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## 'During euphoric markets, people avoid asset allocation; hence, MFDs have a big role here'

Amitabh Mohanty, MD and CEO, JM Financial Mutual Fund shares his learnings and focus areas and talks about must have skills for MFDs to grow business.



Team Cafemutual 3 hours ago

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### 2023 is coming to an end soon, what are the key business lessons that the year taught?

For AMCs, the biggest lesson of 2023 was that one needs to have multiple drivers of business and not be over dependent on any one driver. One also needs to understand the biggest story of possibly the next decade, the rise of the retail investor and the deepening and broadening of mutual funds across the country.

How to harness this growth would be the biggest channel and opportunity for AMCs going forward. With the rise of technology, another area of opportunity would be how to synchronize, digital strategies with human interface. That will be the key to scale reach and engagement, both, with distribution partners and investors.

### Is there anything that you feel could have been done differently last year?

I don't think, there is much we would have done differently, last year. But we would have wanted to do more of what we did. Maybe a bit more of the engagement activities that we did and possibly roll out our digital engagement strategies earlier than what we did.

As an AMC making a comeback, intense engagement and broad-basing our activities through digital strategies is a key part of our plan and our main focus in the coming year.

### What are the key trends that MFDs/RIAs should watch out for in 2024?

I think the most critical aspect that the MFDs/ RIAs may have to watch out for in the coming year, would be a negative surprise. I think the base case for India does not factor in any significant negatives and therefore any negative surprise can affect the markets adversely. Since a large part of the investor community has not experienced significant downturns in recent years, handholding them in case such periods arise in 2024 will be the most important activity for most MFDs/ RIAs.

When markets are at euphoric levels, like at present, lot of mistakes are made in asset allocations, by several investors and exposures to risk assets go beyond optimum levels. MFDs/ RIAs have a very important role in ensuring that investors' adherence to investment processes and asset allocations is done in a disciplined manner.

### What are the three must-have business skills for MFDs/RIAs in the coming year? And why?

In my humble opinion, the first and foremost skill that our MFD/ RIA friends should have (in fact most already have) is the ability to do appropriate risk assessment of their clients and create a proper risk profile from this assessment. In times of euphoria, we believe that this is the start of significant investment errors because of improper asset allocation. Further, our partners need to be communicating closely and regularly with their clients, especially during adverse market conditions to prevent their clients from making sub-optimal investment decisions during these times of stress. Patience and discipline are two traits that we believe are going to hold our partners and their clients in good stead during different market cycles.