

# Mutual Funds

# **DISTRIBUTOR**

Karein Shuru?

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# AGENDA

## **Industry Snapshot and Growth Potential**

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Why choose Mutual Fund Distribution as your profession?

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Building your Mutual Fund Distribution Business

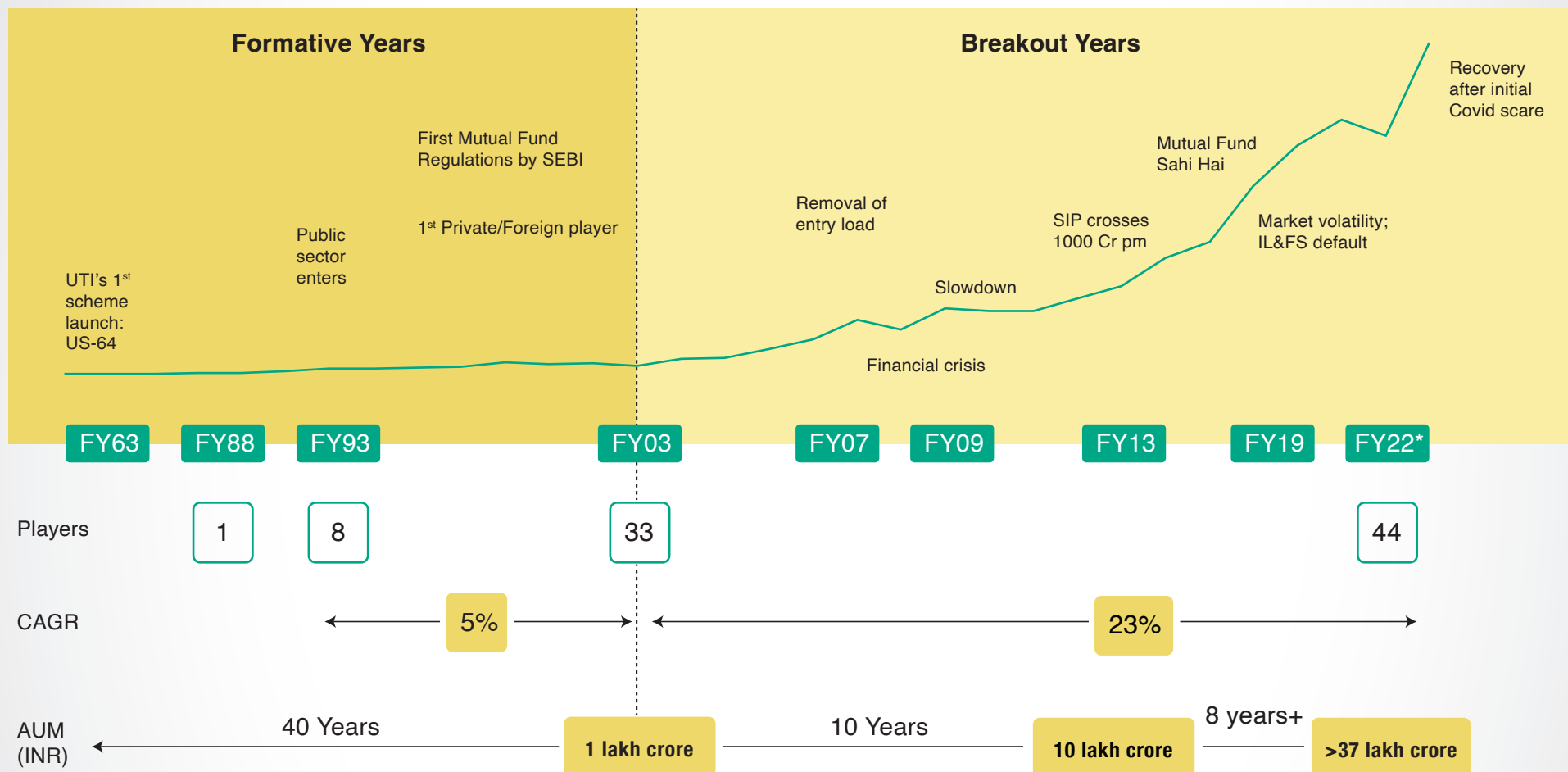
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**The industry so far...**

# Evolution of the Mutual Funds industry in India

AUM (in INR Crs.)





# The industry has progressed, but still has a long way to go



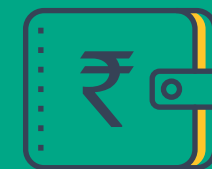
**> ₹ 37 lakh crore  
AAUM**



**> ₹ 20.86 lakh crore  
Individual AUM**



**44 No. of Fund  
Houses**



**>1500  
No. of Funds**



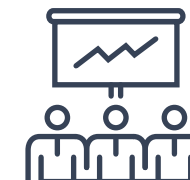
**3.36 crore  
Unique Investors<sup>#</sup>**



**11.17 crore  
Investor Accounts<sup>\*</sup>**



**11.08 crore  
Retail/HNI Accounts<sup>\*</sup>**



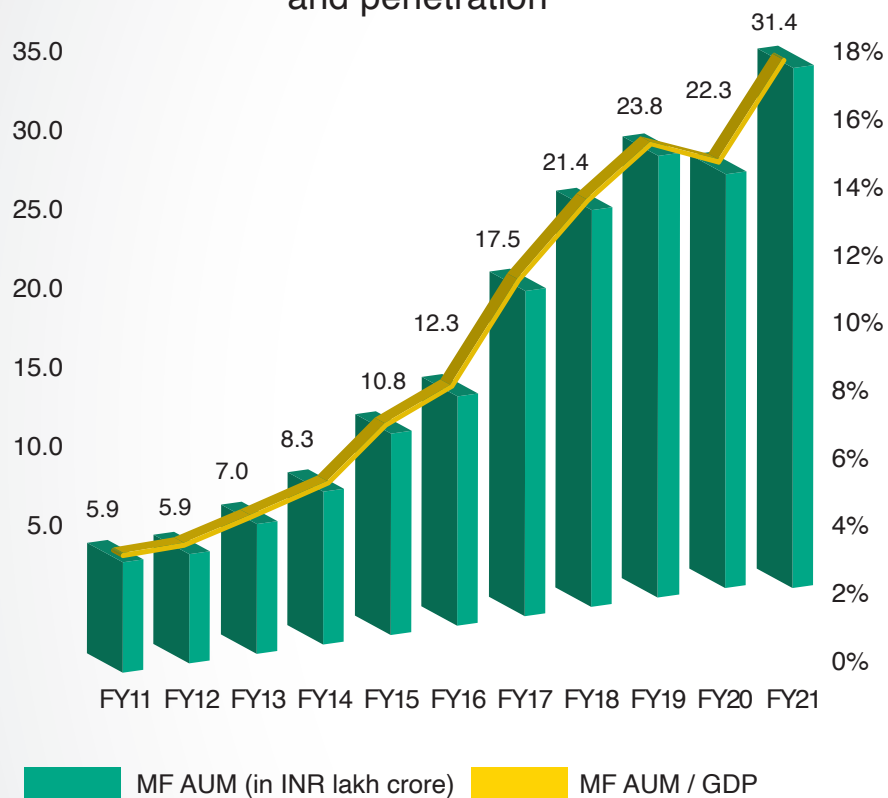
**1.09 lakh+ Mutual  
Fund Distributors**

**Industry growth potential...**

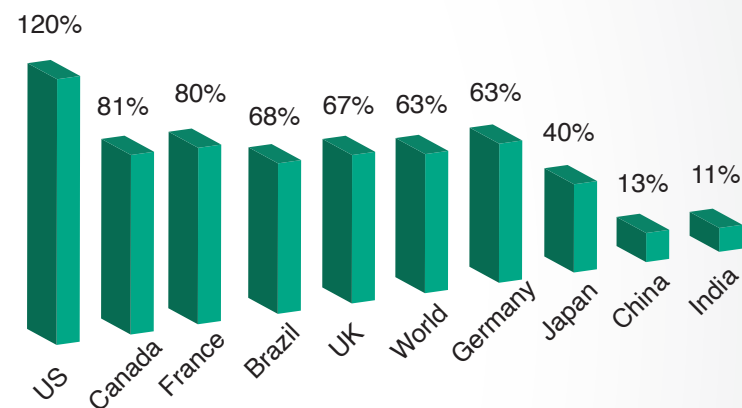


# Relatively small size, with high growth potential

India Mutual Fund AUM and penetration



Mutual Fund AUM / GDP across countries (CY19)



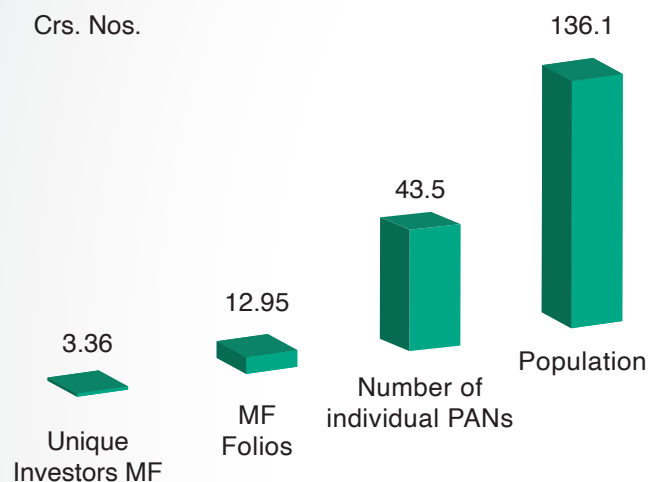
Source: AMFI, IMF, RBI, Industry Research.

Note: AUM is as of end of each fiscal.

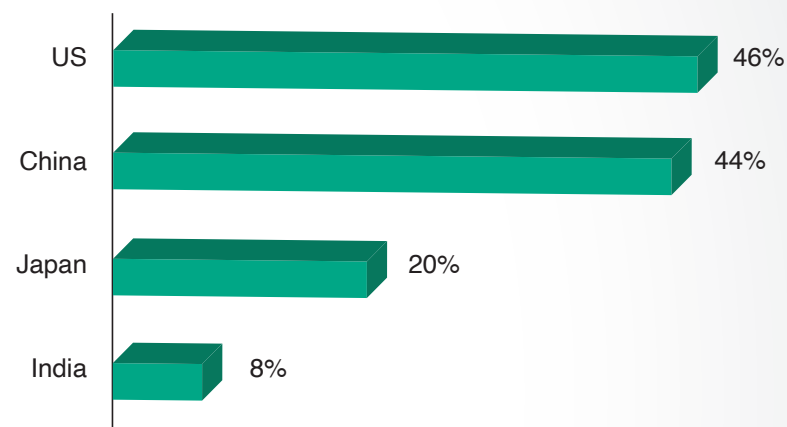
Mutual Fund AUM as a % of GDP across countries is as of CY19.

# Rise in retail participation, to give growth a leg-up

Unique investors in Mutual Funds,  
MF folios, individual PAN accounts, population\*



Investor accounts / population  
across countries



**An opportunity to cater to a huge inactive ~ potential investor base**

Source: RBI, AMFI, IMF, Industry Research, UIDAI.

\*As of 31<sup>st</sup> March 2022 | Population as on 30<sup>th</sup> June 2021 | Number of Individual PANs as on 31<sup>st</sup> March 2019

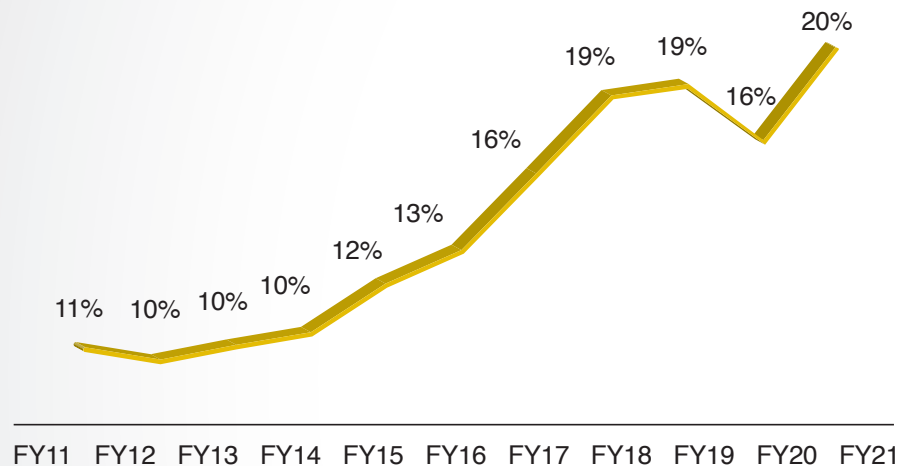
Source: Industry Research.

Note: Mar '21 for India, Mar '20 for Japan, 2018 for China, and 2019 for US. For India, Investor accounts refer to folios.

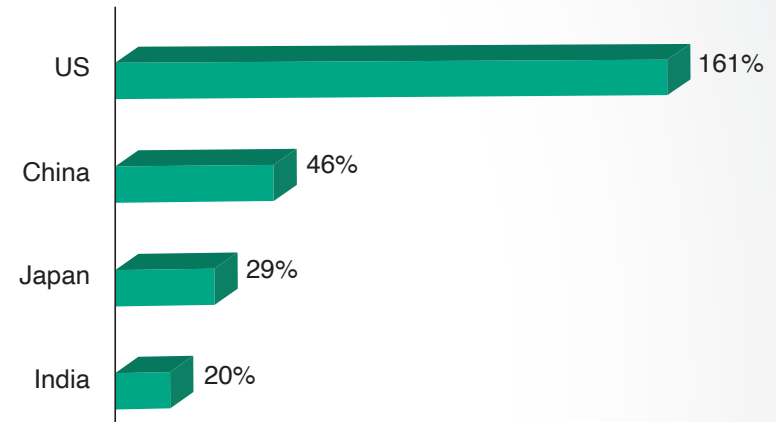


# Shift from other household assets can accelerate growth

India - MF AUM to bank deposits (%)



Global comparison - MF AUM to bank deposits (%)



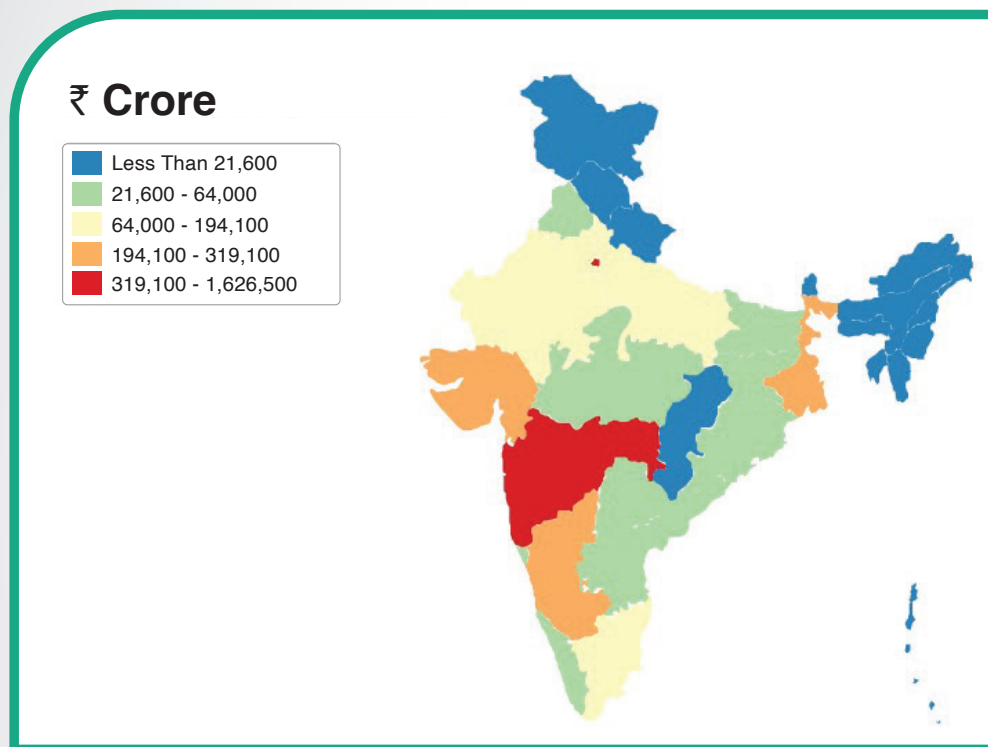
**An opportunity to manage bigger portfolios for the investors**

Source: AMFI, MOSPI, RBI, Industry Research.  
Note: MF AUM to bank deposits (%) as of end of each fiscal.

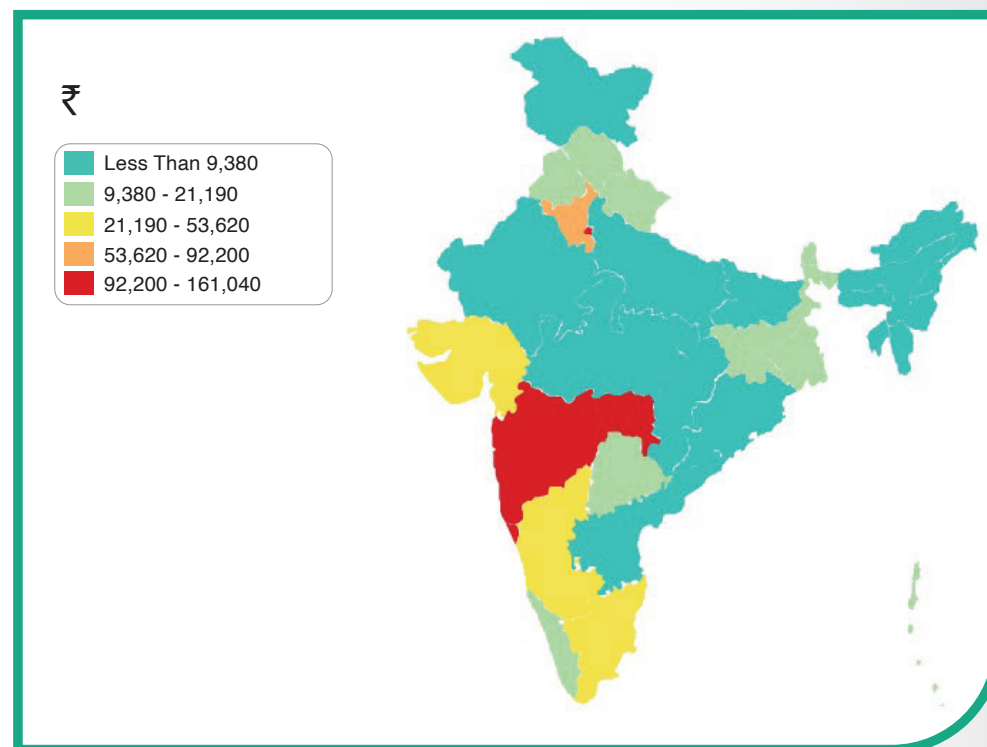
Source: AMFI, RBI, Industry Research.  
Note: Mar '21 for India, Mar '20 for Japan, June '20 for China, and 2019 for US.

# Uniform distribution and rise in per capita AUM could lead to growth

Statewise AAUM



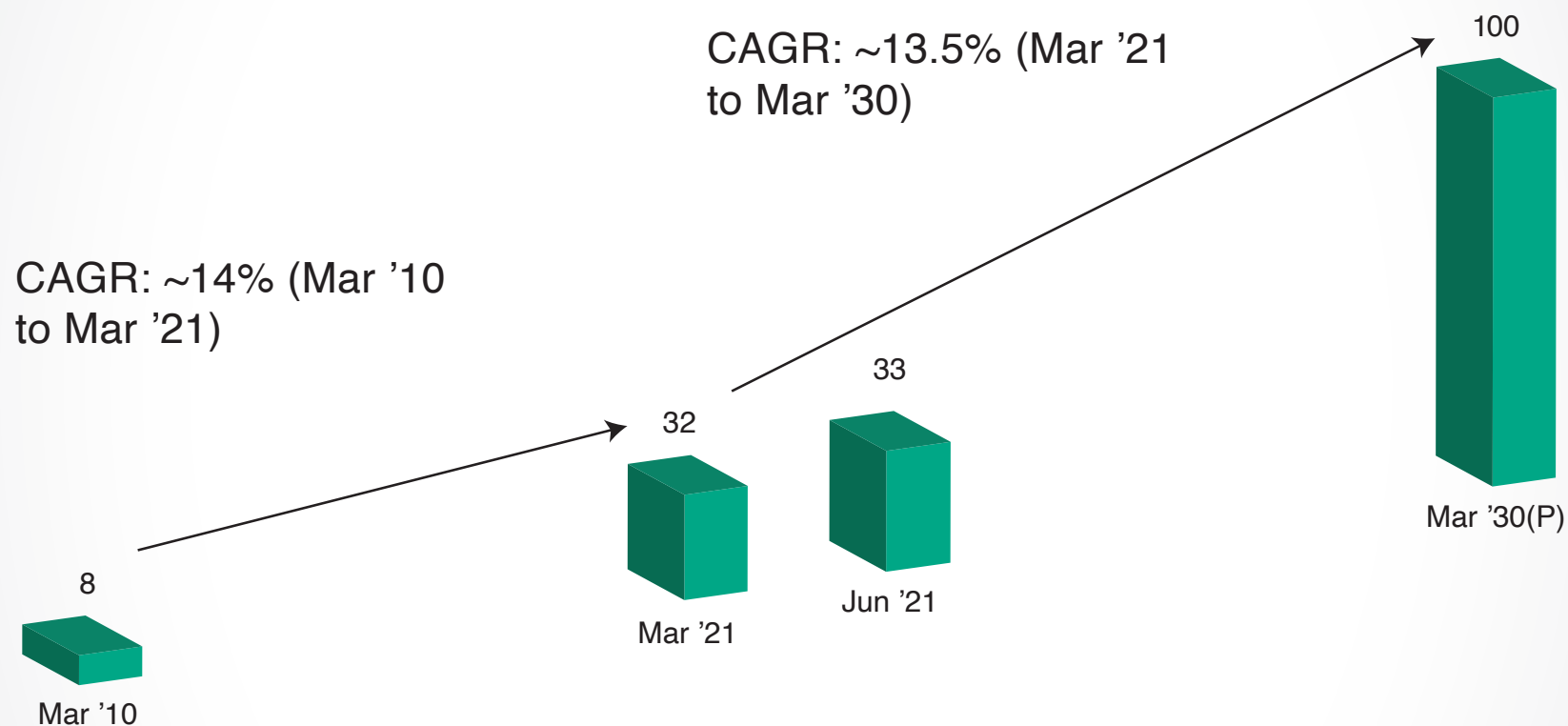
Statewise MF Penetration



An opportunity to expand and attract higher wallet share

# Industry is projected to grow sharply in the coming years

Figures in INR Lakh Crore



Note: AUM is the average of last quarter for each fiscal. P - Projected.  
Source: AMFI, Industry Research.



# AGENDA

Industry Snapshot and Growth Potential

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**Why choose Mutual Fund Distribution as your profession?**

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Building your Mutual Fund Distribution Business

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**Looking for an  
entrepreneurial career  
in a respectable and  
fast-growing industry?**

**GOOD  
EARNINGS**

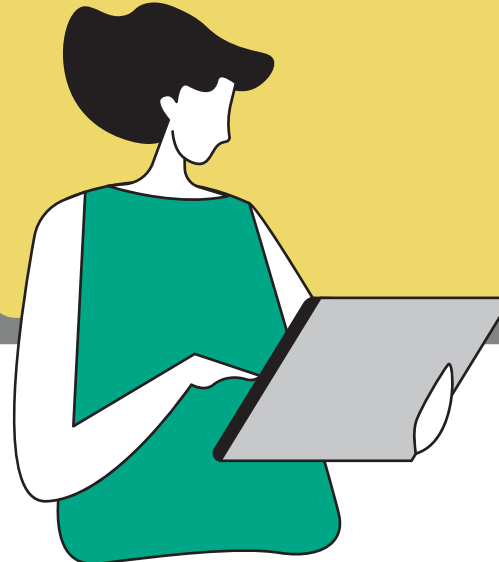
**BE YOUR  
OWN BOSS**

**LEARN  
FOR LIFE**

**DO YOU  
RELATE  
TO THESE  
ASPIRATIONS?**

**SERVE  
SOCIETY**

**SEIZE THE  
OPPORTUNITY**





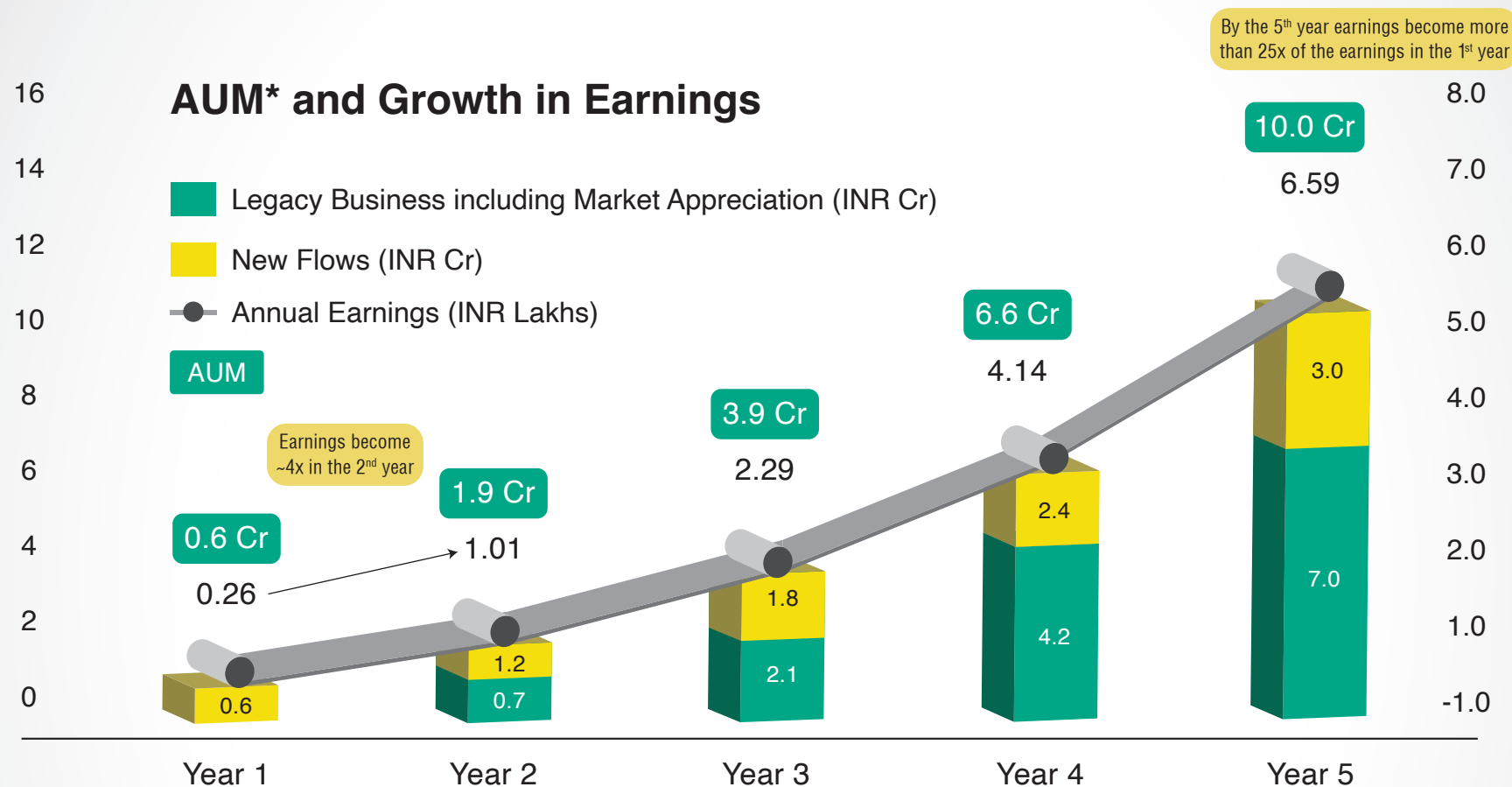


**BECOMING A  
MUTUAL FUND DISTRIBUTOR  
(MFD) COULD HELP YOU  
FULFIL THESE ASPIRATIONS!**



# GOOD EARNINGS

# Earning potential



**Combination of Legacy Business, New Flows and Market Appreciation could help earnings grow for MFDs at an exponential rate**

Note : The illustration above represents the earnings across the duration based on a minimum output.

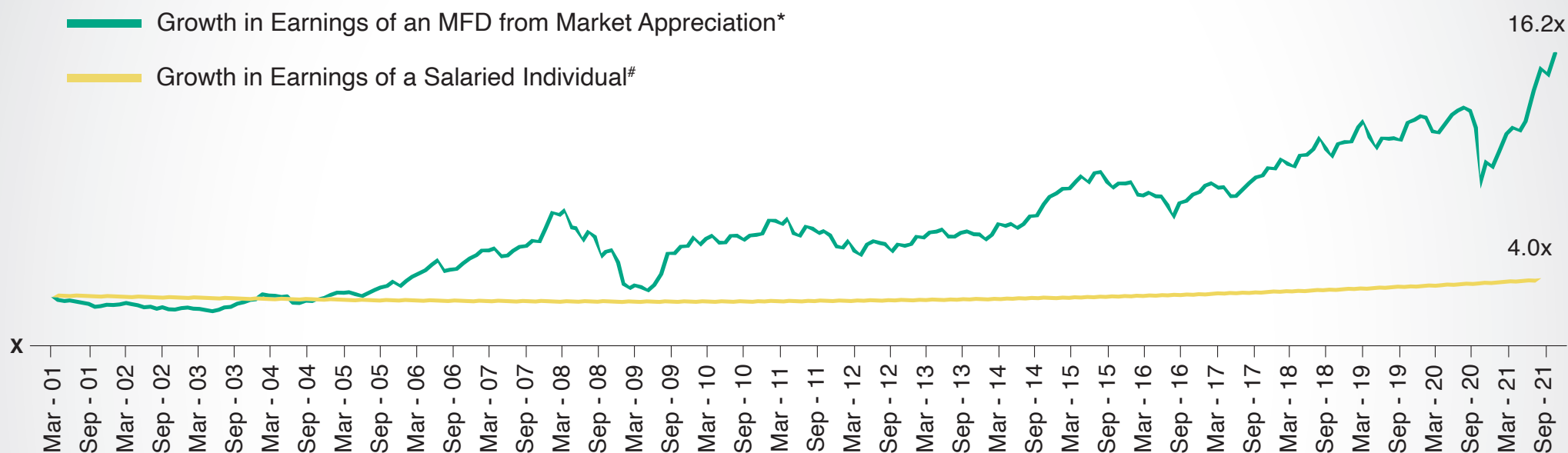
\*Assumed that the MFD will get New Lump Purchase of 5 Lakhs per month for the 1<sup>st</sup> year, 10 Lakhs per month in the 2<sup>nd</sup> year, 15 Lakhs per month in the 3<sup>rd</sup> year, 20 Lakhs per month in the 4<sup>th</sup> year and 25 Lakhs per month in the 5<sup>th</sup> year, Equity will form 70% of the flow every month, Fixed Income will form the remaining 30% Annualised Market Appreciation - 7% in Equity & 3% in Debt, Annualised Earnings for MFD (on trail basis) – 1 % in Equity & 25bps in Fixed Income.

Redemptions have not been considered in the above illustration.



# Long term earnings

**Sensex has grown more than ~16X over the past 2 decades**



**Market appreciation alone would have grown a MFD's earnings from X to 16X over the past 20 years!  
However, a salaried individual's earnings would have grown only 4X**

*Note: Past performance is not indicative of future returns. \*Assuming the investment was done in the Sensex in Mar 2001 and held for 20 years. | # Assuming salary of a graduate grows by 7% p.a. Graph is for illustrative purposes only.*

# Becoming a Mutual Fund Distributor needs almost zero investment!



**Knowledge is the  
key capital required**



**A digital  
interface**



**Basic infrastructure  
to operate**

*Note : Cost incurred is for NISM Certification, application of ARN, EUIN & basic infrastructure.*

## Growth drivers



New Client Acquisition



Growth in Wallet Share with Existing Clients



Market Appreciation of Client's Investments

**A Mutual Fund Distributor's earnings grow in sync with the wealth created for the clients, not a one-time sales commission, but more akin to royalty income!**





**BE YOUR OWN BOSS**

## As a Mutual Fund distributor, you would need to

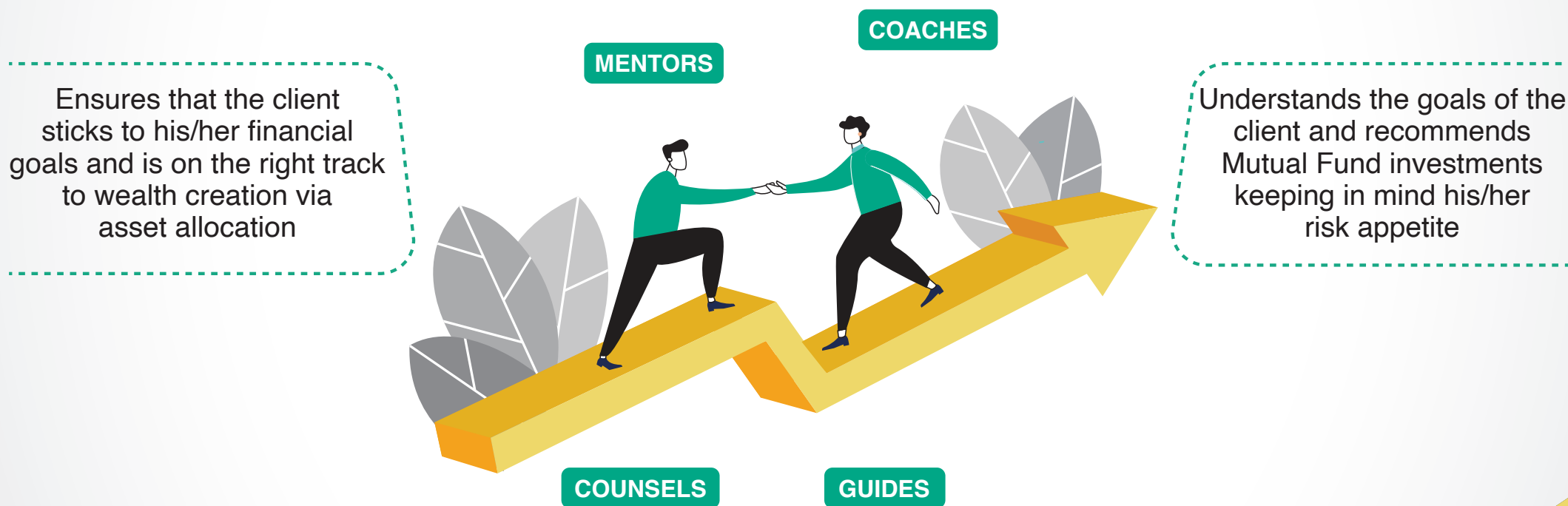


Create your own working style



# SERVE SOCIETY

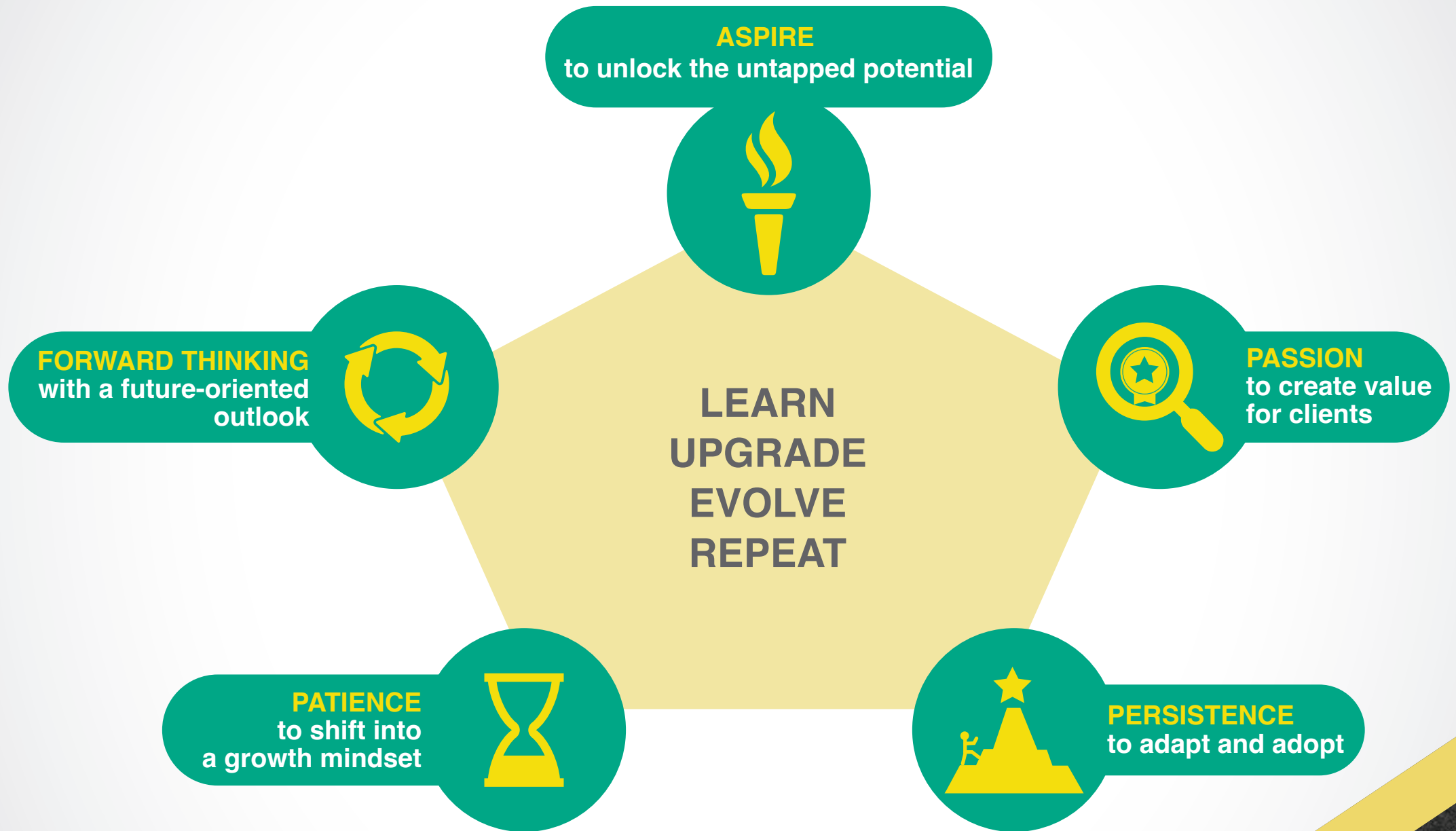
## A Mutual Fund Distributor is someone who







**LEARN FOR LIFE**





**SEIZE THE  
OPPORTUNITY**

# Capitalise on the big megatrend

**Financialization of savings** is currently an ongoing trend across the country

Mutual Funds are well regulated and transparent

They provide an opportunity for

**Wealth creation | Risk mitigation**

**Carve a niche** for yourself by adapting to changing customer preferences

AMFI provides operational & regulatory guidance

AMCs offer convenient service and marketing tools

Tapped potential of the Mutual Fund industry in India

It's just the tip of the iceberg



# **Who can become a Mutual Fund Distributor?**

## Individuals from all walks of life can become a Mutual Fund Distributor



Fresh graduates



Individuals with entrepreneurial aspirations  
(retail shop owners, insurance agents, etc)



Women looking to re-enter workforce



Retired professionals

*Note: Only open to those who are not currently employed in the public or private sector.*

# Graduates



## 1 Graduates From Any Discipline Can Pursue This Career

Passion and commitment to work will determine success, not a degree

## 2 Be Your Own Boss

Offers flexibility of working and growing at your own pace

## 3 Life Long Learning and Growth

A powerful role that provides exposure to research, financial markets, economics, behavioural science, and financial planning

## 4 Growth and Earnings

Sky is the limit!

## 5 Build a Brand

Build a brand that is 100% you, something that truly reflects who you are and what you contribute to the world!

## 6 Gives Purpose to Life

Chance to make a meaningful impact in the lives of individuals and families across the socio-economic spectrum



## Individuals with entrepreneurial aspirations (Retail Shop Owners, Insurance Agents, Etc.)

- 1 Establishes a strong connect and trust with customers/clients and their family members, over time
- 2 Well-positioned to understand the customer/clients' lifestyle, financial needs and to guide them on their journey to wealth creation - A CHANCE TO DEEPEN RELATIONSHIPS
- 3 Becoming a Mutual Fund Distributor provides an additional source of earning
- 4 Gives a sense of satisfaction that comes from helping customers/clients create wealth
- 5 Multi Disciplinary Field - Chance to broaden learning horizons into various other fields like science, finance and economics



# Women

1

**Grow At Your Own Pace**  
Offers flexibility to manage household responsibilities and parallelly grow the business from home using digital platforms at your own pace

2

**Financial Independence**  
Helps you feel more secure & gives you the liberty of taking your own financial decisions

3

**Self-esteem & Self-worth**  
Gives you an identity of your own – outside of being someone's wife, mother or daughter

4

**Expand Your Social Circle**  
Chance to work with people from different walks of life that can open your mind and broaden your perspective

5

**Gives you a Bigger Sense of Purpose and Personal Fulfillment**





## Retired individuals

- 1 Gives you a sense of purpose & personal fulfilment  
.....
- 2 Gives you a sense of Financial Security  
.....
- 3 Keeps you social as you meet people from different backgrounds  
.....
- 4 Gives you the flexibility of working at your own pace  
.....
- 5 Helps you plan your 2<sup>nd</sup> innings

# AGENDA

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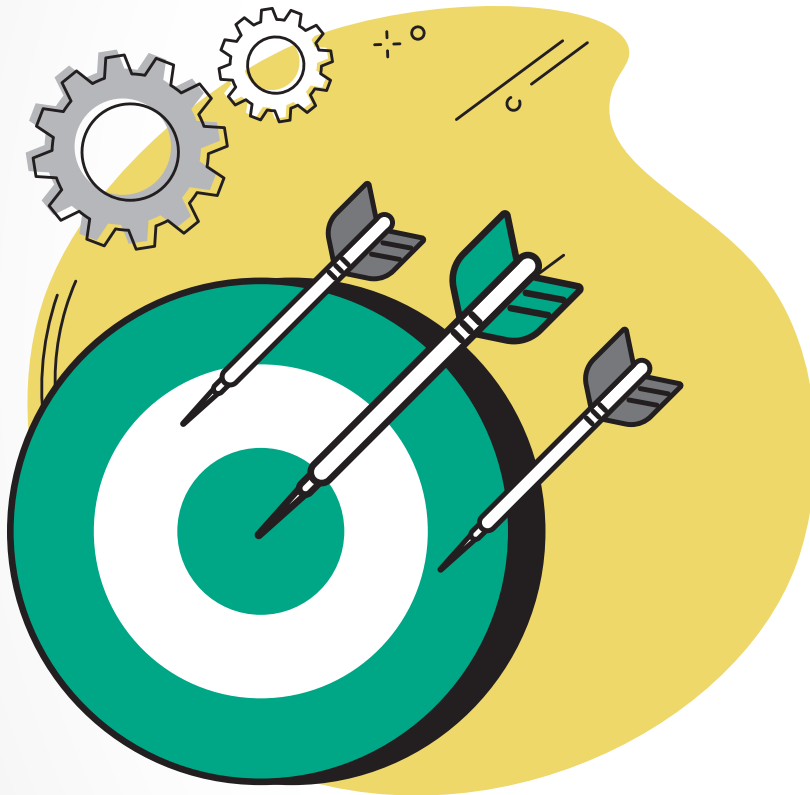
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**Building your Mutual Fund Distribution Business**

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# Elements of your MFD Business



**Starting your Mutual Fund Distribution (MFD) journey**

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**Hand holding**

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**Ease of operations**

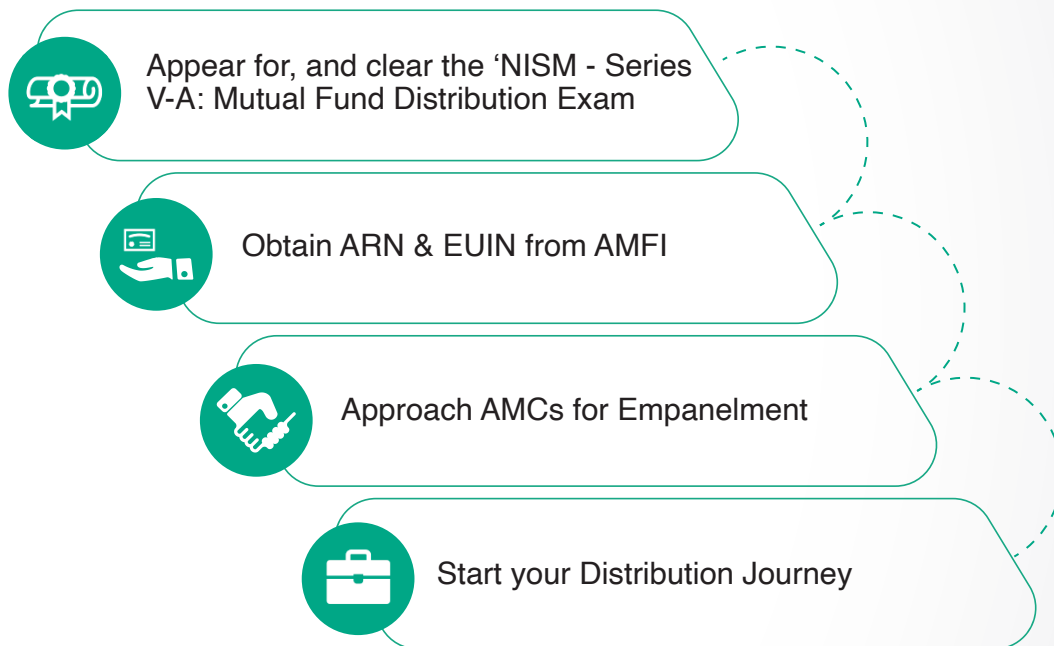
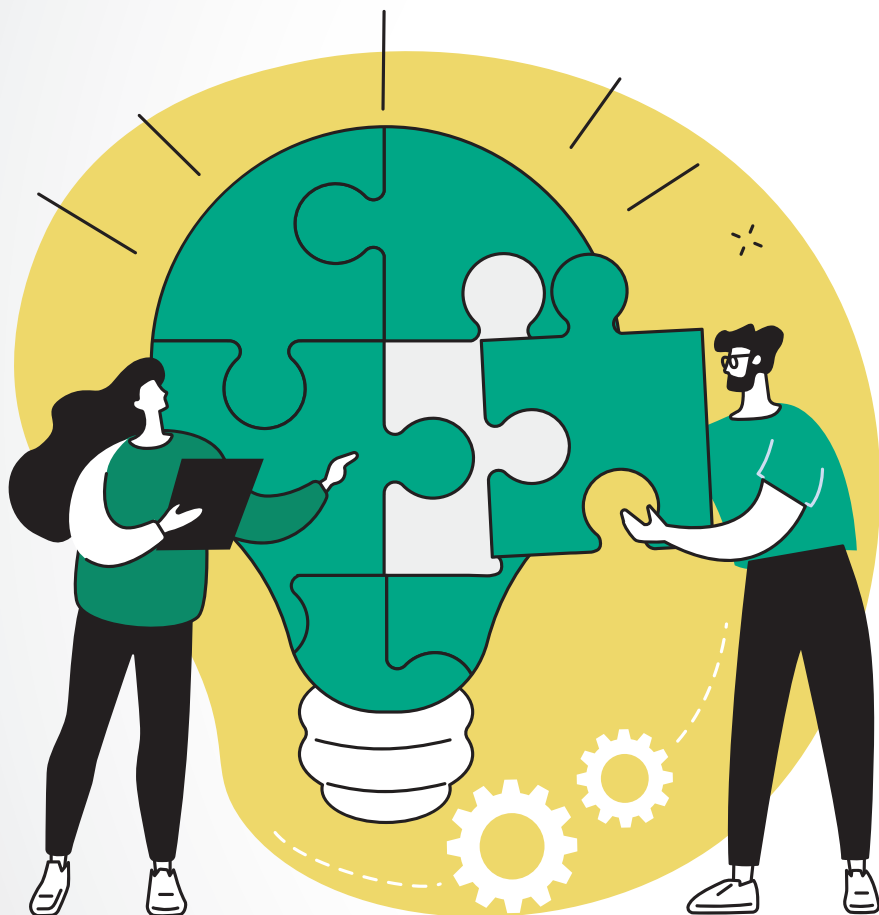
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**Swift client query resolutions**



# Starting your Mutual Fund Distribution (MFD) journey



Get started on your NISM Certification here: <https://www.nism.ac.in/nism-certifications/>

Start your ARN Application process here: <https://www.amfiindia.com/distributor-corner/become-mutual-fund-distributor>

# Hand holding

Education & creating awareness on Equity and Debt markets, Concept of Financial Planning, Concept of Value Investing and Technical Parameters of MF scheme selection

Sales enablers like calculators, asset allocation tools, etc. are provided on web portals and mobile apps of the AMCs

Most of the AMCs have training verticals, which drive the training needs of MFDs



# Ease of operations



Offline transactions are done through AMC Branches and RTAs  
Online platforms are of Exchanges, Industry and Private Players



Sitting in a metro you can transact in non-metros and vice versa



O2O Platform  
(Online Transaction, Offline Advice)



AI vs AI - Technique is as important as technology  
(Augmented Intelligence vs. Artificial Intelligence)



## Query resolution

Client / Distributor queries can be solved offline (through RMs / AMC offices / R&T offices) or online (Web Portal, IVR System, Emails, Dedicated Customer Care Numbers)



Queries can be related to Sales, Transactional, Brokerage or Service related



Online / Offline options are available to the MFDs



Mail Pull Back Services, SMS Pull Back Services etc. are available



Various MFD Associations are active participants

# Go ahead, achieve your aspirations



## **Realise financial goals**

Build wealth for your clients and yourself



## **Work the way you want**

Get the freedom to adapt to changing scenarios



## **Upskill constantly**

Gain exposure and knowledge to keep evolving



## **Help the society**

Facilitate young India in saving, across the country



## **Gain from untapped potential**

Be successful by taking advantage of the trend to financialize savings

**BE A SUCCESSFUL ENTREPRENEUR AND BUILD A FINANCIALLY STRONGER INDIA  
BECOME A MUTUAL FUND DISTRIBUTOR**



# Karein Shuru?

To know more, visit: [www.mfdkareinshuru.com](http://www.mfdkareinshuru.com)



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