AAFM INDIA AMERICAN ACADEMY OF FINANCIAL MANAGEMENT
GLOBAL LEADER IN FINANCIAL EDUCATION

MEMBERSHIP PARTNERS

AAFM® CLUB A FAMILY OF LEARNING

NEXGEN ESTATE PLANNING SOLUTIONS LEAVE AN INHERITANCE NOT A MESS!

Planet FP Planet of Finance Professionals!

Bengaluru

REGIONAL WEALTH MANAGEMENT CONVENTION

"Know Your Business,
Grow Your Business"

AMERICAN ACADEMY OF FINANCIAL MANAGEMENT
WMC
WEALTH MANAGEMENT CONVENTION
2023

SPECIAL EDITION
22 APRIL, 2023

AAFM AMERICAN ACADEMY OF FINANCIAL MANAGEMENT INDIA

GLOBAL LEADER IN FINANCIAL EDUCATION

DEEPAK JAIN

Director, American Academy of Financial Management® India

From Director's Desk

As we commemorate the 10th anniversary of AAFM® India's establishment, we are thrilled to announce the upcoming AAFM® Regional Wealth Management Convention in Bengaluru. As the Silicon Valley of India, it is a fitting destination for this event, especially during this era of technological transformation within the global industry.

We extend a warm welcome to esteemed industry leaders, financial professionals, wealth managers, advisors, as well as students and aspiring individuals to join this platform. The event provides an opportunity for attendees to share their knowledge, experiences, views, opinions, novel ideas, and vision for growth, inspiring each other to aim higher.

The post-pandemic era has seen remarkable wealth creation in India, positioning it as a prime location for wealth management opportunities. According to Knight Frank's Wealth Report 2023, India ranks third globally in terms of billionaires, with Indian UHNWIs experiencing wealth growth of over 10% in 2022. over 10% in 2022. Furthermore, Indian UHNWIs own an average of 5.1 residential properties and allocate 34% of their assets to equities, highlighting their optimism for the future of the industry.

Despite these encouraging figures, the wealth management industry faces significant regulatory and compliance changes at local, regional, and global levels. This shift has led to new challenges for industry players and investors. Digital-centric compliance frameworks and the onboarding process pose some of the most significant adoption challenges. Additionally, clients' evolving needs demand innovative products and solutions, resulting in AI and ML-driven tools becoming integral in modern wealth managers' acquisition, segmentation, and retention strategies. Finally, the rise of integrated digital wealth management platforms is revolutionizing and challenging the traditional advisory model, and technology is emerging as the harbinger of change in the new industry paradigm.

The upcoming AAFM® Regional Wealth Management Convention aims to explore evolving industry needs, and the theme "Know Your Business, Grow Your Business" emphasizes the importance of wealth management professionals acquiring new skills, knowledge, and tools to become truly future-ready professionals. AAFM® India has been at the forefront of this change by training and educating professionals to enhance their knowledge and capabilities to stay competitive in a constantly changing era.

Networking is vital to success in the modern world of wealth management, and the AAFM® Regional Wealth Management Convention offers a perfect opportunity for wealth managers, advisors, and younger entrants to meet and connect with peers, industry leaders, and achievers. These events enable knowledge sharing, skill development, and global networking opportunities, exemplified by the popular "AAFM® Finance Club," which boasts over 6,000 members and continues to grow.

Finally, we take great pride in AAFM® India's success over the last decade in creating a positive impact on the wealth management industry and society. It has been our privilege to educate and empower the next generation of wealth management professionals and gain a deeper understanding of what drives the industry forward. We are optimistic about the collective growth of the industry and grateful to everyone for their part in our shared journey of success, achievements, dreams, and hopes for the future.

AMERICAN ACADEMY OF FINANCIAL MANAGEMENT INDIA
GLOBAL LEADER IN FINANCIAL EDUCATION

American Academy of Financial Management® USA

CWM® Wealth Management
Chartered Wealth Manager
AAFM Board Certification™

BUILDING WEALTH MANAGERS OF TOMORROW

CHARTERED WEALTH MANAGER®

- IFA'S - BANKERS - FINANCIAL PLANNERS - WEALTH PROFESSIONALS

WHY CWM® CERTIFICATION?

» #1 Global Designation in Wealth Management
» Approved under SEBI - RIA Regulations, 2013
» Expand Your Career in Banking & Financial Services Industry
» Certification Presents Opportunities Worldwide
» Advise Middle Class Upper Middle Class, HNI & Ultra HNI
» Aim for Complete Wallet Share of the Client

Meet the Global Standards become a Top Finance Professional

Portfolio Management | All Assets Classes | Equity & Real Estate | Relationship Management

Flexible Study Mode | 5000+ Exam Center | End to End Solutions Free Software | Awarded by AAFM® USA

LEVEL 1 – FOUNDATION LEVEL

1. Introduce to Wealth Management
2. Investment Management & plaining
3. Products in Wealth Management
4. Laws on Wealth Management
5. Applied Wealth Management

LEVEL 2 – ADVANCED WEALTH MANAGEMENT

1. Asset Classes of Wealth Management
2. Practice of Wealth Management
3. Tools of Wealth Management
4. Practising Wealth Management

EXAM » Only 2 Exam to Earn the Charter (Level 1 Exempted for 3 Years+ Experienced Candidate)

9599445568 / 011 - 45120800 info@aafmindia.co.in www.aafmindia.co.in

Centricity

SPEAKER PROFILE

Manu is passionate about wealth management and strongly believes that the ultra-rich in India are the most underserved digitally for their money management requirements. He is on a mission to change the status quo. He has over two decades of leadership experience at top-tier banks and private wealth management firms across consumer and private banking. His understanding of the wealth management business has evolved along with the changing trends in the industry. This enables him to identify critical value gaps and find the right solutions to fill them. As he leads Centricity as a founder and CEO, his main area of expertise remains to acquire and grow large wealth relationships, which enables him to be well-connected in the network of HNIs/UHNWIs. He's also a passionate Biker, loves to travel, and is a fitness enthusiast.

MANU AWASTHY

Founder and CEO, Centricity

Changing Landscape of WealthTech - A Progressive Future Awaits

"It's simple arithmetic, your income can grow to the extent that you do."
This statement by successful businessman and author T. Harv Eker explains how to multiply money to create wealth. Almost everyone wishes to be happy, prosperous, and wealthy, and while some do become wealthy, very few are able to manage their wealth, which is where wealth management comes in. As we enter the new age of technology, there is an urgent need for WealthTech to provide a comprehensive and utility-based solution platform for catering to the specific needs of high-end investors and the intermediaries who serve them.

As India continues to grow at a rapid pace, it is now the world's fifth largest economy, with Indians topping the list of the richest people in the world. Increased income levels of Indians across sectors, whether employees, self-employed professionals, or businessmen, are attempting to enter the investor quadrant as described by famous Japanese author Robert Kiyosaki, thereby elevating investment appetite of young India, giving this sector a progressive future in the age of knowledge-driven economy.

Wealth Management is an investment advisory service offered by financial advisors to their wealthy clients to solve or improve their financial situation. Such services include tax planning, wealth protection, estate planning, succession planning, and family governance, wealth structuring, and planning. The primary goal of Independent Financial Advisors (IFA) is to assist their clients in growing, preserving, and protecting their wealth. Wealthtech is defined by the term itself, which emerged at the intersection of wealth and technology. The concept encompasses any digital solution designed to facilitate wealth management processes.

Wealthtech, like digital payments, regulatory technology (regtech), and insurance technology (insurtech), is a new, niche, and rapidly growing segment of the already established fintech industry. Today, the need for investment and wealth management to actively embrace new technology-driven approaches and tools is clear, especially given the increasing presence of start-ups and intense competition in various financial products and types of emerging digital investment services.

Another aspect of wealth management to consider is the significant wealth transfer currently taking place from HNIs/UHNIs and single-family homes to the next generation.. With nearly half of its population under 30, India will see a radicle shift in wealth over the next decade, with shifting gears and young hands to hold the batten. WealthTech must be equipped with new age ways to engage these millionaire millennials and other notable wealthy young Indians because their digital tool preferences and needs differ.

It is past time for the industry to start thinking about the needs of the next generation.

4 trends in WealthTech-

We have identified four key trends in WealthTech that refer to the client-centric approach and are aimed at increasing client engagement and loyalty based on changes in the wealth management market as well as changing habits and expectations of clients.

1. High degree of customization

Wealth is personal to everyone, regardless of size, and wealth management is used to manage people's fortunes, making it susceptible to customisation. Younger generations want to take calculated risks and grow their income by using advisory or digital tools to multiply it. Wealth managers are among those who can be trusted, and technology provides the necessary transaction support and speed; this is where WealthTech extends its tentacles to capture the latent underserved captive market. Wealth management service providers, in turn, seek appropriate solutions.

2.Seamless UX

We like what draws our attention, but we remember what we experience. User Experience (UX) has always been a priority for financial technology because, on the one hand, users expect all operations to be simple and easy to perform, regardless of their deep technological knowledge, and, on the other hand, the UX must exclude any ambiguous solutions to avoid errors. WealthTech, as a pioneer in this field, requires a high level of UI/UX design to provide users with better navigation and ease of operation.

The COVID-19 pandemic hastened the transition to online services. Wealth management services are no different. People will prefer to interact with advisors through digital channels even after the pandemic has passed, and they will expect the experience to be convenient, seamless, and simple. A good user experience is becoming more important. This is especially true as self-service becomes more popular.

The focus activity in the wealth management industry has always been personal interaction between clients and advisors. It still exists, but a hybrid model of one-on-one and digital interaction is gaining traction as clients prefer faster and more convenient "anytime, anywhere" options. Self-service capabilities must be tailored to users' lifestyles and investment requirements, and an appropriately designed UX is critical to gaining clients' trust.

3.Cybersecurity

The situation has drastically changed as wealth managers and advisors use digital channels on a larger scale and manage increasing amounts of confidential and sensitive data from their clients. As technology advances, cybercrime becomes more sophisticated, and wealth managers are putting more effort into meeting cybersecurity requirements and managing security risks. Because WealthTech deals with large volumes of investments and a slew of transactional and procedural processes, such as KYC, and must go through customer bank accounts and assets, cyber security has emerged as a critical factor to consider when managing trillions of dollars on a digital platform.

4. Wealthtech Ecosystem

The wealthtech ecosystem refers to the collaboration of technological startups with other institutions, businesses, and individuals involved in the deployment of new wealth management solutions. Recent developments in the wealthtech sector confirm the trend of increased coordination. This is an important trend because it works to bring all forces together to ensure the seamless operation of tech-enabled wealth management.

The country's FinTech market is expected to grow at a 31% CAGR between 2021 and 2025, with Indian Wealthtech expected to be worth $60 billion by FY25. To capitalise on these staggering statistics and turn them into business opportunities, we need a One Stop Solution for to cater to these specific requirements from the investment professionals and yield the max throughput.

A tailored technology solution is crafted by Centricity for Independent Financial Advisors (IFAs), External Asset Managers (EAMs), Mutual Fund Distributors (MFDs), and brokers who want to provide better services to their clients by upgrading their digital platforms in response to the changing WealthTech landscape is introduced by Centricity. It is a technologically advanced tool that allows users to track, evaluate, and trade various investment products on a digital platform for all their financial needs. OneDigital provides a complete solution to all its clients' needs.

OneDigital propels your growth as a tech-driven infrastructure platform for investment professionals by personalising, investing intelligently, and providing an easy-to-use yet empowering user experience. The tech enabled solution platform gives you more power and time to grow your business and brand while increasing your income. OneDigital is the financial world's operating system, and it is trusted by investment professionals all over India. Join the league of elevating investments and optimising returns with powerful platform OneDigital and walk towards a better tomorrow as a progressive future awaits.

ONE DIGITAL

One Digital –
Digital distribution infrastructure across asset classes and products

GROW YOUR PRACTICE
SCALE YOUR AUM
INCREASE YOUR INCOME

An operating system for our financial world.

Trusted by investment professionals all over India.

Centricity

1 Finance

SPEAKER PROFILE

Member of the Advisory Committee for Qualified Financial Advisors - Mumbai Chapter at 1 Finance & Founder at Ocean Wealth Solutions, A Certified Financial Planner and one of the first few SEBI Registered Investment Advisors. It's his profession and passion to assist people in living financially disciplined and stress-free lives by guiding and educating them on all aspects of personal financial management. Apart from running his fee-only practise, he also conducts financial well-being sessions for corporates, a few collector offices, universities, and colleges in Maharashtra as part of his social responsibility.

MAYUR SHAH

Member of the Advisory Committee for Qualified Financial Advisors - Mumbai Chapter at 1 Finance & Founder at Ocean Wealth Solutions

The Need for Qualified Financial Advisors is Today

Who doesn't wish to live a financially sound life, have their money last longer, and reach all their financial goals on time and without stress? The answer is **"EVERYONE".**

The role of a financial advisor is crucial, but unfortunately, many people working in this industry have tie-ups with financial institutions and focus more on selling those institutions' products to clients without understanding the requirements of the client. These so-called self-declared financial advisors often engage in mis-selling practices.

Therefore, there is a significant demand for Qualified Financial Advisors (QFAs) in our country. Unlike other financial advisors who may have tie-ups with financial institutions and focus on selling their products, QFAs do not have any such affiliations. Instead, they prioritise understanding individuals and their families, , and provide holistic and comprehensive financial planning tailored to their clients' needs and suitability. A financial advisor should possess knowledge and ethical standards, and QFAs are known for their unbiased approach, always putting clients' best interests first. They provide guidance on various aspects of personal finance, including:

- Planning for contingencies
- Insurance planning
- Expenses analysis and cash flow management
- Liabilities management
- Tax planning
- Goal-based investing
- Retirement planning
- Helping clients decide their asset allocation and choose the right investment products based on their risk appetite, goal tenure, and available funds for investments
- Conducting regular reviews and rebalancing portfolio to help clients reach their financial goals

In addition to the above, QFAs also play a crucial role in the following areas:

- Managing clients' financial needs
- Educating them on regular basis
- Understanding their personal values
- Helping them make rational financial decisions

Based on my personal experience, when QFAs do their work with an unbiased approach and provide comprehensive financial planning, they earn high respect from clients and develop trustworthy and longer term relationships as if they are extended family members.

Being a QFA is a profession of great integrity and honor, as it enables them to earn a livelihood by assisting individuals and families in managing their personal finances and empowering them to take control of their financial lives.

"This is a profession of doing well for yourself by doing GOOD for others."

To become a QFA and gain the required knowledge, one may consider completing courses such as:

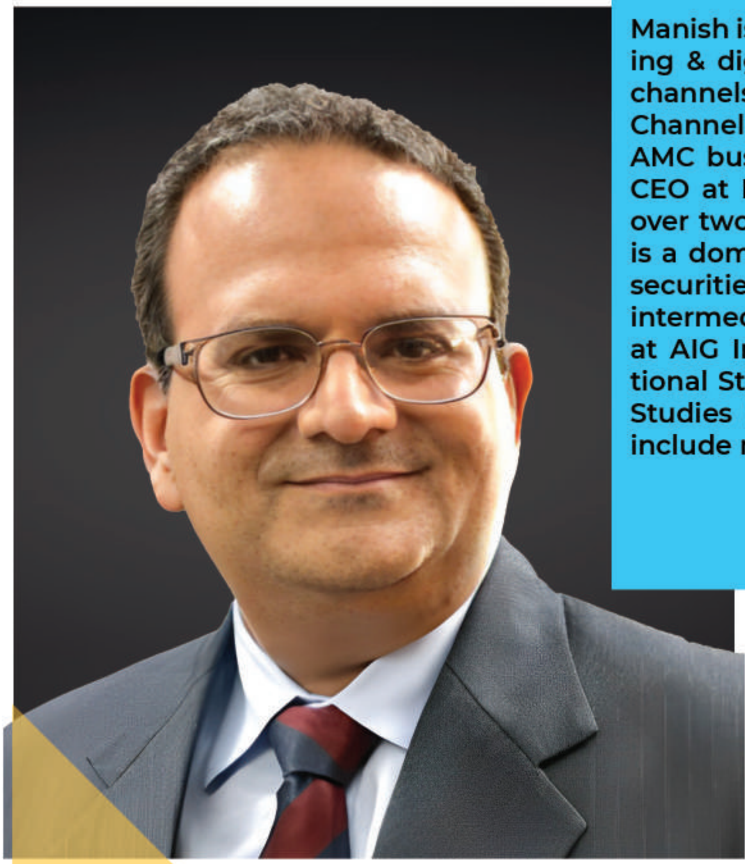
I. Certified Financial Planning from FPSB (CFP^{CM})
II. Chartered Wealth Manager from AAFM (CWM®)

With these certifications and a qualification of post graduation and work experience, an individual can apply to become a SEBI Registered Investment Advisor (SEBI RIA). After obtaining SEBI registration, one can commence offering fee-based, unbiased financial advisory services. Alternatively, one may also get empanelled with a SEBI registered investor advisory company as a QFA and work jointly in the common interest of offering unbiased financial planning.

When it comes to the scope of advisory space for the QFAs, the sky's the limit. With increasing disposable income, the demand for unbiased advisors is growing. However, currently, there are less than 1,500 advisors in India, as per SEBI's website. The need for Qualified Financial Advisors is today.

SPEAKER PROFILE

Manish is responsible for the overall business growth, marketing & digital strategy for Kotak Mutual Fund across various channels of distribution Viz. Intermediary and Institutional Channel. Manish joined Kotak group in 1999 in the domestic AMC business. Manish has also worked as the President & CEO at Kotak Mahindra Inc., our US based subsidiary. With over two decades of experience in financial markets, Manish is a domain expert in sales and distribution of fixed income securities and mutual funds to institutional clients and intermediaries. Prior to joining Kotak, Manish held senior roles at AIG Investments, InvestSmart India Limited and the National Stock Exchange. Manish holds Master in Management Studies (MMS) from the University of Mumbai. His hobbies include reading, listening to music and travelling.



MANISH MEHTA

Joint President & National Head Sales, Digital Business & Marketing, Kotak Mahindra Asset Management Co. Ltd.

Building a Strong Financial Future: Six key ingredients for Effective Planning

A famous proverb says, 'art is not in making money, but keeping it'. This is possible only and only with a sound financial plan in place. Financial planning is essentially a roadmap that helps you take effective money-related decisions today to have a secure future for yourself and your family.

There are many ways one can develop a financial plan. One way is to work on it yourself. The only necessity here is that you must be adept in financial knowledge and up to date with economic developments like inflation, which will impact your income, savings and investments. Another convenient way to develop a financial strategy is to take advice from a financial expert.

Whatever maybe your choice, an efficient financial plan is made of six key ingredients:

1. **Start by taking stock of your finances:** First thing to do is to take account of the cash flows. One must track and record how much the inflows are in the form of salary, business income, from rental properties and investments. Similarly, estimate the expenditures like your children's school fees, day-to-day household expenses, vacations, etc. Also include the amount going for taxes and account for your savings and investments to get a complete idea of how much money you have in your pocket.

2. **Decide your financial goals:** This includes accumulating funds for long-term goals, which one needs to fulfil after five years and beyond, like buying a house or preparing for retirement, children's marriage or higher education. Financial objectives could also be short-term, like 1-3 years, and generally relate to goals like buying a new car, planning a vacation, or saving for essential festivals or family events. Listing out goals will help you analyse the amount required to realize them. One should not worry if the income or savings don't match the amount needed. There are various investment avenues like mutual funds, real estate, and gold which one can consider to generate wealth.

3. **Keep aside funds for an emergency:** Before you start investing your hard-earned money, ensure that you have kept aside adequate savings for uncertainties like medical emergencies, loss of job, pandemic etc. In situations where your cash flow suddenly stops coming in, a corpus amounting to three months of expenses as per your budget must be readily available before you can tap into your investments.

4. **Ensure adequate insurance cover:** This is the most effective way to help you deal with emergencies, particularly in cases of health incidents. Without insurance, there could be an enormous burden on

on your savings. Insurance coverage like life insurance, health insurance, home insurance and car insurance can help prevent a severe dent in your income and helps to ensure a better and more secure life for your loved ones.

5. **Create a diversified investment portfolio:** After you have finalized your expenditure and filed your taxes, it is time to channel the surplus generated into investment avenues that can help you create wealth over the longer term and provide a buffer against uncertainties in the future. One should approach a financial advisor to help you invest in assets per your risk appetite and generate optimum returns per the financial objectives. Preferably, one should look for a good spread of investment assets like equities, debt, gold, and real estate and explore new routes like international equities to get maximum benefits with minimum risks. Always remember to review and rebalance your investment portfolio at times of uncertainty or volatility.

6. **Have a succession plan:** It's advisable to keep a track record of all your account statements, investments, and papers related to properties and necessary taxation and debt filings to spare your loved ones and discomfort or liabilities. A will, which clearly states your decisions regarding the allocation of your assets and transparent nominations of beneficiaries of your insurance policies and retirement corpus, is a prerequisite for any financial road map.

As we usher in the new financial year, do visit / review your financial plans. Keep investing. Keep SIPping....

(The author is Joint President & National Head – Sales, Digital Business and Marketing Kotak Mahindra Asset Management Company Ltd)

Disclaimer:

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

kotak Mutual Fund

Kotak Balanced Advantage Fund

It's Automatic !

A fund that gives you freedom from managing equity and debt allocation manually during market ups and downs, giving you a balanced growth.

www.kotakmf.com | Toll free Number : 1800 309 1490 |

Scan To Know More

Kotak Balanced Advantage Fund
(An open ended Dynamic Asset Allocation Fund)

It is suitable for investors who are seeking*:

- Wealth creation over a long period of time
- Investment in equity, equity related securities & debt, money market instruments while managing risk through active allocation

*Investors should consult their financial advisor if in doubt about whether the product is suitable for them.

Investors understand that their principal will be at very high risk

The above riskometer is based on the scheme portfolio as on 31st March 2023.
An addendum may be issued or updated on the website for new riskometer.

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

Yubi
Formerly CredAvenue

SPEAKER PROFILE

Moulik Patel is the Chief Business Officer and leads the Fixed Income Platform, Yubi Invest - for both - Institutional and Retail Investor segments. He has been instrumental in growing the Yubi Invest business from the ground up and taking it to the position it is at today. Before assuming this role, he led and scaled the largest client franchise for Yubi.

Moulik has over 18 years of experience in Financial Markets. He was part of corporate banking for some of the largest private banks like Axis Bank, IDFC Bank, ICICI Bank etc prior to joining Yubi. Then his focus was on client management in multiple sectors like NBFCs/Financial Institutions, Engineering, Infrastructure, Shipping, Steel, IT/ITES, Auto, Pharma, etc. He brings an optimal mix of experience in the Structured Finance space - across Products & Instruments, Investment Banking, Transaction Banking and Treasury management.

In his previous positions, he played a pivotal role in leading financial closure for many landmark infrastructure transactions in both domestic and international markets ranging from power, road, port & shipping industries.

He is a 2004 batch Chartered Accountant with additional certifications in Product Management and Digital Marketing.

MOULIK PATEL

Chief Business Officer, Yubi Invest

Democratisation of Fixed Income Investment in India

he nationalisation of life insurance in India in 1956 was a phenomenon marked by the establishment of the Life Insurance Corporation of India (LIC). Over 200 private insurers were absorbed under one umbrella (LIC), with a vision to protect the economically vulnerable sections of society by making life insurance accessible and more affordable. In the absence of technology, it was the stunning effort and persistence of the LIC agents who went into the nooks and crannies of the country to educate the unaware on the importance of life insurance, and over time (3 decades) normalised spending on life insurance. Today, LIC India, in spite of the re-entry of private players stands tall with over 28 crore policyholders and life funds of worth ₹34.3 lakh crore.

This has been a crucial engine in India's nation-building story and fuelling economic growth. It merits to say that this, if applied to the arena of fixed income investments, can go a long way in democratising access to fixed income securities, and enabling an equitable opportunity for steady and predictable wealth creation for all. Today, the penetration of fixed income instruments remains limited to large national wealth partners or financial advisors, and the smaller players (typically 1-2 member operations) tend to restrict themselves to mutual funds and fixed deposits for their clients.

Between March 2020 and May 2022, India's income and debt-oriented mutual fund schemes saw net outflows of ₹1.5 lakh crores. Whereas direct retail investments into government bonds have been made operationally easier now, while the net flows remain negligible. In fact, as of March 2022, the assets under management (AUM) of mutual funds stood at ₹38 lakh crore.

Fixed income securities provide secured options across the rating and yield spectrum depending on the investor appetite. The reason fixed income assets are not offered as part of the investment portfolio primarily stems from lack of awareness, bandwidth and operational capabilities such as access to bond options to make real-time offers on issuances, making allocations, and securely tracking investments.

Why fixed income?

Fixed income securities provide a compelling case to earn real returns while being rated, secured, and stable in dynamic markets that are prone to fluctuations. Recent reduction in face value also ensures that listed corporate debt becomes comparable to other low ticket investment options with improved secondary market liquidity. Improvement in the secondary market liquidity from retail investors will see greater bond adoption and thus, truly democratise fixed income in the long-term.

Technology – the modern day 'LIC agent'

The LIC India story is an important lesson in the power of information, and its effective dissemination through agents. Today, with the power of technology, and its penetration into the remotest parts of the nation, it has become that much easier to arm people with information. With technology enabled platforms on the rise, it has become possible to increase literacy around fixed income instruments among smaller partners, giving them access to a greater range of secured options that they can showcase to their clients, to beat inflation, especially in the current environment.

The flow of information occurs on two levels: (a) smaller financial intermediaries gain more awareness about the options available to them, and are given the necessary understanding or rationale behind making investment decisions, and (b) the intermediaries are subsequently able to transfer this knowledge to their clients, and help them diversify their investment portfolio, and effect greater earnings in the long run. Above all, the regulatory clarity around online bond platforms comes as a blessing, as it will fuel faster adoption of fixed income securities in India. In short, if mounted on a robust tech-infrastructure, a straight line can be drawn between democratisation of fixed income securities, enhanced financial inclusion, and economic growth.

AAFM INDIA AMERICAN ACADEMY OF FINANCIAL MANAGEMENT
GLOBAL LEADER IN FINANCIAL EDUCATION

American Academy of Financial Management® USA

FIRST TIME IN INDIA

CHARTERED ECONOMIST™

Ch.E.™
Chartered Economist
Board Certified in Economics™
AAFM Board Certification

WHY CH.E.™ CERTIFICATION?

- Global Designation in Economics
- Certification is form AAFM®, a Recognized Certification Body in the World
- Certification Opens Doors of Opportunities Worldwide
- Extends your Career in the Field of Economics
- Practical Approach for Finance, Economics and Statistics
- Helps in Developing Econimics Models & Tools

Flexible Study Mode & Online Exam

Who Can be a Chartered Economist?

Graduate, MBAs, Bankers, Economists, Research Analysts, Credit & Risk Analysts, Corporate Financiers, Actuarial Analysts, Credit Manager, Quantity Surveyor, Management Consultants, etc.

MODULES

1. Fundamentals of Economics: Micro & Macro Economics
2. Econometrics
3. Industrial Economics
4. International Economics- I
5. International Economics- II

One Program ‘2 Designation’

Chartered Economist® & One of the7 Specialist Economics Designations

- Chartered Petroleum Economist, Ch.PE.™
- Chartered Industrial Economist, Ch.IE.™
- Chartered Managerial Economist, Ch.ME.™
- Chartered Financial Economist, Ch.FE.™
- Chartered Energy Economist, Ch.EE.™
- Chartered Health Economist, Ch.HE.™
- Chartered Economic Policy Analyst, CEPA.™

Exam : Only 1 Exam to get the Charter Economist Designation, USA

97179600436 / 011-45120800 info@aafmindia.co.in www.aafmindia.co.in

AAFM INDIA AMERICAN ACADEMY OF FINANCIAL MANAGEMENT
GLOBAL LEADER IN FINANCIAL EDUCATION

SPEAKER PROFILE

Founder of American Academy of Financial Management India & Nexgen Estate Planning Solutions Founder Director Financial Literacy Advisory Body India.
Financial Trainer, Estate Planner, Entrepreneur, & Financial Success Coach Serial Entrepreneur running 4 businesses.
Author of many books including "Estate Planning for Financial Advisors. Trained over 35000 + Finance Professionals, Advisors, Wealth Managers and Bankers Actively involved in advising HNI Clients on Wealth Enhancement, Wealth Protection & Wealth Transfer Strategies.

DEEPAK JAIN

Director, American Academy of Financial Management® India

Cross-Border Wealth Management: Challenges and Opportunities for Financial Advisors

Unlocking the Secrets of Cross-Border Wealth Management for Financial Advisors

Introduction

Cross-border wealth management deals with the complex challenges of international financial planning and is a specialized field for financial advisors, which has not received the kind of attention it deserves despite the rising demand for certified experts in the industry. With a significant number of people living in countries other than their home country, such as American citizens in India and Indian citizens living abroad, addressing their unique financial needs requires specialized knowledge and strategies which we will discuss in the course of this article.

Wealth planning for international clients typically involves four phases: inbound planning, outbound planning, cross-border planning, and planning for expats.

1. Inbound planning involves assisting clients relocating to a new country, for instance a person of foreign origin moving to India, and addressing their financial matters in both countries.

2.Outbound planning focuses on clients or assets leaving their home country, for instance an Indian moving abroad, with a focus on taxation and financial reporting requirements.

3.Cross-border planning requires a deep understanding of the financial systems and regulations of both countries for clients with dual citizenship or those residing abroad.

4. Planning for expats involves addressing the unique financial and legal challenges faced by individuals living and working abroad, such as navigating different tax laws, foreign currency fluctuations, and managing investments in foreign markets.

It is critical for financial advisors to acquire a deep understanding of various phases of wealth planning to effectively address their financial needs and offer appropriate wealth management solutions.

Tailored Wealth Planning Strategies Based on a Client's Relocation Stage

Wealth managers need to understand international client's transition stage to develop personalized strategies for each of the stages to ensure a smooth and efficient transition.

Pre-Move: Initial immigration planning, banking and currency exchange requirements.

Acclimation: Local tax system and retirement accounts.

Global Integration: Integrating and coordinating assets and income in both countries.

Independence and Retirement: Navigating issues related to retiree healthcare, pensions, and Social Security in both countries.

Customized Wealth Planning Strategies for International and Cross-Border Clients

Wealth planning for expatriates requires understanding the diversity of the expat population and their intentions to remain abroad or return home.
Three main types of expatriates based on their intent to remain abroad are: Temporary Movers, Period-Uncertain Movers, and Permanent Movers.

· Temporary Movers typically require limited-scope engagements for cross border acclimation.

· Period-Uncertain Movers require guidance in maintaining financial flexibility across borders and planning for long-term immigration needs.

· Permanent Movers have to deal with foreign financial complications along with cross-border wealth planning.

Wealth managers should understand that expat clients have distinct circumstances and changing preferences that might call for very different planning strategies.

Examples of different situations expats, **permanently locating to India and those permanently leaving India** that might require integrating their financial planning into financial system of India or that of destination country respectively.

Examples of situations Indian expats may find themselves in:

· Working abroad, renting a home, and planning return to India after work contract ends.

· Working abroad, buying a home there and selling property in India with no plan of returning after work contract ends.

· Working abroad, buying a home abroad and retaining property in India with no decision on returning to India. Might rent out unused property.

Complexities in International Wealth Planning: A Challenge for Advisors

International wealth planning for Indian expats and taxpayers abroad presents several complex challenges for advisors. These challenges include understanding and fulfilling the following requirements:

- Residency and domicile rules
- Financial implications of citizenship
- Global balance sheet creation
- Tax reporting for foreign assets
- Selection of global custodians
- Foreign currency exchanges
- Overseas retirement account transfers
- Compliance with local regulations

Two of the most common foreign planning issues for US Taxpayers include Passive **Foreign Investment Corporations (PFICs) and Foreign Bank Account Reporting (FBAR),** which can result in severe financial consequences.

PFICs: Foreign corporations generating at least 75% of income from passive investments, such as mutual funds or ETFs, may trigger steep tax penalties.

FBAR: US taxpayers with financial accounts abroad over $10,000 must report to US Treasury. Failure to comply may result in significant fines.

Global Balance Sheet:
It is a financial document that shows an individual's financial situation on a multinational scale with a summary of all assets, liabilities, and equity held across all countries they reside in or have investments. This helps set financial goals and proactively address potential issues. It should be prepared in a single base currency and regularly updated to reflect changes in financial situation.

Effective Goal setting and Strategizing for Inbound and Outbound Wealth Planning Clients

Cross-border clients face unique challenges in goal setting and strategizing for wealth planning. Some of the key factors include:

- Length of stay abroad
- Tax implications of foreign income and capital gains
- Tax reporting compliance
- Identifying a custodian

Additional considerations for cross-border planning include:

- Bilateral tax
- Retirement account transfers
- Treatment of capital gains taxes

Due to these issues, onboarding cross-border clients requires more time and effort compared to domestic clients.

Identifying Appropriate Products and Service Providers for Clients Residing in Foreign Countries

Advising clients on financial products in foreign countries requires deep understanding of the two countries' financial systems, tax regimes, costs, underwriting criteria, and appropriateness of financial products.

Continuing education, workshops, conferences, and specialized courses like CWM® can help advisors gain expertise in cross-border financial planning and successfully deal with a number of potential challenges.

How to Identify Appropriate Financial Products and Service Providers for Cross-Border Financial Planning?

Identifying suitable financial products and service providers in destination country can be challenging. Cross-border clients require specialized service providers for foreign exchange, international accounting, immigration law, or tax law. Factors such as quality, affordability, customer service, and professional recommendations should be carefully evaluated.

Considerations for Cross-Border Broker-Dealers and Custodians

Finding broker-dealers and custodians for cross-border clients can be challenging due to increased compliance oversight policies and procedures. Foreign Account Tax Compliance Act (FATCA) regulations are one of the key considerations in this context. Financial institutions may restrict or close accounts for US clients abroad, and some may lack expertise in serving international clients.

Impact of Immigration Status and Residency on Cross-Border Planning Recommendations

Wealth planners must understand legal definitions of residency and domicile for tax and estate planning to ensure compliant recommendations. Here are some of the key differences in a tabular form.

TABLE OF DIFFERNCE BETWEEN RESIDENCY & DOMICILE

	RESIDENCY	DOMICILE
Definition	Current residence of an individual	Location where a person intends to stay permanently
Multiple locations	Can have multiple residencies	Can only have one domicile
Legal implications	Can impact taxation, immigration status, and voting rights etc.	Can impact inheritance and estate planning etc.
Determining factors	Factors such as length of stay, ties to a location, and intention to stay are considered	Factors such as family ties, property ownership, and business affiliations are considered
Importance in cross-border planning	Important for determining tax obligations in different countries and for determining immigration eligibility	Important for determining which country's laws will govern inheritance and estate planning

Operational considerations for financial advisors who work with clients across borders

Here are some of the obstacles and challenges that a wealth planner must navigate when offering cross-border advisory services.

- Regulatory and Licensing Challenges
- Licensing and Compliance Challenges for Advisors with International Clients
- Understanding the Applicable Regulatory Authorities for Advisor-Client Relationships
- Different Regulatory Approaches in Different Countries
- Determining Compliance with Applicable Regulations
- Insurance Coverage for Errors and Omissions
- Reporting and Providing Information on Investments

Profitable Service of Expats Possible with the Right Business Model

Alternative compensation models can be utilized in keeping with needs of clients as well as advisors.

1. Project-based Compensation

2. Hourly Compensation

3. Retainer-based

4. Subscription-based

5. Hybrid models

Resources for Financial Advisors to Improve Their Skills in Serving Clients Across Borders and Internationally

Professionals advising international clients need to stay updated on complex legal, regulatory, and tax requirements. The Chartered Wealth Manager (CWM®) certification offered by AAFM® USA can prove to be a valuable resource for honing skills in international wealth planning. The program covers diverse areas, including legal landscapes, tax compliance, product and service providers, estate planning, cultural considerations, networking, and more. With CWM® certification, advisors can effectively serve clients from different backgrounds and navigate challenges in global finance.

Conclusion:

At the end, we cannot stress enough the need for wealth advisors to acquire the right kind of knowledge and expertise to deal with the complex and unique challenges presented while advising international clients who might have assets in multiple countries, hold dual citizenship or may have left citizenship of one country to live as a permanent citizen of another country.

It becomes an even more intricate challenge when viewed from the perspective of cross-border estate and succession planning needs. In a truly globalized world, these changes have become more of a norm than exception and requires modern wealth managers to step up their game to meet the challenge.

AAFM INDIA AMERICAN ACADEMY OF FINANCIAL MANAGEMENT
GLOBAL LEADER IN FINANCIAL EDUCATION

American Academy of Financial Management® USA

India's First Will & Estate Planning Services Provider to Financial Services Professionals

NEXGEN
ESTATE PLANNING SOLUTIONS
LEAVE AN INHERITANCE NOT A MESS!

SERVICE OFFERING

- Business Succesion Planning
- Will & Related Services
- Probate Letter of Administration
- Trusts (Regular & Special Child)
- Letter of Guardianship
- Power of Attorney Services

Be a NexGen Member... Be Client Ready !

Do I Need to be a Lawyer? – NO!

Can I Offer Will, Trust & Related Services? – YES!

How to offer These Services? – Partner with NexGen

Expanding Your Services to Include Estate Planning Makes Sense..

1 Membership with Multiple Benefits

- Additional Income
- Extensive Training
- Free Tele-Consultation with Estate Planning Experts
- Associate with a Reputable Brand Name
- Client Focused & User Friendly Online Platform

NexGen Service Delivery Model

- Become a NexGen Estate Planner
- Get the Training & the Tools of Client Engagement
- NexGen Advises the Solutions Required & Creates theTools
- Conduct an Estate Audit of Your Client
- You Deliver the Solution to the client

+91 9599799018 / 011-45120800 info@aafmindia.co.in www.aafmindia.co.in

Integrow
Asset Management

SPEAKER PROFILE

Rahul is the Board Member and Head - Residential Real Estate and carries 18+ years of experience in areas of investment management, project financing, corporate finance, and strategy consulting. Previously he has held senior positions at companies like Tata Realty and Infrastructure Limited, Brick Eagle Capital Advisory and Stern Stewart & Co. He is a Chartered Accountant and a Company Secretary. He also holds a Masters in Business Administration (Finance) from S P Jain Center of Management.

RAHUL SOMANI

Executive Director and Head of Investments, Integrow Asset Management

Navigating the Choppy Waters of the Indian Investment Market with **Alternative Investment Funds**

The COVID-19 pandemic has caused widespread disruption in various industries, including real estate. However, in India, the real estate sector continues to offer profitable returns for High Net Worth Individuals (HNI) investors, which has led to an increase in interest from global brands. As Indian investors continue to grow their investment portfolios, they may require assistance from third-party professionals to manage their investments effectively.

Investment managers are recognizing the importance of Alternative Investment Funds
(AIFs) as a vital asset class. AIFs are investment vehicles that pool funds from various sources, including high-net-worth individuals and organizations, with a minimum investment size of Rs.1 crore.These funds provide an alternative to conventional investments like direct equity, mutual funds, and bonds.

AIFs typically invest in alternative asset classes such as venture capital, private equity, hedge funds, and infrastructure funds, following a defined investment policy. The investee domain includes companies in various stages of growth, from pre-revenue stage companies to early and late-stage ventures, and growth companies that seek to expand their future operations. This approach ensures that AIFs offer low-risk and long-term investment opportunities to a diversified set of investors at all stages of their growth.

Despite some values experiencing downward trends, the Indian markets have been performing well, with the Nifty 50 reaching its lifetime high in November. However, many business leaders anticipate a recession hitting the market next year, leading to a potential correction that could have a significant impact on the industry and investment.In such scenarios, traditional investment avenues like real estate become attractive.

Investors can approach this situation in two ways. Option one involves taking high-risk, high-return strategies, suitable for those who enjoy the excitement of watching the numbers change on a ticker every day. Option two involves wealth creation by holding steady in choppy waters. This strategy involves investing in AIFs, which offer expertly calculated risk-taking with high returns. AIFs are privately pooled funds that cater to various categories like hedge funds, private capital, natural resources, real estate, and infrastructure, providing a non-traditional way of investing in traditional assets like real estate.

In conclusion, the COVID-19 pandemic has accelerated the need for alternative investment options like AIFs in the real estate sector. Indian markets have been performing well, but business leaders anticipate a recession in the near future, making AIFs a suitable option for those looking for long-term and low-risk investment opportunities. With the right approach, investors can weather the stormy waters of the market and create sustainable wealth in the long run. It is crucial to seek the guidance of third-party professionals to manage investments effectively and make informed decisions.

Integrow
Asset Management

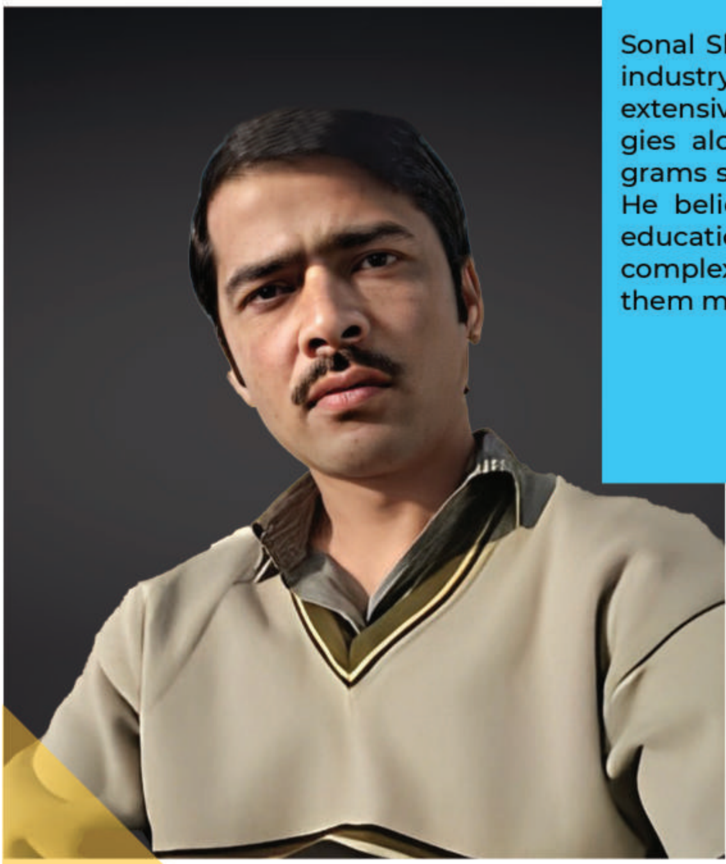
DISCOVER THE BEST REAL ESTATE INVESTMENT OPPORTUNITIES WITH INTEGROW

- Giving members access to vetted real estate opportunities with the potential to outsize multiple on invested capital.
- 75+ years of combined investment experience
- Begin your journey towards real estate investment success with confidence and watch your wealth Grow! Get in touch with INTEGROW today to get started.

99300 16415 www.integrowamc.com info@integrowamc.com

AUTHOR PROFILE

Sonal Sharma is a content development professional with an industry experience of 15 years and has been writing extensively about financial concepts and investment strategies along with finance and professional certification programs since 2014 with a view to promote financial education. He believes that everyone should have access to financial education and it is only possible if we impart the knowledge of complex financial concepts in layman's language to make them more accessible.



SONAL SHARMA

Assistant Manager - Knowledge Management - AAFM® India

Why Employee Stock Options are Good For a Company?

Introduction:

Employee stock options are efficiently structured plans to offer employees the benefit of stock-based ownership in the employer's firm. This allows employees to directly share in the success of the company become a part of their long-term journey of growth and also benefit from it monetarily. ESOPs are typically structured as a trust or a trust-like entity, and these stocks are held in the trust on behalf of the employees until they are vested and can be exercised.

In the course of this article, we will provide a bird's eye view of how ESOPs work, how they can benefit employees, different types of ESOP plans, process for issuing ESOPs, how to develop an effective ESOP scheme and how ESOPs can play a key role in improving employee retention levels.

Let us first take a look at the benefits afforded by ESOPs for employees.

How ESOPs Can Benefit Employees?

Ownership and Equity Participation: ESOPs provide employees with a sense of ownership in the company they work for, as they have the opportunity to become shareholders. This can create a sense of loyalty, commitment, and pride among employees, leading to increased engagement and productivity.

Financial Rewards: ESOPs can be a lucrative form of compensation, as employees can potentially profit from the appreciation in the value of the company's shares over time. When employees exercise their options and sell their shares, they can realize financial gains, which can be a significant source of wealth creation.

Long-Term Incentives: ESOPs are typically structured with vesting periods, which means that employees need to meet certain conditions, such as completing a certain number of years of service, before they can exercise their options. This can incentivize employees to stay with the company for the long term, as they have a vested interest in the company's performance and value creation.

Tax Benefits: ESOPs can also offer tax benefits to employees. In India, there is favorable tax treatment for ESOPs, such as:

- Deferred taxation on the perquisite value of shares granted or options exercised.
- It leads to lower tax liabilities for employees compared to other forms of compensation, making ESOPs an attractive option for both employees and employers.

Employers can also enjoy higher tax benefits from:

- Deduction of contributions made to ESOP
- Divert corporate income tax, defer capital gains tax
- Increase depreciation deductions
- Avoid paying estate taxes by transferring ownership of business to employees
- Raise funds through Equity using ESOP to reduce debt

Types of ESOPs:

There are primarily six types of ESOPs in India, each with their unique structure and features. They allow the employer the option to choose a variant that suits their specific requirements and aligns best with their long-term interests. All of these forms of ESOPs have their relative advantages and disadvantages which we will describe here briefly.

Employee Stock Option Scheme (ESOS): ESOS grants the option to purchase company shares at a predetermined price. The shares are held in a trust, and employees can exercise their options and purchase the shares after meeting the vesting conditions. Minimum vesting period is of one year. ESOS cannot be a part of a public issue, and shares may be subject to lock-in period.

Employee Stock Purchase Scheme (ESPS): ESPS provides a corporation the option to offer stocks to its employees via a trust or public issue. Employees have the option to buy stocks on the spot at a discounted price. ESPS does not have any vesting period and stocks issued are usually subject to a minimum lock-in period of one year.

Restricted Stock Units (RSU): RSU is a form of compensation where employees are granted stocks units, which can be converted into actual stocks at the end of a vesting period. RSUs can have time-based or milestone-based restrictions, and may be sold after the vesting period is completed.

Restricted Stock Award (RSA): RSA is a grant of company stock where the recipient's rights in the stock are restricted until the shares vest. Vesting periods can be time-based or based on company or individual performance, and shares may be forfeited if conditions are not met.

Stock Appreciation Rights (SARs): SARs are rights given to employees to receive appreciation in the value of company stock. SARs can be settled in cash or equivalent value of stock, and are defined under SEBI (SBEB) Regulations in India.

Phantom Stock Options (PSO): PSOs are a type of stock option that allows companies to share profits or appreciated valuation with employees without diluting shareholding. PSOs are sometimes referred to as "Phantom Stock Options" or "Shadow Stock Options" and are gaining popularity in India.

How Can A Company Issue ESOPs?

There are detailed guidelines a company must adhere to if they plan to go ahead with issuing ESOPs. The entire process of issuing ESOP is governed by Section 62(1)(b) of the Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 ("Rules"). Here we will very briefly describe the steps involved.

Steps for Issuing ESOPs

- Prepare a draft of ESOP scheme.
- Convene a board meeting to pass the resolution
- General meeting to receive shareholder approval for the scheme. It will also include disclosure of stock option details, terms and conditions.
- A special resolution is passed to approve ESOP scheme.
- Special resolution needs to be submitted by filing MGT-14 form within 30 days of passing of resolution.
- Post approval of ESOP scheme, options are granted to eligible employees followed by vesting of options with a minimum period of 1 year, exercise of options and allotment of shares.

How to design an Effective ESOP Scheme?

ESOP Pool Size and Philosophy:

Strategic decision of determining the size of the ESOP pool takes into account several key factors including the time frame, expected employee coverage, and growth in the value of the pool over time. It highlights the importance of balancing dilution concerns of founders/promoters with the need to offer competitive equity compensation.

Design Considerations: 5 Key Areas

Grant Framework for Employee Level Grants:

Grant framework sets the tone for the ESOP policy. It includes considerations such as eligibility criteria, methodology for grants, triggers for future grants, and criteria for grants to new entrants. Standardizing the grant process helps in embedding the ESOP program as part of the overall compensation and ensures consistency as the organization grows.

Role of ESOPs in Enhancing Employee Retention

In various ways, offering stock options to its employees can be one of the best strategies for a firm who plans to retain its employees and build teams that work together and perform at high levels in the long-term. Here are a few ways employee retention is positively impacted by ESOPs.

Boosts Morale

Owning company stocks can boost the morale of employees which helps them stay motivated and perform at higher levels in the long-term. It can also help foster a work culture where employees build strong work relations and are willing to work together and give their best as a team in the long run.

Offers a Wealth Creation Opportunity

Ultimately, employees get the opportunity to build substantial wealth in the long term by investing in the company they know best, the one in which they are employed.

Potential Source of Retirement Income

It can also become a source of retirement income and provide them with much-needed financial security. It also strengthens the bond of employees with the company and their interest in its well-being.

Enhanced Employee Stability and Loyalty

If an employee holds stock options with a firm, it considerably reduces the chances of him/her looking for other opportunities. As a result, it can improve stability and performance of employees in the long term.

Conclusion:

Summing it up, we can safely state that ESOPs offer a unique and powerful approach to incentivizing and rewarding employees and create a win-win scenario for both employers and employees. By promoting a sense of ownership among employees, providing retirement savings, and boosting employee engagement and productivity, ESOPs become part of a highly effective strategy to improve retention and give employees the reason to give their best that bodes well for growth of any company.

CHARTERED TRUST & ESTATE PLANNER™

WHAT DO YOU THINK?

ARE YOU WORRIED ABOUT ?

- What New to Offer to My Existing Clients ?
- Reduced Income, Cutting & Lowering Brokerages ?
- Finding New Clients Everyday ?
- Being Advisor to Only One Generation ?
- Not Able to Add HNI & UHNI Clients ?
- Upgrading Your Skill Set to Compete ?

"I DESERVE MORE THAN THIS IS MY CAREER?"

We Understand You | We Understand Your Problem | We Understand How to Fix It

BECOME A CTEP & BOOST YOUR PROFESSIONAL GROWTH !

WHY CTEP™

CHARTERED TRUST & ESTATE PLANNER™

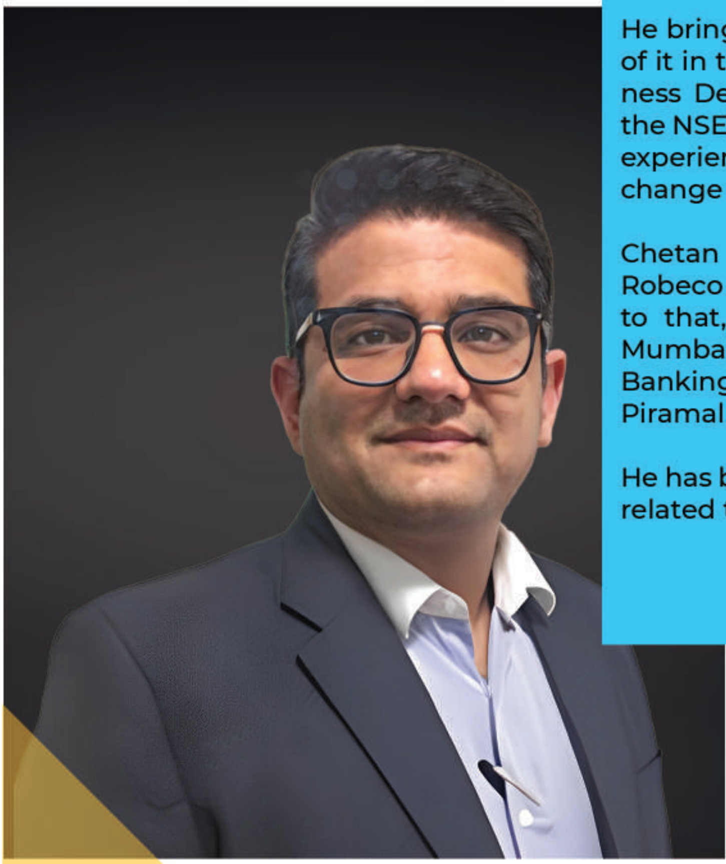
- Only Super - Specialization Program in Estate Planning
- Learn about WILLS, TRUSTS, POA, LOG etc.
- Understand the various Wealth Transfer Techniques
- Start Catering to HNI & UHNI Clients on Estate Planning
- Advise client Across Generations
- Pave Way to add a New Income Stream with Existing Services
- Start Offering Estate Planning services & Build New Client Base
- 3Lac+ Certificants & Presence in 151 Countries

JUST FOLLOW OUR 6 STEP PROCESS:

1. Request a call back from our Career Advisor
2. Enroll for the CTEP™ Certification Program
3. Learn using our quality & industry relevant content
4. Complete the Education by passing only one exam
5. Get CTEP™ Designation directly from AAFM® USA
6. Get end to end solutions by partnering with NexGen Estate Planning Solutions

NSE | Mutual Fund Platform

SPEAKER PROFILE



He brings with him more than 22 years of experience, majority of it in the Mutual Fund industry including Operations & Business Development. He has being instrumental in setting up the NSE Mutual Fund Platform and has more than 2 decades of experience in Mutual Fund industry, he is been with the exchange for the last 8 years focusing on business development.

Chetan in his earlier assignments has worked with Canara Robeco Asset Management Co. ltd. as Head - IFA Strategy. Prior to that, he also worked with Mirae Asset – Head Retail – Mumbai Region & Kotak Mahindra Mutual Fund as a Head – Banking, Mumbai Region. Other Assignment includes Reckitt Piramal.

He has been part of several SEBI working groups & committees related to the Mutual fund.

CHETAN DOSHI

Vice President, NSE

GO BEYOND TO GROW BEYOND: ASSOCIATE WITH THE NSE MF PLATFORM TO REDUCE YOUR OPERATIONAL COST

Operational Costs for a Mutual Fund Distributor

Client Onboarding

The client onboarding process is pivotal for any distributor. The onboarding helps him establish relationships with the client. Thus, the distributor always prefers that the onboarding process should be seamless, less expensive, and operationally compliant.

Transaction Processing

Mutual fund transaction processing can be cost-intensive and time-consuming for distributors, investors, and mutual fund companies. These transactions involve manual paperwork, courier services, and in- person visits to the Mutual Fund offices/RTAs or Investors, leading to an increase in the costs and delay in executing them. The physical mode of processing avoids scalability which is required for any business.

Digitization can help reduce costs, improve efficiency, and enable real-time updates, ultimately leading to a more seamless transaction processing experience thereby enabling the scalability of the business.

KRA and operational expense

The Distributors and the Intermediaries need to incur KRA costs while onboarding the client. Thus, Mutual Fund Distributors look forward to avenues who can subsidize the KRA costs through the digital route.

Infrastructure Expense

Mutual Fund Distributors need to employ resources, rent offices, and get the required infrastructure to support the processing of transactions for their investors. Additionally, there is a considerable level of documentation and storage required for maintaining the client details.

"SEIZE THE OPPORTUNITY TO ELEVATE YOUR MUTUAL FUND BUSINESS BY PARTNERING WITH US."

Ways to bring down the operation cost

NSE Mutual Fund Platform has been designed for the ARN/RIA/PMS holders to address the cost constraints of these stakeholders offering compelling value proposition by adopting the best industry features and beyond.

It is our endeavor to deliver a comprehensive solution with benefits that will benefit these stakeholders to enhance their business.

Digital Onboarding and Modification:

- Investor Consent on mail
- KYC checking through API
- Bank validation through penny drop

This ensures seamless and instant onboarding of the clients. This will thereby reduce the entire paper-based cost and time involved in the on-boarding.

Transaction Processing & Fund Reconciliation:

- Enables digital transactions for all categories of investors, including NRIs and corporates across 40 AMC's

- Funds reconciliation and transfer to AMC's through a centralized process reduces the entire manpower at the end of the MFD/Member as all the operational activities are done by the Exchange

Infrastructure Cost:

- The cost of maintaining a separate office for transactions acceptance and records would get eliminated

- The documentation at the end of the distributor will now be digital and maintained through the Exchange login

- BCP for the transaction records is managed by the Exchange on behalf of the distributor. The infrastructure of the Exchange is very secured since it is regulated by SEBI

- Single touch point for a distributor across all stakeholders

NSE | Mutual Fund Platform

"Elevate your business to greater heights, mitigate risk, embrace technology and drive your business digitally with NSE Mutual Fund Platform"

Digital Client Onboarding
Client on boarding process effective and efficient, now digital

Online Transactions
The investors and distributors can execute all mutual fund transactions via web & mobile

Multiple modes of payments
The clients/ distributors can choose various payment modes like Netbanking, UPI, OTM (One Time Mandate), NEFT/RTGS, Cheque for transcations

Detailed Reports
The detailed reports helps tracking the status of the transactions

Help Desk / Customer support
Quick and Efficient Customer Support

Making Mutual Fund Investment Simple!

Watch NSE Mutual Fund Platform Help Videos :- https://bit.ly/3RMfJBK YouTube

Download NSE MF Platform Mobile APP Google Play App Store

Contact us

ABANS INVESTMENT MANAGERS

SPEAKER PROFILE

- Bhavik has around 18 years of experience in Financial Services.
- He is a Gold Medallist MBA from North Gujrat University.
- Bhavik has worked across Retail Banking, Wealth & Investment Management. This experience includes Client Relations, Investment Advisory and Product Management.
- He has worked across organization like Kotak Mahindra Bank, Aditya Birla wealth and Standard Chartered Bank before joining Abans Group.
- Bhavik joined Abans Group in 2019 and has been instrumental in setting up the investment Management vertical.

BHAVIK THAKKAR

CEO, Abans Investment Managers

Market Linked Debentures.. Predictable Passive, Portfolio Placement

SEBI reduced Market Linked Debenture (MLD) ticket size from Rs. 10 lac to Rs. 1 lac from 1st January 2023 and Finance Minister Ms. Nirmala Sitharaman announced changes in taxation for MLD in Union Budget 2023. From personal finance point of view, lot of investors and financial intermediaries are curious to know more about how MLD as "predictable passive" instrument can help enhance their investing experience?

Isn't MLD same as Derivatives and Derivatives mean speculation?

Derivatives in financial markets are hedging/risk management tool. Within mutual funds, Equity Arbitrage Funds also use derivatives to create arbitrage position (buy stock and sell stock's futures contract) to achieve desired outcome (arbitrage profit in this case). So, derivatives (futures & options) are not tools for speculation. It's a different thing that traders use them to have leveraged position to trade and because of leverage, the risk is higher and hence general perception is derivatives are risky and meant for speculation. So, the way Equity Arbitrage Mutual Fund's fund manager uses derivatives to achieve desired results, the issuer of MLD also uses derivatives to generate returns promised to investors.

Hasn't MLD become a thing of the Past Given Changes in Taxation Introduced in Budget 2023?

In India, MLD issuers can be divided in 2 categories. The first category who offered pure "fixed income" oriented MLD purely from better tax efficiency perspective. For example, say ABC Ltd offered normal NCD at 9% rate of interest and MLD at 8% rate of interest. An investor in 30% tax bracket found it lucrative to invest in MLD as he had to pay only 10% tax on 8% MLD as compared to paying 30% on 9% NCD. Since "post-tax" returns were better in MLD and it also reduced the cost of borrowing for ABC Ltd by 1%, it was a win-win proposition which led to almost Rs. 75,000 cr worth of MLD being issued in last 5 years. For this category to survive, the borrowing cost (interest rates) have to match up with post-tax returns from other debt instruments such as Bank FD, Debt Mutual Funds or Corporate FDs.

The second category of issuers are "Wealth/Investment Management" entities who offered Nifty 50 index linked MLDs which generate variable returns based on performance of Nifty 50 index on similar lines as how a Stock Portfolio or Large-cap Mutual Fund or Index fund would perform. So, MLDs generating returns based on performance of Nifty 50 Index is also one additional instrument available to investors along with Large-cap Mutual Funds or Index Funds.

How is MLD – a Predictable Passive? How is it Useful to the Investor?

If you compare last 5 years return of Nifty 50 Index and that of Large-cap Mutual Funds, you would notice that Nifty 50 Index has out-performed almost 80% of funds. This clearly explains why investors are incrementally looking at investing in passive instrument like Index Funds. But, when you invest in Index Funds, you get index returns. How do you outperform an index? By investing in MLDs which are "designed" to outperform Index. So where a mutual fund's fund manager uses "stock selection" as method to outperform Nifty 50 Index, an MLD allocates money to Nifty 50 Index derivatives to outperform Nifty 50 index by "design" eliminating human bias/error of judgement. For example, if you invest in an MLD which says it will generate 200% participation (2 times) of Nifty 50 Index returns upto next 20% growth in Nifty in next 2 years.

This would mean, if Nifty 50 index delivers say 20% or more returns, the MLD would generate 40%. There is no magic here, the MLD allocated funds to Nifty derivatives in such a way that the derivatives will yield 40% if Nifty 50 index grows upto 20%. This brings in predictability aspect, before you invest in MLD, you get scenario analysis table showcasing what will be MLD return for a given level of Nifty 50 index return (even for negative returns) so based on investor's view for future growth of Nifty 50 Index, one can select MLD. There are also MLDs which provide best of debt or equity returns which may suit conservative investors especially in current environment where Nifty 50 Index has generated nil return in last 18 months.

Wouldn't higher tax on MLD make it unattractive compared to Mutual Funds?

Only 1 cr people in India are in 30% or higher tax bracket. In example quoted above where MLD generates 40% return, evenif one pays 30% tax on it, the post tax return would be 28% and as we know that since most of Large-cap Mutual Funds are generating same or lesser than Nifty 50 Index returns, it would mean Nifty 50 Index/Large-cap MF will have to generate around 31% pre-tax return and when 10% Long Term Capital Gains Tax is paid on 31%, the investor generates 28% post tax return. So, to generate same level of post tax return, a mutual fund would require Nifty to generate 31% whereas MLD would do the job even at 20% Nifty growth. People who are in lower or Nil (lot of people in 30% tax bracket would have family members in lower or Nil tax bracket) would find it much lucrative to investing in MLDs as their tax outflow will be much lower.

Mutual Fund Industry is 40 lac crore now.... What is future of MLD industry?

MF industry had its challenges in early 2000s with respect to investor and distribution community's confidence (US 64 scheme of UTI), regulatory changes related to entry load ban, exit load ban, ban on upfront commission, lower expense ratio etc.. Despite all these challenges, the industry grew leaps and bound as it offered "solution" of investing in debt and equity markets with "fund management expertise"- a pooled vehicle for mass fund management. It is this ease and expertise that helped the MF industry grow. MLD as product category brings in "predictability" as unique aspect which is need of people who have grown as "investors" in last 2 decades along with growth of Mutual Funds and Insurance. Emergence of technology has led to free, easy and quick availability of information/analytics which coupled with MLD's capability of being "designed" to generate targeted pay-off is perfect bled for MLDs to grow and become.... The Predictable Passive.

VALUEQUEST

SPEAKER PROFILE

Ravi Dharamshi's early interest in equities inspired him to return to India in 2002, post his MBA from Mccallum Graduate Business School, USA. As his first professional stint, he worked under the aegis of Mr. Rakesh Jhunjhunwala, who is one of the largest and most respected investors in India. He showed agility in understanding the pharma sector well before it was a recognized industry, and worked on several technology and new-age businesses apart from some private equity deals.

In2007, he took charge of research at ValueQuest. In 2010 he metamorphosed into a professionally run SEBI-registered PMS firm

RAVI DHARAMSHI

Founder & CIO, ValueQuest Investment Advisor

KYB is the new & (better) KYC

KYC is easily one of the most infamous of all compliances we have in the Indian business system. In fact there is an overkill in the zeal and reasoning to get it done, especially amongst banks and other financial institutes

For the uninitiated, Know Your Customer (KYC) are guidelines or parameters, especially in financial services that help verify the identity, suitability, and risks involved with maintaining a relationship with a customer. While this is used quite liberally by companies to build frameworks for its business model, its perhaps time this gives way to the new adage “Know Your Business”

Know your business.

Every business and every business owner should form certain parameters which give it more insights on the business & more importantly the customer it is reaching out to.This will eventually lead it to higher growth regimes, faster recoveries from missteps and better adjustment of sails during periods of macro and micro uncertainty. Most importantly it give the business owners and leaders the opportunity to recognise inflexion points, changes in industry trends and the ability to capitalize on mega trends and thus be able to lead their organisations to higher successes.

The fabric of knowing your business, weaves through several threads, it requires recognition of change, questioning the why, understanding the growth engine, being aligning with the vision, understanding the customer and finally about the adjustments during times of turbulence.

Steve Jobs is the epitome of a leader who knew his business, and constantly innovated to build one of the greatest companies in the history of the world.

When the iPod came, Jobs built the suspense by saying the iPod was a portable MP3 device that played CD-quality music. "But the biggest thing is that it holds a thousand songs," Jobs repeated. "This is a quantum leap because, for most people, it holds their entire music library." After a few minutes of a technical and design explanation, Jobs then began to uncover the real surprise.
"You might be saying, this is cool," Jobs said. "What's so special about the iPod?
It's ultra-portable, Jobs said. In fact, it was so portable that it could fit in your pocket.

His deep understanding of the use of the iPod and its positioning beyond music was which set the tone for the new products to come, Steve Jobs knew his business and that and made Apple grow to become one of the most defining companies of our times.

Business is about change -
Darwin said "It's not the strongest species that survive, nor the most intelligent, but the most responsive to change." . This holds as good for business as for anything else if not more.

Business is all about change and recognizing the change quickly. Blackberry is the classic example, from controlling 50 % of the world's smartphone market, within a span of 5 years it went to near irrelevance and tethering to bankruptcy.

The lack of urgency in businesses to recognize the changes coming and sometimes the unwillingness to adapt has caused many businesses to not be able to survive and there are countless such examples littered across history Blockbuster Video, Nokia, our own locally MTNL etc are all examples of business that were the least responsive to shifts in business trends.

Business is about the Why?
Simon Sinek in his award winning book "Start with Why" says "We are drawn to leaders and organizations that are good at communicating what they believe. Their ability to make us feel like we belong, to make us feel special, safe, and not alone is part of what gives them the ability to inspire us."

He has chapters dedicated to companies and business owners losing sight of the " Why " of the business and being left out in a world of instant gratification and low consumer attention.

The book puts across the story of Nike, it competes with so many shoe makers, but its communication and perception is about " overcoming the odds " or focussing on health or battling adversity. The shoes are always the by product, Nike is clearly winning the why battle. Customers buy a feeling when they buy a pair of Nike shoes and not only the shoes. Recognizing the why and building the perception around it has resulted in Nike being one of the most successful companies in the world.

Business is putting the Flywheel in motion
Flywheel is a concept popularised by Jim Collins in his book " Good to great " , as he articulated " The flywheel, when properly conceived and executed, creates both continuity and change. On the one hand, you need to stay with a flywheel long enough to get its full compounding effect. On the other hand, to keep the flywheel spinning, you need to continually renew, and improve each and every component."

There is no one who emulated this more than Amazon & Walmart, especially the last part, where they continually looked to renew and improve

Amazon in particular has had a relentless focus on customer service and all the earlier talks or the earliest vision document from Jeff Bezos has highlighted this. The focus on customer service, drives traffic, which further encourages sellers to be a part of the amazon ecosystem, which further helps them offer the lowest to their customers which in turn drives more traffic to their website and in turn which creates the full flywheel effect.

Amazon not taking its eye of the ball on all aspects, be it delivery, customer service, vendor satisfaction or lower prices, has resulted in being one of the most valuable companies of our times, which constantly adds value to its customers with innovative products & services.

Business is about the adjustments
"Success comes from repeated efforts day in and day out. You learn from your mistakes, make adjustments and continue pressing forward until you achieve the results you desire." ~ Zig Ziglar

There is no business success without continuous adjustments and relentless pursuit and there is no better example than Titan, the brand that revolutionized how modern retail would look like.

Till Tanishq came on the scene, Jewellery, especially Gold had always been more of an investment, then an ornament, it was also something which was passed on from generations to generations and was always purchased from the trusted family jeweller.

Tanishq started with 18 carat gold and western designs, targeting the younger generation as it had done successfully in Titan. The foray having failed completely, Tanishq adjusted its sails quickly, focussing on the domestic market with higher quality and more domestic designs. The change paid off and Tanishq became one of the most successful brands in India and capitulated Titan to the next stage.

To grow your business, Know your business

Osho once said "The intelligent person will go inward first. Before going anywhere else, you will go into your own being. That is the first thing, and it should have the first preference, only when you have known yourself can you go anywhere else." while Osho probably said this in the realm of philosophy, if you apply this for business and companies, it probably makes even more sense

Last few decades have proved that it's not the strongest or oldest who will survive, but the one who is most nimble, most adaptable and most paranoid. The speed of innovation has increased and disruption is the norm and the ones who grew were the ones who planned and prepared for the future.

These were the ones, who did not predict Covid led lockdowns, but were betting on the advance of technology as a medium. These were the ones who did not predict the War, but were preparing for a self-sufficiency in supply chains. These were the ones who did not predict energy crises, but were betting on a greener future. These were the ones who did not predict the rise of the Indian consumer class but built world class consumer brands to take them to the world.

In conclusion, to grow your business, it's crucial to have a deep understanding of your business and the industry in which you operate. By knowing your clients, staying informed, building a strong team, focusing on client service, and monitoring your financials, you can develop a competitive advantage and achieve sustainable growth.

Knowing your clients' needs and goals can help you develop customized investment portfolios that align with their financial objectives. Staying informed about regulatory changes can help you navigate complex compliance requirements. Building a strong team can help you provide exceptional client service and expand your business. Focusing on client service can help you build a loyal client base and generate referrals. Adopting innovative technology can help you streamline your operations, improve efficiency, and offer new services to your clients. This can include online portals, mobile apps, and other digital tools that make it easier for clients to access their accounts and track their investments.

By focusing on these key areas and continuously improving your business operations, you can provide exceptional value to your clients, differentiate yourself from competitors, and achieve long-term success.

On an ode to Aristotle who said – To know yourself is the beginning of all wisdom. To know your business is the beginning of all growth.

Aditya Birla Sun Life Mutual Fund

ADITYA BIRLA CAPITAL

SPEAKER PROFILE

KS Rao, Head - Investor Education and Distribution Development, at Aditya Birla Sun Life AMC Ltd. has been instrumental in setting up the award-winning function at the organisation, helping grow its reach to more than 10 million investors and 50K plus channel partners. He was also instrumental in the setting up of NIPUN learning academy, an upskilling platform for channel partners.

K S RAO

Head - Investor Education & Distribution Development, Aditya Birla Sun Life Asset Management Company Ltd

Multi-Asset Funds: Packing A Punch

There never is really one hero, whether in the movies, in a story, or in investing. While of course the proclaimed hero creates more noise and gets more attention, like in the case of equities, we all know that equity is the hero of your portfolio, but your portfolio is incomplete without the stability of debt or the hedge of gold/silver.

Different asset classes perform differently through market cycles. For example, the average 5-year rolling returns on equity are 14 per cent, while the returns for fixed income, gold, and real estate are 8 per cent, 12 per cent, and 9 per cent, respectively, for the same time period. While equity has performed well over a 5-year period, if you look at intermittent performance, you will see that there have been years when other asset classes have outperformed equities.This difference in market performance primarily stems from the fact that multiple macro-economic factors and developments impact each asset class differently and often in an opposite manner. Which is why, if you are looking to build a robust long-term portfolio, it is important to create a portfolio that is stable and yet able to harness the growth opportunities that intermittently emerge in markets.

However, it can often be challenging to select the right asset class and determine the right exposure to each asset class. And this is where multi-asset funds can really add value to your investment portfolio. These funds invest across multiple asset classes, namely, equity, debt, commodities, and real estate, with a minimum investment of 10 per cent in each. Depending on market dynamics and opportunities, allocations are made to each asset class.

There are multiple benefits that accrue from investing in multi-asset funds. Here are three main ones:

· **The growth potential of equities:** Equities are considered as long-term vehicles of growth and have historically generated significant returns for investors. Equity performance is strongly linked to both macroeconomic factors like overall growth and micro-economic factors which are generally more company specific. Due to variability in both, coupled with the short-term impact of investor responses to news flows and updates, equities often tend to be highly volatile. Multi-asset funds give you the benefit of harnessing the potential of equities while reducing the volatility associated with the same through exposure to other asset classes.

· **The stability of debt:** Debt investments are considered fairly stable due to the 'fixed' paying nature of the instrument. When you invest in debt securities, the underlying assumption is that you will receive a fixed coupon payment over the life of the bond and will also be shielded from the risk that is inherent in equity investments. Due to the relatively stable nature of debt, these instruments might offer security, but they do not offer the high return potential of equities.

· **The hedge of gold/silver:** Then there is gold/silver as an asset class that has historically had low to negative correlation with both debt as well as equities. It has been observed that in periods of turmoil, while most asset classes generate flat to negative returns, gold and silver investments are relatively more stable. Further, during such periods they also tend to generate positive returns due to higher demand for such investments, which stems from their safe haven appeal.

Combining all these benefits is a mutli-asset fund. Thus, for all purposes, such a fund packs a punch and, in a way, ensures that your portfolio is well-allocated across multiple asset classes. Therefore, investing in multi-asset fund will help you potentially enhance the risk-adjusted returns of your portfolio.

Disclaimer

"Mutual funds are subject to market risks. Read all scheme-related documents carefully."

for her
FINANCIAL EDUCATION

Say Hi To The Country's First

Women-Oriented Financial Education & Awareness Platform!

Scan to view ForHER webpage

Aditya Birla Sun Life Mutual Fund

ADITYA BIRLA CAPITAL

An Investor Education and Awareness Initiative of Aditya Birla Sun Life Mutual Fund.

All investors have to go through a one-time KYC (Know Your Customer) process. Investors to invest only with SEBI registered Mutual Funds. For further information on KYC, list of SEBI registered Mutual Funds and redressal of complaints including details about SEBI SCORES portal, visit link : bit.ly/Birla_KYC for further details.

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

Union Mutual Fund

SPEAKER PROFILE

Mr. Sanjay Bembalkar is the Co- Head Equity at Union Asset Management Company Private Limited. Mr. Bembalkar is a CFA® charter holder with the CFA Institute, USA, a Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) and M.Sc. (Accounting and Finance) from the London School of Economics. In his professional career of more than 15 years, he has worked with Canara Robeco Asset Management Company Limited as Fund Manager –Equities and Research Analyst. Further, he has also worked with LIC Mutual Fund Asset Management Limited and Quantum Advisors Private Limited in various capacities.

SANJAY BEMBALKAR

Co- Head Equity, Union Asset Management Company Private Limited.

Be On The Same Page

Are you and your partner on the same page when it comes to financial planning?

Union Mutual Fund's recent primary research revealed that women are often excluded from or choose not to participate in financial planning, even in households with higher levels of income and education. That prompted Union Mutual Fund to launch a much-needed campaign titled ***#BeOnTheSamePage*** aimed at promoting inclusivity in the entire financial planning exercise.

The ***#BeOnTheSamePage*** audio-visual features couples being asked about their financial goals. While the goals are the same, it highlights how different the answers are between the man and the woman when it comes to quantification of each goal. The campaign sends a strong message that "living as equals means planning as equals" and emphasizes the importance of communication regarding setting financial goals together, assessing the current financial position and risk appetite, and creating a step-by-step plan to achieve financial goals. For if there is no commonality on the financial aspects of the goal, the entire planning aspect can be rendered ineffectual.

The audio-visual concludes with a strong statement emphasizing the ease with which financial objectives can be accomplished when partners possess the same financial information. To bring this to fruition, initiating a conversation as soon as possible and contacting your financial advisor to begin the process is crucial.

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