

MULTI ASSET PMS

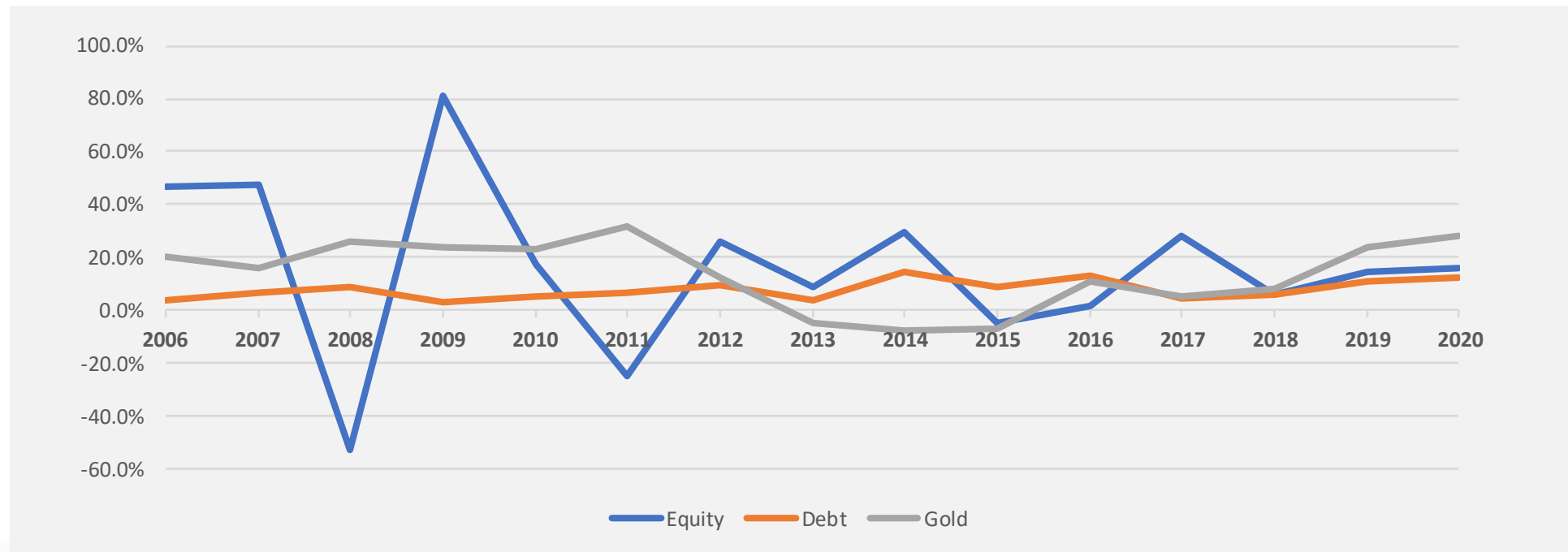
AN OPEN ENDED SCHEME INVESTING
IN EQUITY, FIXED INCOME AND GOLD.

WHY MULTI ASSET?



WINNERS KEEP CHANGING AMONG ASSET CLASSES

Asset Class Performance



Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equity	46.7	47.1	-52.4	81	17.4	-24.6	25.7	9.0	29.9	-5.0	1.9	27.9	5.9	14.4	15.8
Debt	4.0	6.9	9.1	3.5	5.0	6.9	9.4	3.8	14.3	8.6	12.9	4.7	5.9	10.7	12.3
Gold	20.3	16.0	26.1	24.2	23.2	31.7	12.3	-4.5	-7.9	-6.6	11.3	5.1	7.9	23.8	28

WHY MULTI ASSET FUND?

Why Multi Asset Fund?

A single asset class has periods of outperformance and periods of drawdowns.

Why does a Multi Asset Fund work ?

Mix of non-correlated asset classes yields a combination which has far lesser volatility and comparatively better risk adjusted returns.

What is on offer?

A diversified multi asset fund aims to generate long term capital appreciation by investing in multiple asset classes with lower volatility, yet aiming for reasonable returns.

Correlation between asset classes

Correlation	Equity	Debt	Gold
Equity	1	0.13	-0.13
Debt	0.13	1	-0.12
Gold	-0.13	-0.12	1

Weak or negative Correlation between asset classes helps in Portfolio Diversification

Source: Bloomberg

ALLOCATION AND RATIONALE

- Provides alpha
- ▶ Direct Equity
 - ▶ Large cap, Midcap and Small cap equity diversified and thematic funds
 - ▶ Index ETF
 - ▶ Alternate investment funds
 - ▶ REIT/INVITS

EQUITY

DEBT

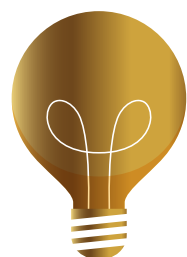
- Provides safety and offers accrual returns
- ▶ Debt MF including AAA, Liquid and Gilts
 - ▶ Debt ETF
 - ▶ Listed Corporate bonds

GOLD

- Provides hedge against inflation/ geo-political risk/ INR depreciation
- ▶ Gold ETF
 - ▶ Gold funds
 - ▶ Sovereign gold bonds

BENEFITS OF ASSET ALLOCATION

IT IS THE ASSET ALLOCATION THAT MAKES THE DIFFERENCE IN THE LONG-TERM



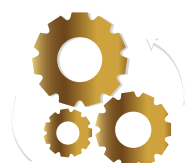
Asset classes follow different cycles over different time periods



It is difficult to predict which Asset class will outperform



Asset allocation is the key driver of portfolio returns



Helps in Portfolio Diversification



Leads to Optimal returns

ISEC MULTI ASSET STRATEGY

ISEC MULTI ASSET STRATEGY

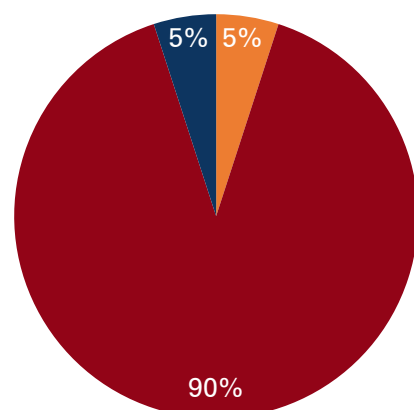
	Equity	Debt	Gold	Benchmark	Investment Behaviour
Risk Averse	0-10%	90-100%	0-10%	Crisil Bond Index	Risk averse investors typically will not take any risk and are comfortable with returns that are commensurate with bank deposits or highly rated debt instruments. Preservation of capital is their most important objective.
Conservative	10-30%	70-90%	0-15%	Crisil Hybrid 20/80 - conservative index	Conservative investors are prepared to take a small amount of short-term risk for potential returns that are higher than bank deposits over the medium to long term
Balance	40-60%	40-60%	0-30%	Crisil 50/50 - moderate index	Balanced investors generally look for moderate capital growth over the long term and are cautious towards taking high level of risk. They are however, comfortable with short-term fluctuations in returns
Growth	70-90%	10-30%	0-50%	Crisil Hybrid 80/20 - aggressive index	Growth investors are willing to take significant risk in pursuit of higher long-term capital growth and can accept high market volatility and fluctuations in returns
Aggressive	0-100%	0-20%	0-100%	NSE 200 TRI	Aggressive investors will usually accept high risk for the potential of substantially higher long-term capital growth. These investors will accede to wide fluctuations in returns from year to year

ISEC MULTI ASSET STRATEGY

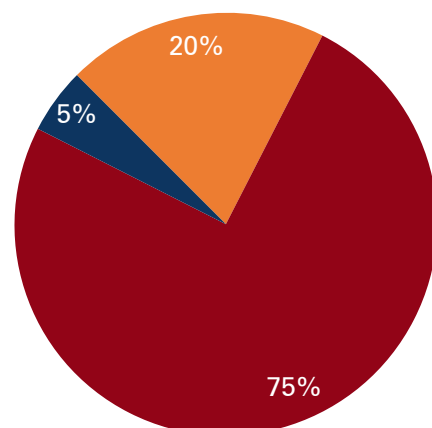
Current Allocations



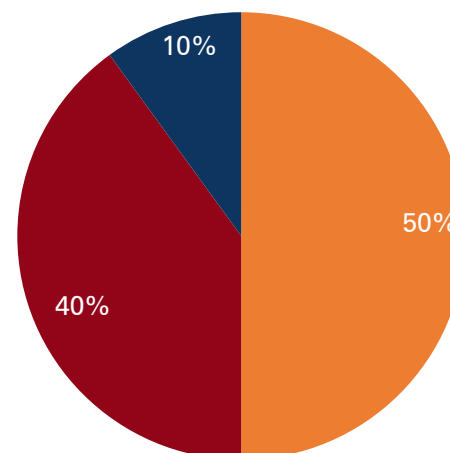
Risk Averse



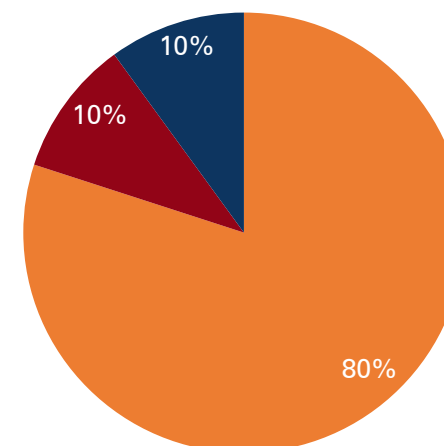
Conservative



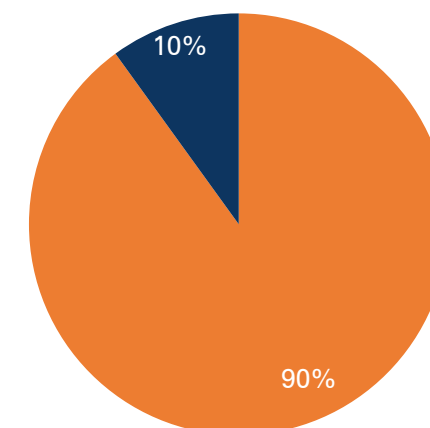
Balanced



Growth



Aggressive



Select a portfolio which suits your requirement. Right from a risk averse portfolio which has predominantly debt allocation to an aggressive portfolio which has equity allocation. These portfolios are constructed with flexibility to generate alpha while not compromising on the overall asset allocation balance.

MULTI ASSET STRATEGY- ALLOCATIONS

Portfolio for Multi assets can be combination of Debt, Equity or any other asset class as defined below:

Debt: Debt Mutual Funds, Liquid or overnight Funds, Credit Funds, Bonds, Debt ETF and any listed debt instrument

Equity: Direct Equity, Equity MF, Equity ETF, InvIT, REIT

Alternatives: Gold, other commodities, Gold Funds/ETF, Sovereign Gold Bond

Asset Class	Risk Averse	Conservative	Balance	Growth	Aggressive
Debt	<ul style="list-style-type: none"> ▶ Debt Funds excluding Credit Funds ▶ Modified duration of the portfolio is up to 4 years. ▶ Bond or any other rated instrument rated AA+ and above. 	<ul style="list-style-type: none"> ▶ Debt Funds excluding Credit Funds ▶ Modified Duration of the portfolio is upto 5 years ▶ Bond or any other rated instrument rated AA and above 	All debt fund or bond or any other rated instrument rated AA- and above	All debt fund or bond or any other rated instrument rated A and above	All debt fund or bond or any other rated instrument
Equity	Diversified Equity Fund	Diversified Equity Fund	Direct Equity and Diversified Equity Fund except sector/ Thematic funds.	Direct Equity and Equity Diversified funds and sector/ Thematic funds.	Direct Equity and Equity Diversified funds and sector/ Thematic funds.
Alternative Investments	Gold Backed Products	Gold Backed Products	Gold & Silver Backed Products	Gold & Silver Backed Products	Gold & Silver Backed Products

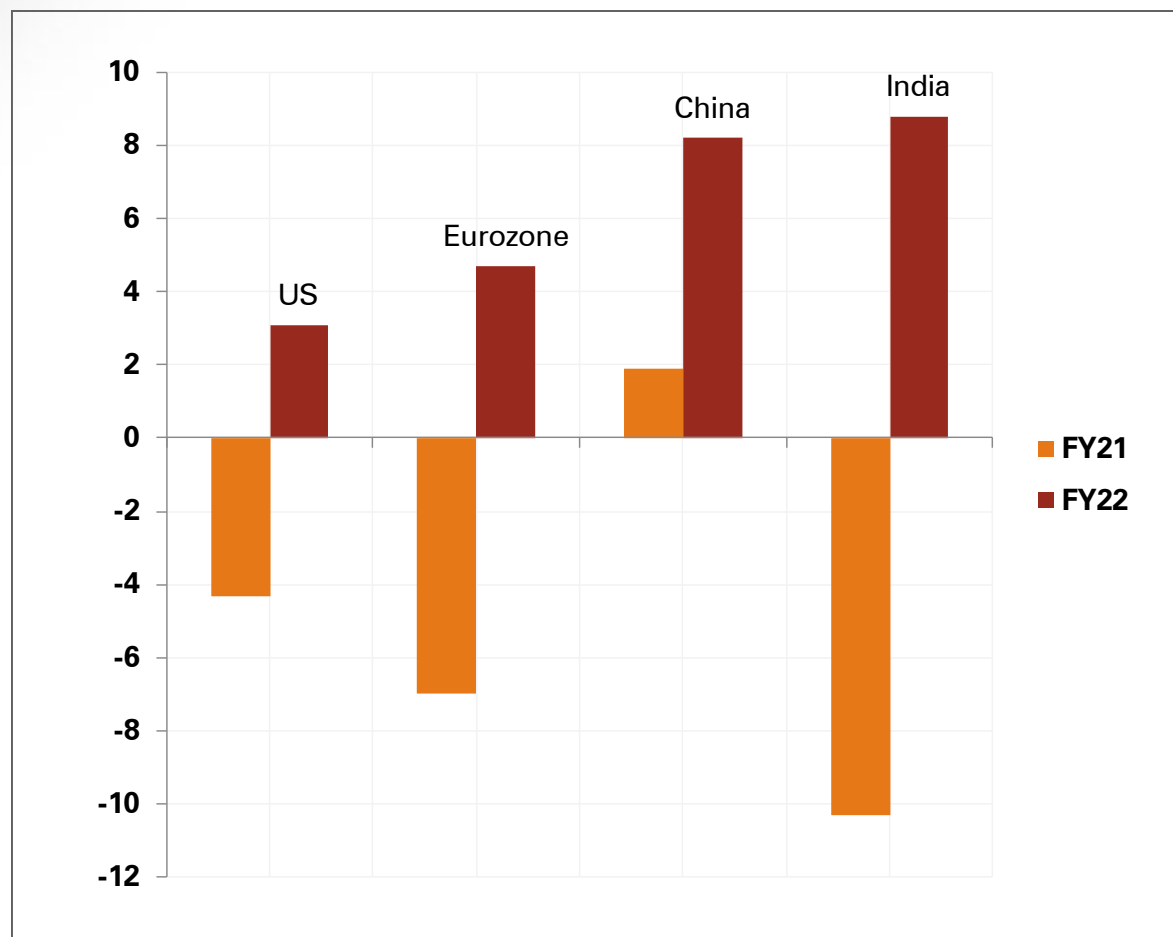
RETURN MATRIX

Date	Equity 5-yr rolling CAGR	Debt 5-yr rolling CAGR	Gold 5-yr rolling CAGR	Risk Averse	Conservative	Balanced	Growth	Aggressive
31-12-2020	14.26%	9.25%	15.14%	9.80%	10.56%	12.35%	13.85%	14.35%
31-12-2019	9.87%	8.54%	7.85%	8.57%	8.77%	9.14%	9.54%	9.67%
31-12-2018	12.79%	9.24%	1.66%	9.04%	9.57%	10.26%	11.33%	11.68%
31-12-2017	13.52%	8.79%	-0.80%	8.55%	9.26%	10.20%	11.61%	12.09%
31-12-2016	13.24%	9.74%	0.53%	9.46%	9.98%	10.57%	11.62%	11.97%
31-12-2015	6.56%	8.55%	3.97%	8.22%	7.92%	7.10%	6.50%	6.30%
31-12-2014	11.19%	7.80%	9.89%	8.08%	8.59%	9.71%	10.73%	11.06%
31-12-2013	18.76%	5.68%	16.68%	6.89%	8.85%	13.32%	17.25%	18.56%
31-12-2012	0.57%	6.74%	23.36%	7.26%	6.33%	5.32%	3.47%	2.85%
31-12-2011	3.65%	6.26%	24.15%	7.02%	6.63%	6.74%	5.96%	5.70%
31-12-2010	18.45%	5.66%	21.93%	7.11%	9.03%	13.68%	17.52%	18.80%
Avg. Return	12.17%	7.65%	11.30%	8.18%	8.68%	9.85%	10.85%	11.30%
Std. Deviation	6.43%	1.50%	9.40%	1.02%	1.30%	2.69%	4.41%	5.00%

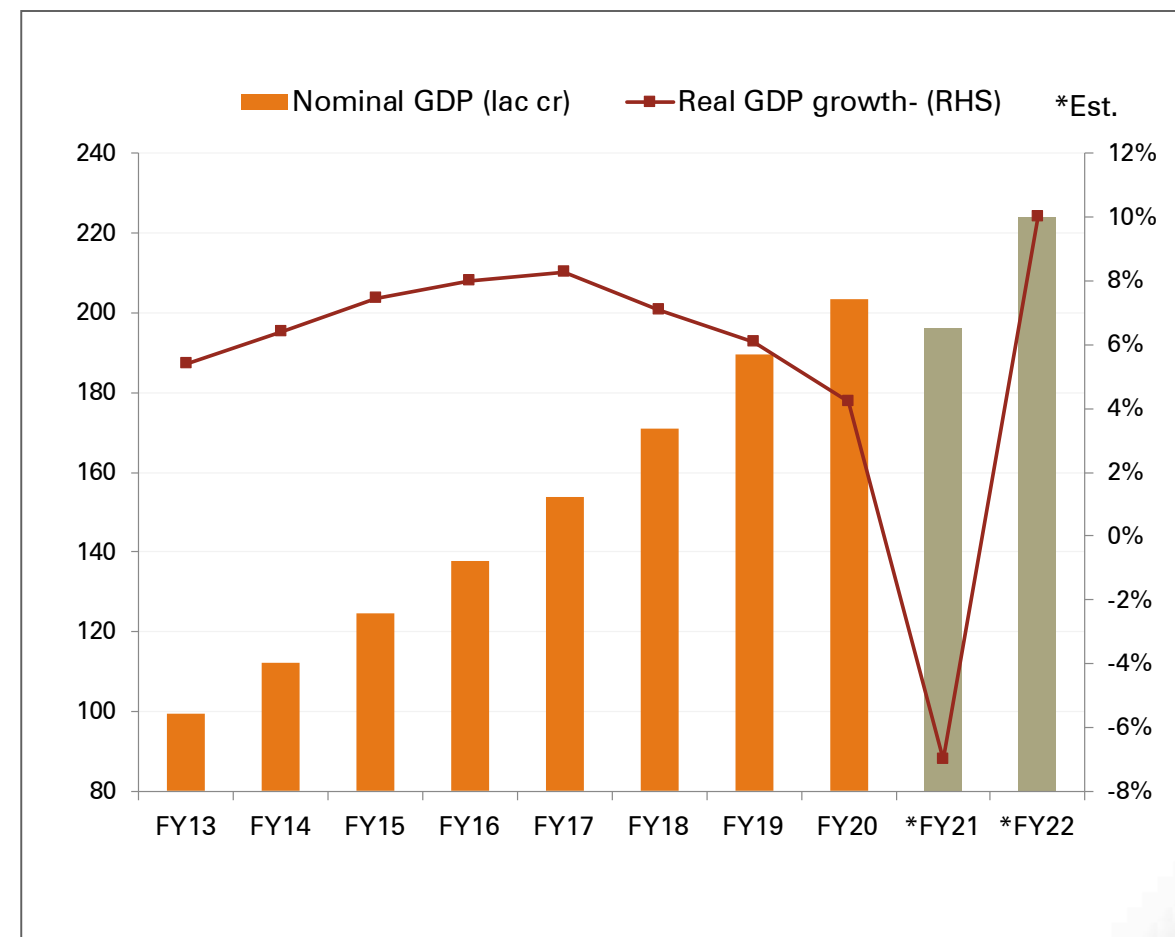
5-year rolling CAGR returns are calculated for the last 12 years

GDP GROWTH: V-SHAPED RECOVERY

IMF World Economic Outlook

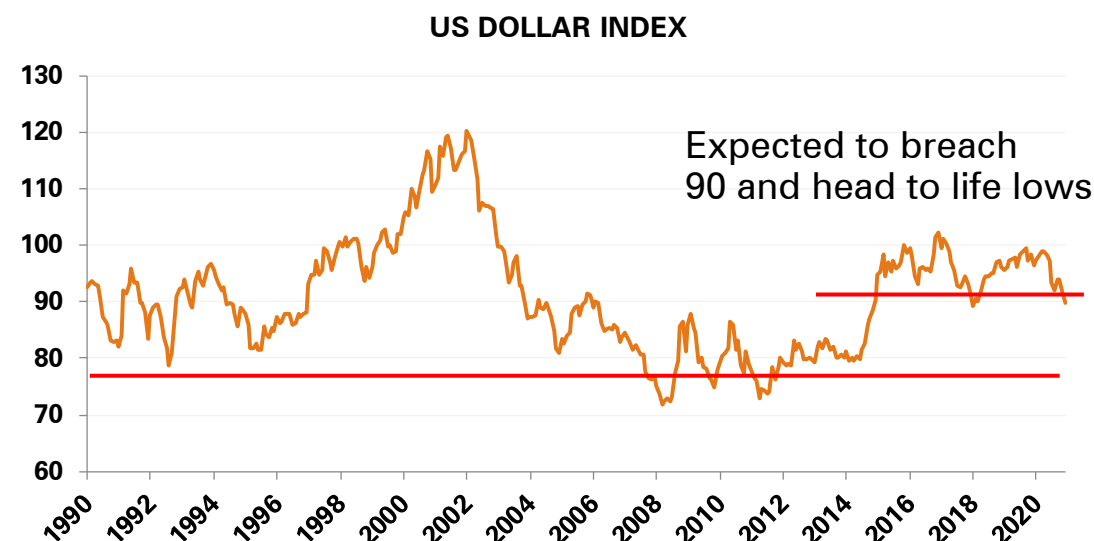
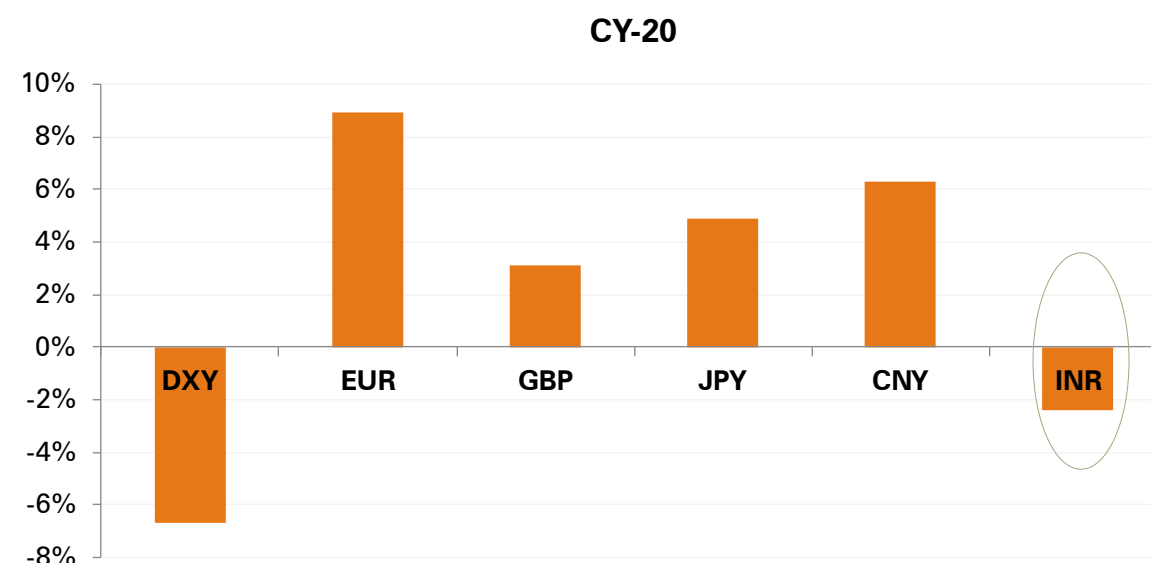
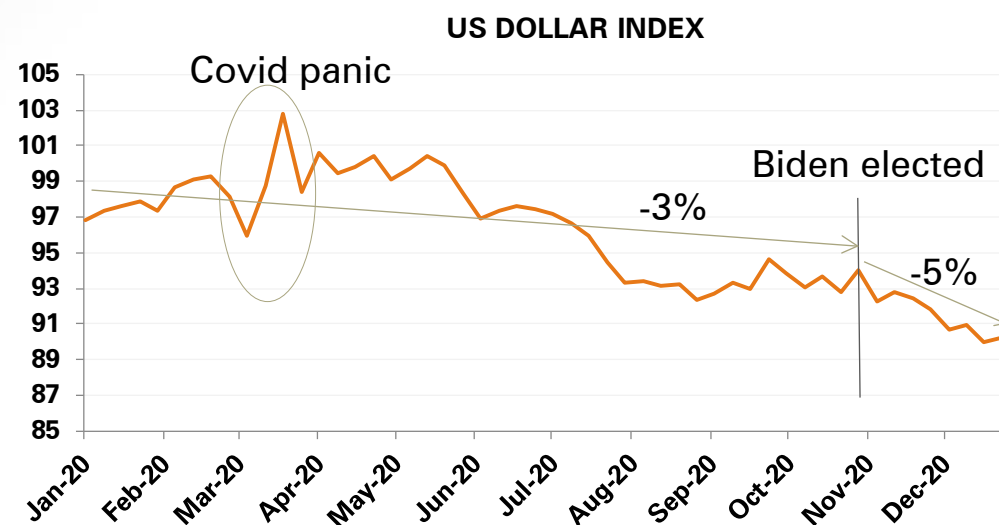


Estimates of India's real GDP



FY21 nominal GDP is estimated to be around 196 lac cr. producing a real GDP contraction of -7% and with FY22 estimated real GDP growth of 10%, it is projected to about 224 lac cr.

US DOLLAR- EXPECTED TO WEAKEN FURTHER

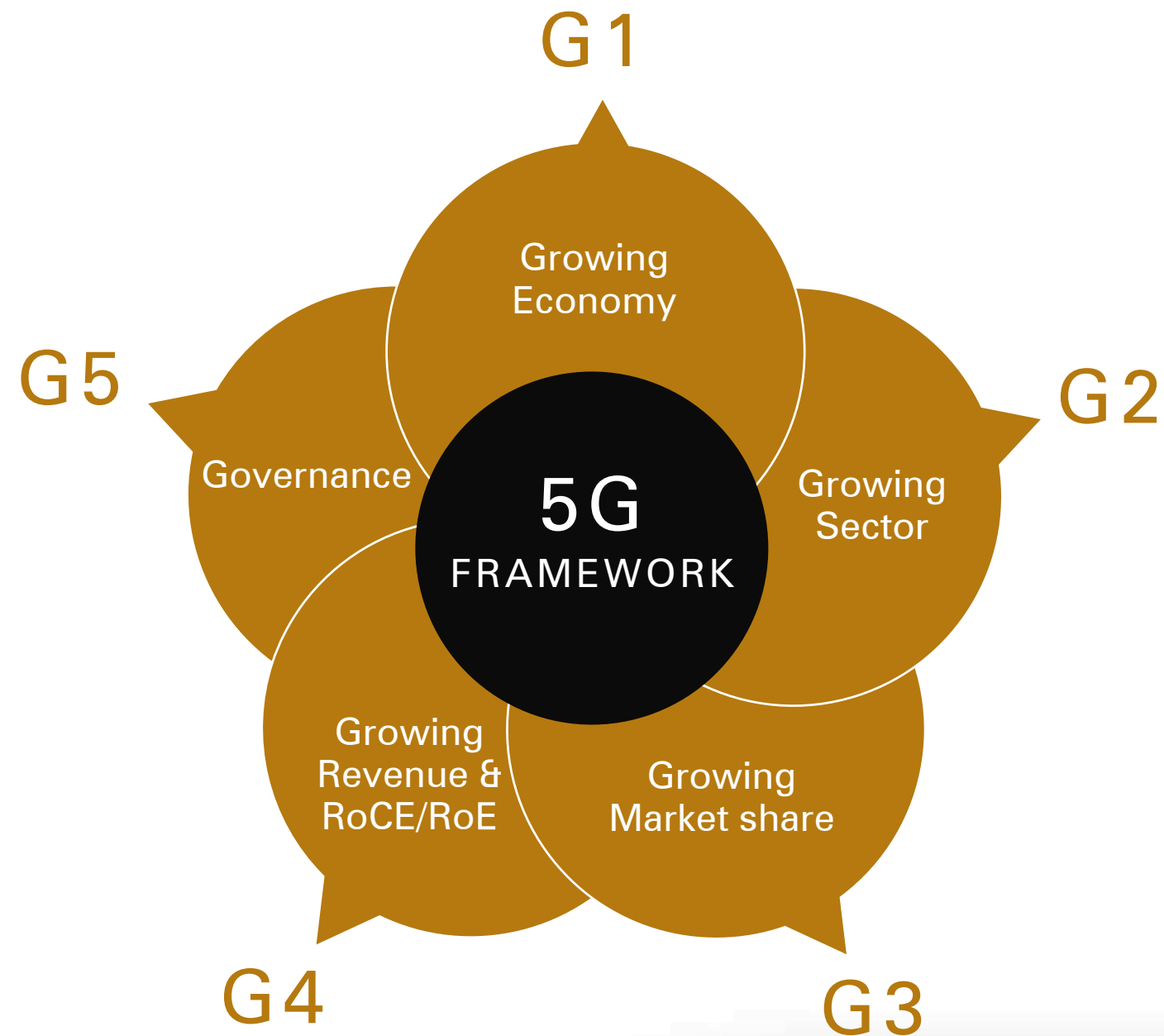


US Dollar is continuing its fall with real yield in US in the negative and expected to remain so with Fed adopting average inflation targeting and tolerance for inflation overshoots.

OUTLOOK FOR CY21

- ▶ Vaccine deployment to provide hope of flattening the mortality curve soon
- ▶ Significant increase in debt levels. Developed world central banks have significantly expanded balance sheets. Global debt levels require very low interest rates for sustainability of debt- esp. in the US
- ▶ Savings glut to reduce and start reversing in 2021 as central banks start reducing liquidity and consumption picks up as economy recovers
- ▶ Reflation to be the dominant theme in CY21. Weak USD to help commodities and emerging markets
- ▶ India has evaded a resurgence of Covid wave even after considerable opening up of economy
- ▶ FY22 seems to be promising due to base effect itself. Sustained recovery to further improve the growth numbers. High frequency indicators although sequentially flattening, broadly maintaining positive trend Private demand seems sustainable
- ▶ Inflation can be a concern in India. Expect surplus liquidity situation to be withdrawn by RBI in Q1FY22 and rate cycle with rate hike in H2FY22

INVESTMENT IN EQUITY: LEVERAGING 5G MODEL



INVESTMENT PHILOSOPHY OF EQUITY

Top down approach followed by bottom up
Focus on consistent investment returns over long-term
Blend of value and growth strategy

View on Macro indicators

- ▶ Monetary & Fiscal policy
- ▶ Interest rates
- ▶ High frequency indicators
- ▶ Government reforms

Allocation to sectors

- ▶ Demographics to drive consumption
- ▶ Financialisation of Savings
- ▶ Digitization
- ▶ Agriculture income growth

Stocks filtration

- ▶ Growth in market share : Focus on sector leaders
- ▶ Growth in Revenue & RoCE/RoE: focusing on quality franchise
- ▶ Governance & Ethical Management

- ▶ Focus not only on “When to Buy” but also on “ When to Sell”
- ▶ Regular company meetings to secure the view on the stock
- ▶ Focus on reward per unit risk taken - Hedging strategy before the Key events

FIXED INCOME INVESTMENT FRAMEWORK

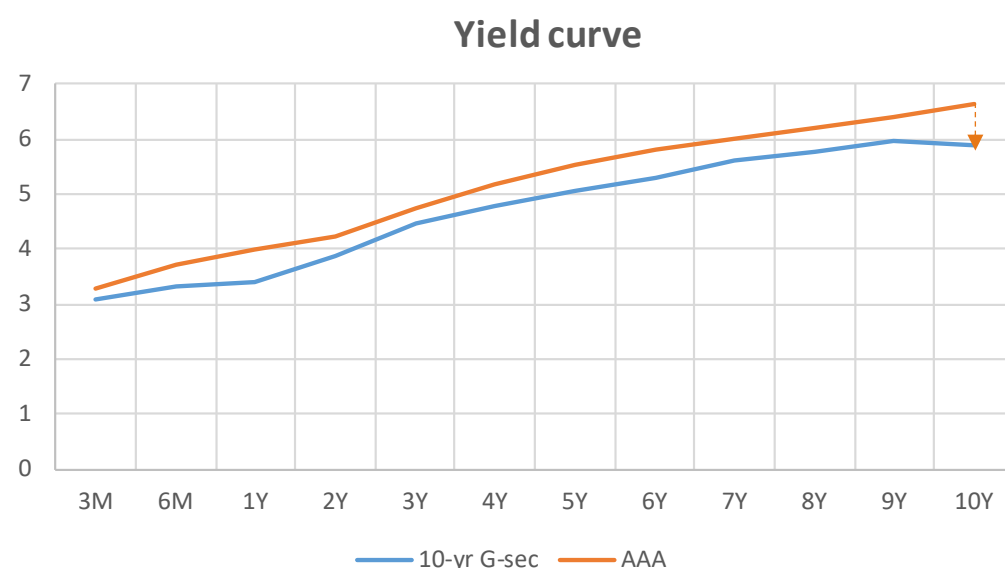
Debt portfolio is managed with a moderate duration profile.

Predominantly invest in Good credit quality assets.

Focused on Accrual Income and will outperform in a bull steepening environment.

Endeavor to capture short end of the yield curve with a focus on stable returns with moderate volatility.

LOOKING TO CAPITALIZE ON ROLL DOWN DEBT SCHEMES



Situation apt for Roll-down strategy

6-7 yr. bucket is a sweet spot in the yield curve

Visibility of returns, if investments held till maturity

Locking in higher interest rates

Interest rate risk will reduce over investment tenure

Roll down benefit

Debt scheme with average maturity of 7 years	YTM ~ 6.31%	Yield after 3 years	
		If interest rates remain same	If interest rates increase by 1.8%
		~ 7.57%	~ 6.31%

Assuming 6-7 yr. yield as 6.31% and 3-4 year yield as 4.6%

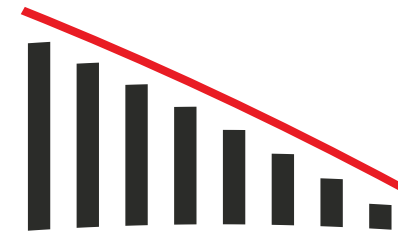
Source: Bloomberg

GOLD - A DISTINCT AND UNIQUE ASSET CLASS

Upside potential
owing to inherent
demand



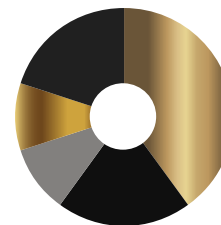
Considered as Safe
Haven during
Economic Distress



Hedge against
inflation



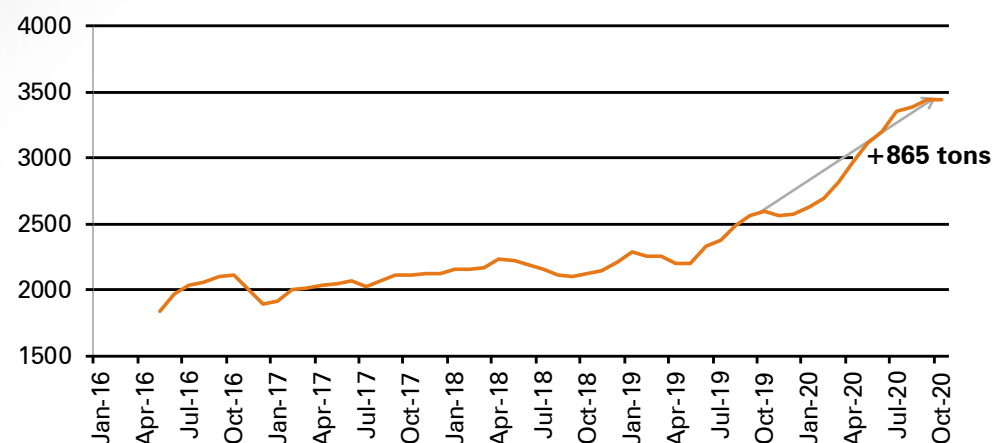
Hedge against
Currency
Depreciation



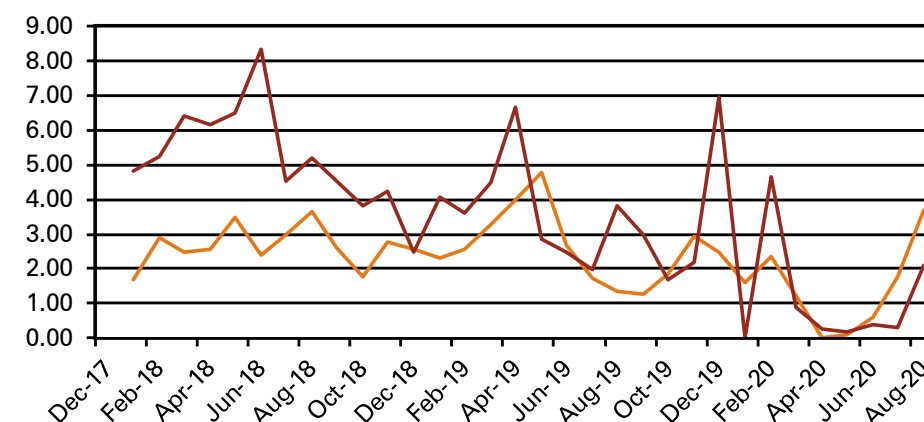
Offers Portfolio Diversification

GOLD OUTLOOK

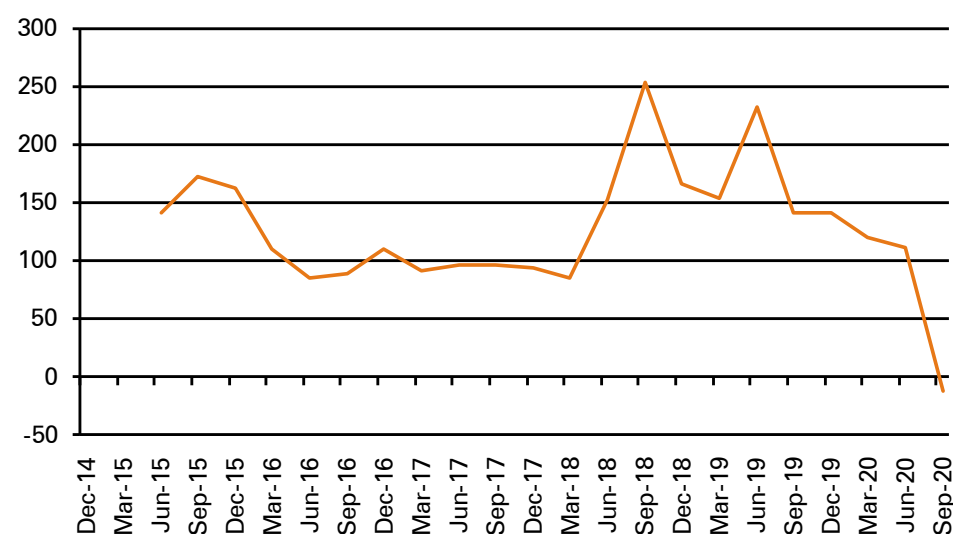
ETF GOLD HOLDINGS (tons)



India Gold Import \$bn China Gold Import \$bn



Central Bank Net Gold Purchases (tons)



- ▶ Vaccine development news flow and muted central bank purchases main dampeners on Gold price in near term.
- ▶ Consumer demand from China and India remains lackluster but expected to pick up.
- ▶ Very positive long term prospect owing to massive money supply and global debt increase with low debt productivity.

Source: Bloomberg

TERMS OF INVESTMENT

Type of Portfolio	Open Ended Discretionary Portfolio
Scheme Name	ACE Multi Asset PMS
Investment objective	The Investment objective of the scheme is to generate long term capital appreciation from a portfolio of different asset classes
Description of types of securities	Listed Equity, Gold ETF, REITs, InvITs, Debt, MF, Bonds and Other Alternative Investments.
Basis of selection of such types of securities as part of the investment approach	Allocation is done by actively investing in different asset class from defined securities universe.
Allocation of portfolio across types of securities	Based on Model Portfolio selected*
Appropriate benchmark to compare performance and basis for choice of benchmark	Based on Model Portfolio selected
Indicative tenure or investment horizon	Long Term Capital Appreciation (3 Years +)
Risks associated with the investment approach	The investments strategy is based on the securities selected from defined universe and continues to have Concentration and systematic risks
Minimum Investment Amount for New Account Opening	₹50 Lacs (as per regulations) or as decided by the portfolio manager at its sole discretion
Redemption	Daily
Taxation	Investors are advised to seek consultation from their independent financial advisor/ tax advisor before making any investment decision.
Key Risk	Market Risk : Equity Investments are volatile and subject to market conditions. Capital Loss Risk: There is no capital protection guaranteed in this strategy and due to adverse market movements, client may incur capital loss. Execution Risk: There can be deviation from the benchmark index given cash allocation & time lag/price differentials in order executions. Please note that Investment made on the basis of Investment objective of the strategy may or may not match with Investment/risk profile of the client.
*Change in allocation of portfolio: Subject to regulation, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially, depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Investors. Such changes in the investment pattern will be for short term and defensive consideration.	

FUND MANAGEMENT TEAM

Piyush Garg- Chief Investment Officer

- ▶ Over 23 years of experience in Indian financial markets - Fixed income, Equities and Currencies & US bonds.
- ▶ Invited as spokesperson in various seminars in India and abroad on Global and domestic macro economics.
- ▶ Awarded 'Master Exemplar' by ICICI Group for 3 consecutive years 2016, 2017 & 2018 for outstanding contribution
- ▶ Have been successfully managing funds in various asset classes for the last couple of decades with strong macro-economic approach.
- ▶ Regularly gives his opinion on fund flows, macros, various indices on prime channels like CNBC, ET Now, etc
- ▶ MBA from IIM Kolkata

Amit Gupta- Fund Manager

- ▶ Have 18 years of experience in Financial markets with Research expertise in Equity, Currency and Commodities.
- ▶ Won the India's Best Analyst Award in the year 2012 and 2014 from the erstwhile President of India
- ▶ Was on the advisory panel of NSE for the launch of new Derivatives products
- ▶ Have attended seminars as spokesperson across India and abroad for the comprehensive coverage on Equity markets.
- ▶ Gives his opinion on Equity and Derivatives markets on prime channels like CNBC, ET Now, etc
- ▶ A Mechanical Engineer and MBA (Finance) from IBS Hyderabad

Vasant Joshi- Sr. Analyst

- ▶ Have rich experience of 14 years in Financial markets with Advisory expertise in Direct Equity.
- ▶ Managing entire GPC clients of ICICI Bank.
- ▶ MBA Finance from IMED PUNE.

IN-HOUSE RESEARCH ECOSYSTEM

PEOPLE

- 25 Member Fundamental Analyst team
- Won 25+ awards for best research house/analyst

COVERAGE

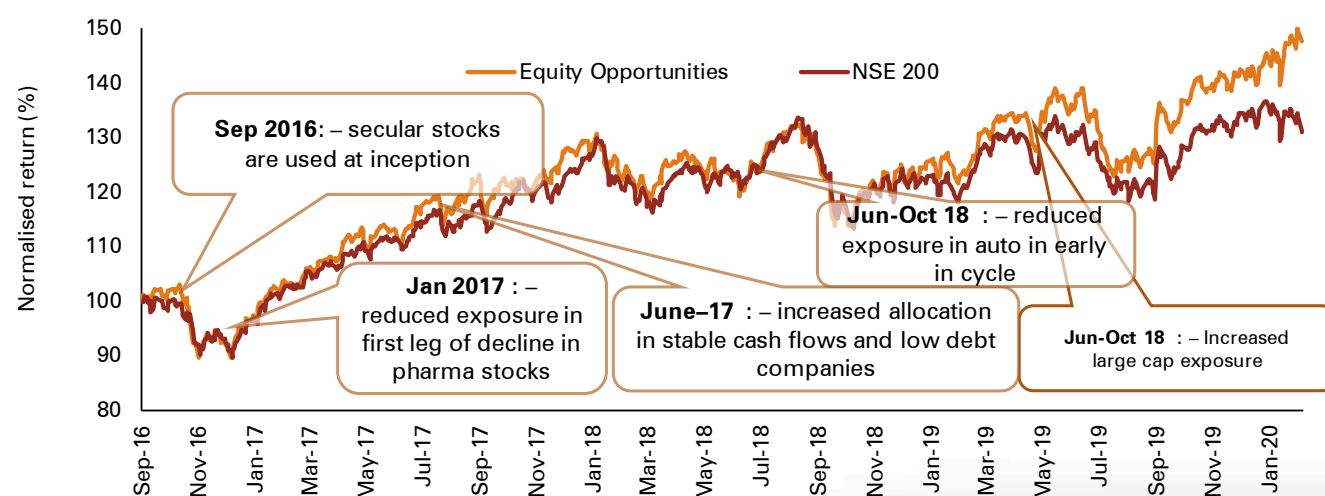
- 300+ Companies under coverage
- Coverage spread evenly between large cap (30%), mid cap (38%) & small cap (32%)

DIFFERENTIATED PRODUCTS

- Running equity advised baskets since Sep 2016
- Golden stock basket from large and mid cap space



Multicap Basket Performance since inception



ICICI SECURITIES-A FINANCIAL POWERHOUSE



Pioneers of online broking in India – Started in 2000

Leading equity broker in India¹ powered by ICICIdirect



Second largest non - bank mutual fund distributor²

One of India's largest private wealth management outfits
with AUA of over INR 1 tn



Active research coverage of around 300 companies
across 16 sectors

Leading investment bank in equity capital market³



1. By brokerage revenue: Sources: Investor presentations, Annual reports & Estimates

2. Source: AMFI (in terms of revenue), period: FY18

3. Source: Prime database; for Equity Capital Market (ECM): IPO/FPO/InvIT, QIP/IPP, Rights issue, Offer for sale

RISK FACTORS & DISCLAIMERS

Disclaimer:

Risk Factors & Disclaimers

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Risk Foreseen: The Ace Equity strategy is based on ***5 G Strategy (fundamental parameters) with market agnostic approach. It is Multi-cap framework approach and continues to have concentration and systematic risks.

Risk Foreseen for Ace Multi Asset: The schemes invest in various asset classes (Stocks and Funds) which are selected from defined research universe based on risk profile of the investor.

***5G refers to growing Economy, Sector, Market share, revenue and governance.

Please refer Disclosure Documents and Risk Factors stated therein before investing in Portfolio Management Services.

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ISEC BROAD INVESTMENT RANGES

	Equity	Debt	Other Investment Like Gold	Cash & Cash Equivalent	Benchmark
Risk Averse	0%-20%	70%-100%	0%-30%	0%-20%*	Crisil Bond Index
Conservative	0%-30%	45%-100%	0%-30%	0%-20%*	Crisil hybrid 20/80 - conservative index
Balance	30%-65%	30%-65%	0%-30%	0%-20%*	Crisil 50-50% - moderate index
Growth	30%-100%	0%-30%	0%-50%	0%-20%*	Crisil hybrid 80/20 - aggressive index
Aggressive	0%-100%	0%-30%	0%-100%	0%-20%*	NSE 200 TRI

*Change in allocation of portfolio: Subject to regulation, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially, depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Investors. Such changes in the investment pattern will be for short term and defensive considerations.

To get in touch, mail us at pmshelpdesk@icicisecurities or contact our customer service team on 1860 123 1122. You can also contact your relationship manager for any clarification regarding the product.

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THANK YOU