

## ICICI PRU BALANCED FUND



### FUND MANAGERS


**SANKAREN NAREN**

 CIO and Fund  
Manager Equity

**MANISH BANTHIA**

Fund Manager Debt

### WHY INVEST IN THIS FUND?

#### Key Features

- This is a balanced fund with an investment strategy which invests minimum 65% in equities and maximum 35% in debt.
- The portfolio is periodically rebalanced to ensure that the above allocation remains constant. It maintains a more or less steady-state asset allocation between equity and debt, with equity swinging in a narrow band of 66 to 70 per cent.
- Currently the portfolio has about 69.38% invested in equities, 27.70% in Debt, (of this 8.55% is held in government securities and 8.11% incorporate bonds) and 2.92% in cash equivalents.
- The equity portion of the portfolio contains 75 stocks from 49 sectors
- Within equities, large-caps account for 98.53% and Mid-caps account for 1.47% in the Portfolio which is higher than the peers' allocations. In terms of Investment style, the fund follows a Growth oriented approach
- On the debt portion, the fund relies more on duration than credit calls to improve returns. Throughout 2015-16, for instance, the average maturity was higher than 10 years. This has been toned down lately as interest rates have headed lower. While the fund seeks to add to returns based on rate calls, it is very conservative on taking on credit risks. Sovereign and AAA Rated Securities dominate its portfolio with 80% of the allocation in the Debt portion of the portfolio. Currently the Modified Duration of the Debt Portfolio is 2.72 Years and Portfolio YTM of 7.73% indicating the medium term stance of the Debt Fund Manager which is in line with their current interest rate view
- The annual portfolio turnover ratio for the last 1 year for the Equity portion is healthy 0.53 times for the equity portion which indicates that the entire portfolio is churned in around 2 years. This ratio is higher for debt at 1.47 times for the last 1 year and the combined annual portfolio turnover is 2.0 times which indicates stability of the portfolio and the conviction of the fund manager
- The top 3 sectors in the portfolio are Energy (16.13%), Financials (14.19%) and IT (6.10%)
- The latest portfolio suggests a growth oriented approach in the equity portion of the portfolio
- Fund Benchmark is Crisil Hybrid 35+65 – Aggressive Index
- Fund manager is Mr Sankaren Naren (Equity Portion since Dec 2015) and Manish Banthia (Debt Portion since Sep 2015)
- Current AUM of this fund is Rs 27,602 Crores making it the second largest balanced fund.
- Current expense ratio is 2.17%
- Exit load is 1% (up to 1 year for more than 10% of units). Minimum investment: Rs 5,000 (Lump sum) and Rs 500(SIP)

#### Benefits

- Fund has been a consistent performer over the last 5 years and its returns are comparable to those of pure equity funds.
- The fund size of Rs 27,602 Crores has not been any impediment in its performance.
- Fund returns over the last 3 years (10.54%p.a), 5 years (18.90%p.a) have been ahead of its benchmark (CRISIL Balanced Fund–Aggressive index) by 2.43% and 7.40% respectively. (Returns as on April 9, 2018)
- A longer history suggests that after a bad patch in 2007 and 2008, 2009 proved to be a turning point for this fund.
- Backed by a stable management team, this fund is amongst the top choices in the balanced funds category
- This fund is a long term wealth creator and can be part of an investor's core portfolio
- Lump sum and SIP/STP/SWP investment mode is available

#### Recommendation

- We recommend this fund with a minimum 3 years time horizon for investors who have a moderate risk appetite and expect equity like returns.

# ICICI Pru Balanced Fund(G)

Fund Report Card		ICICI Pru Balanced Fund(G)																																																																														
<b>Fund Objective/Risk</b> The primary investment objective of the scheme is to seek to generate long term capital appreciation and current income from a portfolio that is invested in equity and equity related securities as well as in fixed income securities. However, there can be no assurance that the investment objective of the Scheme will be realized.		<b>Investment Information</b> Scheme: Open ended scheme Launch Date: 03/Nov/1999 Fund Manager: Sarin/Sarav Bench Mark: CNX50 Balanced Fund-Aggressive Index Max.Entry Load(%): NA Max.Exit Load(%): 1		<b>Fund Structure</b> Total Stocks: 30 Total Sectors: 40 P/B Ratio: 30.29 P/E Ratio: 5.19 Avg. Market Cap. (Rs. Cr./Jan 2018): 107389.81																																																																												
<b>Fund House Details</b> AMC Name: ICICI Prudential Asset Management Company Limited Address: One BKC, A - Wing 13th Floor, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051 Website: www.icicifunds.com		<b>3 Years History</b> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>2017-2018</th> <th>2016-2017</th> <th>2015-2016</th> <th>2014-2015</th> <th>2013-2014</th> </tr> </thead> <tbody> <tr> <td>NAV in Rs. (as of 31st March)</td> <td>126.9</td> <td>116.26</td> <td>85.85</td> <td>81.73</td> <td>85.18</td> </tr> <tr> <td>Net Assets (Rs. Crores.) (as on 31st March)</td> <td>2780.1</td> <td>8747</td> <td>2943</td> <td>1879</td> <td>683</td> </tr> <tr> <td>Return(%)</td> <td>8.98</td> <td>27.72</td> <td>-3.25</td> <td>38.88</td> <td>21.74</td> </tr> <tr> <td>CNX Nifty Return(%)</td> <td>8.48</td> <td>18.86</td> <td>-8.87</td> <td>26.23</td> <td>17.43</td> </tr> <tr> <td>Category Rank</td> <td>27(287)</td> <td>4(288)</td> <td>188(242)</td> <td>14(204)</td> <td>8(147)</td> </tr> </tbody> </table> * Listed as on 31/Mar/18		Financial Year	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	NAV in Rs. (as of 31st March)	126.9	116.26	85.85	81.73	85.18	Net Assets (Rs. Crores.) (as on 31st March)	2780.1	8747	2943	1879	683	Return(%)	8.98	27.72	-3.25	38.88	21.74	CNX Nifty Return(%)	8.48	18.86	-8.87	26.23	17.43	Category Rank	27(287)	4(288)	188(242)	14(204)	8(147)																																									
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