

ICICI Securities Introduces Sterling Strategy



Challenges in an Investing journey...



Fund
Manager?



Market cheap or
expensive?
Equity/ Debt
allocation



High Commission,
Hidden Charges?



Lumpsum or
Systematic
Investment?



Active or
ETF?



Large cap,
Midcap, Small
-cap?



Credit or
Investment
grade, Duration
or Accrual
strategy?



Solution to Investor's problems..

Introduction to ICICI Securities Sterling Strategy



Active asset
allocation in
Debt and Equity



Transparency
in Pricing



Investments
in Direct
Plan



No conflict
of interest



Comprehensive
fund selection
process



Dynamic allocation
between Mid,
Small and Large
cap segment



SOLUTION

ICICI Securities Sterling Strategy provides...



Alpha Generation

- Active allocation in various asset classes
- Active allocation across Yield curve and Market cap
- Fund Manager Selection



Transparency

- PMS fee is directly linked to AUM reflecting our interest in line with the Client
- Investments in Direct plan ensuring no income from the AMCs



Disciplined Approach

- Asset allocation with clear definition of max and min exposure to each asset class
- Robust fund selection framework covering various parameters such as valuations, and in-house research view

Five risk profiles based on clients risk and return objectives incorporating valuation, in-house market views and risk-reward trade offs.

Resulting in creation of best-in-class portfolios with cost efficiency..



Cost Optimization as Investment in Direct Plans only and use of strategies such as passive investment wherever and whenever suited



Flexibility to go underweight/overweight on various asset classes



Best-in-class research and process driven recommendations



Aggregated online portfolio Reporting & Regular review/rebalancing

Key levers to generate Alpha



Crafting a Portfolio with Balanced Levers for Alpha Generation



Asset Allocation

- It has been widely debated that Asset Allocation has more than 90% contribution in alpha generation
- While the exact percentage can't be quantified, selecting the right asset allocation is imperative.



Market Cap Allocation

- Different Market Cap perform in different market cycles.
- Right mix of market cap allocation considering the macro environment.



Fund Manager Selection

- Active portfolio management through exposure to fund
- Exposure to Managers with varying investment styles/strategies align with prevailing market conditions

Right Mix of Asset Allocation, Market Cap Allocation and Fund Manager Selection

Asset Allocation

Year/ Ranking	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025 Till Jun
1	Gold (₹) 30.9%	Equity 33.5%	Global Equity 20.3%	Equity 39.3%	Debt 8.6%	Debt 12.9%	Equity 36.9%	Gold (₹) 7.5%	Global Equity 24%	Gold (₹) 28.3%	Equity 31.6%	Gold (₹) 11.3%	Equity 26.9%	Gold (₹) 30.1%	Gold 25.3%
2	Debt 6.9%	Global Equity 13.4%	Equity 4.8%	Debt 14.3%	Equity 0.2%	Gold (₹) 11.4%	Global Equity 21.7%	Debt 6.3%	Gold (₹) 21.2%	Equity 17.9%	Global Equity 16.8%	Equity 4.2%	Global Equity 20.1%	Equity 16.2%	Global Equity 9.1%
3	Global Equity -9.4%	Gold (₹) 10.4%	Debt 3.8%	Global Equity 2.1%	Global Equity -4.3%	Global Equity 5.6%	Gold (₹) 6%	Equity -1.6%	Debt 10.7%	Global Equity 14.3%	Debt 3.4%	Debt 2.5%	Gold (₹) 14.2%	Global Equity 15.7%	Equity 6.1%
4	Equity -26.4%	Debt 9.4%	Gold (₹) -18.7%	Gold (₹) 0.3%	Gold (₹) -6.1%	Equity 5.1%	Debt 4.4%	Global Equity -11.3%	Equity 9%	Debt 12.3%	Gold (₹) -2.4%	Global Equity -19.8%	Debt 7.3%	Debt 8.9%	Debt 4.7%
Difference (Top – Bottom)	57.3%	24.1%	39.0%	39.0%	14.7%	7.8%	32.5%	18.8%	15.1%	16.0%	34.0%	31.1%	19.6%	21.1%	20.6%

- In Year 2016, adding 20% allocation to Debt in a 100% Equity portfolio would have given an absolute alpha of 1.6% at overall portfolio level.
- Similarly, in Year 2019, adding 10% allocation to Global equities in a 100% Equity portfolio would have given an absolute alpha of 1.5% at overall portfolio level.

Asset Classes perform differently in different cycles. Flexibility to underweight or overweight allocation can help in optimizing portfolio returns. Example: Under Balanced profile, Equity allocation can hover in the range of 30-65% of the portfolio.

Notes:
Equity: Nifty 500 TRI; Debt: Crisil Composite Bond Fund;
Gold: Bloomberg; in INR Global: MSCI ACWI Index |
Source: ICICI Direct Research, Bloomberg

Market Capitalization

Year/ Ranking	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025 Till Jun
1	Large Cap -23.8%	Mid Cap 41.4%	Large Cap 8.1%	Mid Cap 57.9%	Small Cap 8.2%	Mid Cap 8.3%	Small Cap 57.3%	Large Cap 5.2%	Large Cap 13.5%	Mid Cap 23%	Small Cap 60.7%	Large Cap 5.7%	Small Cap 56.7%	Small Cap 24.9%	Large Cap 8.7%
2	Mid Cap -30%	Small Cap 38.5%	Mid Cap -3.7%	Small Cap 56.6%	Mid Cap 7.6%	Large Cap 4.4%	Mid Cap 48.3%	Mid Cap -14%	Mid Cap -3.4%	Small Cap 22.8%	Mid Cap 47.5%	Mid Cap 4.5%	Mid Cap 47.6%	Mid Cap 24.5%	Mid Cap 4.7%
3	Small Cap -33.1%	Large Cap 29.4%	Small Cap -7%	Large Cap 32.9%	Large Cap -3%	Small Cap 3.2%	Large Cap 29.6%	Small Cap -27%	Small Cap -8.5%	Large Cap 16.1%	Large Cap 25.6%	Small Cap -12.8%	Large Cap 21.3%	Large Cap 10.1%	Small Cap 1.9%
Difference (Top – Bottom)	9.3%	12.0%	15.0%	25.0%	11.2%	5.1%	27.7%	32.2%	22.0%	6.9%	35.1%	18.5%	35.4%	14.8%	6.9%

- Even a small allocation changes has ability to generate Alpha
- In Year 2021, adding 10% allocation to Small cap in a 100% Large cap portfolio would have given an absolute alpha of 3.5% at overall portfolio level.
- Similarly, in Year 2014, adding 10% allocation to Midcap in a 100% Large cap portfolio would have given an absolute alpha of 2.5% at overall portfolio level.

Market Capitalization may witness bipolarity depending on economic cycles and prevailing market conditions. Flexibility to toggle between the Market capitalization can help in optimizing portfolio returns.

Large Cap: Nifty 50 TRI; Mid Cap: Nifty Mid cap 100 TRI; Small Cap: Nifty Small cap 100 | Source: ICICI Direct Research | Bloomberg

Sector Allocation

Exposure to right sector at right time can add significant Alpha to the portfolio's performance

Year/Ranking	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025 Till Jun
1	FMCG 8.6%	Bank 56.5%	IT 58%	Bank 64.6%	Pharma 9.3%	Metal 36.7%	Realty 109.8%	IT 23.8%	Realty 28.5%	Pharma 60.6%	Metal 65.9%	Bank 21.2%	Realty 81.3%	Pharma 39.1%	Bank 12.7%
2	Pharma -10%	Realty 52.7%	Pharma 26.5%	Auto 56.7%	MNC 7.5%	Energy 19.7%	MNC 53.1%	FMCG 13.6%	Bank 18.4%	IT 54.9%	IT 59.6%	FMCG 17.5%	Auto 47.6%	Realty 34.4%	Infrastructure 11.2%
3	MNC -13.2%	FMCG 48.5%	FMCG 12.2%	Pharma 43.4%	FMCG 0.3%	Auto 10.7%	Metal 47.8%	Bank 6.3%	Energy 11%	MNC 13.5%	Realty 54.3%	Auto 15.3%	Infra 39.1%	Auto 22.6%	Metal 9.7%
4	IT -18%	Auto 42.5%	Auto 9.4%	MNC 42.5%	IT 0%	Bank 7.4%	Bank 40.5%	Energy 0.6%	IT 8.4%	FMCG 13.5%	Infra 35.6%	Energy 14.3%	Pharma 33.6%	IT 22%	Auto 4.5%
5	Auto -19.4%	Pharma 31.9%	MNC 7.7%	Infra 22.7%	Auto -0.3%	FMCG 2.8%	Energy 38.7%	MNC -5.8%	Infra 2.5%	Infra 12.2%	Energy 33.7%	Metal 8.4%	Metal 29.4%	Infra 15.9%	Energy 3.9%
6	Energy -20.7%	MNC 28.3%	Energy 0.4%	FMCG 18.2%	Energy -0.7%	MNC 1.1%	Infra 34.1%	Pharma -7.8%	MNC -1.1%	Auto 11.5%	MNC 22.8%	Infra 6.1%	Energy 29.4%	MNC 15.4%	MNC 3.6%
7	Bank -32.4%	Infra 21.7%	Infra -4.2%	IT 17.8%	Infra -8.9%	Infra -2.1%	Auto 31.4%	Infra -12.7%	FMCG -1.3%	Metal 11.2%	Auto 19%	MNC 2.5%	FMCG 29%	Metal 7%	FMCG -3.4%
8	Infra -38.5%	Metal 19.1%	Bank -8.7%	Realty 10%	Bank -9.7%	Realty -4.2%	FMCG 29.4%	Metal -20.7%	Pharma -9.3%	Energy 6.4%	Bank 13.5%	Realty -10.8%	IT 24.1%	Bank 5.3%	Pharma -5.9%
9	Metal -47.2%	Energy 13.8%	Metal -10%	Energy 8.5%	Realty -15%	IT -7.3%	IT 12.2%	Auto -23.1%	Auto -10.7%	Realty 5.1%	Pharma 10.1%	Pharma -11.4%	MNC 22.9%	Energy 5.1%	Realty -6.3%
10	Realty -51.5%	IT -1.9%	Realty -34.4%	Metal 7.9%	Metal -31.2%	Pharma -14.2%	Pharma -6.3%	Realty -33%	Metal -11.9%	Bank -2.8%	FMCG 10%	IT -26%	Bank 12.3%	FMCG -0.3%	IT -10.1%
Difference (Top – Bottom)	60.1%	58.4%	92.4%	56.7%	40.5%	50.8%	116.1%	56.8%	40.4%	63.4%	56.0%	47.2%	69.0%	39.4%	22.8%

Metal: BSE Metal | Rest all are respective NSE Indices | Energy index inception date is 31 Jan 2018

Fund Manager Selection is critical component of our overall process

- Highlighting 3-Y daily rolling return analysis for the last 20 years to understand the difference between top and bottom funds.
- Analysis suggest that difference between top 3 vs. bottom 3 funds in Large cap, Midcap and Small cap category showing return differential of 8%, 11% and 16%.

Source: ACEMF	Category: Small cap	Category: Mid cap	Category: Large cap
	3 Years Rolling return (CAGR)	3 Years Rolling return (CAGR)	3 Years Rolling return (CAGR)
Top 3 Funds	30.8	25.5	19.3
Bottom 3 funds	14.8	14.4	11.8
Difference	16.0	11.1	7.5

Source: Ace MF | *Period considered: Jan 1, 2005 till Jun 30, 2025

Portfolio Construction



Five Model Portfolios based on Risk Profiles

Risk Averse



Asset Classes	Indicative Allocation
Debt	70-100
Equity	0-20
Others	0-20
Cash	0-20

Conservative



Asset Classes	Indicative Allocation
Debt	70-100
Equity	0-30
Others	0-30
Cash	0-20

Balanced



Asset Classes	Indicative Allocation
Debt	35-70
Equity	30-65
Others	0-30
Cash	0-20

Growth



Asset Classes	Indicative Allocation
Debt	0-50
Equity	50-100
Others	0-30
Cash	0-20

Aggressive



Asset Classes	Indicative Allocation
Debt	0-20
Equity	80-100
Others	0-30
Cash	0-20

Portfolio Construction Process

Portfolio construction is guided by 2 factors:
Model driven guidance and Human driven outlook



- Asset allocation model: Dynamic model based on valuation metrics suggesting overweight/underweight position based on valuations and probability of equity outperforming debt.
- M-cap allocation model: Dynamic model based on valuation metrics for Large cap, Mid & Small cap segment suggesting overweight/underweight position
- Based on the outlook on the market, asset classes and domestic/global environment, many of the calls are decided via discussion amongst the fund management team and Investment Committee, such as:
 - Use of Passive products in large cap space.
 - Tactical calls based on sectoral outlook for sectoral exposure.
 - Use of Style: Decision to invest in particular style like Value and Contra vs. Growth and Quality.

Mutual Fund Product Selection Framework



Framework for Proprietary Ranking Methodology

Qualitative and Quantitative Framework

Quantitative Parameters (70% Weightage)

Risk Analysis

- Stock Concentration
- Ease of liquidation of portfolio
- Downside risk using Mean Negative returns and frequency of Negative returns

Risk Adjusted returns

- Excess Returns using rolling return analysis
- Information Ratio

Qualitative Parameters (30% Weightage)

Fund Manager Evaluation

- Alpha generated over benchmark
- Fund manager's overall vintage and qualification

Fund House Parameter

- Alpha generated over benchmark
- Fund manager's overall vintage and qualification

Fund House Parameter

- Ranking basis ICICI Securities Research View on Sectors

Fixed Income Framework and Philosophy –SLR Framework

Three pronged approach of SLR i.e. SAFETY –LIQUIDITY -RETURNS as a central philosophy for fixed income investments

Safety	Liquidity	Returns
<p>Credit quality is the paramount criteria for debt product selection</p> <p>Our debt product recommendations are driven by a rigorous and analytical selection framework Focus strictly on funds and products having predominantly AAA rated issuers.</p>	<p>A criteria that needs to be evaluated not on the basis of expected cash flow requirement, rather on the ease of liquidity of the underlying investments.</p> <p>Apart from bonds, for Debt MFs we monitor the liquid portions of the portfolio (i.e. CBLO, T-bills) for the ability to meet unforeseen redemption pressures,</p>	<p>Returns are evaluated basis the risks involved.</p> <p>Hence. Risk-adjusted returns are considered while selecting bonds or mutual funds.</p>

Selecting a right fund manager thus plays significant role in delivering Alpha

In terms of our product recommendations, we classify the products into 3 categories –Preservation, Core-Allocation, & Alpha Generation. Our primary focus is preservation for debt products selection, as we strongly believe that debt as an asset class is to be primarily considered for capital preservation and liquidity of the portfolio.

Capital preservation -Shortlisted products

- Tax Free Bonds
- AAA Corporate FDs
- AAA rated PSU & Private Sector Bonds/NCDs
- Sovereign Gold Bonds
- Focus Debt Mutual Funds
- Fixed Coupon Market Lined Debentures (MLDs) with principal protection issued by AAA corporates

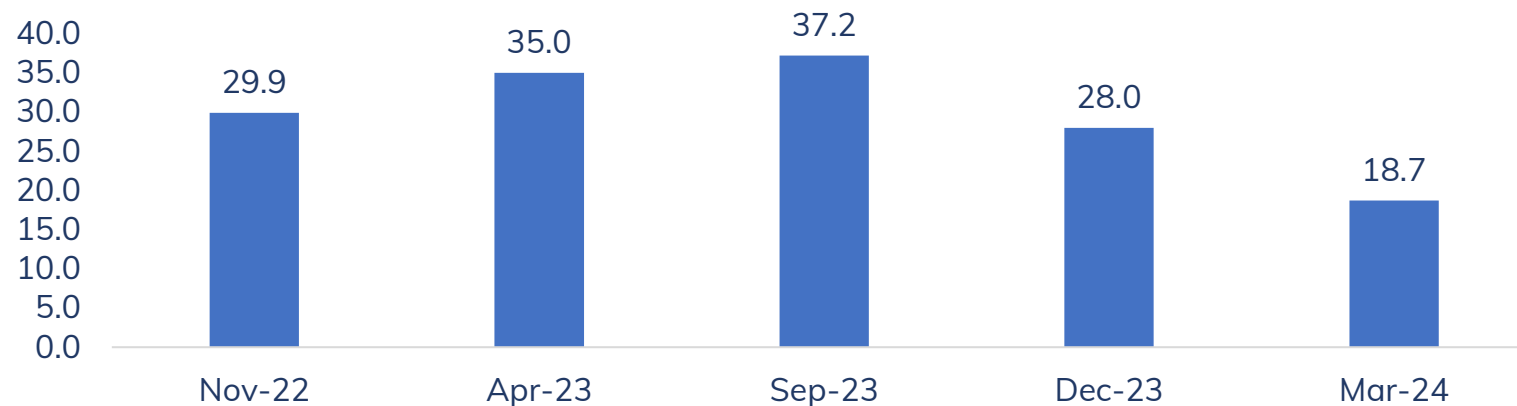
The Compelling Case for Including Sterling in Portfolios



Active Market cap allocation drives Alpha



Small & Midcap exposure reduced due to elevated valuations

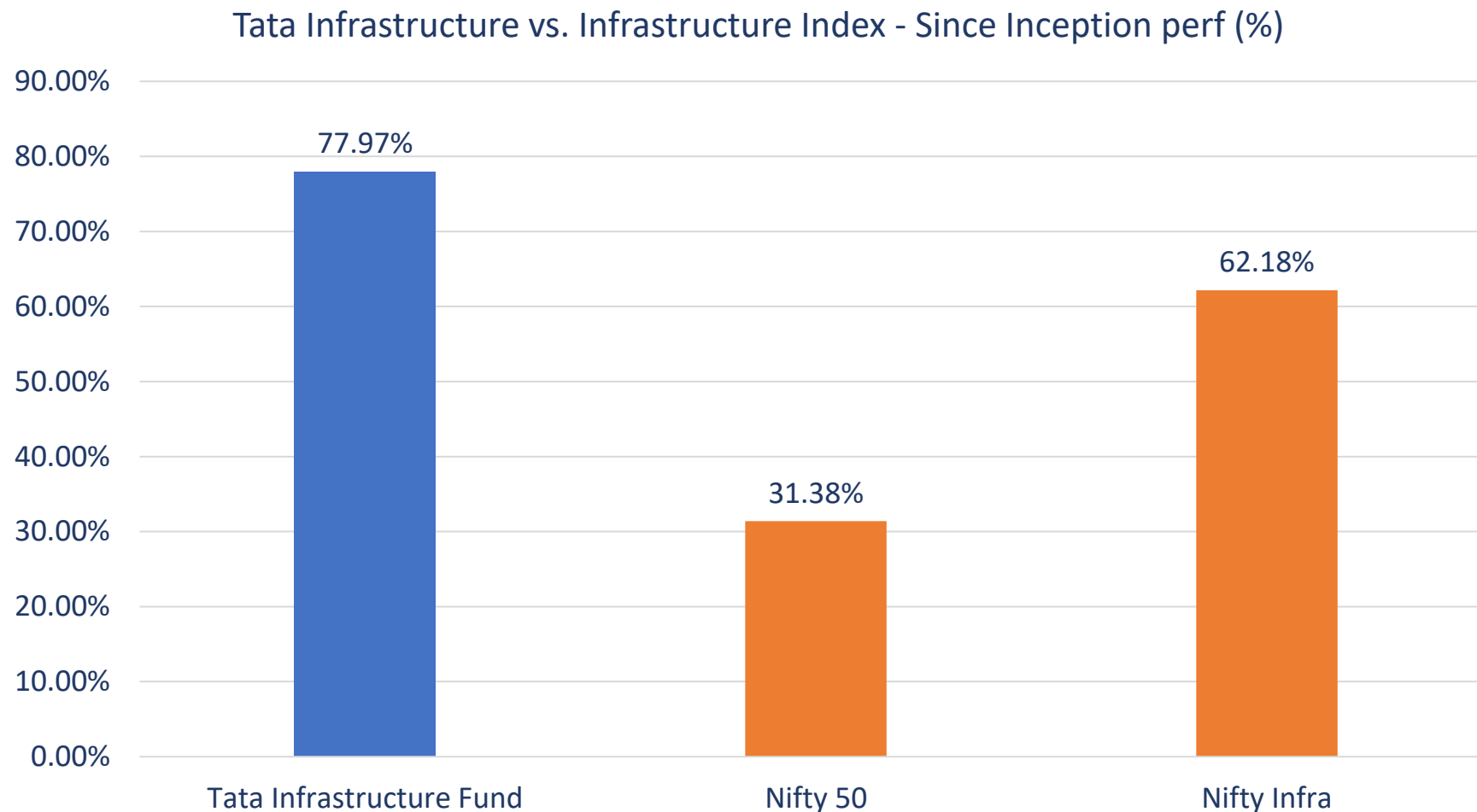


From	Till	Nifty 50 TRI	Nifty Midcap 100 TRI	Nifty Smallcap 100 TRI
Nov'22	Dec'23	10.9%	37.7%	47.1%
Apr'23	Dec'23	17.5%	43.3%	55.6%
Sep'23	Dec'23	2.3%	14.0%	21.5%
Dec'23	Mar'24	2.9%	4.3%	1.0%
Apr'24	Sep'24	16.3%	25.5%	26.2%
Oct'24	Feb'25	-13.9%	-20.2%	-23.2%

Note: Absolute Performance | For Nov'22, starting date is Nov 11, 2022

Superior Sector Selection resulted in ~47% alpha vs. Nifty 50

Year/Ranking	CY 2022	CY 2023	CY 2024
1	Bank 21.2%	Realty 81.3%	Pharma 39.1%
2	FMCG 17.5%	Auto 47.6%	Realty 34.4%
3	Auto 15.3%	Infra 39.1%	Auto 22.6%
4	Energy 14.3%	Pharma 33.6%	IT 22%
5	Metal 8.4%	Metal 29.4%	Infra 15.9%
6	Infra 6.1%	Energy 29.4%	MNC 15.4%
7	MNC 2.5%	FMCG 29%	Metal 7%
8	Realty -10.8%	IT 24.1%	Bank 5.3%
9	Pharma -11.4%	MNC 22.9%	Energy 5.1%
10	IT -26%	Bank 12.3%	FMCG -0.3%
Difference (Top – Bottom)	47.2%	69.0%	39.4%

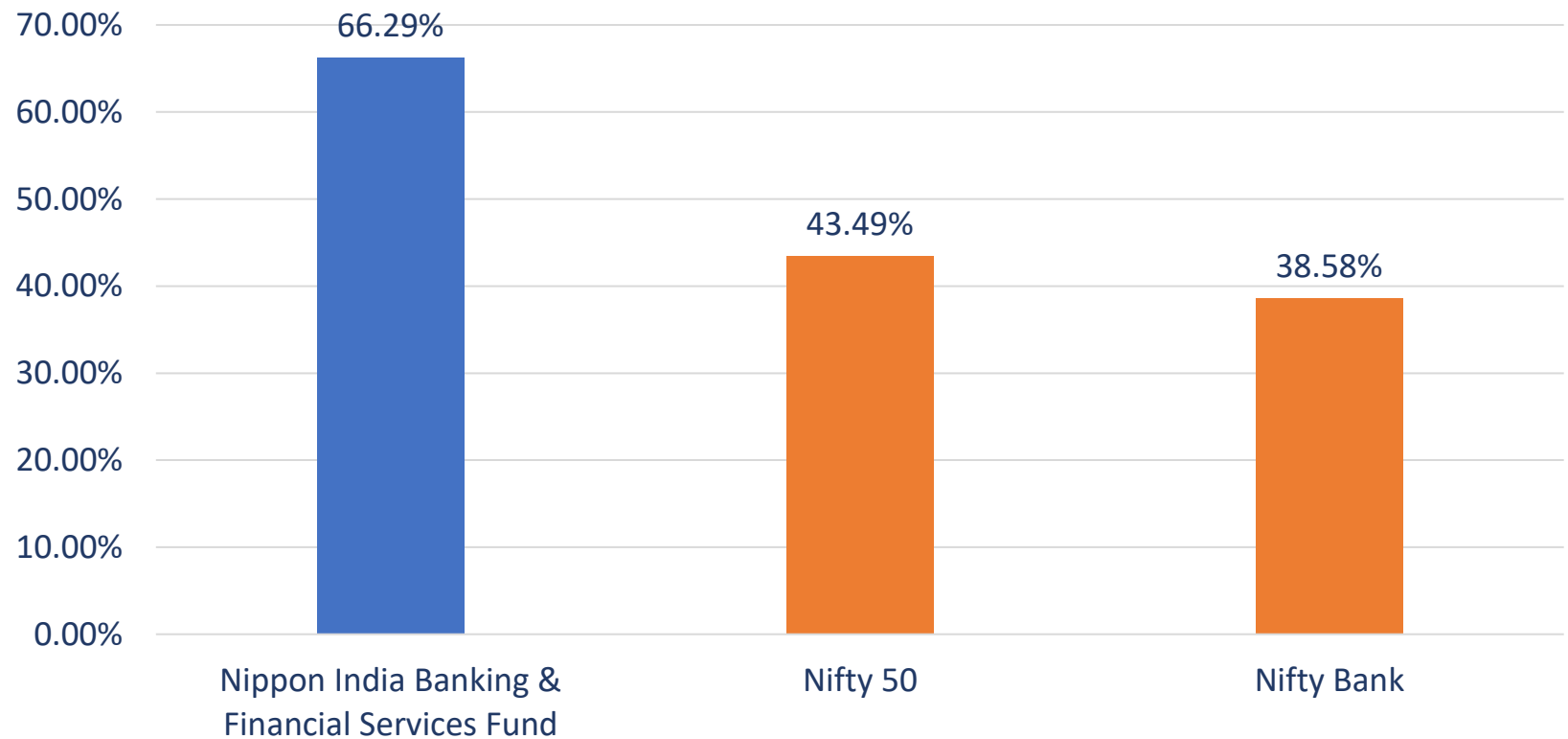


Despite Banking sector underperformance vs. Nifty 50, our selection has delivered ~23% alpha



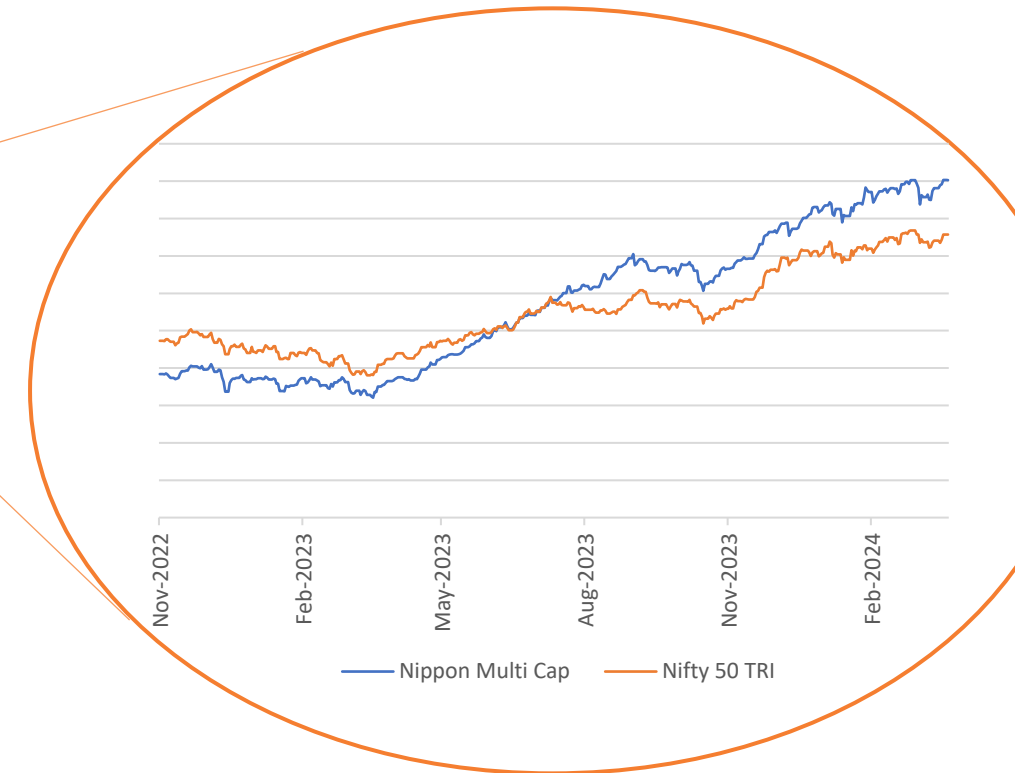
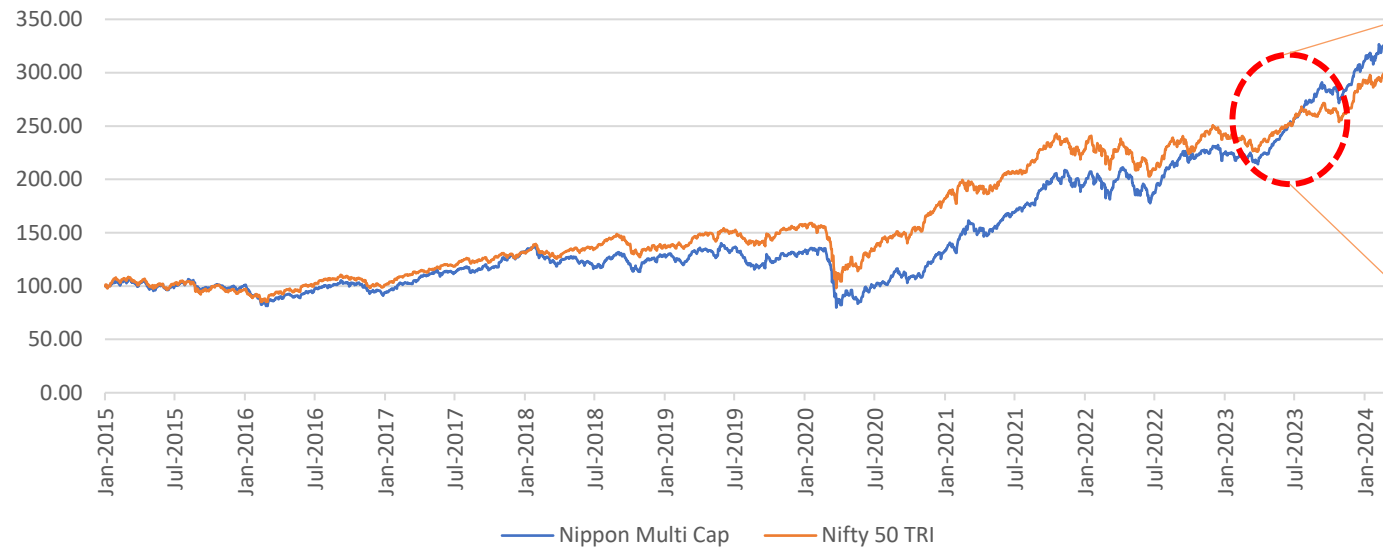
Year/Ranking	CY 2023	CY 2024	CY 2025 Till Mar
1	Realty 81.3%	Pharma 39.1%	Bank 12.7%
2	Auto 47.6%	Realty 34.4%	Infrastructure 11.2%
3	Infra 39.1%	Auto 22.6%	Metal 9.7%
4	Pharma 33.6%	IT 22%	Auto 4.5%
5	Metal 29.4%	Infra 15.9%	Energy 3.9%
6	Energy 29.4%	MNC 15.4%	MNC 3.6%
7	FMCG 29%	Metal 7%	FMCG -3.4%
8	IT 24.1%	Bank 5.3%	Pharma -5.9%
9	MNC 22.9%	Energy 5.1%	Realty -6.3%
10	Bank 12.3%	FMCG -0.3%	IT -10.1%
Difference (Top – Bottom)	69.0%	39.4%	22.8%

Nippon India Banking & Financial Services vs. Bank Index - Since Inception perf (%)



Nippon India Multicap incepted into Sterling during Nov-22, resulting ~23% outperformance

Nippon India Multicap vs. Nifty 50 TRI

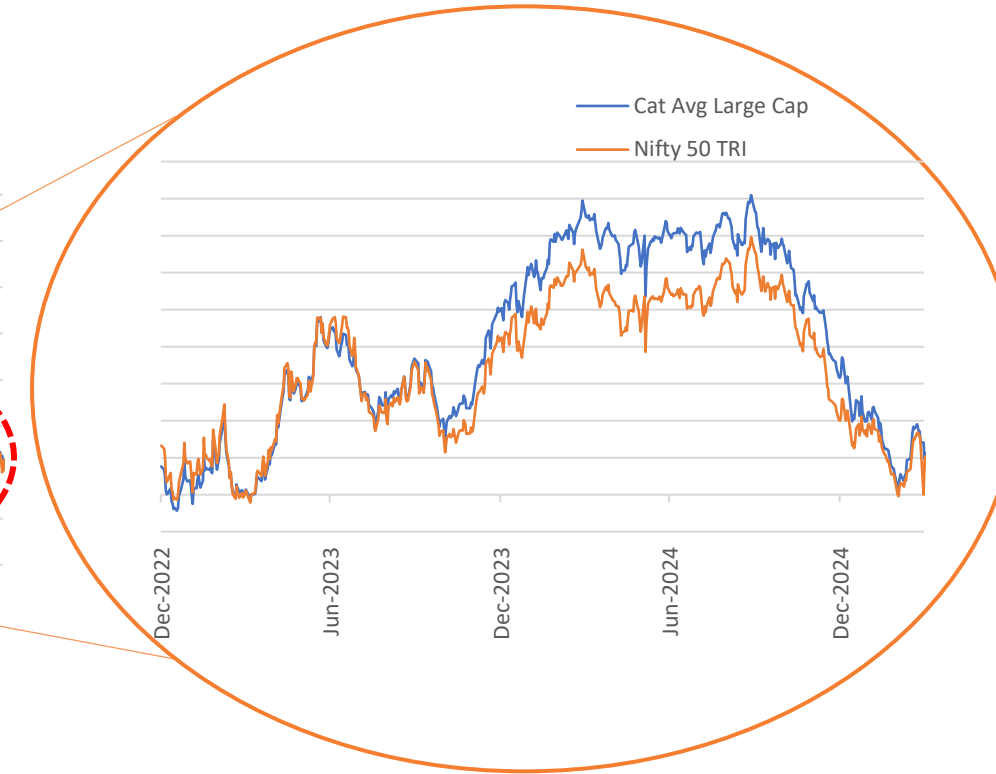
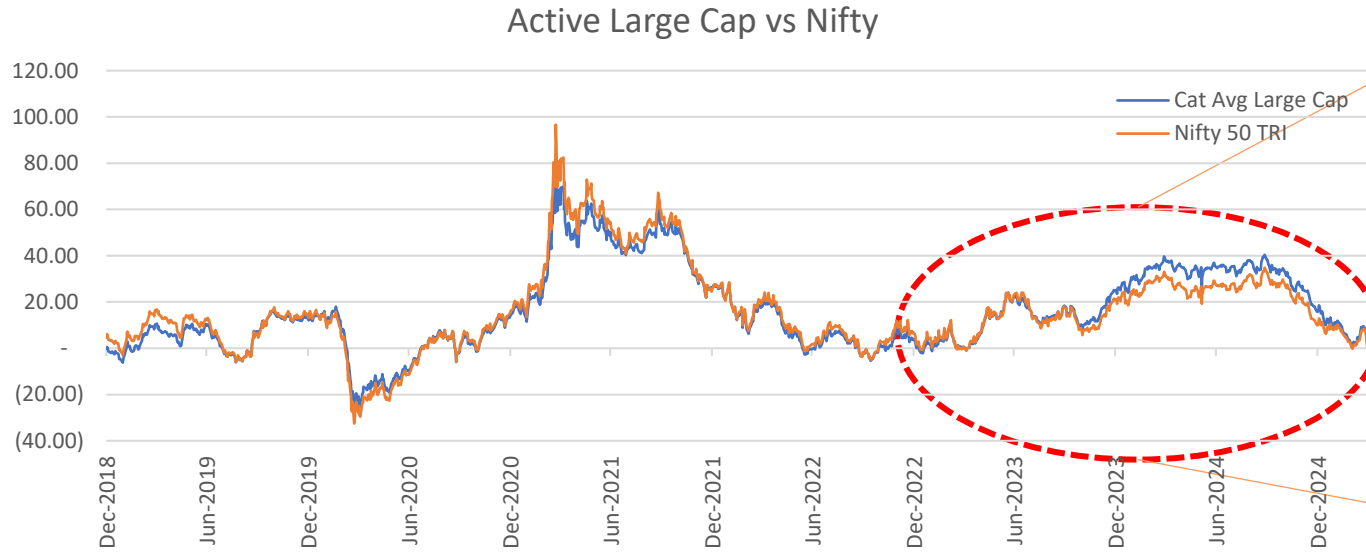


Period	Nippon India Multicap	Nifty 50 TRI	UN/Out Performance
Jan'15 - Mid Nov'22	11.0%	12.0%	-1.1%
Mid Nov'22 - Mar'24	45.7%	23.2%	22.6%

*Performance in Absolute Terms

Note: Nifty 50 and Nippon India Multicap Fund were rebased to 100 at start

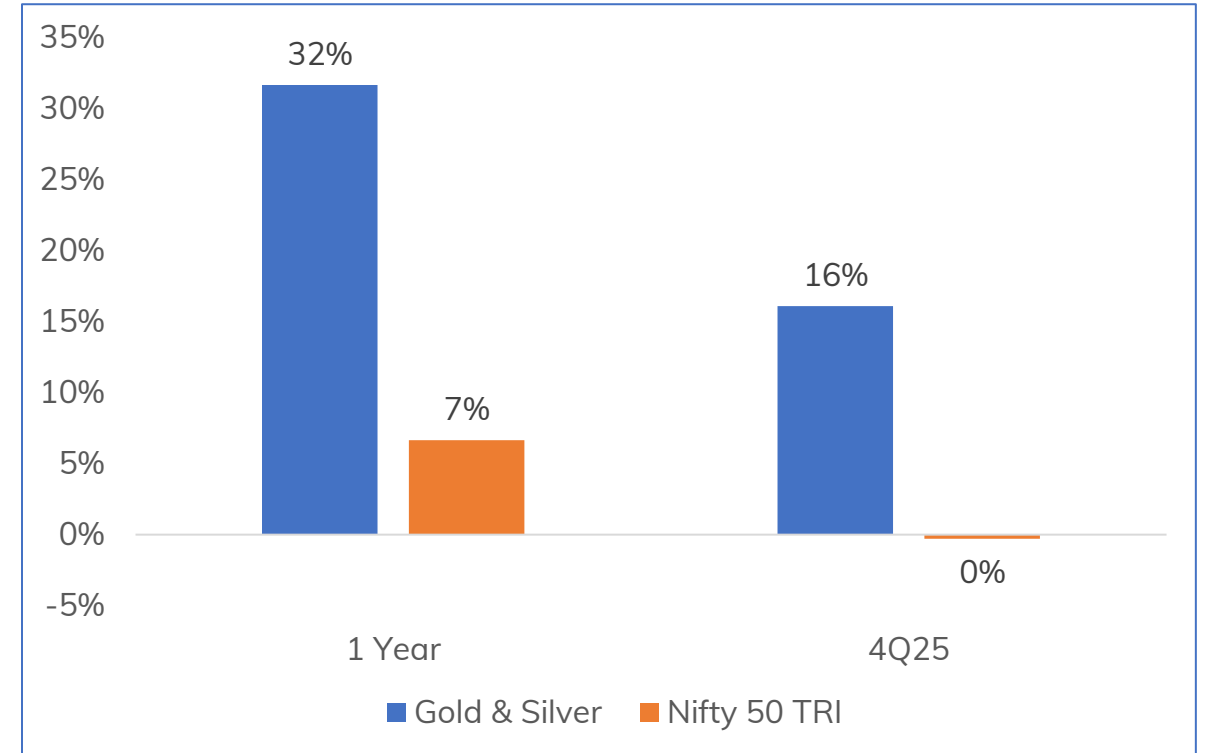
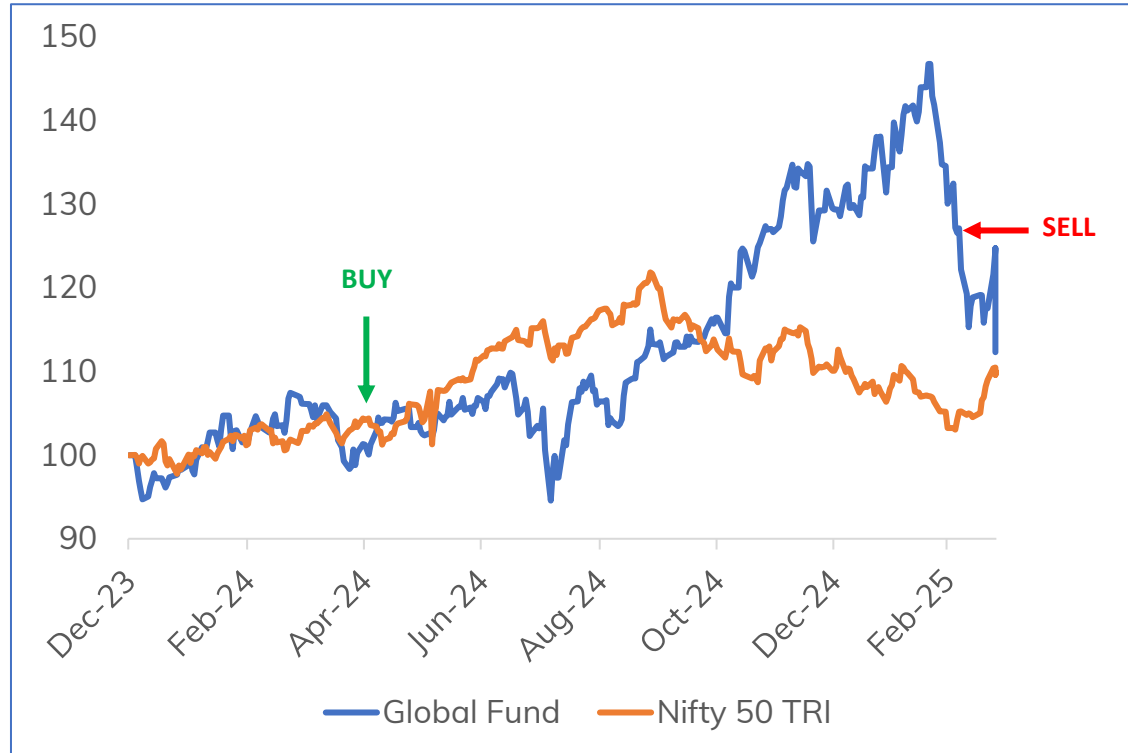
Active Large Cap Funds have started outperforming the benchmark in recent times



Period	Cat Avg Large Cap	Nifty 50 TRI	UN/Out Performance
Jan'18 - Mar'24	14.3%	15.2%	-0.9%
Apr'24 - Jun'25	22.9%	18.4%	4.4%

*Performance - absolute 1 yr rolling

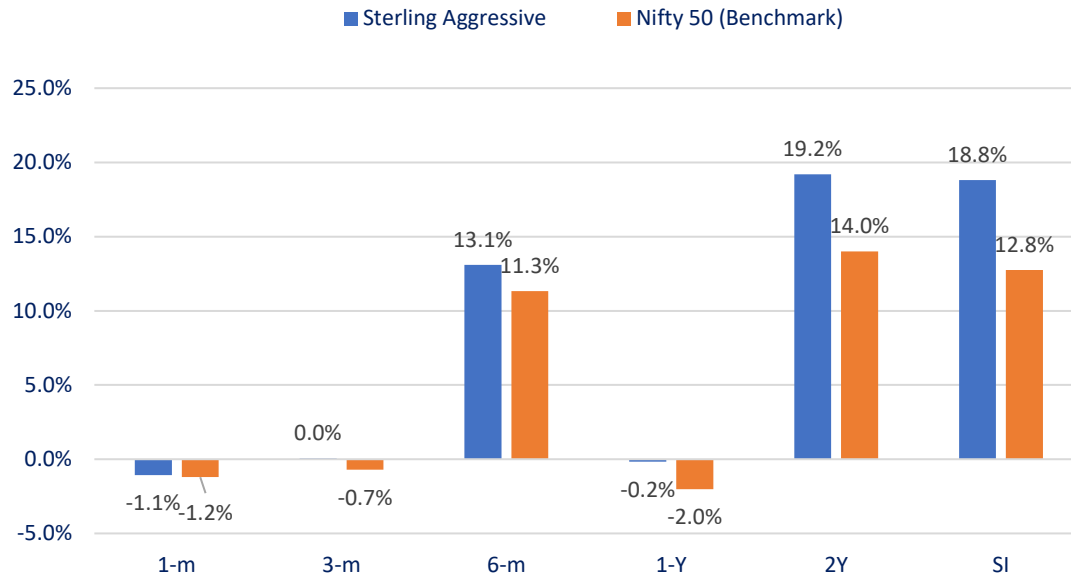
What worked in Sterling - Aggressive?



Allocations to non-equity diversifiers like a Global Fund, as well as Gold & Silver Fund in a tactical manner helped during equity market uncertainty.

Sterling Aggressive Strategy

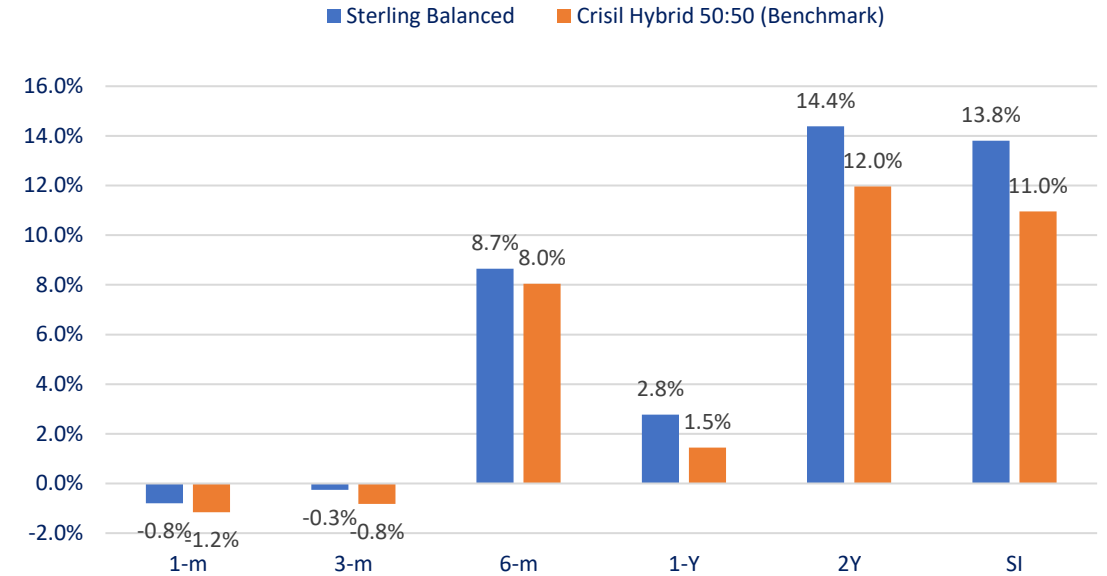
STERLING AGGRESSIVE STRATEGY HAS GENERATED ~19% ON 2Y AND OUTPERFORMED THE BENCHMARK BY ~5%.



Inception Date: Nov 11, 2022 | Returns are as on Aug 31, 2025

Sterling Balanced Strategy

STERLING BALANCED STRATEGY HAS GENERATED ~14% ON A 2Y BASIS AND OUTPERFORMED THE BENCHMARK BY ~2%.



Inception Date: Nov 28, 2022 | Returns are as on Aug 31, 2025

The Team



Piyush Garg
CIO

- Over 24 years of experience in Indian financial markets – fixed income, equities, and currencies
- Have been successfully managing funds in various asset classes for the last two decades.
- MBA from IIM Kolkata



Tejas Kadam
Sr. Fund Manager

- Over 12 years of experience in Quantitative, Smart Beta (Factor), Passive and ESG strategies
- Previously worked with Goldman Sachs Asset Management and MSCI (a leading index provider)
- An Electronics and Telecommunications Engineer with an MBA (Finance)
- Holds the CFA (US) charter since 2015



Mayur Agarwal
Fund Manager

- Over 13 years experience with 11+ years in Private Wealth Management
- BCA from BIT Mesra and MBA (Finance) from IBS Hyderabad
- Holds FRM Charter (GARP)
- CFA (US) level 3 candidate

Portfolio Management Structure



Terms of the Investment

Name	ICICI Securities Sterling 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 and debt oriented securities including mutual fund & Gold ETF.
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	Rs. 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 can 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.

Fee Structure

Fee Type	Risk Averse Portfolio	Conservative Portfolio	Balanced Portfolio	Growth Portfolio	Aggressive Portfolio
Management Fees (Direct Plan)	0.45% up to 3 crores 0.40% up to 10 crores 0.35% above 10 crores	0.55% up to 3 crores 0.50% up to 10 crores 0.45% above 10 crores	0.75% up to 3 crores 0.70% up to 10 crores 0.65% above 10 crores	0.90% up to 3 crores 0.80% up to 10 crores 0.70% above 10 crores	1.00% up to 3 crores 0.90% up to 10 crores 0.80% above 10 crores
Management Fees is charged quarterly, calculated daily on weighted average of Portfolio value at the end of every calendar quarter					
Exit Fees	Not Applicable				
Fund Accounting Charges	Rs.2,500/- Per Annum Charged Quarterly				
Depository & Custody Charges	Custody Charges - Nil NSDL Depository Charges - Rs.5/- per debit transaction Any Other transactions (IPO, QIP, Open Offer, Buy Back, etc.) - Nil SEBI Charges - At Actuals (at present 0.00005% of AUC)				
Brokerage	Charged on turnover - 0.08% + STT				

Disclaimer

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