

NISM-Series-V-A: Mutual Fund Distributors Certification Examination

I. Investment Landscape

Understand the parameters of the Indian Economy Describe about Investors and their Financial Goals

Understand Savings and Investment

Discuss Different Asset Classes

Understand the classification of Investment Risks

Explain Risk Measure and Management Strategies

Understand Behavioural Biases in Investment Decision Making

Understand Risk Profiling

Explain the Asset Allocation

Comparison between the two approaches – Do-it-yourself and Taking Professional Help

II. Concept & Role of a Mutual Fund

Explain the concept of mutual fund

Understand the classifications of mutual funds

Describe the Growth of the mutual fund industry in India

III. Legal Structure of Mutual Funds in India

Describe the structure of mutual funds in India

Understand the key constituents of a Mutual Funds

Understand the organisation structure of Asset Management Company

Understand the role and support functions of service providers of mutual funds

Explain the Role and Function of AMFI

IV. Legal and Regulatory Framework

Describe role of regulators in India

Discuss role of Securities and Exchange Board of India

Know the Due Diligence process followed by AMCs for distributors of mutual funds

Explain Investor Grievance and Redressal standards (Explain about SCORES)

Understand AMFI Code of conduct for Intermediaries

V. Scheme Related Information

Understanding the Mandatory Documents and their purpose, objective and significance

Explain the Non-Mandatory Disclosures

VI. Fund Distribution and Channel Management Practices

Explain the role and importance of mutual fund distributors

Understand the classification of mutual fund distributors

Explain the modes of distribution

Understand the Pre-requisites to become Distributor of the Mutual Fund

Explain Revenue for a mutual fund distributor

Know the Commission Disclosure mandated by SEBI

Explain the Due Diligence Process by AMCs for Distributors of Mutual Funds

Discuss Nomination facilities to Agents / Distributors and Payment of Commission to Nominee

Explain about change of distributor

VII. Net Asset Value, Total Expense Ratio and Pricing of Units

Discuss the Fair Valuation Principles

Compute net assets of a mutual fund scheme and NAV

Explain about Dividends & Distributable Reserves

Know about the Concept of Entry and Exit Load and its impact on NAV

Know about the Key Accounting and Reporting Requirements applicable to mutual funds

Know about the NAV, Total expense ratio and pricing of units for the Segregated Portfolio

VIII. Taxation

Understand Applicability of various taxes in respect of mutual funds

Understand about Capital gains, Capital gains (Long term & Short term) tax and Indexation.

Understand about the Dividend Income and Dividend Income tax

Understand the difference between dividend distribution tax and capital gains tax

Understand the basics of Setting off Gains and Losses under Income Tax Act

Understand about Securities Transaction Tax

Understand about Tax benefit under Section 80C of the Income Tax Act for investment pertaining to mutual funds

Understand about Tax Deducted at Source (TDS) in mutual funds

Understand Applicability of GST in mutual funds

IX. Investor Services

Describe the NFO Process

Explain about the New Fund Offer Price /On-going price for subscription

Discuss Different types of investment plans and options

Explain how the mutual fund units are allotted to the investor

Describe the content and periodicity of Statement of Accounts for investments

Describe different types of Mutual Fund Investors

Explain how to fill in the application form for mutual funds

Describe the financial transactions with mutual funds (Purchase, Redemption and Switches)

Explain Cut-off time and Time Stamping

Describe the KYC requirement for mutual fund investors

Explain the different types of systematic transactions

Explain operational aspects of systematic transactions

Explain Non – Financial Transactions in Mutual Funds

Discuss change in Status of Special Investor Categories

Explain Investor Transactions – turnaround times

X. Risk, Return and Performance of funds

Understand the General and Specific Risk Factors

Explain the Factors that affect mutual fund performance

Describe Drivers of Returns and Risk in mutual fund Scheme

Understand the Measures of Returns

Know about the SEBI norms regarding representation of returns by mutual funds in India

Explain risks in fund investing with a focus on investors

Understand the Measures of Risk

Explain certain provisions with respect to Credit risk

XI. Mutual Fund Scheme Performance

Explain the concept of Benchmarks

Compare Price Return Index and Total Return Index

Identify the Basis of choosing an appropriate performance benchmark

Describe the use of market benchmarks to evaluate Equity Fund Performance

Describe the use of market benchmarks to evaluate Debt Fund Performance

Describe the use of market benchmarks to evaluate Other Schemes

Explain Quantitative Measures of Fund Manager Performance

Define Tracking Error

Understand the different Sources for disclosure of scheme performance (Scheme documents, AMFI and AMC website and Fund Fact Sheet)

XII. Mutual Fund Scheme Selection

Explain Scheme Selection based on Investor needs, preferences and risk-profile

Explain Risk Levels in mutual fund schemes

Explain Scheme Selection based on investment strategy of mutual funds

Explain Selection of Mutual Fund scheme offered by different AMCs or within the scheme category

Know about selecting options in mutual fund schemes

Know about Do's and Don'ts while selecting mutual fund scheme