

## Annexure I

### **NISM-Series-V-C: Mutual Fund Distributors (Level 2) Certification Examination**

#### **Objective of the Examination**

***NISM-Series-V-C: Mutual Fund Distributors (Level 2) Certification Examination*** is a voluntary examination.

The examination seeks to create a common knowledge benchmark for associated persons, i.e., distributors, agents or any persons employed or engaged or to be employed or engaged in the sale and/or distribution of mutual fund products and advisory functions, in order to enable a better understanding of features of advanced mutual fund products, fund valuation, fund performance measurements, investor service and related regulations.

On successful completion of the examination the candidate should:

- Understand the salient features of Fund of Funds, Exchange Traded Funds, Real Estate Mutual Funds, Venture Capital Funds, Private Equity Funds and International Funds
- Know the legalities of real estate mutual funds, investment restrictions applicable to mutual fund schemes, and the processes for making changes in the structure of a mutual fund or any of its schemes
- Appreciate the working of newer channels of distribution viz. stock exchange and internet
- Get acquainted with the approaches fund managers take to manage investments and associated risks
- Understand how equities, debt, derivatives and real estate are valued in mutual fund schemes
- Get oriented to the accounting aspects of NAV determination, investor's transactions with the fund and corporate actions by investee companies
- Know how taxation affects mutual fund schemes and investors
- Understand the processes underlying investment in NFO, open-end schemes, closed-end schemes and ETF as well as nomination and pledge processes relating to mutual funds
- Appreciate how schemes are evaluated
- Get a historical perspective on returns earned in different asset classes
- Get acquainted with the issues involved in selling alternate investment products
- Get oriented to basics of financial planning
- Understand ethical requirements and measures to protect mutual fund investors

### **Functional Coverage**

It may be noted that for associated persons, i.e., distributors, agents or any persons employed or engaged or to be employed or engaged in the sale and/or distribution of mutual fund products, the requisite standard is the NISM-Series-V-A: Mutual Fund Distributor, as per SEBI notification No. LAD-NRO/GN/2010-11/09/6422 dated May 31, 2010 and NISM/Certification/Series-V-A: MFD/2010/01 dated May 05, 2010.

The **NISM-Series-V-C: Mutual Fund Distributors (Level 2) Certification Examination** is a voluntary higher level examination, for those candidates who wish to assess themselves against higher standards of overall expertise related to mutual funds sales, distribution and advisory functions.

The **NISM-Series-V-C: Mutual Fund Distributors (Level 2) Certification Examination** is suitable for:

- Mutual fund distributors and agents
- Persons employed or engaged in the sale and/or distribution of mutual fund products
- Persons to be employed or engaged in the sale and/or distribution of mutual fund products
- Students interested in gaining advanced knowledge of mutual fund products, sales, distribution and related regulations

The examination is a voluntary examination.

### **Examination Specifications**

This is a computer-based examination with multiple choice questions.

The examination consists of 36 multiple choice questions of 1 mark each and 8 caselets with 4 multiple choice questions of 2 marks each, adding up to 100.

The examination should be completed in 2 hours.

There shall be negative marking of 25% of the marks assigned to a question.

The passing score for the examination is 60 marks.

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**Syllabus Outline with Weights**

<b>Unit No.</b>	<b>Unit Name</b>	<b>Weightage</b>
Unit 1	Mutual Fund Structures	3%
Unit 2	Legal and Regulatory Environment of Mutual Funds	7%
Unit 3	Fund Distribution and Sales Practices	4%
Unit 4	Investment and Risk Management	10%
Unit 5	Valuation of Schemes	5%
Unit 6	Accounting	5%
Unit 7	Taxation	8%
Unit 8	Investor Services	3%
Unit 9	Scheme Evaluation	20%
Unit 10	Asset Classes and Alternate Investment Products	10%
Unit 11	Cases in Financial Planning	20%
Unit 12	Ethics and Investor Protection	5%