



Informed investor! Responsible advisor!

MFRT BUZZ

VOLUME 1 – OCTOBER 2011

President's message for the MFRT Buzz

Congratulations on being a part of another new initiative by ASK Circle. MFRT Buzz is a bulletin for all the IFA fraternity. I encourage all the ASK Circle members, AMC representatives and all our IFA friends to contribute information to the editorial team at bulletin@askcircle.com. I congratulate Mr Narendra Dugar who is heading the editorial team. I wish all the best to the editorial team of Mr Abhishek Mohta, Rajesh Karodia, Biswajit Das and Surendra Bagaria.

Make Magic!

Kanak Kr Jain,
CFP,FSS,LUTCF ,
President ASK Circle MFRT 2011-13

Editors Note

Welcome to the first edition of MFRT Buzz. Over the coming months, we hope that this newsletter will keep you up to date of the activities in the Mutual Fund industry.

Since the mutual fund industry is continuously evolving, on the background of the regulatory changes being undertaken, all IFA's have to restructure their strategies and adopt business models which will yield sustainable benefits in the long run. This newsletter is the first step in this direction.

Our aim is to bring all IFA's on a common platform for a continuous learning and development. Your feed back, suggestions and article contributions will go a long way in making this newsletter, the most preferred newsletter for IFA's in the country. We invite people to contribute to this newsletter with thought provoking and contemporary articles. Do send your feed back, suggestions and article contributions through e-mail at bulletin@askcircle.com

Narendra Dugar

AMFI to launch MF platform next year

The Association of Mutual Funds in India (AMFI) is working to create a front-end portal called 'MF Utility' to facilitate efficient and cost-effective transaction processing. The facility would help customers, distributors and financial advisors transact mutual fund schemes across all AMCs at one place.

MF Utility is likely to start operations by the first week of April 2012, subject to SEBI clearance. The announcement was made by Chief executive H N Sinor during AMFI's 16th annual general meeting.

Transaction Charges

Brief of SEBI circular dated August 22, 2011 regarding transaction charges which is effective from 01 October 2011, sent to all KYD compliant ARN holders:

OPT OUT is the Default option.

The ARN holders would be allowed to change their status twice in a year i.e. between March 1st to March 25th or September 1st to September 25th

Incase you wish to opt in for deduction of transaction charges on business procured by you, you are requested to submit the duly completed and signed Option Form to your nearest CAMS Point of Service (POS), on or before October 21, 2011.

For further information, please log on to www.askcircle.com OR www.mfirt.in

ADVISOR or AGENT make your choice now

SEBI's new concept paper of regulations for the investment advisory profession suggests that advisors have a tough call to make now : qualify to be accredited as advisors and lose all your commissions including trail or remain as agents, don't call yourselves as advisors and continue to get commissions.

For further information, please log on to www.askcircle.com OR www.mfirt.in

Financial advisors to be regulated by a SRO, says SEBI

A concept paper released by SEBI states that banks and financial advisors have to registered under this Self Regulatory Organization

SEBI plans to regulate investment advisors through a Self-Regulatory Organization(SRO) which will register, set professional standards, certify, lay down and enforce rules and regulations for investment advisors, according to a concept paper released by SEBI on Monday. The regulator move to regulate the advisors is mainly to protect the conflict of interest among financial distributors.

The entities, which include banks and fund managers, would have to be registered with a SRO as an investment advisors, said the concept paper on Regulation of Investment Advisor issued by SEBI.

The concept paper said that the SRO will take up disputes and complaints arising out of investment advisory with the respective regulator, i.e. SEBI for mutual funds, IRDA for insurance and PFRDA for NPS.

Sensex Chart for 1997-2011. This will help you to clearly understand where we stand in the current market level and this is just for your reference



Acquiring clients by targeting them at their work place is still a nascent concept in India though it has proven to be an effective approach in many developed markets. Here are few interesting pointers to make it work for you.

Patience pays

Let us start by stating the obvious that selling to corporate and small medium enterprises (SME) is a long drawn process. So, any effort on your part is going to take some time to show result. However once you gain entry in to a corporate, you will get an access to a larger number of prospects. Also, word-of-mouth and referrals can have a powerful cascading effect for you. In this scenario, being consistent and patient is the key to your success.

Getting introduction

Getting introductions is the most effective way to get across to organizations. Start by approaching those SMEs where you know someone. Once you have penetrated one enterprise, ask for referrals to HR Heads of other SMEs.

Target and research

You should choose to target those organizations which are more progressive and open to fresh ideas on employee welfare.

Before approaching any organization, you should do a lot of homework. Research as much as possible about the enterprise you are targeting. Knowing about the business/products, top management, their HR policies etc will be beneficial for you. Google is a good way but if you can speak to employees/ suppliers/ customers you will get many invaluable insights that can help you to fine tune your approach.

Position yourself

The job of an HR Head is to contribute to the overall well being of the workforce. You should position yourself as a financial expert who can partner with the HR Head to bring about financial security of his workforce rather than an IFA looking to sell mutual funds.

Show eagerness to conduct workshops

Talk to the HR Head that you want to conduct a free workshop on topics like " How to save for retirement" or "Where to invest in these volatile times". Be ready with these presentations which must be product and brand neutral.

Once you have been given this opportunity to make the presentation before conducting the presentations know your audience by getting details of the participants.

First impression is the last impression

During the first meet introduce yourself confidently as an advisor and give some broad details about your competence (number of years in business, education qualification, prior work experience etc).

Post Presentation

Once the presentation is over, talk to the audience clearly about the services you provide and exchange visiting card with every participant.

After the presentation, write/ meet the HR Head to thank him and give feedback. Express your willingness to repeat the session with another group or conduct another workshop with the same group.

(Compiled from: Cafémutual)

Sales idea: Make a good impression

Two simple, but effective, techniques to help you make a good first impression on prospects:

1. When you call a prospect to make an appointment, stand up and straighten your back. If you are seated and too relaxed, this comes through in your voice. When you speak, you should visualize your prospect with a smile on his face. These techniques ensure that you come across as confident and enthusiastic.

2. Be punctual. Even if you anticipate being 1 minute late to an appointment with a prospect, you should call in advance to apologize. The prospect may not care about 1 minute, but you should, and it is important to show that you care for their time.

MOTIVATE YOURSELF

If you want to excel in life, self motivation is a must. You must keep your spirits high no matter how discouraging a situation is. That’s the only way to get the power you need to overcome difficulties.

Big buyers, India and China

Sure, India and China have always been and will continue to be big buyers of gold. Let’s look at some numbers from the [World Gold Council](#). In the 12 months ended June 2011, India ranked highest in consumer gold demand, purchasing over 1000 tons worth of jewellery, coins, bars and ETFs. In total, that was a staggering 33% of the world total. In value terms, that translates to a total gold purchase/ investment of USD 48 billion by Indians. For some perspective, India’s fiscal deficit for 2010-11 was at USD 81 billion.

Year (12 mths ended...)	India consumer demand (tons)	World demand (tons)	India as % to world
June 2011	1099	3372	33%
June 2010	852	2895	29%
June 2009	557	2887	19%
June 2008	553	2566	22%

China, Greater China and Hong Kong put together consumed 46% of the world total for the 12 months ending June 2011. But apart from these Asian giants, all other countries consumed just around 5-6% of world total.

OPINION POLL

WOULD YOU OPT FOR TRANSACTION CHARGES OF Rs.100/Rs.150/= REGULATION GIVEN BY SEBI

- 1) YES
- 2) NO
- 3) NOT DECIDED

(Please write your response under the heading opinion poll and write the option which you have chosen only)

ADVISE A CLIENT

Mr. Amar approaches you for advice for investment for his son's education that is 10 years of age and is likely to go for college education in 8 years and his father estimates that that college education would cost Rs-240000 today. If the inflation rate is 7%p.a.

And the return is 12%p.a., what would you suggest him to do, why and if possible give your answers with calculations.

The best answer selected will be published in the next bulletin. All members are requested to post their answers bulletin@askcircle.com with their names.

DISCLAIMER

Statements and opinions expressed in articles, reviews and other materials herein are those of the authors.

While every care has been taken in the compilation of this information and every attempt made to present up-to-date and accurate information, we cannot guarantee that inaccuracies will not occur. ASK CIRCLE will not be held responsible for any claim, loss, damage or inconvenience caused as a result of any information within these pages or any information accessed through this site.

The content of any organisations websites which you link to from ASK CIRCLE are entirely out of the control of ASK CIRCLE, and you proceed at your own risk. These links are provided purely for your convenience. They do not imply ASK CIRCLE's endorsement of or association with any products, services, content, information or materials offered by or accessible to you at the organisations site.

All copyright and trade marks accessible via the links from ASK CIRCLE are owned by the respective website owners, or their licensors