

# Momentum that can put your portfolio into action.

Invest in  
ICICI Prudential  
**Active Momentum Fund**

**NFO DATES** July 8, 2025 to July 22, 2025



1. What is factor-based investing?
2. What is Momentum investing ?
3. Benefits of Momentum Investing
4. Types of Momentum Investing
5. Presenting ICICI Prudential Active Momentum Fund
6. Our Experience in identifying earnings trends

# What is factor based investing?



**Each ingredient adds its unique flavor to the dish**

**Likewise, 'Factor investing' also focuses on targeting specific characteristics of securities that are believed to drive their returns**

**Few Key Factors are**



**Momentum**



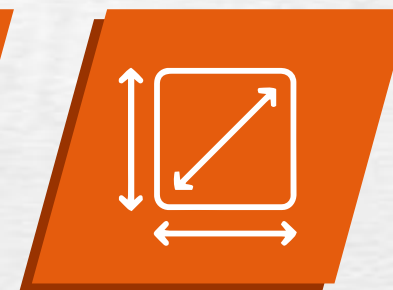
**Quality**



**Value**



**Growth**



**Size**



**Low Volatility**

The above list is an inclusive list and not an exhaustive list



## “ Form Factor ”



**Recent Performance**



**Fitness**



**Leadership skills**



**Brand Value**



**Many more....**

The same works in investing as well. Momentum investing means picking stocks that are in form & dropping those that go out of form.

**Form = Momentum**



# What is Momentum Investing?

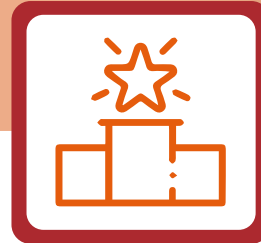
In simple words, Momentum can be thought of as **'power'** when a body is moving

In the investing landscape,

## Momentum Investing



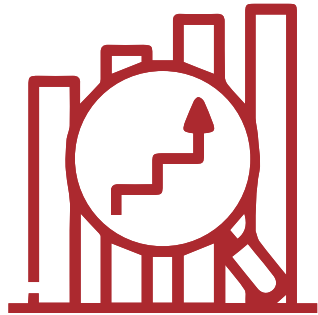
A strategy that aims to capitalize on the **continuance of existing trends** (price trends or earnings trends) in the market



Based on the thought process that **'Recent winners in stock markets will continue to remain winners'**



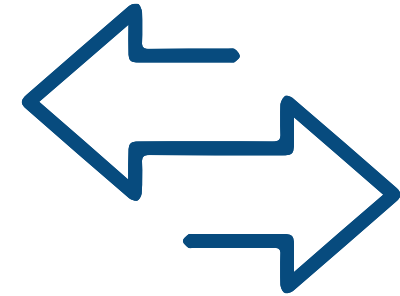
Own securities that show positive momentum and exit securities that exhibit negative trends



**Trends are  
likely to  
persist for  
long**



**Bet against  
Disposition  
Effect**

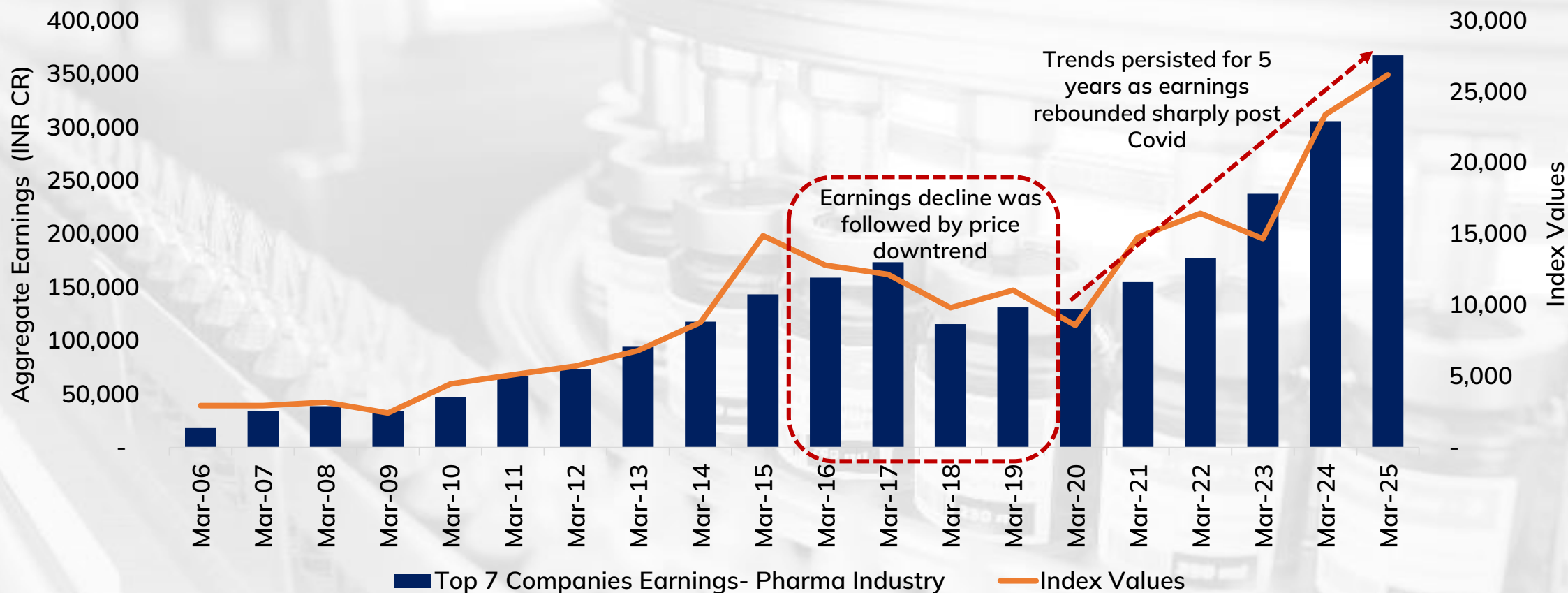


**Automatic  
shift of  
investment  
styles**

## Trends usually persist for long

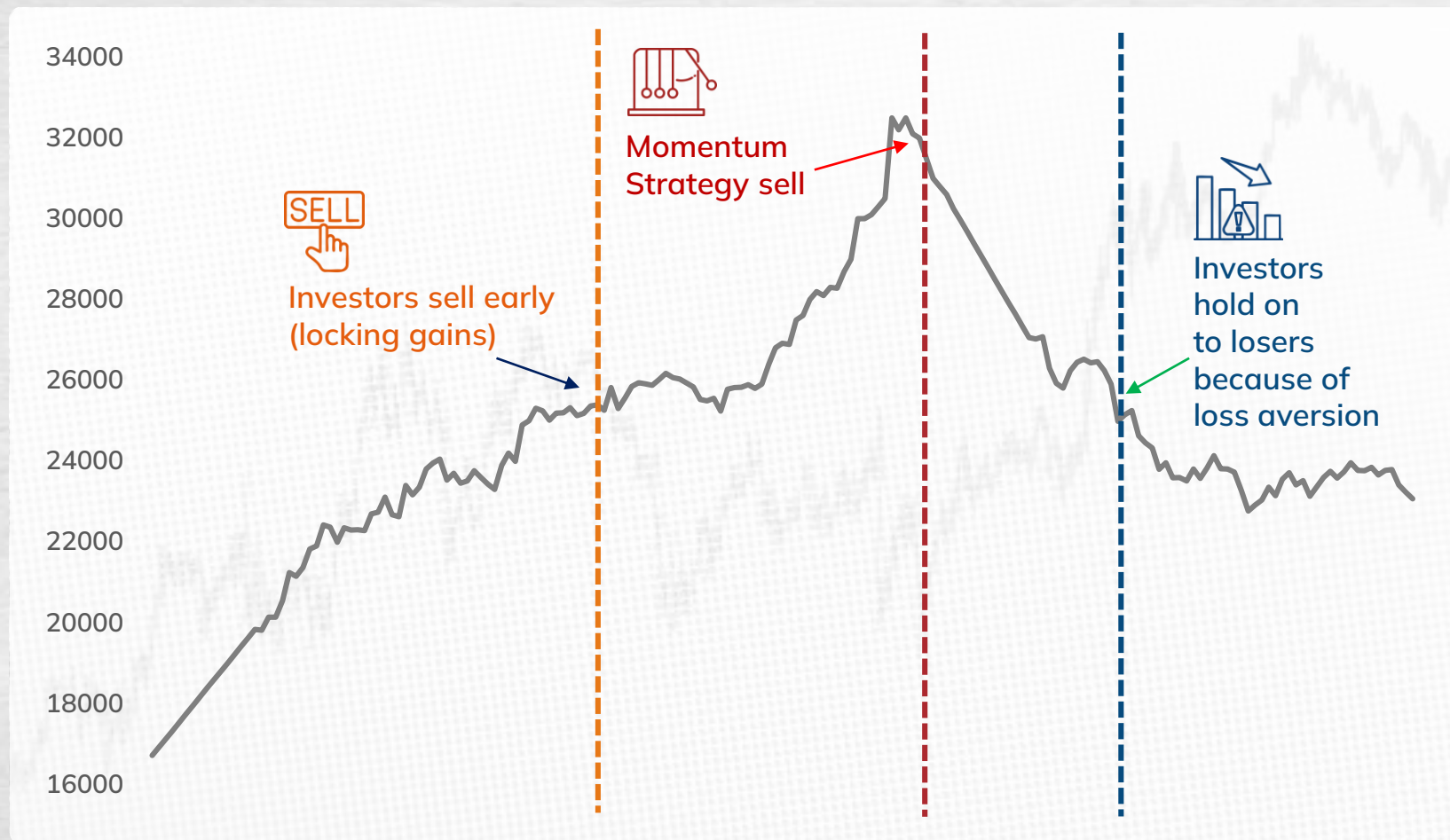
Once a trend sets in, it typically continues to ride the momentum

### Trends in Pharma Sector



Data as on March 31, 2025. Source: Nifty Indices and JM Securities. For Index Values: Nifty Pharma TRI has been used. Past performance may or may not be sustained in the future. Earnings are calculated for top 7 companies of Nifty Pharma Index. 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). Covid: Coronavirus Disease 2019

Momentum strategy rides the winners, and cuts dead weight early.



## Disciplined Process

Removes emotion and bias from sell/hold decisions



## Avoids Value Traps

Does not cling to losing stocks hoping for reversal

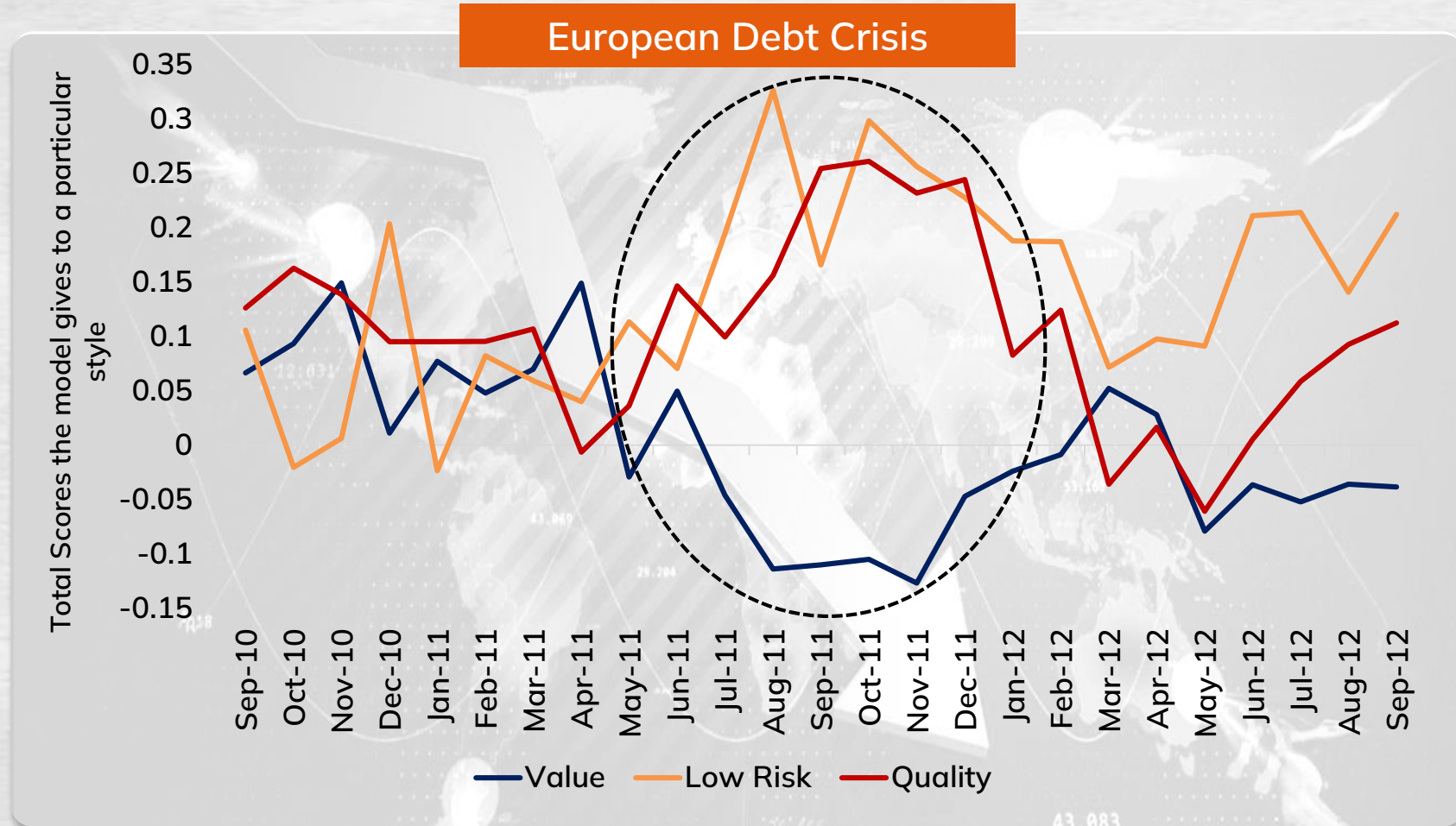


## Rides Winning Trends

Captures returns from stocks that continue to perform



As Momentum investing captures the market trends, it seamlessly transitions across investment styles



As EU debt crisis & global financial risks re-emerged, momentum pivoted from value strategies to preference for high quality & low risk stocks

The above data is back tested using our in house proprietary model for Momentum investing. The in house model is based on various prevailing broad market parameters which are dynamic in nature. Past Performance may or may not sustain in the future. Style here refers to investment styles such as value, growth, contra, low risk etc.

As Momentum investing captures the market trends, it seamlessly transitions across investment styles

## 2014 NDA wins Elections



In 2014, market momentum shifted towards growth companies due to investor optimism over New govt., focus on structural growth and confidence on domestic economy by FIIs

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## MYTH

**Momentum only  
means Price  
Momentum**



## FACT

**Momentum can be  
Price or  
Earning / Estimates  
Momentum**





## Price Momentum

- Price momentum identifies stocks with favorable price trends across different time periods and risk-adjusted returns
- Uses more of technical analysis
- Key drivers are market sentiments, technical factors & investor behaviour
- Has a risk of abrupt trend reversal



## Earnings Momentum

- Earnings momentum selects stocks basis their earnings revisions & trends in analyst ratings for the stocks
- Uses more of Fundamental analysis
- Key drivers are strong businesses, rising margins or operational efficiency
- Momentum backed by earnings is more sustainable as trend reversal takes times unless a disrupting event occurs



Presenting

# ICICI Prudential Active Momentum Fund

# How do we identify momentum?

## Sources of Estimates / Earnings momentum :



### Beats estimate

Companies where there have multiple consensus upgrades / demonstrated some consistency in beating estimates



### Consistent Earnings Outperformance

Companies that are delivering strong pace of earnings growth & either adding to earnings longevity or beating consensus estimates



### Other Factors

- Factors / Triggers that can shape up the medium to long term earnings trajectory of a company
- Ride the wave created by such triggers



## Use of Fundamental Analysis

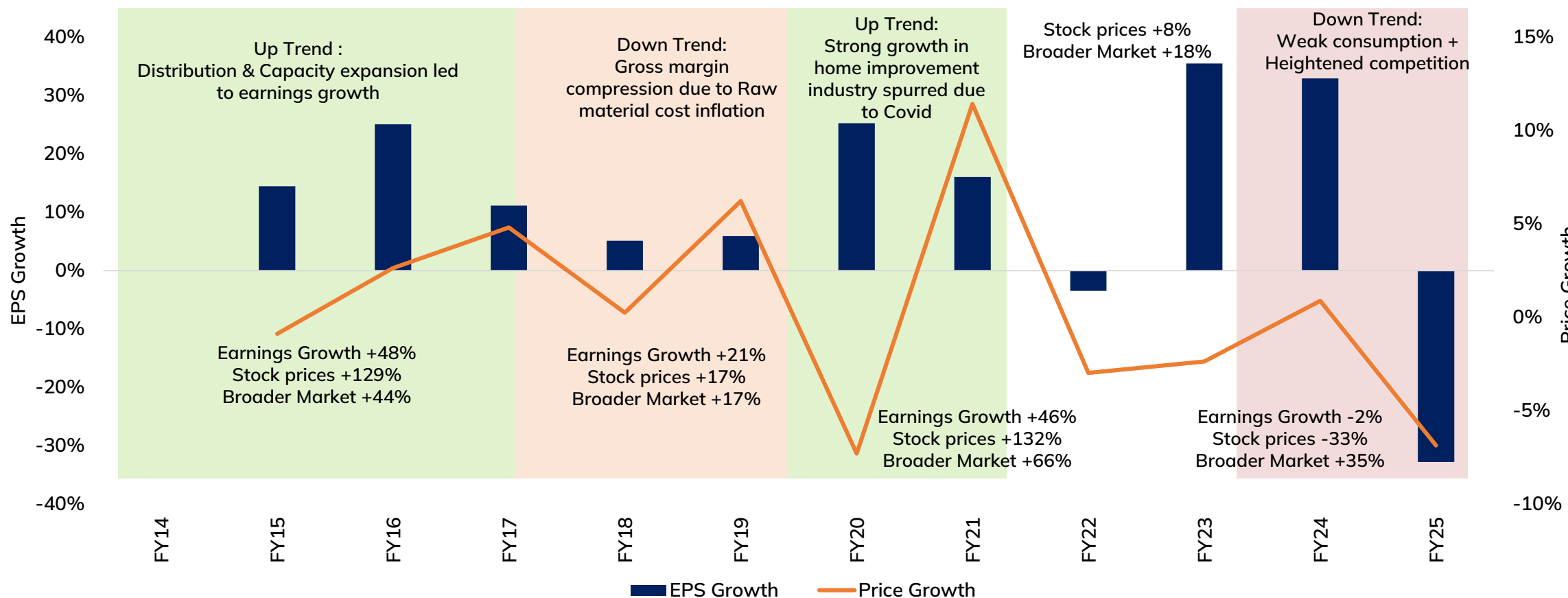
### Price momentum :

Identifies stocks with favorable price trends across different time periods and risk-adjusted returns

# How earnings can affect momentum?

In a well-known paint company, strong earnings trends were followed by price growth thereby creating alpha for investors

## Price & Earnings Growth of a well-known Paint company

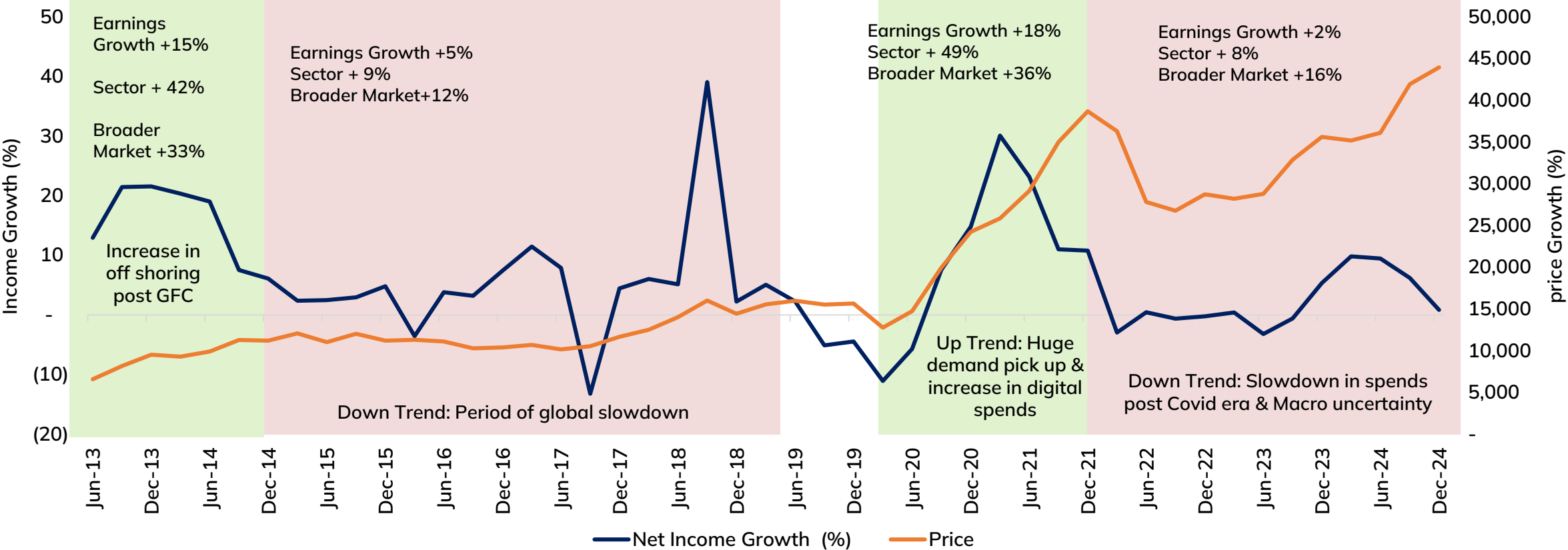


Source: Bloomberg. EPS: Earnings Per share, FY: Financial Year. For Broader Markets: Nifty 500 Index has been used. Past Performance may or may not sustain in the future .The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation and ICICI Prudential Mutual Fund may or may not have any future position in these stock(s)/sector(s).

# How earnings can affect momentum?

Top 7 companies of the IT industry exhibited strong price trends following earnings trajectory

## IT Sector Price & Earnings Growth



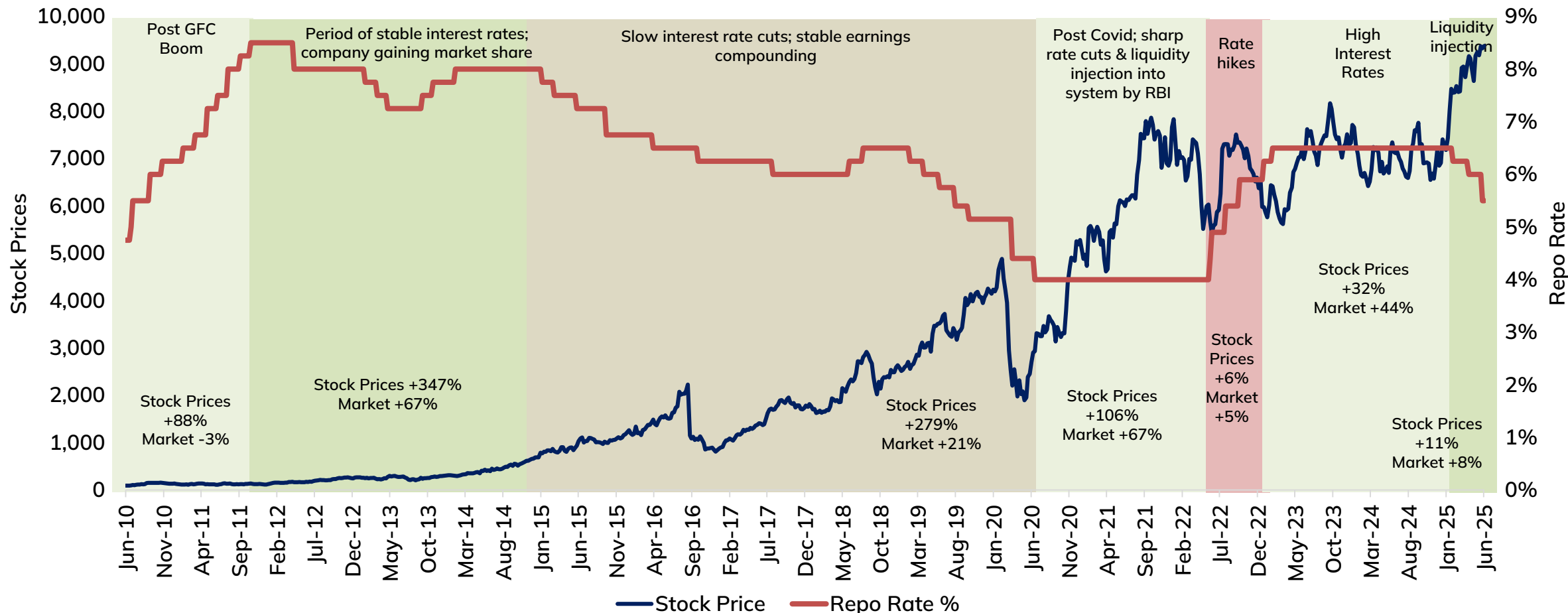
Source: Bloomberg. Price and Net Income Growth are calculated for Top 7 Companies of the Nifty IT Index. Market indicates Nifty 500 Index. GFC: Global Financial Crisis. Past Performance may or may not sustain in the future. The stock(s)/sector(s) mentioned in this slide do not constitute any recommendation and ICICI Prudential Mutual Fund may or may not have any future position in these stock(s)/sector(s).



# How events can affect momentum?

Events can have a significant positive or negative impact on earning & price trends of a company

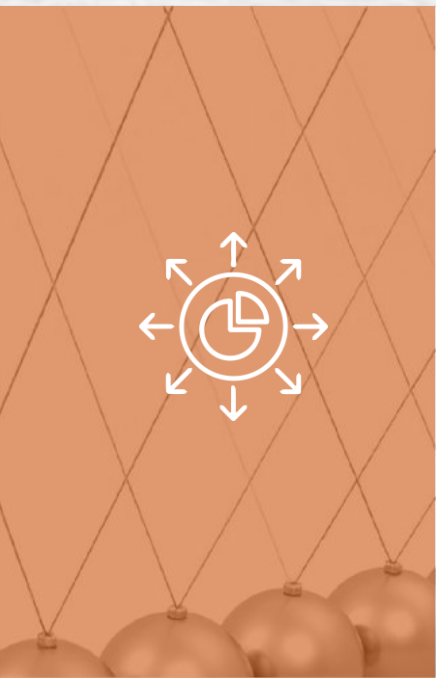
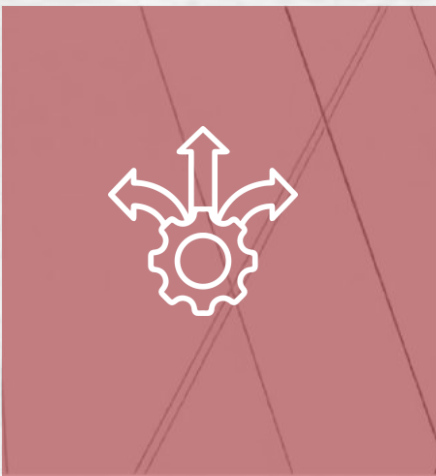
A leading NBFC Company's Growth trajectory v/s Events of interest rate changes



Source: Bloomberg. Market indicates Nifty 500 Index . Past Performance may or may not sustain in the future. Color shading indicates Red being the most negative and Green being the most positive. 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). GFC: Global Financial Crisis

## Flexibility to move across sectors

Any sector can pick up a momentum thereby widening the universe

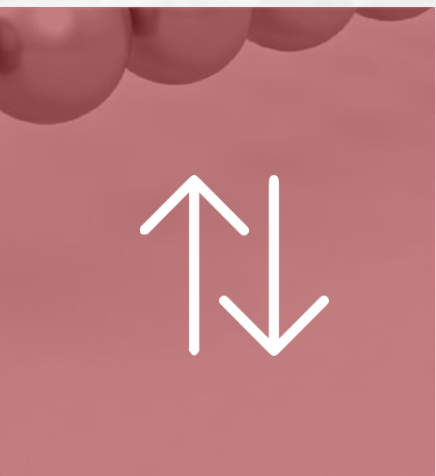
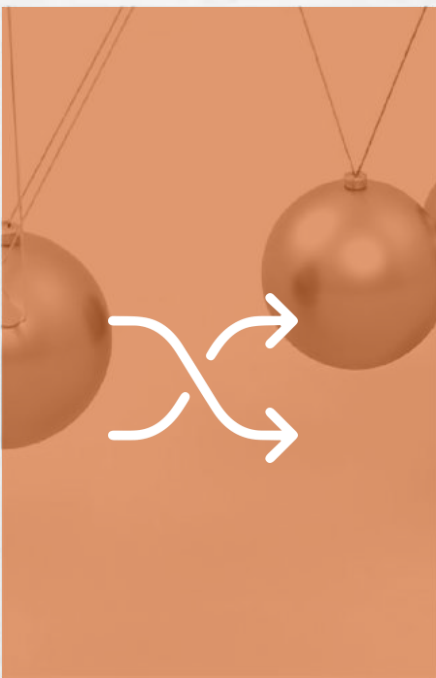


## Flexibility to move across market caps

Momentum can be found in large caps as well as SMIDs depending upon the flows

## Moves across styles

Momentum as a feature automatically pivots its style basis the market trends



## Flexible investment approach – Both Top-down & Bottom-up

Mix of Top Down & Bottom Up approach



Currently, approx. 625 stocks covered by our analysts which are fundamentally strong + backed by good corporate governance



Covered stocks^ are then analyzed for determining sustainable momentum trends using proprietary model



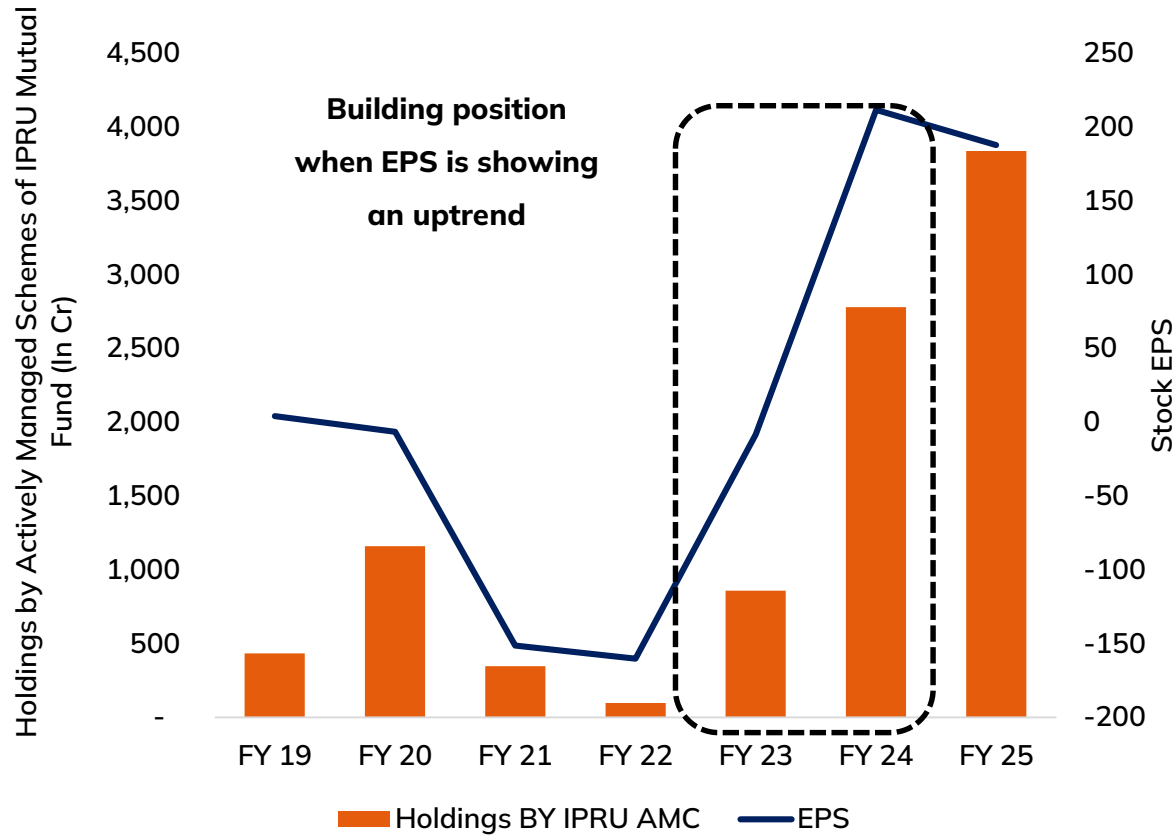
\*Approx. 50 stocks selected to construct the portfolio

The in house model is based on various prevailing broad market parameters which are dynamic in nature. The model and portfolio shall be reviewed by the Fund Manager on a periodic basis and accordingly suitable changes shall be carried out \*The number of stocks mentioned is for illustrative purpose only & is subject to change based on factors such as Scheme's AUM, market conditions and investment strategy. ^Constituents of Nifty 500 Index. The asset allocation and investment strategy will be as per the Scheme Information Document.

# Our Experience in identifying earnings trends

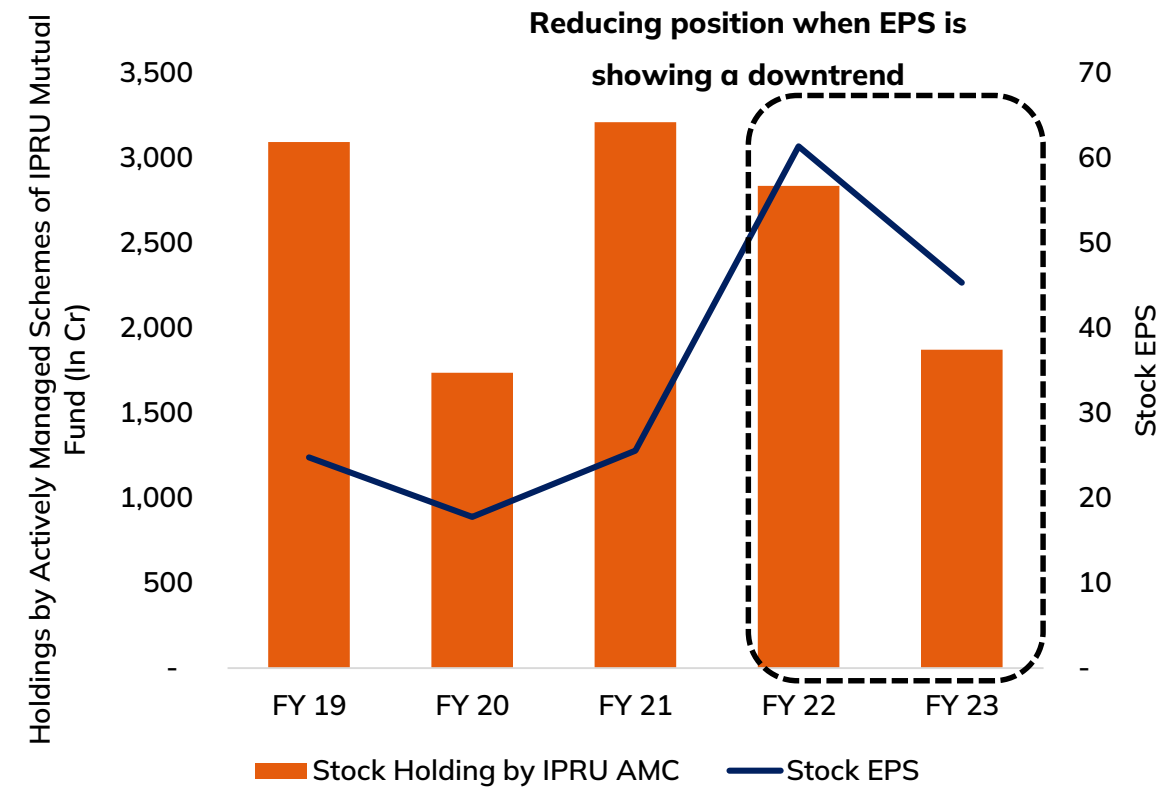
## Identifying Uptrend

Identifying Earning Trend of a famous Airline Company



## Identifying Downtrend

Identifying Earning Trend of a famous Non Ferrous Company





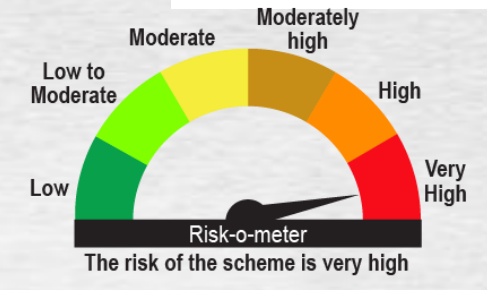
# Portfolio Features



Name of the Scheme	ICICI Prudential Active Momentum Fund	
Type of Scheme	An open ended equity scheme following momentum theme	
Plans	ICICI Prudential Active Momentum Fund – Regular Plan & ICICI Prudential Active Momentum Fund – Direct Plan	
Options	Growth	
Minimum Application Amount	Rs. 5,000 (plus in multiples of Re.1)	
Minimum Additional Application Amount	Rs. 1,000 (plus in multiples of Re.1)	
Minimum Redemption Amount	Any Amount	
Entry Load	Not applicable	
Exit Load	Less than 12 months	1% of applicable NAV
	More than 12 months	Nil
Benchmark Index	Nifty 500 TRI	
SIP / SWP / STP	Available	
Fund Managers	Ms. Manasvi Shah and overseas investment will be managed by Ms. Sharmila D'silva	
NFO Dates	July 08,2025 to July 22,2025	

# Riskometer & Disclaimer



<b>ICICI Prudential Active Momentum Fund</b> (An open ended equity scheme following momentum theme) is suitable for investors who are seeking*:	 <p>The risk of the scheme is very high</p>
<ul style="list-style-type: none"><li>• Long Term Wealth Creation</li><li>• An open ended equity scheme investing in equity and equity related instruments of companies reflecting momentum factors.</li></ul>	
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	

It may be noted that the scheme risk-o-meter specified above is based on the internal assessment of the scheme characteristics and may vary post NFO when the actual investments are made. The same shall be updated on ongoing basis in accordance with clause 17.4 of the Master Circular.

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

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