

‘We plan to invest aggressively in our distribution partners’

Listen to this article

Part 1

Part 2

As the new CEO, what are your three key priorities for LIC Mutual Fund?

Our first priority is remaining true to our objective of being a trusted partner in the wealth creation journey of investors.

Improving our core team across functions is our second priority. We want to attract new talent, increase efficiency of our people and create a working environment which reduces attrition rate. This business is people driven and our people are biggest asset and the key driver for our growth.

Third priority is to be consistent with our deliverables across functions. These are our three main goals which should help our business grow. In terms of assets under management (AUM), we have set an aggressive target for us to be achieved by March 31, 2026.

LIC MF has been around for quite some time now. However, the fund house is yet to become household name in the MF business. How do you go about increasing brand awareness of LIC Mutual Fund?

We have realised the potential of the social media platforms and the digital means of communicating with our investors. It is an integral part of not only our communications but also in building our brand.

Our aim is to make LIC MF brand a household name by making people aware of our product offerings. We already have a strong presence in metros and tier-2 towns. We are unveiling our marketing and awareness campaigns in key regional languages as well. This should help us connect better with our investors. Our efforts on investor education using digital means are likely to create more awareness among young investors in a cost-efficient manner. We have currently 35 area offices all over India. We

propose to ramp up the no. of area offices in times to come. This will ensure a healthy balance of physical presence along with the digital means of communicating with us.

How are you going about increasing your engagement with distribution partners?

Distribution plays a key role in our growth plans. Historically, distributors have accounted for majority of our equity AUM. We plan to invest aggressively in our distribution partners, especially individual mutual fund distributors - MFDs. We are also going to increase our interactions with distribution partners in both offline as well as digital modes. These initiatives will provide more insights into our products to MFDs as well as national distributors. We are also working on new distribution arrangements.

Recently, LIC MF has launched an app for investors. Also, it plans to relaunch it distributors' app. Can you take through these two initiatives?

Post Covid-19 pandemic, the use of digital means to transact has increased multi-fold especially in the financial services industry. A prominent product in the financial services industry which has attracted high investors' attention is mutual funds. We understand that investors prefer to explore and transact in mutual funds in a seamless manner using their mobiles. LICMF Investor APP will help investors transact from the comfort of their homes. They can explore our offerings and execute transactions such as lumpsum investments, redemptions, systematic investment plans (SIP), systematic transfer plans (STP), among other services. Besides, we have also improved our website, www.licmf.com, and made it extremely user friendly. I am personally making all my investments through our website in a very convenient manner.

We are also in the process of launching our LICMF Distributor App. This should help our distributors to connect with us better and offer our products to investors from the comfort of their homes and offices. We hope that with these initiatives, we will be providing much better access and convenience to our Investors and Distributors.

LIC MF has seven schemes in the passives space. What are your plans to increase your presence in this space? Do you see any conflict between active and passive funds?

We manage presently an AUM of Rs 5,000 crore across our six ETFs both on the equity and debt side. We have our plans to scale up passive business. We intend to add more ETF products to our bouquet of products, which are passively managed. Recently, we launched a new fund offer - LICMF Nifty Midcap 100 ETF.

Actively managed schemes and passively managed schemes cater to differentiated investment needs. While the former offers a possibility to earn more returns than that of benchmark of the scheme, the latter aims to provide returns in line with the underlying benchmark at a relatively low cost. Investors choose these schemes depending on their preferences and goals. At our end, it is of utmost importance to provide investors a basket of diversified offering of investment products.

LIC MF derives 18% of its total AUM from B30 cities. What strategies are you employing to expand your reach and tap into small cities and rural markets for growth?

We are expanding our presence in B30 cities. We intend to widen our branch network in times to come. This will help us connect with more investors and MFDs. In addition, we are doing many activities in digital space to cater to wider set of audience in smaller cities and rural markets. Lots of content is being shared in regional language, which can help Investors to understand mutual fund products and to market our own schemes.