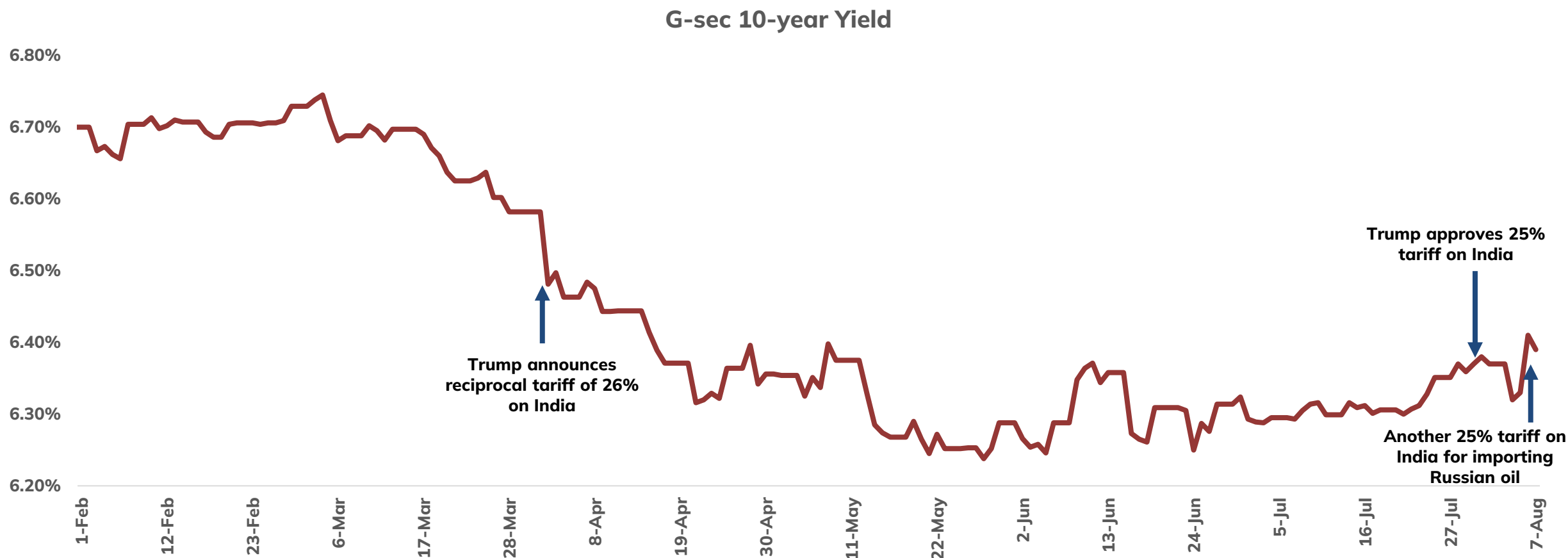
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# Risk to Fixed Income?

## How Did Markets React to Trump Tariffs

Benchmark G-sec yields have been less reactive to Trump's tariff announcements. Yields have declined since Feb 2025, mainly influenced by lower inflation, rate cutting cycle of RBI rather than from tariff uncertainty.



Source: CCIL. Data as on July 31, 2025.

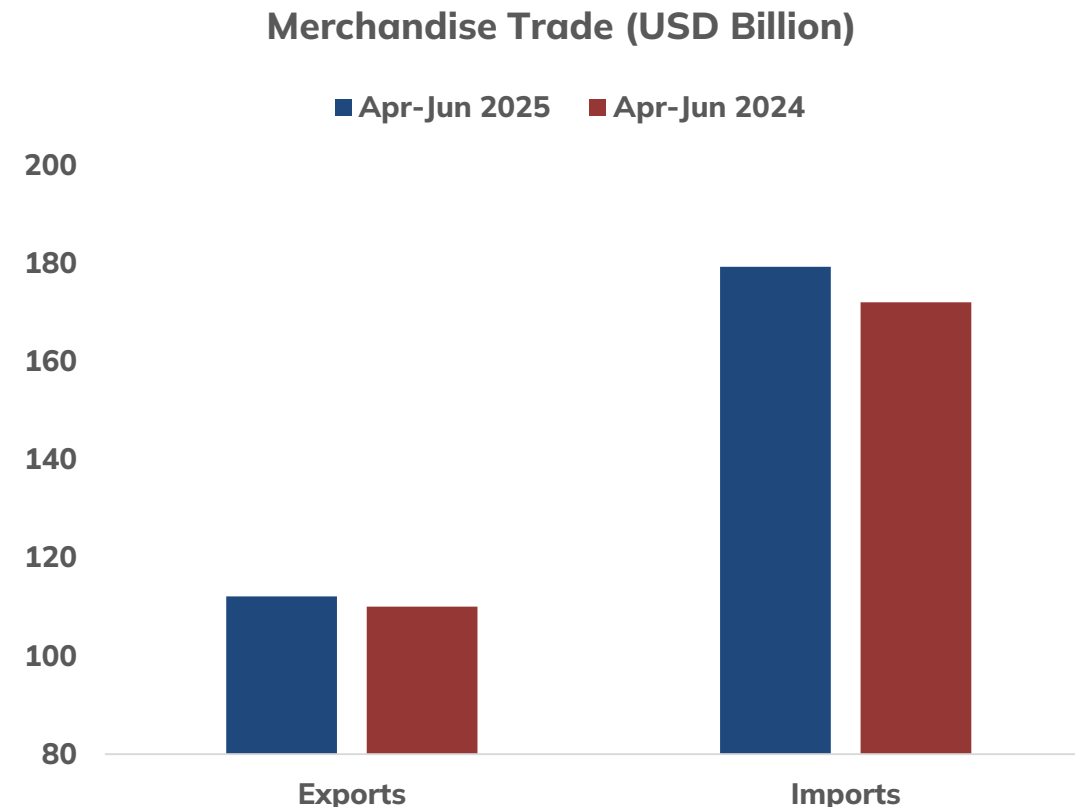
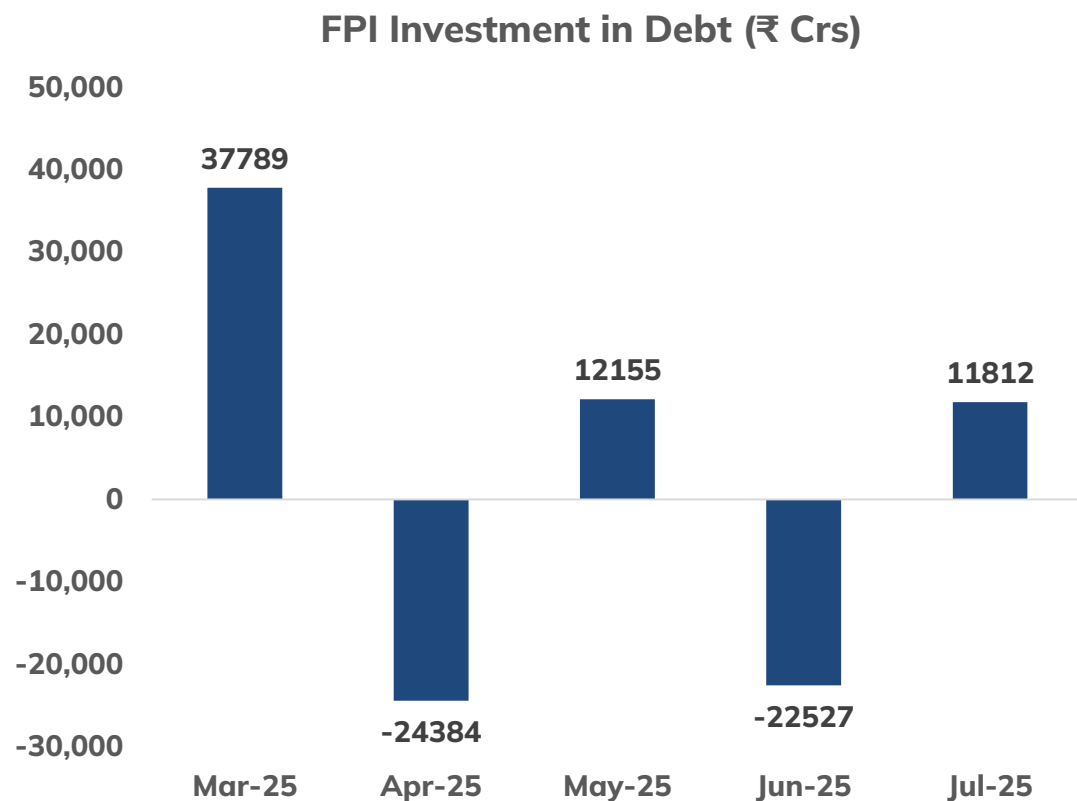
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# Risk to Fixed Income?

## Volatile FPI Flows; Muted Exports

The impact of Trump's tariffs was noticed in foreign portfolio investments in debt with major outflows in Apr-2025 and June-2025. Merchandise trade exports, too, saw muted growth year-on-year.



Source: NSDL. PIB. Data as on July 31, 2025. Merchandise data is available up to June 30, 2025.

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## Other Risks to Consider Headwinds and Tailwinds

### Headwinds

- Geopolitical conflicts and impact on supply chain and key commodity prices.
- Slow growth in private capex and investment due to trade uncertainties.
- Low demand and muted domestic consumption.
- Sluggish GST collection growth

### Tailwinds

- Lower cost of borrowing.
- Improved liquidity conditions at banks.
- India-US trade deal in the pipeline.

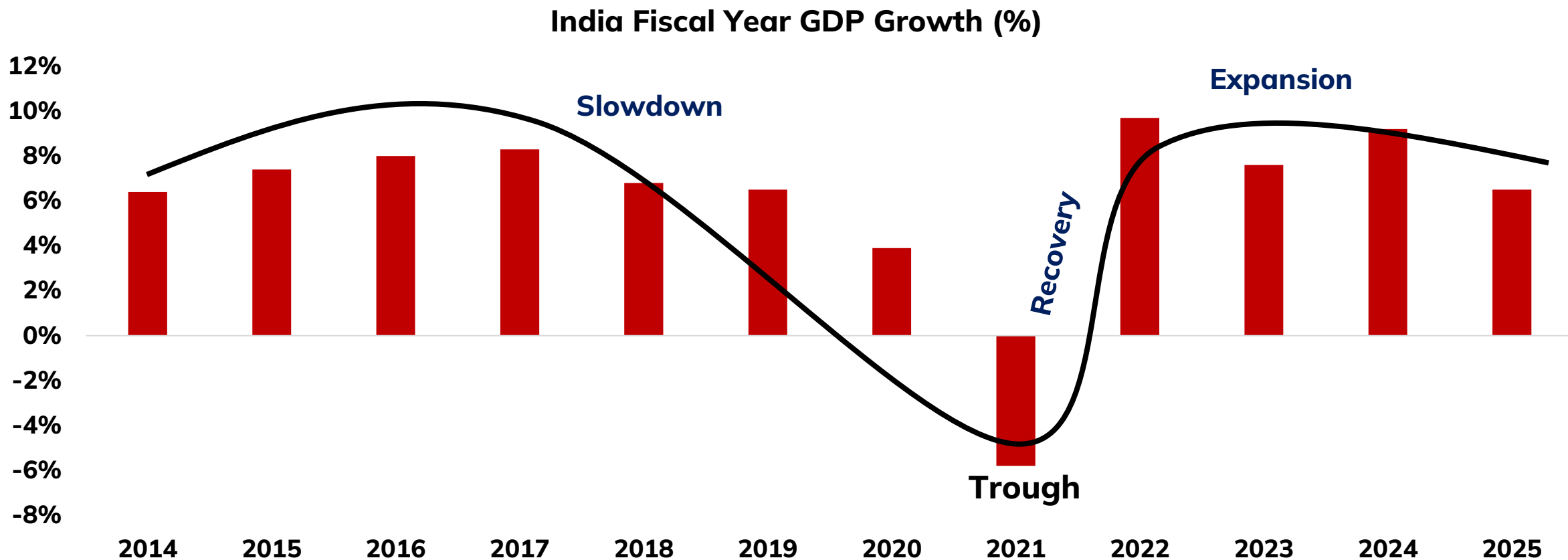




# The India Story

## Where are we in the Growth Cycle?

Timely policy support through rate cuts, liquidity infusions, and a more relaxed regulatory environment has laid the foundation for a swift recovery.



Data as on Q4FY2024-25. Source – PIB. RBI.

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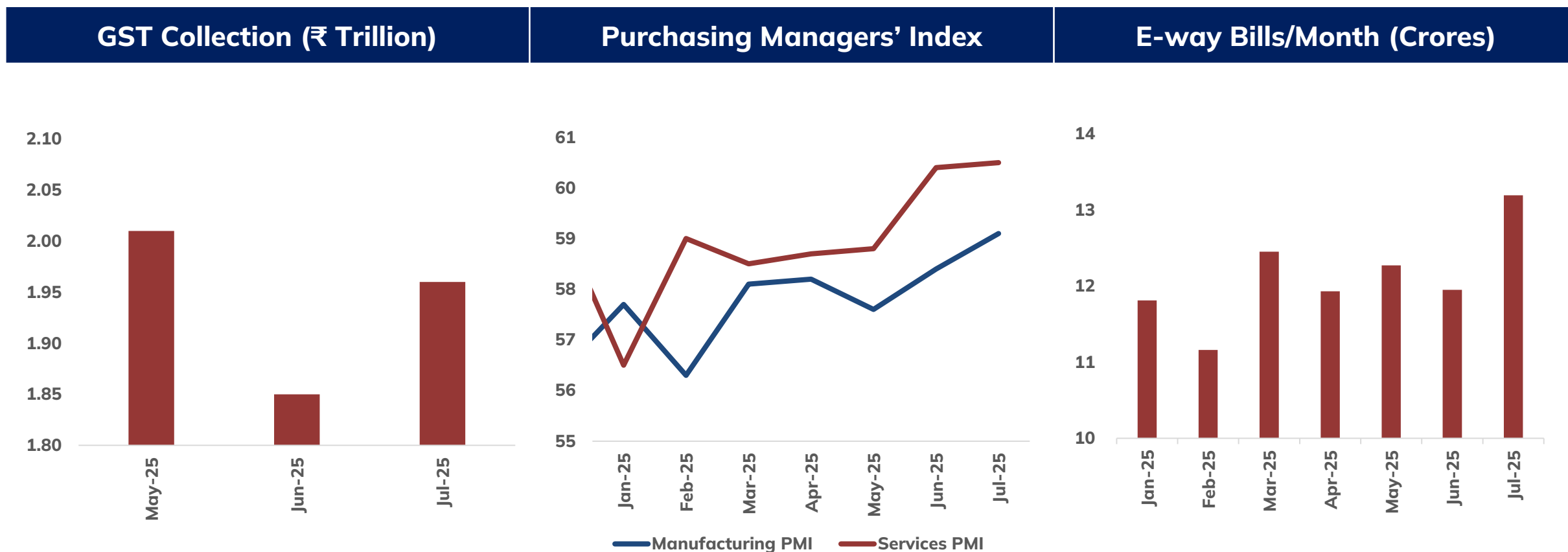


# The India Story

## Domestic Growth Remains Resilient



High-frequency indicators such as the manufacturing PMI and E-Way bill collections are pointing to resilient industrial activity. GST Collections have also picked up ahead of the festive season.



# Our Investment Approach

## Time for Barbell

*Avoid the belly of the curve*

**Focus on short  
duration for carry  
and stability**

**Tactical allocation to  
long duration**

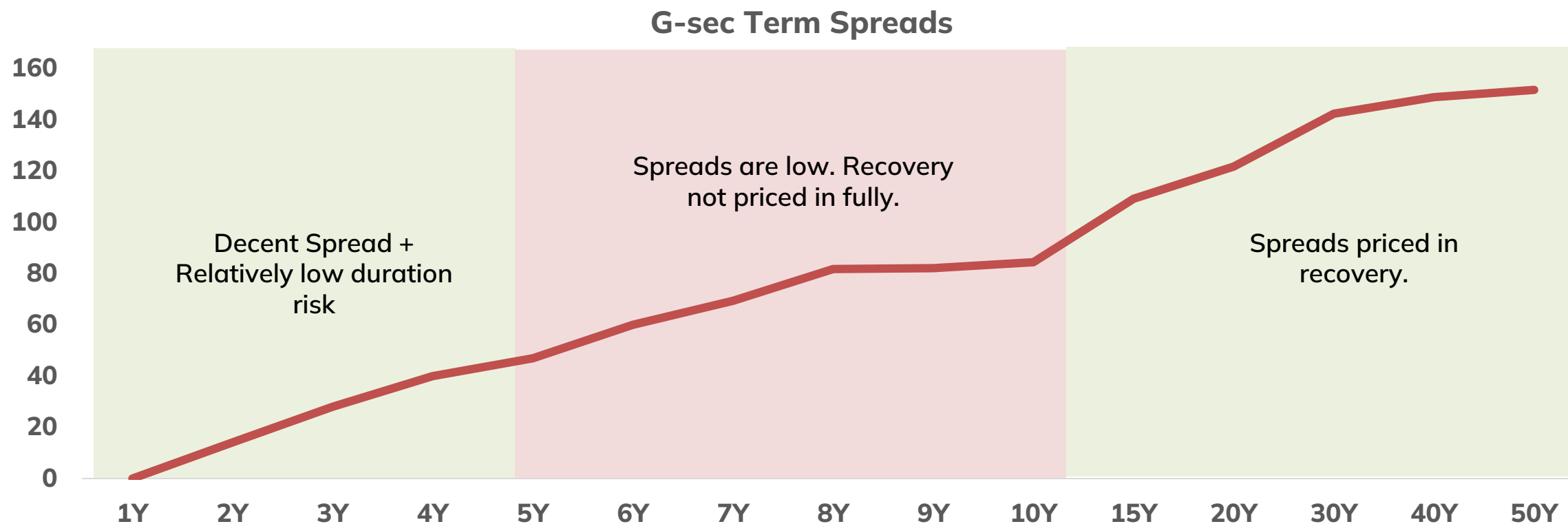




# Why Barbell Approach?

## Asymmetrical Risks in Yield Curve

In G-sec yields, the 5-10 year segment holds more upside risk as yields have not fully priced in economic recovery. The 30-year and higher bond has become increasingly attractive due to the wide spreads over the 10-year. The shorter-end is also relatively stable as it is anchored around the repo rate.



Data as on July 31, 2025. Source – RBI; CCIL, Refinitiv.

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# Our View on Fixed Income



- **Going forward, it will be important to see how growth reacts to the RBI stimulus. If growth improves, we can fairly say that we are at the end of rate cutting cycle. If growth challenges persist then there may be some room for further policy easing. Overall, we do not foresee a material drop in interest rates.**
- **The 1 to 1.5-year segment continues to offer relative safety, as policy rates are unlikely to move in the immediate term. At the other end, the 30-year and higher bond has become increasingly attractive due to the widening spread over the 10-year.**
- **We are also seeing value in State Development Loans (SDLs) and the extreme-long-end of the yield curve.**
- **We recommend low duration, ultra short duration and the money market category of schemes under the current policy environment.**



# Our Key Recommendations



## PARKING OPTION (3-12 Months)

- ICICI Prudential Money Market Fund
- ICICI Prudential Ultra Short Term Fund
- ICICI Prudential Savings Fund
- ICICI Prudential Income plus Arbitrage Active FOF
- ICICI Prudential Equity - Arbitrage Fund
- ICICI Prudential Equity Savings Fund



## SHORT TERM (1-3 Years)

- ICICI Prudential Short Term Fund
- ICICI Prudential Corporate Bond Fund
- ICICI Prudential Banking & PSU Debt Fund
- ICICI Prudential Medium Term Bond Fund
- ICICI Prudential Credit Risk Fund

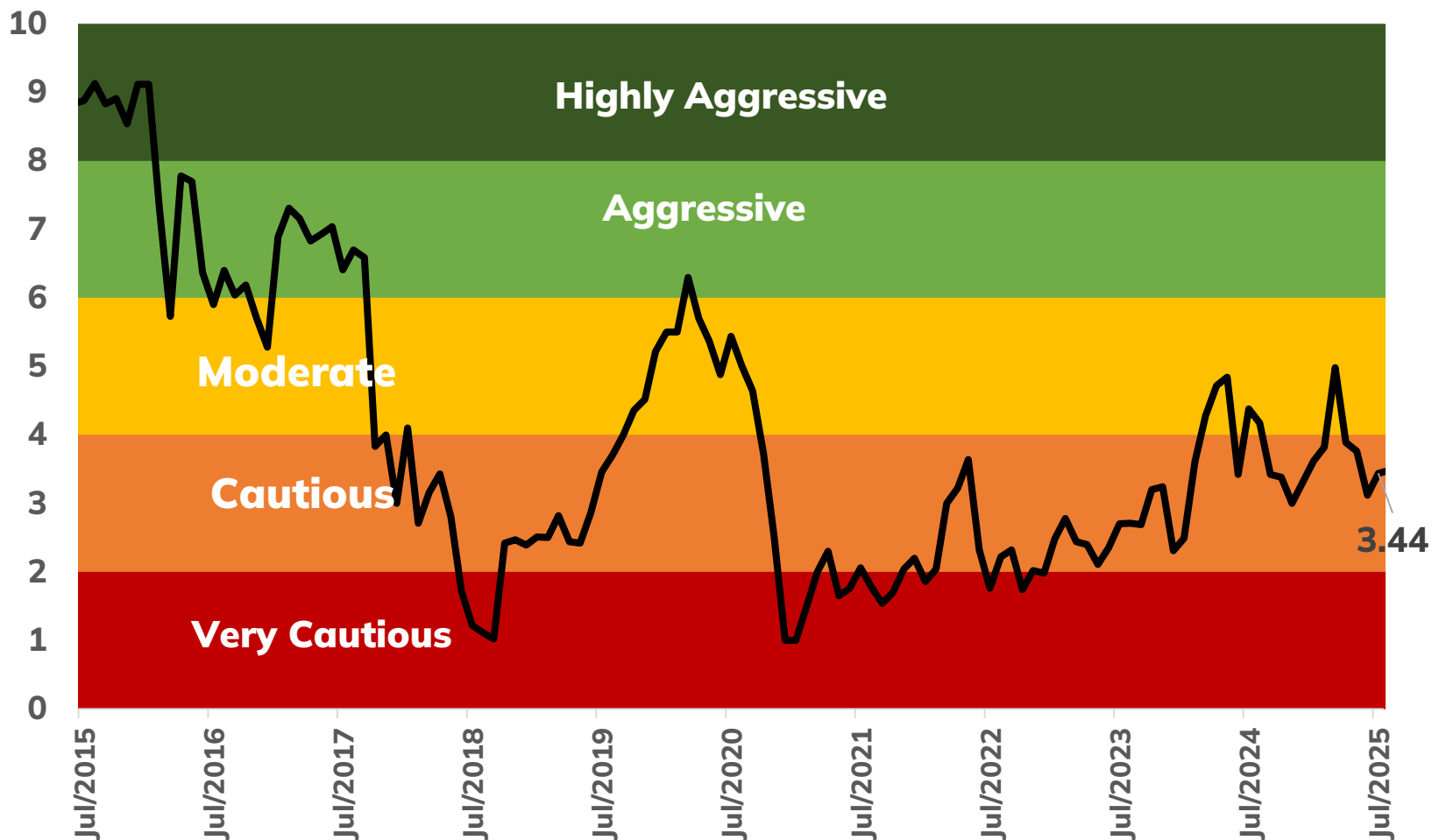


## LONG TERM (More than 3 Years)

- ICICI Prudential All Seasons Bond Fund



# Fixed-Income Approach Debt Valuation Index



We are cautious on DURATION due to ongoing growth phase of the business cycle and global uncertainties.

We recommend **Accruals + Active Duration Management** in the current scenario.

Data as on July 31, 2025. Debt Valuation Index considers WPI, CPI, Sensex returns, Gold returns and Real estate returns over G-Sec yield, Current Account Balance, Fiscal Balance, Credit Growth and Crude Oil Movement for calculation. RBI – Reserve Bank of India. Debt Valuation Index is a proprietary model of ICICI Prudential AMC Ltd. (the AMC) used for assessing overall debt valuations. The AMC may also use this model for other facilities/features offered by the AMC and any other factor which the AMC may add/delete from time to time.

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# Riskometers

ICICI Prudential Business Cycle Fund (An open ended equity scheme following business cycles based investing theme) is suitable for investors who are seeking\*:

- ☐ Long term wealth creation
- ☐ An equity scheme that invests in Indian markets with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles

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

ICICI Prudential Flexicap Fund (An open ended dynamic equity scheme investing across large cap, mid cap & small cap stocks) is suitable for investors who are seeking\*:

- ☐ Long term wealth creation
- ☐ An open ended dynamic equity scheme investing across large cap, mid cap and small cap stocks

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

ICICI Prudential Multi-Asset Fund (An open ended scheme investing in Equity, Debt and Exchange Traded Commodity Derivatives/ units of Gold ETFs/units of Silver ETFs/units of REITs & InvITs/Preference shares.) is suitable for investors who are seeking\*:

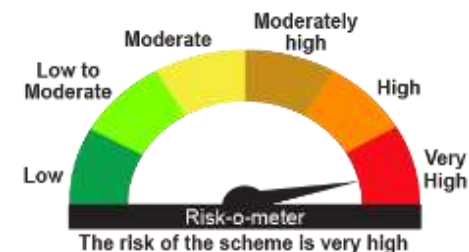
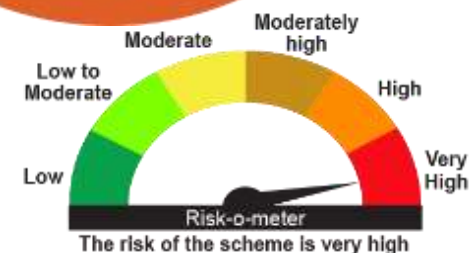
- ☐ Long Term Wealth Creation
- ☐ An open ended scheme investing across asset classes

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

ICICI Prudential Asset Allocator Fund (FOF) (An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETFs/schemes.) is suitable for investors who are seeking\*:

- ☐ Long term wealth creation
- ☐ An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETF/schemes.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. Investors may please note that they will be bearing the recurring expenses of this Scheme in addition to the expenses of the underlying Schemes in which this Scheme makes investment.





# Riskometers

ICICI Prudential India Opportunities Fund (An open ended equity scheme following special situations theme) is suitable for investors who are seeking\*:

- ☐ Long term wealth creation
- ☐ An equity scheme that invests in stocks based on special situations theme

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

ICICI Prudential Balanced Advantage Fund (An open ended dynamic asset allocation fund) is suitable for investors who are seeking\*:

- ☐ Long term capital appreciation/income
- ☐ Investing in equity and equity related securities and debt instruments

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

ICICI Prudential Equity & Debt Fund (An open ended hybrid scheme investing predominantly in equity and equity related instruments) is suitable for investors who are seeking\*:

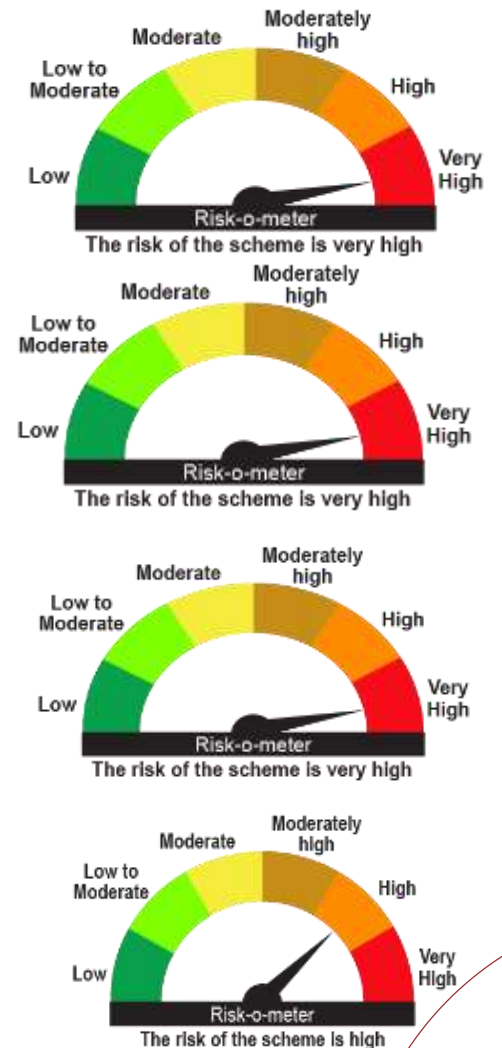
- ☐ Long term wealth creation solution
- ☐ A balanced fund aiming for long term capital appreciation and current income by investing in equity as well as fixed income securities

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

ICICI Prudential Passive Multi-Asset Fund of Funds (An open ended fund of funds scheme investing in equity, debt, gold and global index funds/exchange traded funds) is suitable for investors who are seeking\*:

- ☐ Long term wealth creation
- ☐ An open ended fund of funds scheme investing in equity, debt, gold and global index funds/exchange traded funds

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. Investors may please note that they will be bearing the recurring expenses of this Scheme in addition to the expenses of the underlying Schemes in which this Scheme makes investment.





# Riskometers

ICICI Prudential Innovation Fund (An open ended equity scheme following innovation theme) is suitable for investors who are seeking\*:

- ☐ Long term capital creation
- ☐ An equity scheme that invests in stocks adopting innovation strategies or themes.

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

ICICI Prudential Equity Minimum Variance Fund (An open ended equity scheme following Minimum Variance theme) is suitable for investors who are seeking\*:

- ☐ Long Term Wealth Creation
- ☐ To generate long term capital appreciation by investing in Equity & Equity related instruments through a diversified basket with an aim to minimize the portfolio volatility.

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

ICICI Prudential Large Cap Fund (An open ended equity scheme predominantly investing in large cap stocks) is suitable for investors who are seeking\*:

- ☐ Long term wealth creation
- ☐ An open ended equity scheme predominantly investing in large cap stocks

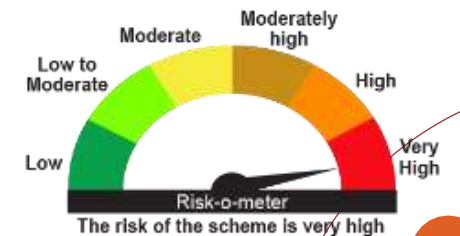
\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Value Fund (An open ended equity scheme following a value investment strategy) is suitable for investors who are seeking\*:

- ☐ Long Term Wealth Creation
- ☐ An open ended equity scheme following a value investment strategy

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

Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. The above riskometers are as on June 30, 2025. Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.





# Riskometers

ICICI Prudential Thematic Advantage Fund (FOF) (An open ended fund of funds scheme investing predominantly in Sectoral/Thematic schemes) is suitable for investors who are seeking\*:

- ☐ Long term wealth creation
- ☐ • An open ended fund of funds scheme investing predominantly in Sectoral/Thematic equity oriented schemes.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. Investors may please note that they will be bearing the recurring expenses of this Scheme in addition to the expenses of the underlying Schemes in which this Scheme makes investment.

ICICI Prudential Large & Mid Cap Fund (An open ended equity scheme investing in both large cap and mid cap stocks.) is suitable for investors who are seeking\*:

- ☐ Long Term Wealth Creation
- ☐ An open ended equity scheme investing in both large cap and mid cap stocks

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

ICICI Prudential Focused Equity Fund (An open ended equity scheme investing in maximum 30 stocks across market-capitalization i.e. focus on multicap) is suitable for investors who are seeking\*:

- ☐ Long Term Wealth Creation
- ☐ An open ended equity scheme investing in maximum 30 stocks across market-capitalisation.

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

ICICI Prudential Rural Opportunities Fund (An open ended equity scheme following Rural and allied theme) is suitable for investors who are seeking\*:

- ☐ Long Term Wealth Creation
- ☐ An equity scheme following Rural and allied theme

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





# Risk-o-meters



Please note that the Risk-o-meter(s) specified will be evaluated and updated on a monthly basis. The below riskometers are as on July 31, 2025.  
Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

## ICICI Prudential Liquid Fund

(An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk.)



- This product is suitable for investors who are seeking\*:
- Short term savings solution
  - A liquid fund that aims to provide reasonable returns commensurate with low risk and providing a high level of liquidity

## ICICI Prudential Banking & PSU Debt Fund

(An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal bonds. A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking\*:

- Short term savings
- An open ended debt scheme predominantly investing in debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds

## ICICI Prudential Money Market Fund

(An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.)

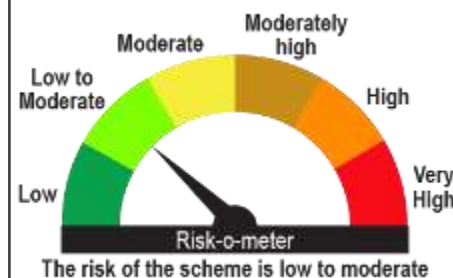


This product is suitable for investors who are seeking\*:

- Short term savings
- A money market scheme that seeks to provide reasonable returns, commensurate with low risk while providing a high level of liquidity

## ICICI Prudential Savings Fund

(An open ended low duration debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 6 months and 12 months. A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking\*:

- Short term savings
- An open ended low duration debt scheme that aims to maximize income by investing in debt and money market instruments while maintaining optimum balance of yield, safety and liquidity.





# Risk-o-meters



Please note that the Risk-o-meter(s) specified will be evaluated and updated on a monthly basis. The below riskometers are as on July 31, 2025. Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

## ICICI Prudential Floating Interest Fund

(An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/derivatives). A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking\*:

- Short term savings
- An open ended debt scheme predominantly investing in floating rate instruments.

## ICICI Prudential All Seasons Bond Fund

(An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.)

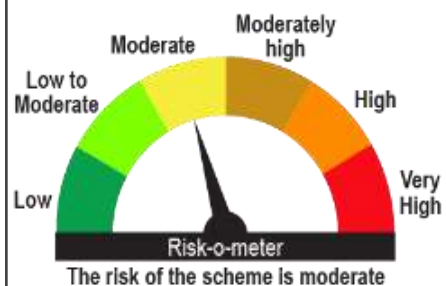


This product is suitable for investors who are seeking\*:

- All duration savings
- A debt scheme that invests in debt and money market instruments with a view to maximize income while maintaining optimum balance of yield, safety and liquidity.

## ICICI Prudential Ultra Short Term Fund

(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking\*:

- Short term regular income
- An open ended ultra-short term debt scheme investing in a range of debt and money market instruments.

## ICICI Prudential Credit Risk Fund

(An open ended debt scheme predominantly investing in AA and below rated corporate bonds. A relatively high interest rate risk and relatively high credit risk.)



This product is suitable for investors who are seeking\*:

- Medium term savings
- A debt scheme that aims to generate income through investing predominantly in AA and below rated corporate bonds while maintaining the optimum balance of yield, safety and liquidity.



# Risk-o-meters



Please note that the Risk-o-meter(s) specified will be evaluated and updated on a monthly basis. The below riskometers are as on July 31, 2025. Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

## ICICI Prudential Corporate Bond Fund

(An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking\*:

- Short term savings
- An open ended debt scheme predominantly investing in highest rate corporate bonds.

## ICICI Prudential Short Term Fund

(An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 Year and 3 Years. A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking\*:

- Short term income generation and capital appreciation solution
- A debt fund that aims to generate income by investing in a range of debt and money market instruments of various maturities.

## ICICI Prudential Medium Term Bond Fund

(An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years. The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation. A relatively high interest rate risk and moderate credit risk)



This product is suitable for investors who are seeking\*:

- Medium term savings
- A debt scheme that invests in debt and money market instruments with a view to maximize income while maintaining optimum balance of yield, safety and liquidity

## ICICI Prudential Income Plus Arbitrage Active FOF

(Erstwhile ICICI Prudential Income Optimizer Fund (FOF))

(An open ended fund of funds scheme investing in Debt oriented and arbitrage schemes.)



This product is suitable for investors who are seeking\*:

- Short term savings
- An open ended fund of funds scheme investing in Debt oriented and arbitrage schemes.





# Risk-o-meters



Please note that the Risk-o-meter(s) specified will be evaluated and updated on a monthly basis. The below risk-o-meters are as on July 31, 2025. Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

## ICICI Prudential Equity Savings Fund

(An open ended scheme investing in equity, arbitrage and debt)

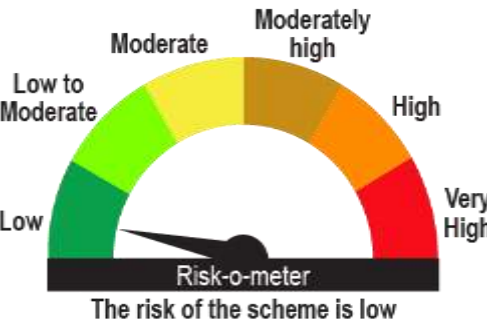


This product is suitable for investors who are seeking\*:

- Long term wealth creation
- An open ended scheme that seeks to generate regular income through investments in fixed income securities, arbitrage and other derivative strategies and aim for long term capital appreciation by investing in equity and equity related instruments

## ICICI Prudential Equity-Arbitrage Fund

(An open ended scheme investing in arbitrage opportunities)



This product is suitable for investors who are seeking\*:

- Short Term Income Generation
- A hybrid scheme that aims to generate low volatility returns by using arbitrage and other derivative strategies in equity markets and investments in debt and money market instruments



# Potential Risk Class



The Potential risk class (PRC) matrix based on interest rate risk and credit risk.

ICICI Prudential Credit Risk Fund

Potential Risk Class			
Credit Risk→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)			C-III

ICICI Prudential Ultra Short Term Fund

Potential Risk Class			
Credit Risk→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)		B-II	
Relatively High (Class III)			

ICICI Prudential Liquid Fund, ICICI Prudential Money Market Fund

Potential Risk Class			
Credit Risk→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

ICICI Prudential Savings Fund, ICICI Prudential Floating Interest Fund, ICICI Prudential Medium Term Bond Fund, ICICI Prudential All Seasons Bond Fund, ICICI Prudential Corporate Bond Fund, ICICI Prudential Banking & PSU Debt Fund, ICICI Prudential Short Term Fund

Potential Risk Class			
Credit Risk→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)		B-III	



# YTM Disclaimer



Scheme Name	ICICI Prudential Money Market Fund	ICICI Prudential Savings Fund	ICICI Prudential Floating Interest Fund	ICICI Prudential Banking & PSU Debt Fund	ICICI Prudential Corporate Bond Fund	ICICI Prudential All Seasons Bond Fund
Description	An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk	An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months. A relatively high interest rate risk and moderate credit risk.	An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/derivatives). A relatively high interest rate risk and moderate credit risk	An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal bonds. A relatively high interest rate risk and moderate credit risk.	An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.	An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.
Annualised Portfolio YTM*:	6.10%	6.76%	7.30%	6.81%	6.78%	7.32%
Macaulay Duration	0.51 Years	0.86 Years	1.14 Years	2.91 Years	2.62 Years	3.86 Years
Residual Maturity	0.52 Years	1.69 Years	3.87 Years	5.02 Years	4.58 Years	9.60 Years

As per AMFI Best Practices Guidelines Circular No. AMFI/ 35P/ MEM-COR/ 72 / 2022-23 dated December 31, 2022 on Standard format for disclosure Portfolio YTM for Debt Schemes, Yield of the instrument is disclosed on annualized basis as provided by Valuation agencies. \*in case of semi annual YTM, it will be annualized.

The Yield to Maturity (YTM) mentioned is based on scheme portfolio dated July 31, 2025. YTM is the rate of return of a bond if held until maturity. This should not be considered as an indication of the returns that maybe generated by the scheme. The securities bought by the scheme may or may not be held till their respective maturities.



# YTM Disclaimer



Scheme Name	ICICI Prudential Short Term Fund	ICICI Prudential Liquid Fund	ICICI Prudential Credit Risk Fund	ICICI Prudential Medium Term Bond Fund	ICICI Prudential Ultra Short Term Fund
Description	An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 Year and 3 Years. A relatively high interest rate risk and moderate credit risk.	An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk.	An open ended debt scheme predominantly investing in AA and below rated corporate bonds. A relatively high interest rate risk and relatively high credit risk	An Open Ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation. A relatively high interest rate risk and moderate credit risk.	An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk
Annualised Portfolio YTM*:	7.11%	5.86%	7.91%	7.67%	6.63%
Macaulay Duration	2.30 Years	0.10 Years	1.96 Years	3.25 Years	0.43 Years
Residual Maturity	4.07 Years	0.10 Years	2.59 Years	5.12 Years	0.60 Years

As per AMFI Best Practices Guidelines Circular No. AMFI/ 35P/ MEM-COR/ 72 / 2022-23 dated December 31, 2022 on Standard format for disclosure Portfolio YTM for Debt Schemes, Yield of the instrument is disclosed on annualized basis as provided by Valuation agencies. \*in case of semi annual YTM, it will be annualized.

The Yield to Maturity (YTM) mentioned is based on scheme portfolio dated July 31, 2025. YTM is the rate of return of a bond if held until maturity. This should not be considered as an indication of the returns that maybe generated by the scheme. The securities bought by the scheme may or may not be held till their respective maturities.

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# Disclaimer



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

All figures and other data given in this document are dated as of July 31, 2025 unless stated otherwise. The same may or may not be relevant at a future date. The information shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Prudential Asset Management Company Limited (the AMC). Prospective investors are advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of ICICI Prudential Mutual Fund

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