



Foundation of Independent Financial Advisors

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WealthForum e-zine
The voice of India's wealth management industry
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FIFA Perspectives

Aug 2015

Events in Aug 2015

What to know when financially involved with the USA was held in Bangalore on 3rd August 2015

Ariadne, Certified Financial Planner in the USA and has lived in and worked extensively in and with India. She worked as a financial planner in India and has been working in the USA since doing the same, specializing in international situations. On 3rd August 2015, she talked on international issues in the Bay Area and was a go to resource in her local financial planning community for internationally oriented questions.

She explained to the FIFA members that if you have citizenship there, Green Card Status, homes property, children, investments or other, then you need to follow certain regulations and be aware of potential issues, tax and reporting.

Points covered by her were:

- Financial Planning in US-setting up a process, challenges faced
- Laws covering US residents for investments outside US
- Reporting US investors have to do for investments outside US
- Forms to be filled up for various disclosures
- Gifts/Transfers made to US resident



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The 5 Fatal Flaws when working with the US Investor was held in Bangalore on 5th August 2015

Members of FIFA in Bangalore, were fortunate to have the opportunity of interacting with a wealth strategist of 17 years' experience, Paresh Shah from the US. The event was facilitated through *The Financial Alphabet* and was organised on 5th August 2015. He addressed members on "The 5 Fatal Flaws while working with the US investor". After providing the context of comparative returns between India and the US, Paresh went on to explain why US markets still have steam left; and why we cannot be telling our clients only about the "upside" that remains in Indian investments. Currency risk was one obvious factor to keep in mind; but continuous communication and the concept of "under promise, over deliver" was essential to have a smooth relationship. US investors expect a contact of 8 to 9 times per quarter, and this could be email, statements, articles, texts -- anything that reminds them of you. The meat of the discussion was on the cross border issues, and the issues relating to taxation & reporting, the variances in interpretations of investment instruments and their treatment, the issues pertaining to estate planning & inheritance tax, and the use of trusts for the same.



Web Based Mutual Fund Platform (NMF-II), NSE was held in Guwahati on 5th August 2015

Foundation of Independent Financial Advisors (FIFA), a forum for the education and development of the Independent financial advisor community, recently introduced a web based platform for online transacting. The platform called NSE Mutual Fund (NMF II) shall bring mutual fund distributors together on a single full service rostrum helping them service investors efficiently.

Mr. Pallav Bagaria, Founder member – FIFA , and CEO of Brand New Day is of the conjecture that knowledge seminars such as this help members of the the IFA community in keeping themselves updated on new practice and trends that are evolving in different parts of the country. This online transacting platform shall help in increasing compliance amongst the IFA community.

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The platform stemmed as an interactive seminar hosted by FIFA recently at a leading city hotel. The full service platform for all mutual fund products is accessible to mutual fund distributors, retail investors and asset management companies. It shall offer investors the advantage of one time registration, single view of their mutual fund investments and daily reports. The distributors shall benefit from the composite view of all customer transactions facilitated by them, thus resulting in operational excellence and enhanced customer service. Speaking on the occasion Ms. Ishita Banejee, Representative, National Stock Exchange of India Limited (NSEIL) addressed the platform as an expansion into new geographies, a plug-n-play system which support MFDs in the transition from paper to electronic environment with speedy execution and e-transactions. It is a browser based user friendly approach with conveniently located service centres across the country. NMF II uses state-of-the art technology facilitating electronic transactions with seamless connection between NSE, NSCCL, AMC, RTA and distributors.

Mr. Shyam Singhania, founder member - Foundation of Independent Financial Advisors (FIFA) and Owner of Singhania Investment Consultant believes that technology is the future and this platform will act as a bridge for the IFAs to service the investors in a more efficient and faster way.





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What to know when financially involved with the USA was held in Delhi on 6th August

"The event presented by Adriane was well attended with 20 members and was well received by the audience. Q&A session was quite interactive and the speaker spoke with authority and was quite informative. It covered wide topics of who can invest, what are the processes involved, forms to be filled, checks and balances in place which made it exhaustive considering it was a 2 hour session."

Points covered by her were

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Great sales idea from North-East's champion IFA

Pallav Bagaria, Brand New Day, Guwahati



Sell Well - Grow Well, a joint initiative between SBI Fund Guru and Wealth Forum, is an effort aimed at encouraging and guiding distributors on a path towards right selling - which we firmly believe is the best way to grow well on a sustainable basis..

Pallav Bagaria, North East India's most successful advisor, has a new ace up his sleeve. Having made a mark for himself in the HNI and retail segments in Guwahati, he has now set his eyes on a segment that the industry rarely even looks at, and has created a successful new business proposition around it. He has come up with a focused CASA initiative (Current Accounts and Savings Accounts) with a dedicated CASA sales team, and is successfully approaching shopkeepers and small businessmen in Guwahati with a compellingly simple proposition. Read on as Pallav takes us through yet another of his winning ideas.

About 5 months ago, we started a new business initiative that targets CASA balances (Current Account - Savings Account) of small and medium sized businesses. We created a 3 member team that focuses exclusively on this proposition, and goes door-to-door, meeting up with small and medium sized businesses in Guwahati. Some are hardware shops, electrical shops and sundry such small sized businesses across the city. We look for businesses that have current accounts with banks, with no CC limits, no overdrafts. Many of them have no knowledge of mutual funds.

Simple and compelling proposition

Our proposition is very simple: we tell them that we will help them earn money on their idle current account balances. Return expectations are low, since the money is anyway earning nothing. We have identified two ultra-short term funds of two leading fund houses for this purpose. The moment we sign them up for an ultra short term fund, we take their One Time Mandate to set up additional purchase and redemption facilities through their mobile phone. Not all of them are tech savvy - in which case we go through the paper route for transaction execution.

A pre-condition in all cases is that we will compulsorily ask them to redeem their initial investment after the first weekend of investing. This helps them clearly understand the entire transaction flow and gives them the confidence on convenience and on returns from migrating idle current account balances to ultra short term funds. Once they get this confidence, they are willing to migrate bulk of their idle balances into this facility.

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Not so small after all!

When we started, we thought that this business will involve small balances from a large number of such investors, to become a meaningful proposition for us. To our surprise, 5 months into this initiative, we find that we have signed up 65 such clients for our CASA proposition, and their collective AuM in ultra short term funds is now Rs. 5.5 crores. That gives an average of over Rs.800,000 per client! We've understood that while big businesses have leverage and all the problems associated with it, there are many small businesses which are liquid, profitable, with no debt, and which are completely untapped by the fund industry.

More than 50% of these clients have never invested in mutual funds before. I firmly believe that while all of us keep running behind the same set of investors, the real opportunity is in seeking out those who have never been approached by our industry so far.

Stage 2: profits into equity funds

We are now moving into the next phase of engagement with these clients. Since the returns from these ultra short term funds are purely jam (they never expected anything from their current accounts anyway), we are now convincing them to transfer the income into equity funds. It's a step by step process to get them comfortable with mutual funds and gradually get them to consider a wider product basket.

NSE MF platform will help build scale

For us, this initiative will become a whole lot more scalable when we move to the NSE MF platform. Transaction execution will become much simpler, which therefore enables us to build some scale into this initiative. We have made a beginning with this initiative, and initial experience is very positive. The key for us is to keep our focus on reaching out to more and more such small businesses across Guwahati and then across North-East, to bring them into the fund industry with a simple, safe and convenient proposition. Our head of mutual fund business spends one day every week in going out to meet only such prospects. His CASA sales day does not involve any HNI calls - its all about engaging with more shopkeepers, more small business owners, and get them started with our CASA initiative.

Look for new pastures

I am more convinced than ever before that we need to move beyond running behind the same investors and think differently on how we can identify market segments that have never been approached by our industry, and go to them with propositions that appeal to them. There are ample opportunities for those of us who seek out new pastures.

All articles in the Sell Well - Grow Well section are created by Wealth Forum. These are not to be construed as opinions given by SBI Mutual Fund.

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Snippets

- "Riding life one wave at a time. Loving with the ebb and flow of the tides. Living where the ocean meets the shore. Abandoning no one. When you enter the moment with heightened awareness, what you need to do becomes obvious. You discover that you already have the answers. Not all of us can do great things. But we can do small things with great love."
- "Finish each day and be done with it. You have done what you could. Some blunders and absurdities no doubt crept in; forget them as soon as you can. Tomorrow is a new day; begin it well and serenely and with too high a spirit to be encumbered with your old nonsense." -- **Ralph Waldo Emerson** "
- "I expect to pass through this world but once. Any good, therefore, that I can do or any kindness I can show to any fellow creature, let me do it now. Let me not defer or neglect it for I shall not pass this way again." -- **Stephen Grellet**
- "Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover." -- **Mark Twain**
- "Your time is limited, don't waste it living someone else's life. Don't be trapped by dogma, which is living the result of other people's thinking. Don't let the noise of other's opinion drown your own inner voice. And most important, have the courage to follow your heart and intuition, they somehow already know what you truly want to become. Everything else is secondary ."-- **Steve Jobs**

We invite Viewers to register as members. For details and registration forms, please visit FIFA Website: www.fifaindia.org

FIFA welcomes its new members

Aug-15

M Type	Membership	Type	Name of Organisation/ IFA	Representative(s) NAME	CITY
Ordinary	O155	Indv	Prashant Sampat	Prashant Sampat	Mumbai

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