

MUTUAL FUNDS

PL T P C

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Course Objective:

1. To acquire knowledge on the fundamental aspects of Mutual Funds and their operations
2. Ability to diversify the given corpus
3. Ability to Manage Mutual Fund Portfolio
4. Exposure to the NSE Mutual Fund dealer platform
5. To acquire knowledge from an Industry standpoint on product offerings
6. To acquire the knowledge required to clear NISM 5 A certification

Course Content:

UNIT 1: Concept and Categories of Mutual Funds

3 + 6

Introduction to MF | Advantages of MF | Diversification | SEBI Categorization of MF Schemes | Equity Funds | Debt Funds | Hybrid Funds

UNIT 2: Mutual Funds Structure and Offer Documents

3 + 6

Legal Structure of MF in India | Asset Management Companies | Functional Areas in AMCs | Distribution Network | Investment Advisors | Other Stakeholders in MF Industry | Role of AMFI | Role of SEBI | Fundamental Attributes | SID | SAI | KIM

UNIT 3: Valuation and Taxation of Mutual Funds

3 + 6

Net Asset Value | Dividends & Distributable Reserves | Entry, Exit Loads | Total Expense Ratio | Pricing of MF units | Taxation of MF | Deductions u/s 80C

UNIT 4: Distribution Practices and Investing in Mutual Funds

3 + 6

Modes of Distribution | Roles of Distributors | Pre-requisites to become an MF Distributor | Commission Structures | Advisory and DIY Regime Direct Plan Vs Regular Plan | Growth Option, Dividend Option, Dividend Reinvestment Option | SIP Vs Lumpsum | Cut-off Time | Investment Avenues

UNIT 5: Scheme Selection

3 + 6

Financial Goals | Risk Profiling | Scheme Evaluation | Selection of Schemes, Plans, Options, and Modes | Creating MF Portfolio

Course Outcome:

1. He / She can create an appropriate Asset allocation based on the customer's risk profile
2. The student can choose an appropriate investment for the financial goal to plan his/her taxes more efficiently
3. He / She able to set Financial Goals and Get into good savings and investment habits
4. The student can clear the NISM VA series examination
5. He / She can compute the NAV of an MF scheme and become an informed investor
6. He / She can evaluate the various documents like SID, SAI & KIM which are required for an investor in a mutual fund

20 PROJECT TITLES

You need to prepare a risk profiling questionnaire and a data gathering sheet that will contain data with respect to their Demographics, Academic qualifications, where they employed, Age, Family structure, and what are the various products they have invested in like bank deposits Eg:- RD, FD, Post office schemes, Mutual fund, Shares, Bond, and any other government investment product in PF, EPF based on the data gathered with respect to their investment made and investment pattern (Monthly or Adhoc), and need to prepare and fill risk profiling questionnaire and arrive at what is the asset allocation pattern of the investor.

1. Target market - People who are employed in the BFSI
2. Target market - people who are employed in non-BFSI
3. Target market - people who are working in the IT industry
4. Target market - people who are self-employed
5. Target market - professionals like a company secretaries, Advocate, and Architect
6. Target market – small-scale industry
7. Target market - corporate CEO finance investment
8. Target market - Trust, Educational institution, Mission Hospital, and charitable trust
9. Target market - Retired person
10. Target market - NRI
11. Target market - Rural market graduates
12. Target market - Rural Market non-graduates

Output: Students have to understand their target market risk appetite and look into their investment preferences, Students going to find out the financial literacy level of the particular target market of whom they have reviewed. Choosing the option of minimum target market strength will be 30 and the maximum recommended Target Market will be 50 to 100.

13. The candidate will work and engage with the help of RIA to understand what are the various services offered by the RIA to their clients. Accompany the RIA for at least a minimum of 7 client calls and a maximum of 15 client calls will be recommended. During the client call you need to observe how the RIA is having a discussion with their client and help the RIA in gathering the data of the client including the financial goals and understand how the process of financial planning works and how RIA prepares the financial planning. After getting known of it you have to help the RIA and preparing financial plans and then again observe how the RIA is making the presentation of the financial plans that are prepared and the process of execution of the financial plans. Understand during the call how the RIA is setting the expectations of the client and what the expectations the client has from the RIA are, you need to document the expectation setting up happening between the RIA and the client and how the commercial works between the client and the RIA also recommended that the overall during the entire project there is a mix up of new client calls as well as review calls that RIA goes for reviewing the financial planning which is already created by the re which are in the process of execution with their client
14. The candidate will have to work with MFD and understand what are the various engagement that they have with their clients they will have to go with MFD for client appointments and observe how the client is being engaged with these MFD successfully they will have to understand the process of onboarding the customer right from the doing KYC to the customer collecting to the documents and how the MFD does the process of onboarding on the NSE NMF platform of their clients which is including the creation of IAM, ACH, FEDKA, and any other such documentation. The candidate has to assist the MFD in preparing all the documents and keeping them ready for submission to the AMCs as and when required which will include even filling up the mutual fund application forms including switch, redemption, purchase, additional purchase, and SIP transaction. The candidate will also understand how the process of onboarding the client continues with respect to the engagement with the issuing the account statement or any app login for the client to view their portfolio on an ongoing basis what kind of apps the MFD use to engage and service their clients on the ongoing basis the candidate also has to understand from the client perspective what are the various services expected by the client from the MFD and they will also to understand what kind of clients prefers investment on lump sum basis or on a systematic basis and document all these in your project.
15. The candidate will have to take the help of the branch manager at the bank to be engaged with the relationship manager or whoever is the client service officer who is the front end facing the clients they have to find out how the walk-in customer in the bank interacts with this relationship management and put forward their requirements with respect to choosing the financial product which ranges from RD to FD, opening to saving account or current account mutual fund insurance or any other such financial product they have to observe how the client relationship officer is engaging with clients and making recommendation of any of

these products and they will have to understand what is the basis of the recommendation paste forward by the client relationship manager towards the customer what are the request with respect to the expectation of their products from the customer they should understand and what basis these products are chosen and how their investment process works right from the opening of the fixed deposit recurring deposit to a mutual fund to an insurance product. The minimum number of people we expect the candidate to have probably should be a minimum of 100 clients who were walk-in customers of a particular bank.

16. The candidate takes the help of the particular AMC, whichever AMC he chooses one particular AMC among the 42 different AMCs, and the AMC he works with the frontend is people who are the client-facing role with respect to the service request that the client places when he visits the investor service branch. Here the candidate understands what are the various service request that the client comes forward whether a new client or the existing client coming forward for service. Next, they have to document what are the various expectations of the client with respect to their servicing recruitments of the particular investor service branch they have to understand the preference of the investment plan made either direct or regular, and why the customer decided to go with the particular plan. They also have to profile the customer whether he is a customer choosing for direct lump sum investment or add-on basis or MSIP client. They should also gather from the client what is the expectation of the service standards with they have visited the particular branch and they have to rate the service. Whatever service they have got from the AMC official they should put on rating on the parameter of 1 to 5. Minimum 50 clients who are recommended at least 100 clients over the period of one month.
17. You are again the candidate who works with an AMC at the front end at the level where the client visits and meets the AMC officials at the service desk at the investor service centre. Here they will understand the client who is walking in what are the funds that they have invested in either equity fund, an international fund, Gold fund, or what is kind of fund the clients have chosen and you have to list down 2 reasons why they have selected that particular fund and what makes them stick on to the fund and how long they stayed invested and they should also understand the client is withdrawing why what is the reason of the client making the decisions. Basically, they have to document two minimum reasons that motivate the client to either invest or redeem their funds from this particular AMC they should also document on what basis they decided to invest in what kind of the particular assets class of the fund so this has to be done of minimum 50 clients and recommended at least 100 clients.

Investment awareness programme (IAP) to be conducted by the candidate taking the help of the nearest AMC branch whichever AMC they can choose and they can take help of the nearest branch wherever this is located IAP that the candidate has to organise the investment awareness program along with the AMC officials the official has chosen or the trainer or the RAI. Basically, the investment are explaining the concept of investment or savings and also explaining them what is mutual fund what are the benefits and advantages of mutual fund investing also the limitation of mutual fund investment and the importance of systematic investment plan SAP and how the investor can choose which kind of fund will be more applicable for them before that we should also understand different kinds of schemes which is offered by the EMC generally and how the investors are going through the process of choosing relevant to their financial goals so the entire investment awareness programme

will be run for the period of one-hour minimum the candidate will be organised 4 investor programme and recommended at least 10 IAPs to be organised by them.

18. Prepare and conduct IAP for the Flat association
19. Prepare and conduct IAP at corporate
20. IAP for self-help-groups (Eg:-women associations)

Books References: -

S.No	Mutual Funds Reference Books
1	J.C BOGLE., 2003." Bogle On Mutual Funds" Wiley, First Edition, ISBN-10: 111908833X, ISBN-13: 978-1119088332
2	NISM., 2022." NISM's Mutual Fund Distributors" Taxmann Publications Pvt. Ltd, First edition, ISBN-10: 9356221863, ISBN-13: 978-9356221864
3	Franks Julian & Mayer Colin & Silva Luis Correia da., 2003. " Asset Management and Investor Protection" OUP Oxford, First edition, ISBN-10: 0199261938, ISBN-13: 978-0199261932
4	Sundar Sankaran., 2018. "Indian Mutual Funds" Vision Books , Fifth edition, ISBN-10: 9386268191, ISBN-13: 978-9386268198