APMI
ASSOCIATION OF PORTFOLIO MANAGERS IN INDIA

FROM FRAMEWORK TO FUTURE

A Guide to the Indian PMS Distribution Ecosystem

KNOW THE FRAMEWORK • KNOW THE ECOSYSTEM • KNOW THE FUTURE





TABLE OF CONTENTS

Foreword: Mr. Manoj Kumar, Executive Director, Securities and Exchange Board of India (SEBI) 4

Message from APMI CEO 5

About This Book 7

OPENING: THE PMS DISTRIBUTION STORY

PMS in India: From Niche Product to Growing Category 8

The Distributor: Backbone of the Ecosystem 12

The PMS Ecosystem Map 14

SECTION I: KNOW THE FRAMEWORK

The Regulatory Architecture 16

Becoming a PMS Distributor 18

NISM-Series-XXI-A and the PMS Sales Capsule 19

Code of Conduct and Compliance Calendar 20

Ready Reckoner: SEBI and APMI Circulars 21

SECTION II: KNOW THE ECOSYSTEM

How PMS Distribution Works 25

Building PMS AUM: The 5C Playbook 27

APMI: From Industry Body to Ecosystem Builder 29

What APMI Has Built for Distributors 32

The Single Registration Framework 33

PMS Myths Unmasked and FAQ 35

APMI in Pictures 40

SECTION III: KNOW THE FUTURE

Three Shifts Reshaping Distribution 45

PRIM and Independent Fund Managers 46

Going Beyond Distribution: Creating a Knowledge-Based PMS Environment
Mr. Sashi Krishnan, Director, NISM 48

Evolution of PMS Distribution in India
Mr. Iqbal Singh, Founder & Managing Director, Innovative Financial Management (IFM) 58

PMS Distribution: Building Knowledge, Trust and Professionalism
Team MACG, MFD Associations Coordination Group 62

From Product Access to Portfolio Architecture
Mr. Himanshu Vyapak, MD, CIEL & CEO FinX 65

SECTION IV: WHERE TO START

FOREWORD

"We must work together to ensure the equitable distribution of wealth, opportunity, and power in our society."
— Bharat Ratna Shri Nelson Mandela, 1996 State of the Nation Address

The same remains true for the financial markets too. In the complex and ever-evolving landscape of modern finance, the art and science of portfolio management stand as a cornerstone of wealth creation, preservation, and responsible allocation of capital. What's important is not only the construction and ongoing stewardship of investment portfolios, but also the critical and often under-examined dimension of distribution: how returns are delivered to investors, how risk is shared across stakeholders, and how capital ultimately finds its way back into the real economy.

The Portfolio Management Services (PMS) industry has witnessed considerable growth and evolution, supported by a progressively developing regulatory framework and increasing investor awareness. Effective portfolio management is far more than the pursuit of excess return. It demands rigorous attention to risk, liquidity, tax efficiency, behavioral biases, and the alignment of investment strategy with the investor's true objectives and constraints.

The regulatory framework governing PMS has continued to evolve with a focus on enhancing transparency, strengthening governance standards, improving disclosures and safeguarding investor interests. Equally important is the collective responsibility of all stakeholders to maintain high standards of professional conduct and to foster trust and confidence in the market. As the ecosystem expands, the role of intermediaries and Distributors becomes increasingly important in ensuring that investors are appropriately informed and supported in their engagement with PMS.

Distributors are an important interface between Portfolio Managers and investors. Their responsibilities extend beyond facilitating access to products and services. Their role is central to the effective distribution of investment products and the practical delivery of portfolio solutions. They are important contributors in the Value Created Across the Value Chain – i) For investors: Access, guidance, convenience, and ongoing support. ii) For Portfolio Managers: Wider reach, efficient Client onboarding, and real-world feedback, and iii) For the industry: Improved capital allocation by helping match savings with suitable investment opportunities.

A sound understanding of the PMS framework, product features, associated risks, disclosures and regulatory requirements is essential for enabling meaningful investor communication and responsible distribution practices. The important considerations and challenges relevant for Distributors are –

a) Conflict of interest: There is need for avoiding models that can create incentives that are not fully aligned with Client outcomes.

b) Quality of advice: The effectiveness of distribution depends heavily on the knowledge, integrity, and process discipline of the individual Distributor or distribution platform.

c) Technology and changing models: Digital platforms, direct-to-investor channels, and hybrid models

FOREWORD

are reshaping traditional Distributor roles, placing greater emphasis on value-added advice rather than pure product pushing.

d) Focus on Client needs: Beyond selling the portfolio, good Distributors also help Clients plan and execute the eventual distribution of returns or capital whether through regular income, goal-based withdrawals, or intergenerational transfer.

In short, Distributors are not merely sales agents; when they operate with integrity and competence, they become essential partners in the portfolio management ecosystem helping investors access, understand, maintain, and ultimately benefit from well-constructed portfolios.

In this context, I appreciate the initiative of the Association of Portfolio Managers in India (APMI) in bringing out this **Distributor booklet**. This work arrives at a moment when markets are more interconnected, information more abundant, and investor expectations more demanding than ever before. In such an environment, thoughtful portfolio construction and disciplined distribution are not optional refinements, they are essential disciplines. A resource of this nature can contribute towards greater awareness and understanding of the PMS ecosystem, particularly among those who engage directly with investors. I hope this booklet serves as a useful reference for Distributors and other stakeholders, and encourages continued learning, responsible practices and a strong focus on investor interests.

I wish APMI and the entire PMS ecosystem continued growth and progress in the years ahead.



Manoj Kumar
Executive Director,
Securities and Exchange Board of India (SEBI)

MESSAGE FROM APMI CEO

Every portfolio managed on behalf of an investor begins with a conversation. More often than not, that conversation is led by a Distributor.

When SEBI asked APMI, in May 2024, to facilitate the collective oversight of PMS Distributors, it placed a simple but significant responsibility on our industry: to ensure that every person who introduces an investor to Portfolio Management Services is qualified, registered, accountable and well-informed. Since that framework took effect on 1 January 2025, the Distributor community registered with APMI has grown to nearly 23,000 individuals and firms, across almost every state and several overseas locations.

Numbers tell only part of the story. PMS is a high-ticket, customised solution. It asks investors to entrust a professional with a meaningful share of their wealth, and it asks Distributors to understand investment approaches, risk, fees, taxation and suitability well enough to explain them honestly. That is why our work has focused as much on capability as on coverage: the revised NISM-Series-XXI-A examination, the Capsule on PMS Sales, the enhanced Distributor Registration Portal, the Guidelines for Change in APRN Code and Transfer of AUM, and the data now available through APMI Insights, VISTA and the PMS Industry Compendium.

This book brings those threads together around three pillars: **Know the Framework**, **Know the Ecosystem** and **Know the Future**. Our aspiration is that it becomes a reference Distributors return to, and we will keep it current as regulations evolve.

I thank SEBI for its continued guidance, NISM for its partnership in building professional capability, our contributors for their perspectives, and APMI's members. Above all, I thank the Distributors across India who carry the PMS proposition to investors every day. You are, quite literally, the backbone of this ecosystem.



Rashim Bagga
Chief Executive Officer,
Association of Portfolio Managers in India

PREFACE

ABOUT THIS BOOK

A practical, enduring reference for anyone who wants to understand, enter or navigate PMS distribution in India.

Who it is for	What they will get from it
New entrants (MFDs, wealth professionals, advisers)	A clear map of what is required and how the business works.
Established PMS Distributors	One current reference for rules, circulars, portal utilities and deadlines.
Portfolio Managers and other stakeholders	A view of how distribution is evolving and how to support it.

Part	What you will find	Use it when
Opening	PMS growth and the Distributor network, in data.	Preparing Client conversations or business plans.
I. Know the Framework	Regulation, certification, APRN, code of conduct, compliance calendar, circular ready reckoner.	Registering, renewing or checking an obligation.
II. Know the Ecosystem	Investor journey, due diligence, 5C Playbook, APMI platforms, SRF, myths and frequently asked questions.	Building or growing a PMS practice.
III. Know the Future	Shifts ahead, perspectives from NISM, a practitioner and the MFD community.	Thinking about where the business is headed.

OPENING · 1

PMS IN INDIA: FROM NICHE PRODUCT TO GROWING CATEGORY

Portfolio Management Services offer something no pooled product can: a professionally managed portfolio held in the investor's own name.

₹44.35 lakh cr
PMS AUM, August 2026

2.26 lakh
Client accounts

535
Registered Portfolio Managers

25,871[1]
APMI-registered Distributors

The PMS journey began in 1993 with the SEBI (Portfolio Managers) Regulations. In a PMS, every security is bought and sold in the investor's own demat account, every holding is visible, and the portfolio is run to a documented investment approach. The 2020 Regulations raised the minimum investment to ₹50 lakh and tightened disclosure and reporting. Four service types exist today:

Discretionary
Portfolio Manager decides and executes within the mandate
· 84.7% of AUM
· 95.5% of Clients

Non-discretionary
Portfolio Manager advises, Client approves each decision, Portfolio Manager executes
· 8.0% of AUM
· 3.5% of Clients

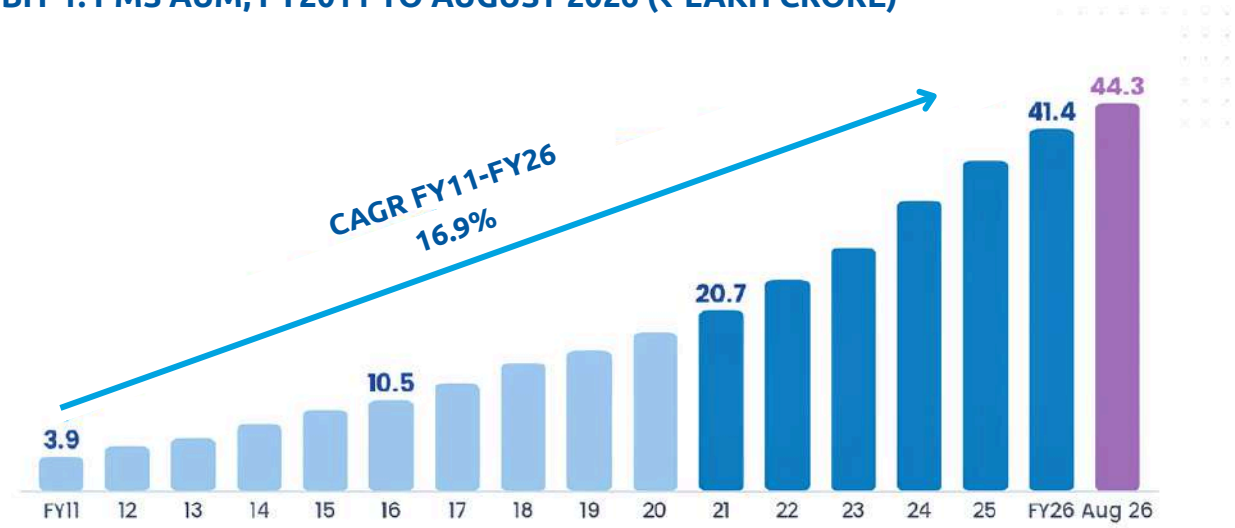
Advisory
Portfolio Manager advises only; Client decides and executes
· 7.2% of AUM
· 0.6% of Clients

Co-investment[2]
Portfolio Manager invests alongside Clients, largely in unlisted assets
· 0.2% of AUM
· fastest-growing

AUM: MORE THAN TEN-FOLD IN FIFTEEN YEARS

PMS assets rose from **₹3.9 lakh crore in FY2011 to ₹41.4 lakh crore in FY2026**, and reached **₹44.35 lakh crore in August 2026**: up about **11% year on year** and **4.9% so far in FY27**. The climb has been remarkably steady. AUM rose in every year of the series, including FY2021, when Client numbers fell.

EXHIBIT 1: PMS AUM, FY2011 TO AUGUST 2026 (₹ LAKH CRORE)[3]



Three-quarters of that headline is **provident fund money**. PF/EPFO mandates account for **₹33.08 lakh crore**, about 75% of all PMS assets and 79% of domestic AUM. This is institutional retirement money, run almost entirely on a discretionary basis, and it explains why **plain debt makes up 83% of the asset mix** while equity is 11%.

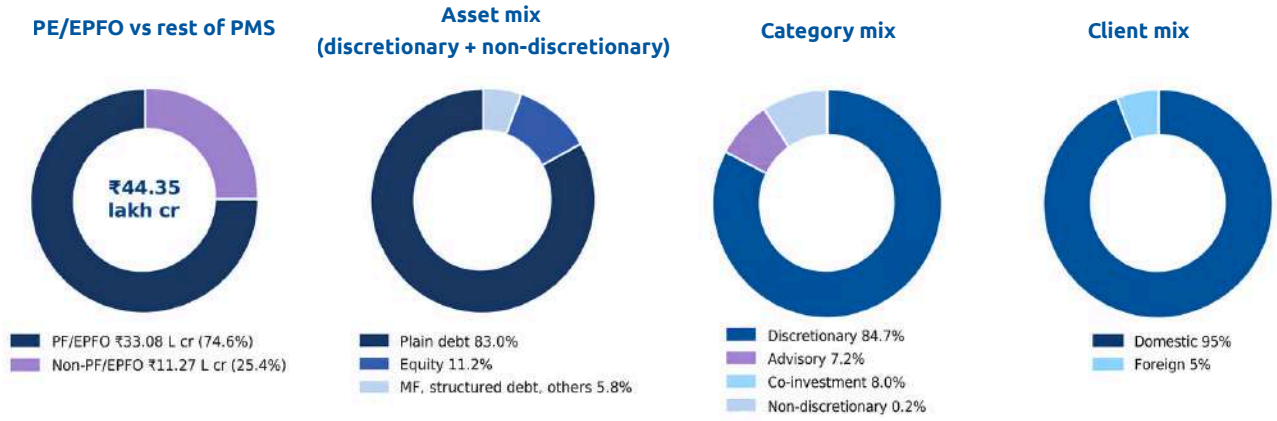
Source: 1. APMI, PMS Industry Compendium, August 2026. 2. Share of AUM and Client accounts, August 2026. Source: APMI Compendium. 3. APMI industry data; APMI Compendium, August 2026.

OPENING · 1

PMS IN INDIA: FROM NICHE PRODUCT TO GROWING CATEGORY

The category mix is dominated by discretionary mandates (84.7%), followed by non-discretionary (8.0%), advisory (7.2%), and co-investment (0.2%). **The Client base is largely domestic**, with **95% domestic and 5% foreign** Clients.

EXHIBIT 2: THE PF/EPFO SPLIT, THE ASSET MIX, THE CATEGORY MIX AND THE CLIENT MIX (AUGUST 2026)[4]

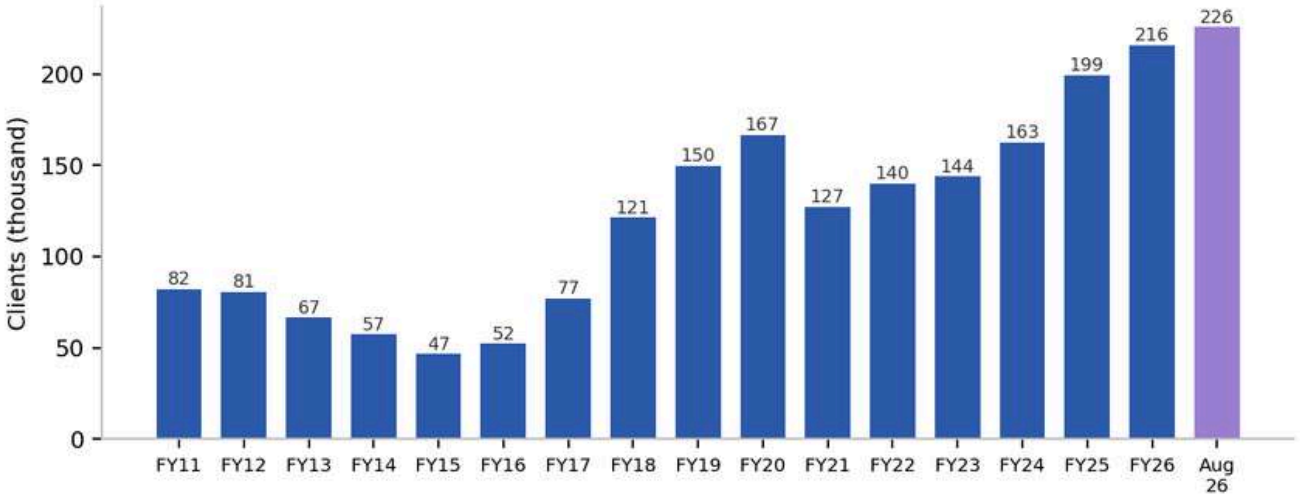


The market Distributors actually serve

Once we isolate PF/EPFO assets, the investor-facing PMS market is ₹11.27 lakh crore. It is the more dynamic part of the industry: Discretionary services make up about half of it.

CLIENTS: MORE ACCOUNTS, MORE KINDS OF INVESTOR

EXHIBIT 3: PMS CLIENT ACCOUNTS, FY2011 TO AUGUST 2026 ('000)[5]



- Client growth is now **running ahead of asset growth**: +9% year on year and +6.4% in FY27 so far, versus +4.9% for AUM.
- From **82,209 in FY2011**, through a dip in FY2011–15 and a correction in FY2021, to 2,25,826 in August 2026.

Source: 4. APMI Compendium, August 2026. Asset mix excludes advisory and co-investment. 5. APMI, PMS Industry Compendium, August 2026.

OPENING · 1

PMS IN INDIA: FROM NICHE PRODUCT TO GROWING CATEGORY

- **91% of Clients are domestic**, and 93% of those are non-corporate investors (1.92 lakh accounts).
- **NRIs are a meaningful segment**: 19,868 accounts, about 9% of all Clients, growing 9.6% a year.

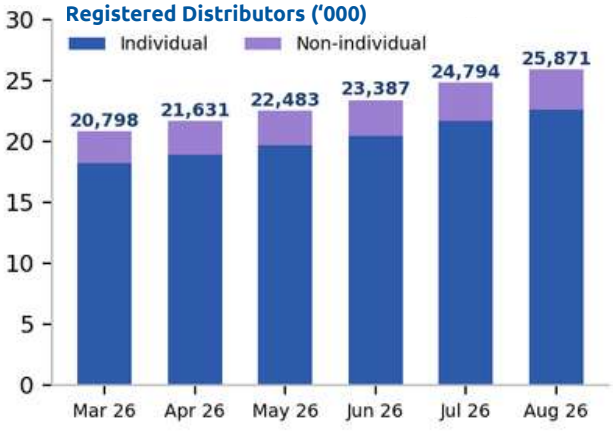
MORE MANAGERS, MORE DISTRIBUTORS

EXHIBIT 4: MORE CHOICE FOR INVESTORS[6]



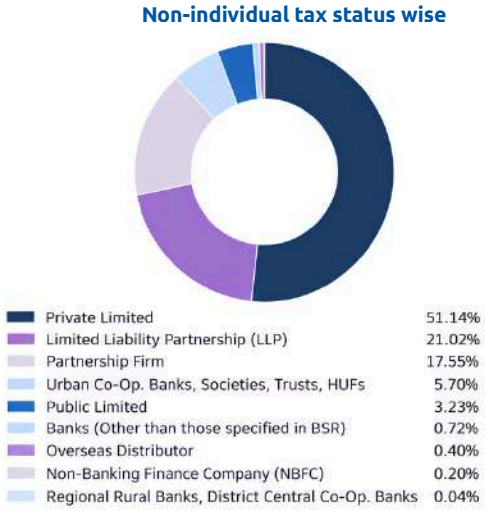
- **535 Portfolio Managers**, more than double the 250 of 2020.
- **2,266 investment approaches** to choose from.

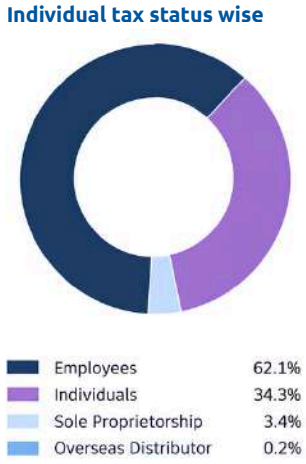
EXHIBIT 5: A FAST-GROWING DISTRIBUTOR NETWORK[6]



- **25,871 registered**: 22,585 individuals, 3,286 firms; up 70% and 79%.
- **+1,077 in August** (935 + 142),; about **48 Distributors per Portfolio Manager.**

EXHIBIT 6: PMS DISTRIBUTOR COMPOSITION BY TAX STATUS – NON-INDIVIDUAL VS INDIVIDUAL[7]





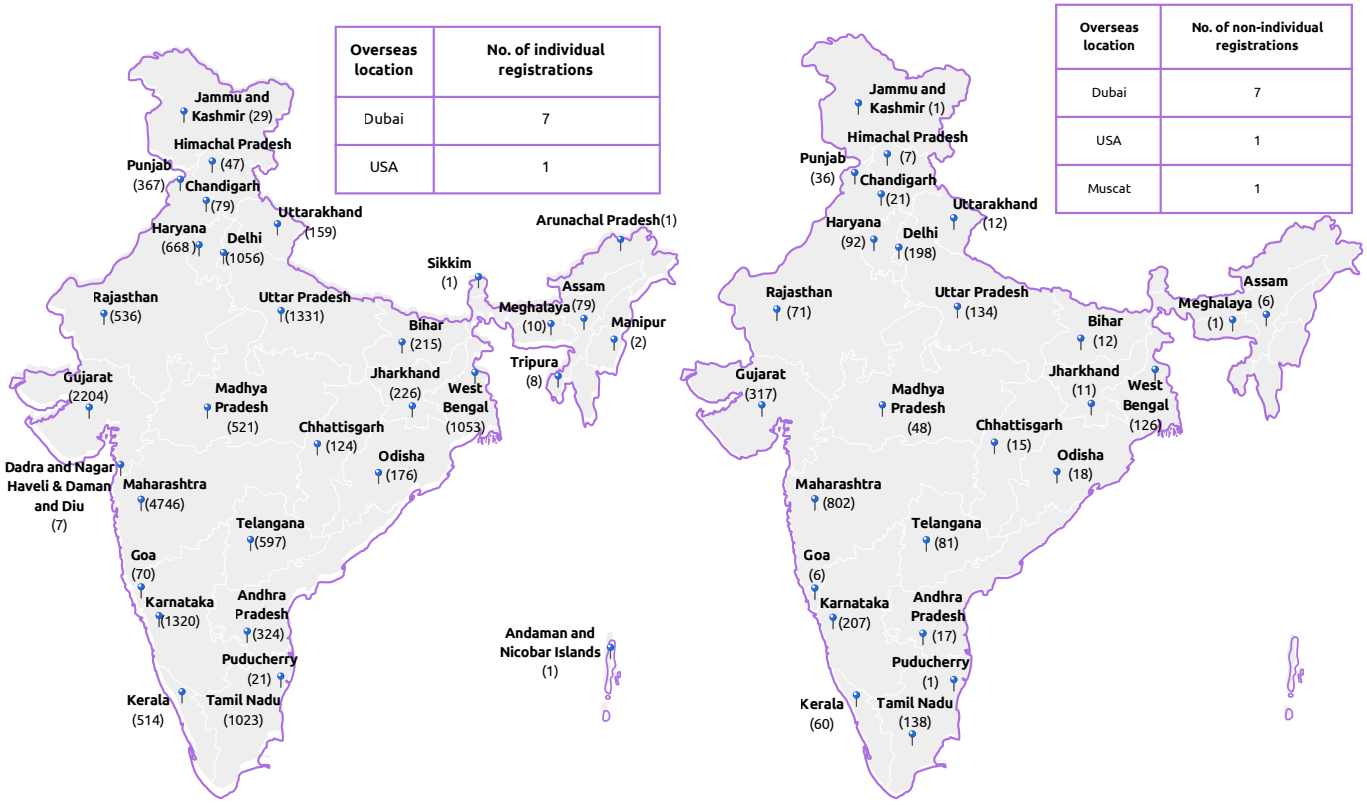
- Firms: **Private Limited Companies 51.1%**, LLPs 21.0%, partnership firms 17.6%. Individuals: **employees 62.1%**, independents 34.3%.

Source: 6. APMI Compendium, August 2026 (SEBI monthly report for Portfolio Managers; APMI registration data for Distributors). 7. APMI. Data represent active Distributors.

OPENING · 1

PMS IN INDIA: FROM NICHE PRODUCT TO GROWING CATEGORY

EXHIBIT 7: STATE-WISE COUNT OF INDIVIDUAL (A) AND NON-INDIVIDUAL (B) PMS DISTRIBUTORS, AUGUST 2026[8]



a) Individual Distributors

b) Non-individual Distributors

- **Maharashtra leads** (4,746 individuals; 802 firms), then Gujarat (2,204; 317), Uttar Pradesh (1,331), Karnataka (1,320) and Delhi (1,056; 198).
- A pan-India footprint, extending across the North-East and island territories, plus **Dubai, the USA and Muscat.**

Worth knowing

Investor complaints remain rare: in August, 15 complaints were received and 15 resolved across 2.26 lakh Client accounts.

Source: 8. APMI Compendium, August 2026. Data represent active Distributors.

OPENING · 2

THE DISTRIBUTOR: BACKBONE OF THE ECOSYSTEM

Portfolio Managers build strategies. Distributors connect them to the investors they suit, and stay with those investors.

A Distributor does not manage money; the Portfolio Manager does. The Distributor brings the right investor to the right Portfolio Manager and keeps that investor informed. In practice, that means playing four roles:

1. Educator
Explains what PMS is, how it differs from a mutual fund, what it costs and what it does not do; helps the Client read the Disclosure Document.

Why it matters: the Client knows what they are buying before they sign.

2. Interpreter
Turns an investment approach, a fact sheet and a performance table into plain language, including concentration, drawdowns and fees.

Why it matters: headline returns are understood in context.

3. Matchmaker
Maps the Client's goals, risk appetite, horizon and existing portfolio to a suitable Portfolio Manager and investment approach.

Why it matters: the strategy fits the Client, not just the market mood.

4. Relationship Portfolio Manager
Stays in touch after onboarding: explains reports, reviews fit, and talks the Client through market falls and life changes.

Why it matters: expectations are set before volatility.

The role has been formalised step by step since 2020:

EXHIBIT 8: HOW THE DISTRIBUTOR ROLE HAS BEEN FORMALISED



OPENING · 2

THE DISTRIBUTOR: BACKBONE OF THE ECOSYSTEM

How Distributors are paid

- By the Portfolio Manager, trail only, from its own fee income.
- No upfront fee may be charged to the Client.
- Commission is disclosed and shown in the Client's periodic report.

Five things every Client should hear

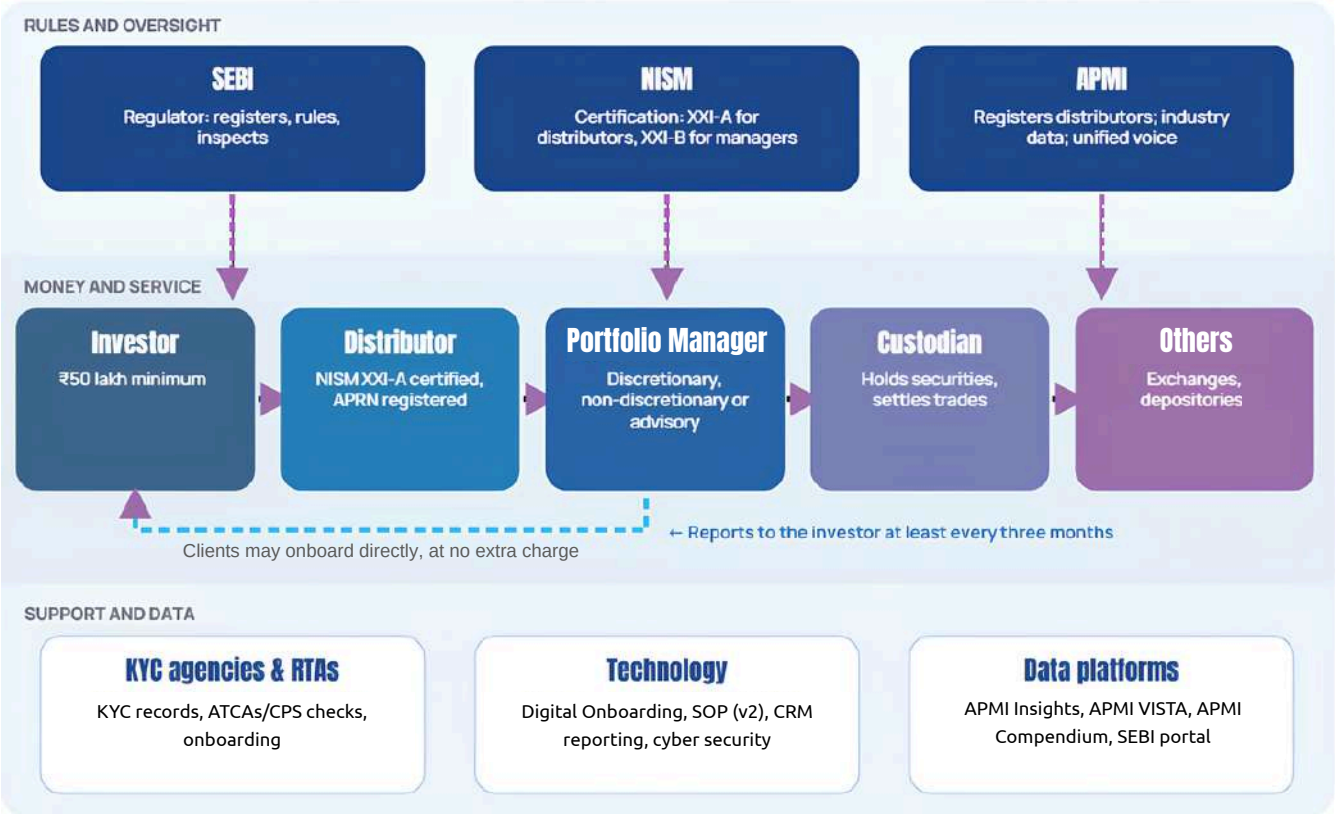
- What the Portfolio Manager invests in, and how concentrated it can be.
- Every fee, and the Distributor's commission.
- What the track record shows, and what it does not.
- The risks in the Disclosure Document, in plain words.
- How exits and top-ups work.

OPENING · 3

THE PMS ECOSYSTEM MAP

How money and service move from the investor to the market, and what supports and oversees that chain.

EXHIBIT 9: THE PMS ECOSYSTEM



- Every holding sits in the Client's own demat account, with an independent custodian.
- SEBI oversees Portfolio Managers Directly and Distributors through Portfolio Managers and APMI
- The Distributor is present at every stage: discovery, evaluation, onboarding, relationship, exit.

What this means for your business

- **Size your plan on the market you can serve.** The investor-facing part of PMS, the part a Distributor actually sells into, is ₹11.27 lakh crore, running alongside a larger provident fund base within the ₹44.35 lakh crore headline.
- **Expect a wider Client mix.** Since April 2026, Client accounts are up 6.4% against 4.9% for AUM. NRIs hold about 9% of accounts, and 93% of domestic Clients are non-corporate investors.
- **Registration is now the starting line.** There are 25,871 registered Distributors, about 48 for every Portfolio Manager. What sets you apart is how well you play the four roles: educator, interpreter, matchmaker and relationship Portfolio Manager.
- **Plan for a long relationship.** The Portfolio Manager pays you on a trail basis only, and your commission is shown in the Client's report. There is no upfront fee.



01

SECTION I

KNOW THE FRAMEWORK

The rules every PMS Distributor needs to know, in plain language.

- The regulatory architecture
- Becoming a PMS Distributor
- NISM XXI-A and the PMS Sales capsule
- Code of conduct and compliance calendar
- Ready reckoner of SEBI and APMI circulars

SECTION I · 1

THE REGULATORY ARCHITECTURE

Three layers of rules branch out from the SEBI Act. A Distributor mainly tracks the bottom two.

EXHIBIT 10: THE LAYERS OF PMS REGULATION

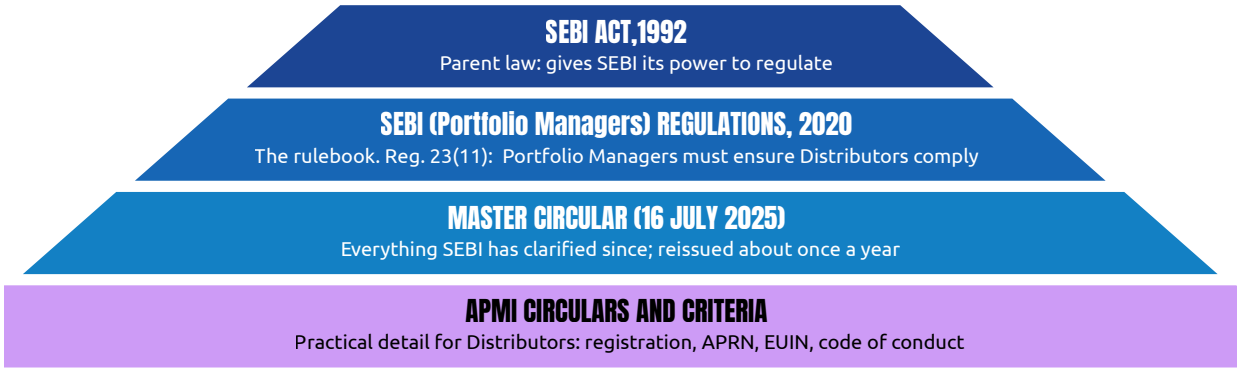


EXHIBIT 11: WHAT THE 2020 REGULATIONS CHANGED

For Portfolio Managers	For Clients
Net worth ₹5 crore at all times (was ₹2 crore)	Minimum investment ₹50 lakh (was ₹25 lakh), on the first investment.
Qualified, NISM-certified principal officer; one more qualified employee	CA-certified Disclosure Document: fees, risks, conflicts, performance.
Fees: ₹1 lakh (application), ₹10 lakh (grant), ₹5 lakh every 3 years	No upfront fees; fixed, return-based or hybrid only.
Responsible for Distributors' compliance (Reg. 23(11))	Separate holdings per Client; report at least quarterly, including Distributor commission.

EXHIBIT 12: WHERE DISTRIBUTOR OBLIGATIONS SIT IN THE MASTER CIRCULAR (16 JULY 2025)

Provision	What it requires
Para 2.3, Direct on-boarding	Clients may onboard directly with a Portfolio Manager, without a Distributor, at no extra charge.
Para 2.4, Supervision of Distributors	Trail-only payment from the Portfolio Manager's own fees; commission disclosed; yearly self-certification check.
Para 2.4A, Collective oversight through APMI	Anyone distributing PMS must register with APMI; Portfolio Managers must verify it.
Annexure 2B, Code of Conduct	The code every Distributor follows (see Section I · 4).

SECTION I · 1

THE REGULATORY ARCHITECTURE

What to monitor, always

✓ The **Master Circular** (reissued almost yearly)
✓ **APMI circulars** and Compliance Sutra sessions
✓ **NISM communiqués** on the XXI-A exam
✓ The **annual self-certification** deadline (15 April)
✓ SEBI's **review of the Regulations**

SECTION I · 2

BECOMING A PMS DISTRIBUTOR

Pass the exam, register with APMI, then get empanelled with each Portfolio Manager.

Becoming a PMS Distributor involves three steps, taken in this order. Each has its own rules, set out in the tables that follow. Under APMI's Single Registration Framework (SRF), the third step could become simpler, with one registration giving access to many Portfolio Managers.

EXHIBIT 13: THE THREE-STEP PATH[9]

1	2	3
PASS NISM XXI-A	**REGISTER WITH APMI**	**GET EMPANELLED**
100 MCQs · 2 Hours · 60% to pass · valid 3 years	APRN (or EUIN for employees); valid as long as the NISM certificate	An APRN is a passport, not a visa. Approach each Portfolio Manager separately

Who needs what	Requirement
Individual Distributors	NISM XXI-A + APRN (physical card)
Distributor firms	APRN (registration letter) + NISM XXI-A and an EUIN for every employee who sells PMS
Overseas Distributors	No NISM requirement; APMI registration and local-law compliance (APMI Circular APMI/2023-24/04)

REGISTRATION FEES (EXCLUDING 18% GST)

Category	₹
Individual / sole proprietor	500
Employee (EUIN)	250
MFI / post office	2,000
Co-op banks, trusts, HUFs, partnerships	2,500
Overseas individual	4,500
LLP / OPC / Pvt Ltd	5,000
NBFC / RRB / DCCB	25,000
Overseas non-individual	45,000
Banks / Public Ltd	100,000

RULES WORTH REMEMBERING

✓ Fully online: DigiLocker, OTP, penny-drop, Aadhaar e-sign.

✓ One APRN per Distributor.

✓ APRN lives with NISM: renew both together.

✓ EUIN travels with the employee; file a remapping form.

✓ Suspension/cancellation for code breaches, upheld mis-selling complaints, gross negligence or lapsed certification.

✓ APRN is not an endorsement by APMI.

Source: 9. APMI Master Document for Distributor Registration, v3.0 (29 June 2025), Annexure E.

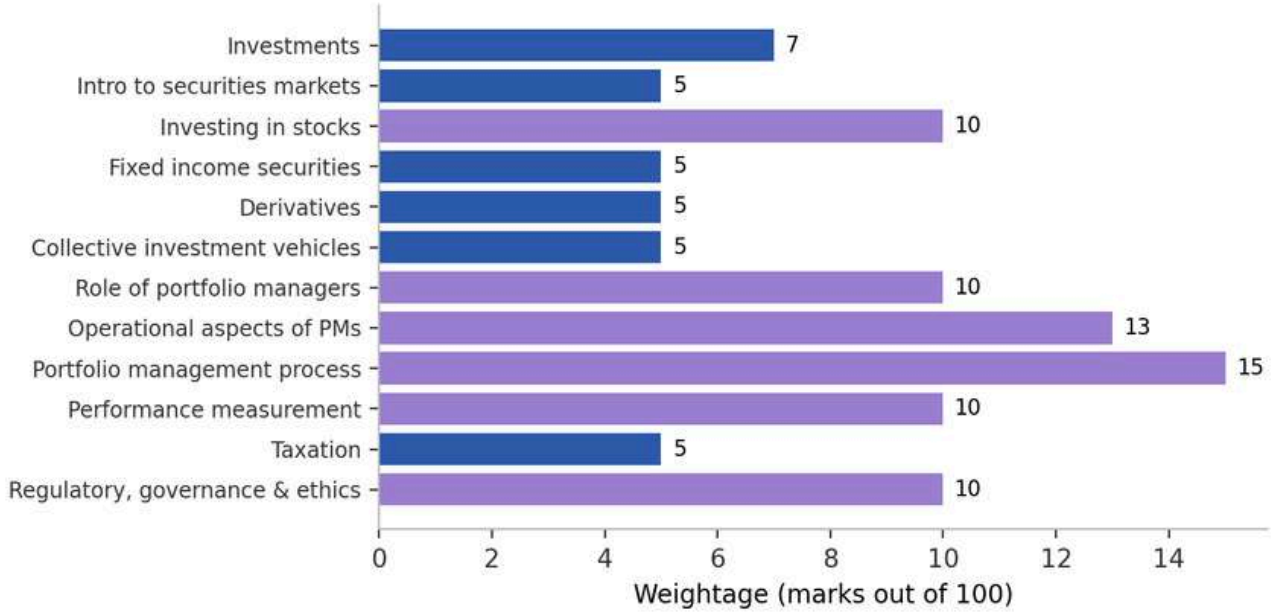
SECTION I · 3

NISM-SERIES-XXI-A AND THE PMS SALES CAPSULE

The certification sets the minimum knowledge bar; the capsule builds Client-facing skill.

100	2 hrs	60%	10%	3 yrs[10]
Questions	Duration	To pass	Negative marking (was 25%)	Validity

EXHIBIT 14: SYLLABUS WEIGHTAGE — UNITS 7–10 (PMS PRODUCT KNOWLEDGE) CARRY 48 MARKS



Renewal and CPE

- Revalidate via **CPE/eCPE in the 12 months before expiry**; renewed for 3 years.
- **Already expired? CPE is not available**: re-take the exam (general category).
- Renew your **APRN/EUIN** after the certificate.

NISM Capsule on PMS Sales (Jul 2025)

- ~2 hours online; NISM certificate; ₹500 (bulk discounts).
- Six modules: success attributes, Client-centric selling, product knowledge, relationships, Client segments, compliance.
- **Voluntary; does not replace XXI-A.**

Source: 10. NISM Communiqué 2025/01, 3 March 2025 (effective 15 March 2025).

SECTION I · 4

CONDUCT AND COMPLIANCE CALENDAR

The SEBI Code of Conduct (Master Circular, Annexure 2B) applies to everyone in PMS distribution.*

Always	Never
Put the Client's interest, risk profile and suitability first	Let commission drive a recommendation
Know the Disclosure Document, approaches, fees and agreement	Assure returns or misrepresent anything
Disclose all material information, including commission	Use rebates, gifts or other inducements
Explain risks and the Client's level of control by service type	Bad-mouth other Portfolio Managers or make incomplete comparisons
Help with KYC/IPV; keep Client data confidential	Manipulate, defraud or spread rumours
Hold a valid NISM certification at all times	Engage in distribution with a lapsed certificate or APRN

EXHIBIT 15: YOUR COMPLIANCE CALENDAR

Five recurring tasks keep a Distributor's registration in good standing. The top line of each box says when; the second says what to do.



EXHIBIT 16: IF ELIGIBILITY LAPSES (APMI CIRCULAR APMI/2023-24/05)^

If a Distributor's NISM certificate (and with it the APRN) lapses, APMI's best-practice rule on commission, agreed with SEBI, works like this:

Certificate expires	Recertify within 12 months	Not recertified by 12 months
No new Clients; commission on existing book withheld	Withheld commission paid in full	Withheld commission forfeited

*Summarised from the SEBI Code of Conduct for Distributors. Refer to the Master Circular for the full text.
^Portfolio Managers send at least three reminders. On a Distributor's death, accrued commission goes to the nominee.

SECTION I · 5

READY RECKONER: SEBI AND APMI CIRCULARS

The circulars, communications and reference documents every PMS Distributor should keep handy, with links.

GAZETTE & SEBI CIRCULAR

Date	Particulars
7th September'21	Gazette on Certificate of Associated Persons in Securities Market
2nd May'24	Facilitating collective oversight of Distributors for Portfolio Management Services (PMS) through APMI

SEBI COMMUNICATION

Date	Particulars
9th April'25	Clarification regarding SEBI Circular dated 2nd May'24

APMI CIRCULARS & GUIDELINES

Date	Particulars
24th April'23	Clarifications on SEBI notification no. SEBI/LAD-NRO/GN/2021/48 dated September 07, 2021
26th April'23	Best Practice for payment of commission to Distributors who lose eligibility temporarily
11th November'25	Guidelines for Change in Distributor (APRN Code) & Transfer of AUM from one PMS Distributor to another

SECTION I · 5

READY RECKONER: SEBI AND APMI CIRCULARS

APMI COMMUNICATIONS

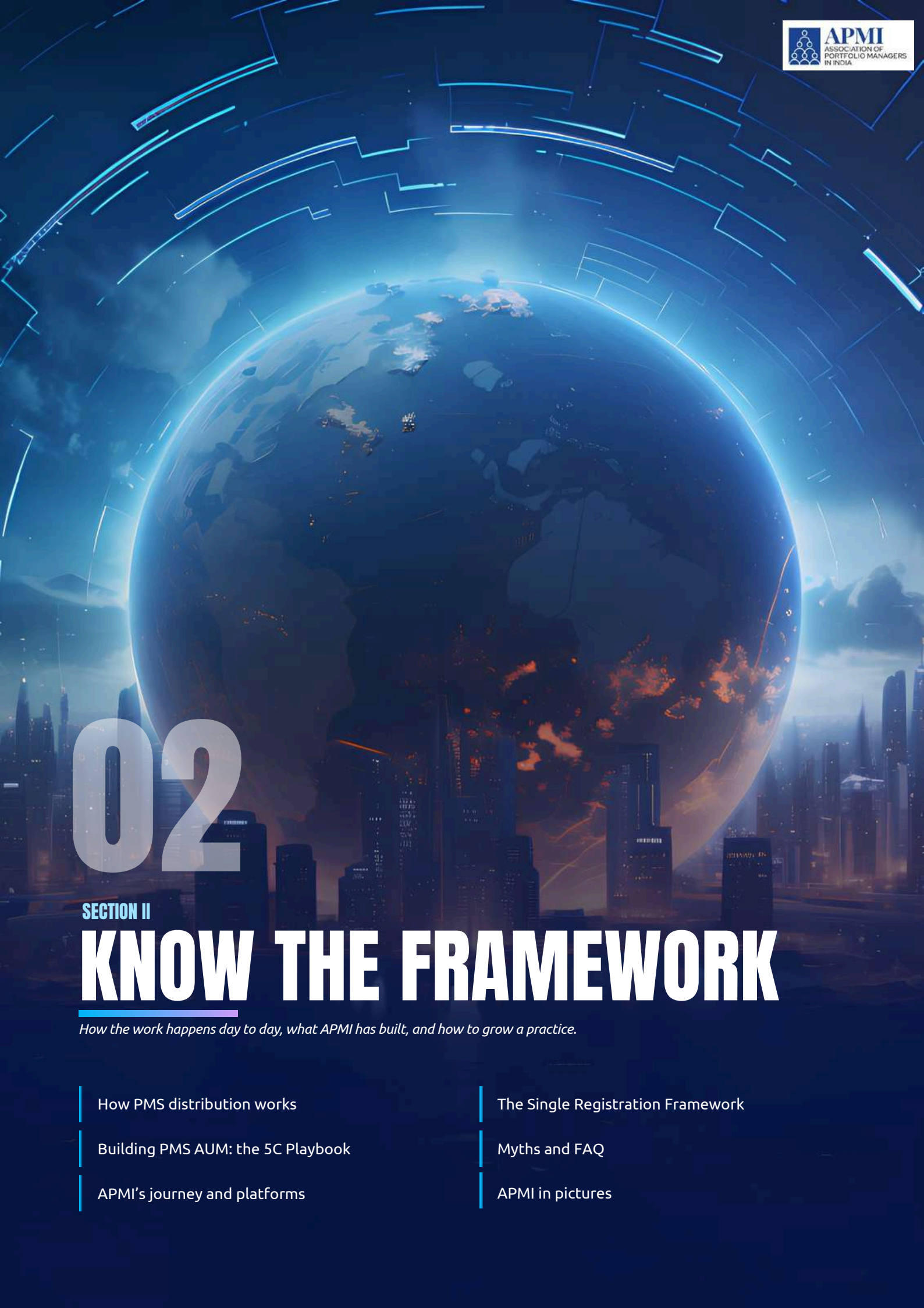
Date	Particulars
3rd October'22	Guidance Note on NISM XXI-A
7th September'23	Applicability & Important dates for NISM XXI-A & XXI-B
31st December'24	Guidance on Distributor Compliance & APRN
15th March'25	NISM Series XXI-A- Changes in Syllabus outline, weightages & negative marking
9th April'25	Communication on Distributor Code of Conduct- Download of Distributor Compliance Certificate for FY 2024-25
21st January'26	Launch of Enhanced Version of the APMI Distributor Registration Portal- Phase I which incorporates SEBI mandated requirements on Social Media & DSC
13th March'26	Launch of Enhanced Version of the APMI Distributor Registration Portal -Phase II which incorporates additional Features including a dedicated dashboard, EUIN download facility, EUIN bulk renewal request & information section
1st April'26	Creation of utility for Submission of Annual Declaration of Self Certification- FY 2025-26

SECTION I · 5

READY RECKONER: SEBI AND APMI CIRCULARS

IMPORTANT INFORMATION

Reference	Particulars
APMI-DRP	Master Document for Distributor Registration
Fee Structure	Fee structure for Distributor Registration & Renewal
Help Video	Help Video on Submission of Annual Declaration
Training & Development	Workbook for NISM XXI-A
Training & Development	MoU- Letter of arrangement between APMI & NISM
Training & Development	Capsule on PMS Sales
Training & Development	Appointment of Training Partners for NISM XXI-A certification
Training & Development	Further enhancement towards appointment of Training Partners for NISM XXI-A certification
Help Utility for PMS Managers- Which helps them to manage their Distributors better	Distributor Renewal- Pending Cases
Help Utility for PMS Managers- Which helps them to manage their Distributors better	APRN Cancellation



02

SECTION II

KNOW THE FRAMEWORK

How the work happens day to day, what APMI has built, and how to grow a practice.

- How PMS distribution works
- Building PMS AUM: the 5C Playbook
- APMI's journey and platforms
- The Single Registration Framework
- Myths and FAQ
- APMI in pictures

SECTION II · 1

HOW PMS DISTRIBUTION WORKS

Every Client passes through the same five stages. How well each is handled is largely the Distributor's work.

EXHIBIT 17: THE INVESTOR JOURNEY

1	2	3	4
Discovery	**Evaluation**	**Access**	**Relationship**
An APRN is a passport, not a visa. Approach each Portfolio Manager separately	Compares approaches, Portfolio Managers, fees, track records	KYC, agreement, ₹50 lakh, account opens	Quarterly reports, reviews, rebalancing talks

Stage	What the investor does	What the Distributor does
1. Discovery	Hears about PMS, often after outgrowing mutual funds alone.	Explains clearly and honestly what PMS is and is not.
2. Evaluation	Compares approaches, Portfolio Managers, fees and track records.	Helps read the Disclosure Document; compares like with like; asks the right questions.
3. Access	Completes KYC, signs the agreement, invests ₹50 lakh or more.	Supports KYC, the agreement and MITC; digital onboarding under APMI's SOP.
4. Ongoing relationship	Receives reports at least every three months.	Explains reports; reviews whether the approach still fits; sets expectations before volatility.

SECTION II · 1

HOW PMS DISTRIBUTION WORKS

EXHIBIT 18: READING A TRACK RECORD

✔ What it tells you	✖ What it does not
Performance across market conditions	Future performance, ever
How it held up in a fall, and how fast it recovered	Whether it suits this Client
Consistency, and return versus risk taken	Whether the same fund Portfolio Manager still runs it
	Approaches that closed down (survivorship)

EXHIBIT 19: LOOK BEYOND RETURNS

Dimension	What to check
Fees	Fixed, performance or hybrid; high-water mark and hurdle; net-of-fee impact
Liquidity	How fast and in what form a Client can exit (cash or securities in kind)
Concentration	Often 15–30 stocks: more upside if right, more downside if not
Turnover	More trades = more cost and tax, since every trade is the Client's own
Benchmark	What "doing well" is measured against
Portfolio Manager	Process, team stability, key-person risk, governance, custody, reporting
Client fit	Overlap with existing holdings, share of total wealth, horizon

SECTION II · 2

BUILDING PMS AUM: THE 5C PLAYBOOK

Building PMS AUM is not simply about finding Clients with investible surplus. It is about finding the right Clients, having meaningful conversations, identifying the right fit and building relationships that endure through market cycles.

01 Curate
Find the right Client universe: right Client, right opportunity, right conversation



02 Connect
Start with the Client, not the product. Ask, listen, then respond

03 Converse
Explain the investment story; don't just present the product

04 Convert
Turn interest into an informed decision. No return promises

05 Cultivate
Build relationships that compound, and earn referrals

THE PMS AUM FORMULA

Right Clients + Right conversations + Right fit + Consistent engagement + Trust

= SUSTAINABLE PMS AUM

"Don't just build AUM. Build trust around the AUM."

SECTION II · 2

BUILDING PMS AUM: THE 5C PLAYBOOK

If you see…	Review…
Few conversations	Outreach
Few qualified prospects	Targeting
Low conversion	Proposition and Client concerns
Weak retention	Engagement

SECTION II · 3

APMI: FROM INDUSTRY BODY TO ECOSYSTEM BUILDER

Rooted in trust. Growing with purpose.

Fact	Detail
Incorporated / operational	31 December 2021 (Section 8 company) / 1 May 2022.
Why	A unified voice for SEBI-registered Portfolio Managers, akin to AMFI for mutual funds, after the 2019 Ranganayakulu committee review.
Leadership	Chairman Mr. Vikas Khemani; Vice Chairman Mr. Sandeep Jethwani.
Mandate from SEBI	Collective oversight of PMS Distributors (SEBI circular dated 2 May 2024, effective 1 Jan 2025); first-level investor complaint handling (SEBI circular dated 20 September 2023).

EXHIBIT 21: THE APMI CHARTER

APMI's charter sets out four areas of work:

Policy formulation
Helping SEBI and government evolve policy for orderly growth, and guiding members on implementation

Knowledge repository
Sharing developments and acting as the repository for industry data

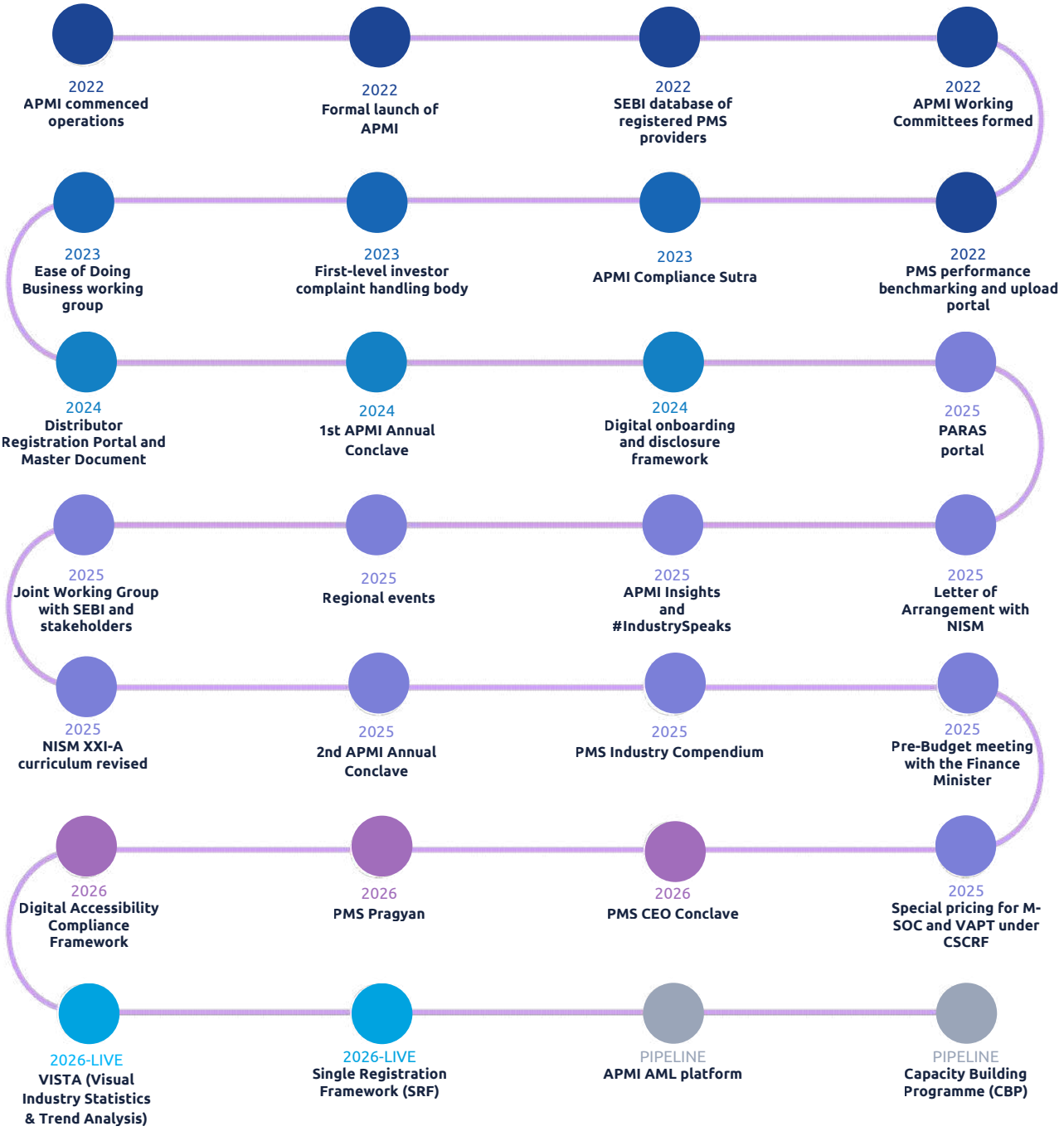
Industry advocacy
Presenting a coherent industry view to build public confidence

Ethics and governance
Setting professional and ethical standards that protect investors

SECTION II · 3

APMI: FROM INDUSTRY BODY TO ECOSYSTEM BUILDER

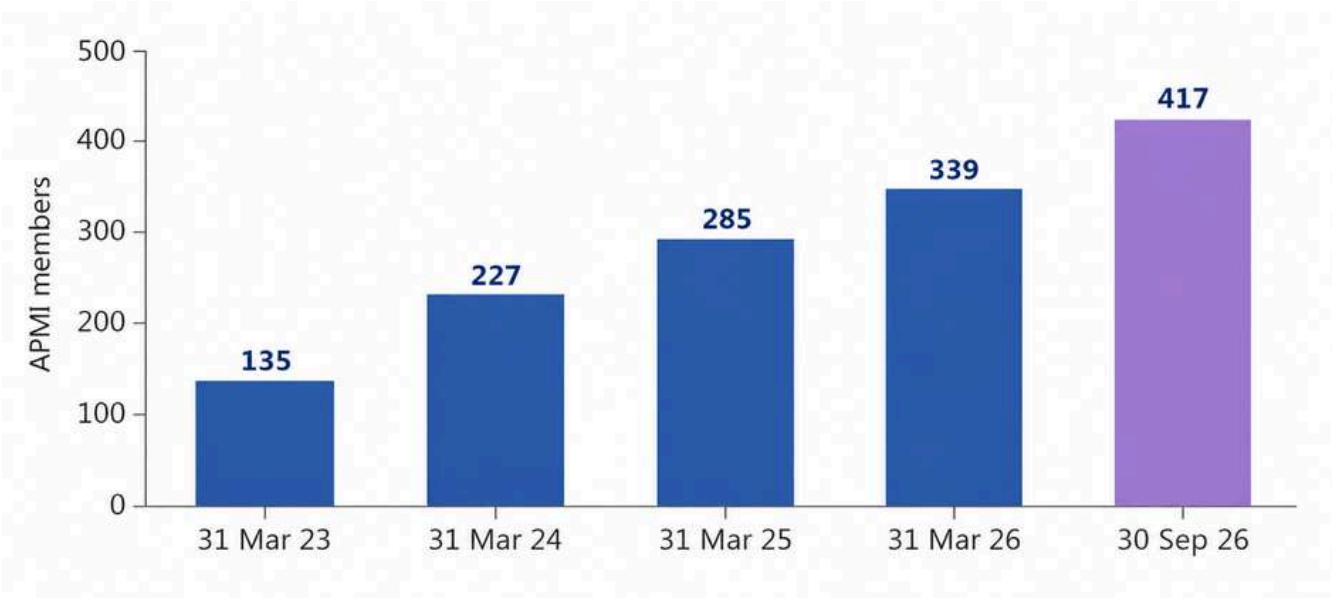
EXHIBIT 22: APMI'S JOURNEY: THE PATH



SECTION II · 3

APMI: FROM INDUSTRY BODY TO ECOSYSTEM BUILDER

EXHIBIT 23: APMI MEMBERSHIP, SINCE INCEPTION[11]



Source: 11. APMI Data.

SECTION II · 4

WHAT APMI HAS BUILT FOR DISTRIBUTORS

Registration, digital workflows, data and learning, in one ecosystem.

APMI's work for Distributors falls into four areas:

Registration & APRN
One registration system and a unique ID (APRN/ EUIN) for every Distributor.

Digital workflows
Online registration, annual self-certification, dashboard, bulk renewals, EUIN download.

Data & insights
APMI Insights, APMI VISTA, and the APMI monthly Compendium.

Learning & communications
NISM capsules, circulars, guidance notes, Compliance Sutra, conclaves.

Enhanced Distributor Registration Portal – Phase II

"The rollout of Phase II of the Enhanced Distributor Registration Portal introduced new features, including Annual Declaration of Self-Certification (DSC), a personalized Distributor dashboard, bulk renewal requests, EUIN download facility, and a dedicated section for circulars, communications, and industry updates. These enhancements simplified compliance and strengthened the digital experience for APRN holders."

Platform	What Distributors get
APMI Insights	Free public dashboard: AUM trends; filter approaches by age and size; approach-level performance vs BSE 500 TRI, Nifty 50 TRI, MSEI SX 40 TRI.
APMI VISTA	Visual Industry Statistics & Trend Analysis: curated research, industry intelligence and trend analytics.
PMS Industry Compendium	Monthly snapshot of industry numbers and developments.
Distributor reports for Portfolio Managers	Search Distributors; renewal-pending, APRN cancellation and DSC-submission reports.
Guidelines on APRN change and AUM transfer (Nov 2025)	Uniform, fair process when a Client changes Distributor.

SECTION II · 5

THE SINGLE REGISTRATION FRAMEWORK

"One Industry, One Access Framework": register once, work with many Portfolio Managers.

APMI launched the Single Registration Framework (SRF) at its 3rd Annual Conference on 30th September 2026.

Before SRF	Under SRF
APRN from APMI, then separate empanelment with every Portfolio Manager.	Centralised registration against common eligibility, due diligence and conduct standards.
Repeated onboarding and documentation for each relationship.	Engage multiple Portfolio Managers without repetitive onboarding (subject to each Portfolio Manager's policies and suitability norms).
Terms negotiated Portfolio Manager by Portfolio Manager.	Standard **PMS Distribution Terms & Conditions**, adopted with mutually agreed commercials.

EXHIBIT 24: WHAT SRF IS DESIGNED TO DELIVER



Efficiency	Standardisation	Governance	Market access	Scalability
Less time, cost and admin for Distributors and Portfolio Managers.	Uniform onboarding, documents and compliance standards.	Central oversight, clear accountability and monitoring.	Smaller Distributors can reach a wider range of PMS.	A framework for long-term, structured growth.

EXHIBIT 25: KEY PROVISIONS IN THE DRAFT TERMS & CONDITIONS, FOR DISTRIBUTORS

Area	Draft provision
Appointment	Non-exclusive; either party free to work with others
Fees	As agreed in the distribution agreement; exclusive of GST, subject to TDS; never shared with investors
APRN	Must be quoted on every application; no Distributor fee payable if the code is omitted

SECTION II · 5

THE SINGLE REGISTRATION FRAMEWORK

Clawback	Excess fees on early Client withdrawal may be set off or refunded within 30 days
Termination	30 days' notice without reason; 15-day cure for breach; automatic if a required licence or registration is suspended; fees for prior business remain payable
APRN change	Governed by APMI's Guidelines of 11 November 2025
Other	Indemnity, confidentiality, DPDP data protection, information security, arbitration

SECTION II · 6

PMS MYTHS UNMASKED AND FREQUENTLY ASKED QUESTIONS

Misconceptions Distributors hear, and the realities to share.

Myth		Reality
PMS is only for ultra-rich investors.	01	SEBI sets the minimum at ₹50 lakh, and you can bring it in as cash or as securities you already hold. Anyone with that much invested can get a bespoke, professionally managed wealth service. That used to be available only through family offices and private banks.
PMS always delivers superior returns.	02	A portfolio manager isn't there to beat every index every year. The job is to build a portfolio across equity, debt, gold and other assets that fits your goals. It is then managed with discipline so it delivers the outcome you need over time.
PMS is just like mutual funds.	03	A mutual fund is one product in one asset class, shared with thousands of investors. A PMS is your own account, held in your name. It can combine listed equity, bonds, mutual funds, ETFs, gold, REITs and InvITs into one plan built around you.
PMS is too risky.	04	Risk is something you choose, not something built into PMS. A portfolio manager can blend equity, debt, gold and cash, so your portfolio can match your own risk appetite. That can range from conservative income to aggressive growth, and it is rebalanced as your life changes.
PMS lacks regulation.	05	Every portfolio manager is registered with SEBI and works under strict rules. These include a written client agreement, securities held in your own demat account, an independent custodian, audited reporting and limits on what each portfolio can hold.
PMS is illiquid.	06	There is no mandatory lock-in, and you can withdraw part or all of your money. The portfolio is held in your name and built mostly from listed, tradeable assets, so exits are usually quick. The only cost is any exit load set out in your agreement.
PMS is expensive and not worth the cost.	07	A fee looks expensive on its own. What it buys is one professional managing all your investible wealth across asset classes, including allocation, selection, rebalancing and reporting. Without that, you would be juggling several products, advisors and fees.

SECTION II · 6

PMS MYTHS UNMASKED AND FREQUENTLY ASKED QUESTIONS

	Myth	Reality
08	**You lose control over your investments.**	Every security sits in your own demat and bank account, and you can see it at any time. You set the mandate: the asset mix, limits and anything you want excluded. If you'd rather approve each decision yourself, you can choose a non-discretionary service.
09	**PMS is only equity-focused.**	Equity is only one part of it. A portfolio manager can invest across listed equity, bonds, government securities, money market instruments, mutual funds, ETFs, gold, REITs and InvITs. That way your wealth is managed as one portfolio instead of a collection of separate products.
10	**PMS performance is not transparent.**	You can see every holding, transaction and fee across all your asset classes in one place. You get regular reports, an annual audit of your account, and performance net of fees against a standard benchmark. It's always clear how your money is doing.
11	**PMS guarantees high returns in every market condition.**	No one can guarantee returns, and SEBI doesn't allow portfolio managers to promise them. What a portfolio across asset classes can do is spread risk. Equity, debt and gold behave differently, so a balanced mix can soften the falls and still capture growth over time.
12	**PMS is suitable only for aggressive investors.**	A portfolio manager can use debt, gold and cash as well as equity. That means a PMS can be built for steady income, balanced growth or aggressive returns, whichever matches your goals, risk appetite and time horizon.
13	**PMS portfolios are the same for every Client.**	Your portfolio is built around you. That covers your asset mix, your existing holdings and the tax that comes with them, your cash-flow needs and any exclusions you ask for. Two clients with ₹50 lakh each can end up with very different portfolios.
14	**PMS Portfolio Managers frequently churn portfolios unnecessarily.**	Each trade should serve your plan, whether that's rebalancing across asset classes, harvesting tax losses or acting on a clear opportunity. Every transaction shows up in your statement and its costs are yours, so discipline is easy to check.

SECTION II · 6

PMS MYTHS UNMASKED AND FREQUENTLY ASKED QUESTIONS

	Myth	Reality
15	PMS is only for short-term wealth creation.	A PMS is built around your timeline. Equity for long-term growth, debt for nearer-term needs and gold as a hedge can all sit in one portfolio. Each part is matched to when you'll need the money, whether that's next year or twenty years away.
16	PMS investments are difficult to track.	All your assets show up in one consolidated statement: equity, debt, funds and gold together. You can see each holding, transaction, fee and return without piecing together statements from different products and providers.
17	PMS taxation is very complicated.	You're taxed as if you held each asset directly, under the normal rules for its type and holding period. Securities you already own can usually move into the PMS without being sold, so you aren't taxed for switching. A portfolio manager can also plan trades with tax in mind.
18	PMS is unaffected by market volatility.	No portfolio is immune to markets. A portfolio across asset classes can be built so that a fall in one is cushioned by others, with debt, gold and cash steadying the equity. It is then rebalanced through the cycle to keep risk where you want it.
19	Higher fees always mean better PMS performance.	A higher fee doesn't guarantee better results. The value is in the service: one manager handling your whole portfolio across asset classes, including allocation, selection, rebalancing, tax and reporting. Judge the fee against the full service and the results, not the headline rate.
20	PMS is only meant for stock market experts.	A PMS is for people who'd rather not manage their own money. The portfolio manager handles allocation, selection and monitoring across every asset class. Your part is to share your goals and understand the plan built for them.
21	PMS investments cannot align with financial goals.	Building around your goals is the whole point. Your asset mix, risk level, time horizon, income needs and tax position all go into your portfolio. It can be reshaped as your goals change, whether that's retirement, a child's education or passing wealth on.

SECTION II · 6

PMS MYTHS UNMASKED AND FREQUENTLY ASKED QUESTIONS

Myth		Reality
Once invested in PMS, switching strategies is not possible.	22	Your portfolio is meant to change as your life does. You can shift the asset mix, move between strategies or update your mandate with your portfolio manager whenever your goals or circumstances change. Any securities that have to be sold along the way are taxed and charged as normal.

FREQUENTLY ASKED QUESTIONS

Question	Short answer
Do I need my own demat account for PMS?	Yes. Securities bought for a PMS Client sit in that Client's own demat account, held with a custodian, not in a pooled account shared with other investors.
What is the difference between discretionary, non-discretionary and advisory PMS?	Discretionary: the Portfolio Manager decides and acts. Non-discretionary: the Portfolio Manager advises and the Client instructs, but the Portfolio Manager still executes. Advisory: the Portfolio Manager only advises, and the Client places every trade.
Who actually holds my securities and cash?	A custodian, appointed by the Portfolio Manager, other than for advisory-only services where none is required. The custodian is separate from the Portfolio Manager, which is part of how Client assets stay protected.
If I invest more money later, does it have to be another ₹50 lakh?	No. SEBI's clarification is that the ₹50 lakh minimum applies to a Client's first investment. Money added afterwards does not need to clear that threshold again.
What happens to my portfolio if my Distributor's certification lapses?	Nothing happens to the portfolio itself. What changes is on the Distributor's side: they cannot onboard new Clients, and their commission on existing Clients is paused until they recertify.
What if I'm not satisfied with how my Portfolio Manager is handling my account?	Every Portfolio Manager must have a grievance redressal process, and investors can also escalate through SEBI's SCORES platform.

SECTION II · 6

PMS MYTHS UNMASKED AND FAQ

What this means for Distributors' business

- **Follow the three steps in order.** Pass NISM XXI-A, register with APMI to get your APRN (employees get an EUIN), then get empanelled by each Portfolio Manager you want to work with. An APRN alone does not let you sell.
- **Put the dates in your diary.** File your annual self-certification by 15 April. Your CPE window opens 12 months before your NISM certificate expires.
- **Do not let the certificate lapse.** If it does, you cannot take new Clients and commission on your existing book is withheld. Recertify within 12 months and it is paid in full. After 12 months it is forfeited.
- **Keep the Ready Reckoner close.** Check APMI circulars and communications regularly. SEBI's review of the 2020 Regulations is not yet final, so treat any proposal as a proposal until it is notified.

SECTION II · 7

APMI IN PICTURES

Conclaves, conferences and consultations that bring the PMS ecosystem together.

MILESTONES



Launch event, 2022: "Portfolio Management Industry's Way Forward with APMI"



Inauguration of the APMI office by a Whole Time Member of SEBI, December 2025



PMS Conclave with SEBI and NISM



Mr. Manoj Kumar, Executive Director, SEBI, in conversation with Mr. Ajinkya Rahane

SECTION II · 7

APMI IN PICTURES

CONCLAVES AND CONFERENCES



PMS Conclave 2026



"Kolkata Speaks" roundtable, PMS Leadership Conclave, Kolkata 2026



APMI Conference, Ahmedabad



Panel discussion, APMI Conference, Ahmedabad



Industry panel discussion



Lamp lighting at an APMI conference

SECTION II · 7

APMI IN PICTURES

CONSULTATIONS WITH MEMBERS



Consultation on the Guidelines for Change in APRN Code and Transfer of AUM



Member consultation on the SOP for Digital Onboarding, Version 2

FELICITATIONS



PMS Leadership Conclave



PMS Conclave 2026



PMS Leadership Conclave, Kolkata



PMS Leadership Conclave, Kolkata 2026

SECTION II · 7

APMI IN PICTURES



PMS Leadership Conclave, Kolkata 2026



PMS Leadership Conclave, Kolkata 2026



PMS Leadership Conclave, Kolkata 2026



APMI Conference 2026, Ahmedabad



APMI Conference 2026, Ahmedabad



03

SECTION III

KNOW THE FUTURE

Where PMS distribution is heading, in the words of those shaping it.

- How Three Shifts reshaping distribution
- Mr. Sashi Krishnan, Director, NISM
- Mr. Iqbal Singh, Founder & MD, Innovative Financial Management
- Team MACG, MFD Associations Coordination Group
- Mr. Himanshu Vyapak, MD, CIEL & CEO FinX

SECTION III · 1

THREE SHIFTS RESHAPING DISTRIBUTION

APMI's focus for FY2026–27: Transparency, Standardization and trust, through collaboration and regulatory alignment.

EXHIBIT 13: THE THREE-STEP PATH

1	2	3
The Investor	**The Technology**	**The Distributor**
Wants outcomes, not just products	Handles the paper work and not the judgement	More Interpreter, less seller

The Investor	The Technology	The Distributor
Outcome-seeking: "What am I trying to achieve?"	Digital KYC, e-sign, portal workflows	From relationship Portfolio Manager to investment interpreter
Distributor firms	Richer data: Insights, VISTA	Knowledge, ethics, credibility beyond the certificate
Digital-first onboarding and reporting	CRM and workflow automation	Data and tech fluency
New segments: family offices, next-gen wealth, Tier 2/3 cities	AI-assisted research and Client updates	Specialisation (NRIs, family offices, strategies)
	Personalisation at scale, judgement stays human	A defined professional identity

SECTION III · 2

PRIM AND INDEPENDENT FUND MANAGERS

SEBI approved PRIM and Independent Fund Managers on 24th September 2026, as a part of the new Portfolio Managers Regulations, 2026.

The new framework introduced two changes relevant to distributors: Portfolio Management Services for Retail Investors (PRIM), which provides a lower-ticket route to portfolio management, and Independent Fund Managers (IFM), a new role within a Portfolio Manager's structure.

EXHIBIT 14: PRIM AT A GLANCE[12]

	Conventional PMS	PRIM
Minimum investment	₹50 lakh	₹25 lakh
Invests in	Direct equities, bonds and other securities	Direct mutual funds, ETFs, index funds, SIFs
Net worth to register (PRIM-only)	₹5 crore	₹2 crore
Fees	Fixed, performance-based, or both	Fixed, capped at 1% of AUM; performance fees allowed

An existing Portfolio Manager can offer PRIM as a separate investment approach. A firm operating only in PRIM can register separately with a lower net worth requirement. Its Principal Officer can be a graduate with two years of experience in the securities market and a simplified NISM certification, which is a lower requirement than for standard PMS. Exit loads are waived on PRIM investments.

Worth knowing

SEBI requires the Mutual Fund Distributor and PRIM roles to stay separated for every Client except accredited investors. The same person cannot be both for one Client.

Source: 12. SEBI, Key decisions taken in the SEBI Board Meeting dated 24 September 2026 (PR No. 59/2026).

SECTION III · 2

PRIM AND INDEPENDENT FUND MANAGERS

EXHIBIT 14: WHAT IFM CHANGES[13]

One Portfolio Manager, full liability The registered Portfolio Manager answers for everything an IFM does.	**Same bar as a Principal Officer** Qualifications, experience and certification requirements match.	**One PM, many IFMs. One IFM, one PM.** No operating under two firms at once.	**Fees go to the Portfolio Manager** Not to the IFM directly.	**A Client can exit if the IFM leaves** The relationship does not have to survive a change of IFM.

For a Distributor, the change is limited: a client's money may be managed day to day by a named IFM instead of the Portfolio Manager's own team. The Portfolio Manager remains accountable, so this is still the entity to evaluate. APMI will maintain a central database of all active IFMs, providing Distributors with another registry to refer to alongside those already covered in this guide.

Source: 13. SEBI, PR No. 59/2026, 24 September 2026.

SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

Mr. Sashi Krishnan
Director, National Institute of Securities Markets (NISM)

The next stage of India's Portfolio Management Services ecosystem can be shaped by professional distribution, continuous education, and informed participation.

> *"The sustainable growth of PMS will depend not only on wider distribution, but on better-informed distribution: deeper product understanding, stronger suitability, clearer risk communication, continuous learning, and transparent investor engagement."*

India's PMS ecosystem has expanded significantly since 2019. But scale alone is not the most important story. As products, regulations and investor expectations become more sophisticated, distribution itself is becoming a knowledge function. The next stage of development will increasingly rest on product due diligence, suitability, investor education, technology-enabled transparency, and continuous professional development across the ecosystem.

A PARTICIPATION LADDER FOR INDIAN INVESTORS

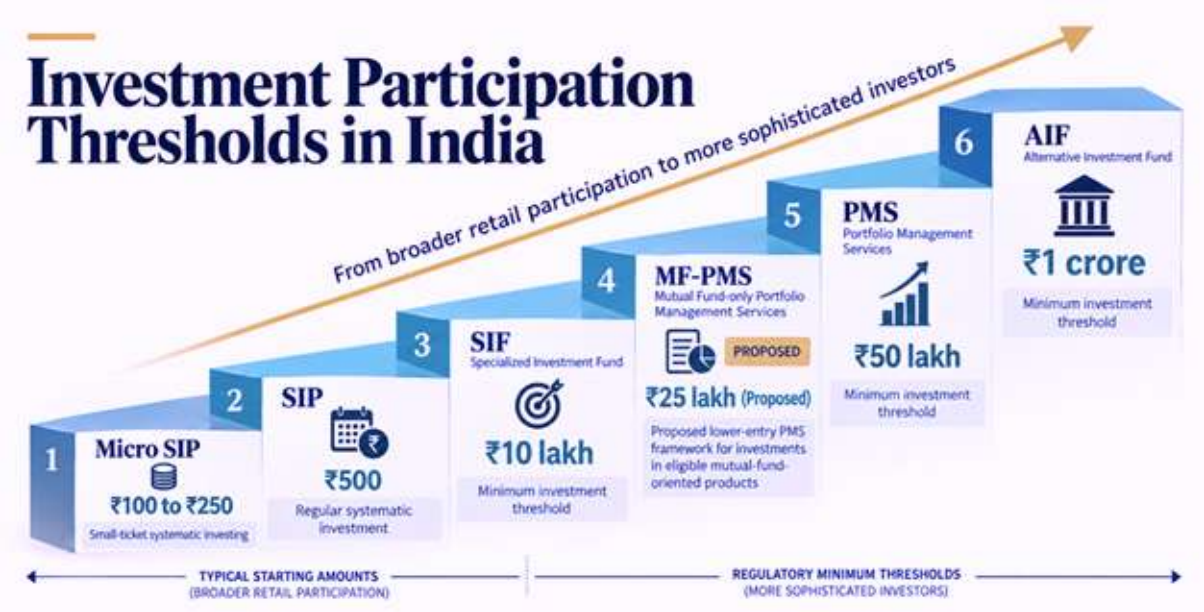
India's investment-participation landscape spans a wide continuum: from Micro SIPs and SIPs, which allow broad household participation at very small or regular ticket sizes, to SIFs, **the proposed MF-PMS structure**, conventional PMS and AIFs, where ticket sizes and expected investor sophistication rise progressively. As investors move across this continuum, they will encounter increasing product complexity, customisation, discretion and the need for more nuanced risk, suitability and disclosure conversations.

PMS occupies an important middle-right position in India's market architecture. It sits beyond broad retail participation, but below the highest threshold applied to AIFs. As investors move from simple participation products to more tailored managed solutions, distribution can no longer be treated as mere product placement. The quality of product understanding, suitability assessment, investor education, transparency, and continuing professional development becomes progressively more important. This is why we need to strengthen the ecosystem around PMS.

SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

FIGURE 1. INVESTMENT PARTICIPATION THRESHOLDS IN INDIA: FROM BROADER RETAIL ENTRY POINTS TO MORE SOPHISTICATED INVESTOR PRODUCTS.



*SIP and Micro SIP values are indicative starting amounts that may vary across schemes/AMCs. SIF, PMS and AIF figures represent applicable minimum investment thresholds; **MF-PMS ₹25 lakh is shown as a proposal**, not a notified final requirement.*

A MARKET COMING OF AGE

India's Portfolio Management Services industry has changed materially over the past several years. SEBI's July 2026 consultation paper records that reported PMS assets under management increased from approximately ₹18.07 lakh crore in April 2019 to ₹42.61 lakh crore by 31 May 2026. Over the same period, the Client base rose from about 1.50 lakh to 2.19 lakh[14]. The number of Portfolio Managers increased from 226 in 2020 to 515 by May 2026[15].

These numbers demonstrate scale. More importantly, they highlight the need for a stronger ecosystem around that scale: better data interpretation, product due diligence, risk communication, suitability, and professional capability. While the increase in PMS AUM has been impressive, this growth can be sustained only if the quality of participation improves.

SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

FIGURE 2. REPORTED PMS AUM MORE THAN DOUBLED BETWEEN APRIL 2019 AND MAY 2026.

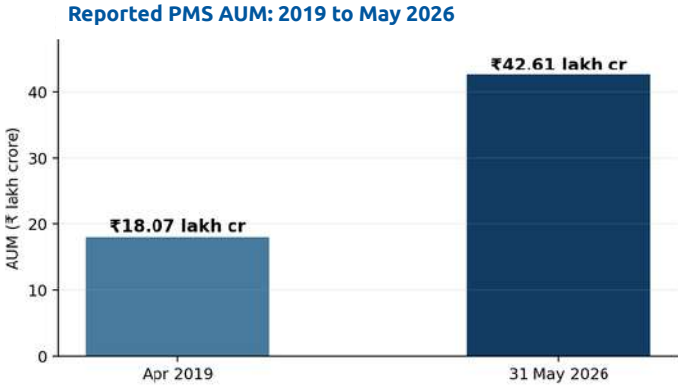
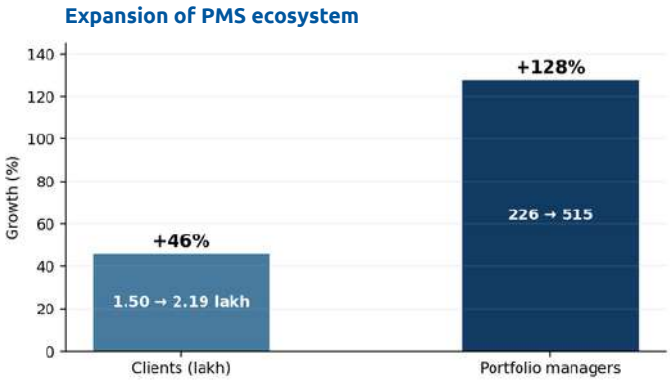


FIGURE 3. THE ECOSYSTEM EXPANDED IN BOTH CLIENTS AND REGISTERED PORTFOLIO MANAGERS.

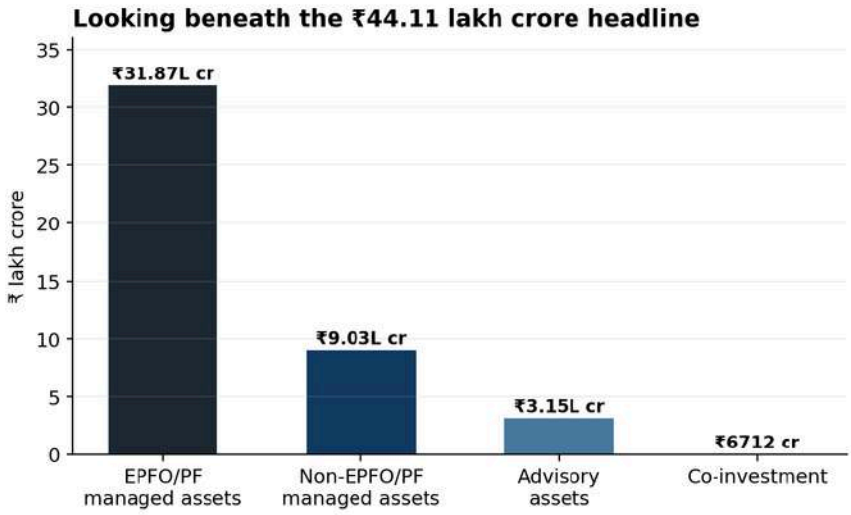


READING THE HEADLINE AUM CORRECTLY

The latest monthly SEBI statistics available for this publication report aggregate assets of ₹44.11 lakh crore as at 31 July 2026. That headline, however, needs to be viewed in context as a significant component of domestic PMS assets is represented by large institutional mandates. Approximately ₹31.87 lakh crore of discretionary and non-discretionary assets represented EPFO/PF mandates. The corresponding non-EPFO/PF pool was approximately ₹9.03 lakh crore; co-investment assets were about ₹6,712 crore and advisory assets about ₹3.15 lakh crore[16].

While the total figure is a useful measure of the scale of assets reported by portfolio managers, it is obvious that much of this is not conventional HNI PMS money. The next phase of growth will require the industry to deepen its presence among High Net Worth and Ultra High Net Worth individuals.

FIGURE 4. THE ₹44.11 LAKH CRORE HEADLINE CONTAINS VERY DIFFERENT POOLS OF ASSETS.



SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

DISTRIBUTION IS BECOMING A KNOWLEDGE FUNCTION

For sophisticated investment products, a Distributor cannot be reduced to a channel for product access. The role increasingly requires understanding what a strategy owns, how it is constructed, its sources of return, its concentration and liquidity, how it behaves in drawdowns, the relevance of its benchmark, the impact of fees, and the conditions under which the strategy may underperform.

This is especially important when investors compare strategies on the basis of recent point-to-point returns. Similar headline returns can emerge from very different portfolios. One strategy may be concentrated in smaller companies; large caps may dominate another. One may maintain high active share; another may carry meaningful style or sector exposure. A professional Distributor needs to interpret those differences rather than simply reproduce a performance table.

FIGURE 5. A CONCEPTUAL EVOLUTION OF THE PMS DISTRIBUTION FUNCTION.



The direction of regulation supports this professionalisation. SEBI's circular dated May 2, 2024, created collective oversight of PMS Distributors through the Association of Portfolio Managers in India (APMI). Portfolio Managers must ensure that persons or entities engaged in PMS distribution obtain registration with APMI; the requirement took effect from 1 January 2025[17]. This gives the industry a stronger common architecture for standards, accountability and capability-building.

FROM PRODUCT SELECTION TO PORTFOLIO FIT

While a product-led conversation starts with the PMS, a suitability-led conversation starts with the investor. Before even a strategy is considered, questions relating to financial objectives, risk tolerance, risk capacity, liquidity requirements, investment horizon, existing asset allocation, concentration of total wealth, tax considerations and expectations across market cycles need to be articulated.

The fact that an investor can meet a regulatory minimum investment threshold does not by itself establish suitability. An attractive strategy can still be inappropriate if it duplicates existing exposures, creates excessive concentration or conflicts with the investor's liquidity needs. This is where distribution adds value through judgement rather than access.

SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

THE 5P FRAMEWORK FOR PROFESSIONAL PMS DISTRIBUTION

P	Explanation
Product	Understand what the strategy actually does and how the portfolio is constructed.
Performance	Understand how returns were generated, over what period, and with what risks.
Portfolio Fit	Assess the PMS in the context of the investor's overall wealth and objectives.
Protection	Understand regulation, fees, liquidity, conflicts, safeguards and downside risks.
Professional Development	Continuously refresh knowledge as products, markets, tax rules and regulations evolve.

LEARNING CANNOT STOP AT CERTIFICATION

India already has a formal foundation for PMS capability. NISM-Series-XXI-A: Portfolio Management Services Distributors Certification Examination is the mandatory certification for associated persons engaged by a Portfolio Manager as Distributors of PMS[18].

The curriculum is deliberately broader than sales knowledge. It covers securities markets and investment products, the role and operations of Portfolio Managers, portfolio-management processes, performance measurement and evaluation, taxation, regulation, governance and ethics. That breadth is a useful signal: PMS distribution requires the ability to understand and explain portfolios, not merely present them.

Certification, however, should be seen as the foundation rather than the finish line. NISM's Continuing Professional Education (CPE)/eCPE framework provides a route to revalidation, with a successful CPE certificate valid for three years[19]. But professional capability needs to be refreshed continuously within that cycle. Regulations change, taxation changes, new structures emerge, analytics become more sophisticated, and investor behavior evolves.

SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

A PMS LEARNING ECOSYSTEM

A stronger learning architecture can be thought of as a continuum: foundation knowledge; formal certification; product due diligence; regulatory updates; advanced portfolio and risk analytics; investor communication; and continuous professional development. Each layer serves a different purpose, and no single institution needs to perform all of them.

NISM can continue to provide certification, CPE, research, and capability-building. APMI can facilitate common industry resources, standards, research, and knowledge-sharing. Portfolio Managers can provide strategy-specific education and transparent data. Distributors can convert that knowledge into better suitability conversations. The objective should not be to create more training for its own sake; it should be to create better investor conversations.

THE INVESTOR IS CHANGING TOO

Investor expectations are increasingly shaped by the digital experience available in other financial services. Clients expect easier onboarding, timely access to portfolio information, clear reporting, responsive service, fee transparency, and a better explanation of why portfolios performed as they did.

SEBI's circular dated May 2, 2024, on digital onboarding and transparency is relevant here. It sought to facilitate digital onboarding while enhancing disclosures, including measures around fee illustrations and a fee-calculation tool[20]. The larger lesson is that technology should do more than make a transaction faster. It should make the investment easier to understand.

A dashboard that shows only return since inception answers yesterday's question. A better dashboard can also show benchmark-relative performance, drawdown, portfolio concentration, asset allocation, turnover, and attribution. That supports a shift from "What return did my PMS generate?" to "How was the return generated, what risk was taken, and how does this portfolio fit into my overall wealth?"

INVESTOR EDUCATION STILL MATTERS AT HIGHER TICKET SIZES

Investable wealth and investment literacy are not the same thing. An entrepreneur can understand an operating business exceptionally well yet have limited experience evaluating a concentrated equity strategy. A senior professional may have accumulated substantial assets without ever analysing downside capture, benchmark appropriateness, or portfolio overlap. Even experienced investors can be vulnerable to recency bias and return-chasing. Investor education therefore remains relevant in PMS. It should cover not only expected return but the relationship between risk and

SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

return, investment horizon, market cycles, volatility, drawdowns, concentration, liquidity, fees, taxation, and realistic expectations. Education is particularly valuable before a period of stress, when expectations can still be set calmly.

REGULATION IS EVOLVING

SEBI's consultation paper dated July 23, 2026, proposes a comprehensive review of the Portfolio Managers Regulations. Among the proposals are investments in certain "to-be-listed" securities, limited investment-grade unlisted debt exposure for discretionary PMS, overseas investments subject to applicable law and Client consent, and greater flexibility in exchange-traded derivatives[21].

One proposal with particular implications for distribution is a dedicated Mutual Fund-only PMS (MF-PMS) framework. SEBI has proposed a minimum Client investment of ₹25 lakh for this category, compared with the existing ₹50 lakh threshold referenced in the consultation paper for conventional PMS. The proposed framework would be limited to direct plans of mutual fund schemes, including ETFs and SIFs, and includes differentiated requirements[22].

As at 22 September 2026, MF-PMS is a consultation proposal, not an implemented product. That distinction is important. If such a framework is eventually implemented, it could broaden the professional-portfolio continuum for mass-affluent investors, while simultaneously raising the need for expertise in asset allocation, mutual-fund selection, costs, portfolio construction and suitability.

A USEFUL GLOBAL LENS

International markets can offer principles, but not templates. The United States, United Kingdom and Singapore operate under different legal systems, product structures and adviser frameworks, so direct AUM comparisons would be misleading.

Market	Comparable Model	Professional capability	Relevant lesson
India	PMS under SEBI Portfolio Managers framework	NISM XXI-A; APMI Distributor oversight	Suitability, disclosure, benchmarking and investor protection within PMS framework
United States	Separately managed accounts within the Registered Investment Adviser (RIA)/adviser ecosystem	Firm and role-specific qualification/registration requirements	Securities and Exchange Commission (SEC) Form ADV* captures Separately Managed Accounts (SMA)-related information and adviser disclosures

*Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Adviser**

SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

United Kingdom	Discretionary investment management / retail investment advice	Retail investment advisers: 35 hours continuing professional development (CPD) annually; 21 structured guidance	Strong emphasis on suitability and professional standards
Singapore	Fund management / private wealth under Monetary Authority of Singapore (MAS) framework	Entry/examination requirements for relevant representatives	Licensing, representative competency and conduct framework

The SEC publishes statistics based on Form ADV filings, including separately managed account information[23]. In the UK, the FCA states that retail investment advisers need at least 35 hours of appropriate continuing professional development each year, of which 21 hours should be structured[24]. Singapore's MAS framework similarly places emphasis on minimum entry and examination requirements for representatives undertaking regulated capital-markets activities[25].

The useful common principle is not that one jurisdiction is "better". It is that greater product sophistication tends to increase the importance of professional competence, suitability, disclosure and continuing education.

FROM INDIVIDUAL ROLES TO AN ECOSYSTEM

No single participant can create a sustainable PMS market. Portfolio Managers are responsible for investment processes, transparent communication and responsible performance presentation. Distributors need due diligence, suitability awareness, risk communication and ongoing learning. APMI can help strengthen standards, data, research and knowledge-sharing. NISM can continue to build professional capability. Technology providers can improve analytics, reporting and investor understanding. SEBI provides the regulatory architecture for market integrity and investor protection. Investors, too, need to ask better questions and resist making long-term allocations solely on the basis of recent performance.

This is why trust is best understood as an ecosystem outcome. It emerges when product design, regulation, professional competence, distribution practices, investor understanding and technology reinforce one another.

SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

THE ROAD AHEAD

The next phase of the PMS industry should therefore not be measured only by the number of new accounts or the amount of assets brought into the system. A more meaningful measure is the quality of participation: Do investors understand the strategy they own? Are expectations set before volatility arrives? Can Distributors explain why a portfolio behaved the way it did? Are risks, fees, and concentration understood? Is technology improving transparency as well as convenience? Are professionals continuously updating their knowledge?

Distribution is consequently evolving from product access to product understanding; from transactions to suitability; and from product placement to knowledge partnership. Certification provides a foundation. Regulation provides guardrails. Technology provides scale. Continuous learning turns all three into professional judgement.

A sustainable PMS ecosystem is not built simply by distributing more products. It is built by helping investors make better-informed decisions. Knowledge supports professionalism; professionalism strengthens transparency and suitability; and together they create the conditions for long-term trust.

FIVE PRIORITIES FOR THE NEXT PHASE

Priority	Explanation
Portfolio Managers	Invest in clearer communication, comparable data and Distributor education.
Distributors	Deepen product, risk, suitability and portfolio-construction capability.
APMI / Industry Bodies	Strengthen common knowledge resources, research and professional standards.
NISM / Learning Distributions	Continue advancing certification, CPE and practical capability-building.
Technology providers	Use technology to improve understanding and transparency, not only transaction speed.

SECTION III · GUEST PERSPECTIVE

GOING BEYOND DISTRIBUTION: CREATING A KNOWLEDGE-BASED PMS ENVIRONMENT

SOURCES:

14. SEBI, Assets Managed by Portfolio Managers - Archive.
15. SEBI, Consultation Paper on Comprehensive Review of SEBI (Portfolio Managers) Regulations, 2020, 23 July 2026, pp. 1-2.
16. SEBI, Report of Portfolio Managers as on 31 July 2026.
17. SEBI Circular on collective oversight of PMS distributors through APMI, 2 May 2024; effective 1 January 2025.
18. NISM, Series XXI-A PMS Distributors Certification Examination; revised structure effective 15 March 2025.
19. NISM, Series XXI-A PMS Distributors CPE/eCPE; revalidation period: three years.
20. SEBI Circular on digital onboarding and enhanced transparency for Portfolio Managers, 2 May 2024.
21. SEBI, July 2026 comprehensive PMS review consultation paper, sections 2.1-2.5.
22. SEBI, July 2026 consultation paper, section 2.4, proposed MF-only PMS framework. Proposal status as at 22 September 2026.
23. U.S. SEC, Investment Advisers - Separately Managed Accounts, Form ADV-based statistics.
24. FCA, Professional standards: advisers; 35 hours annual CPD, including 21 structured hours.
25. MAS, minimum entry and examination requirements for representatives of CMS licence holders.

SECTION III · GUEST PERSPECTIVE

EVOLUTION OF PMS DISTRIBUTION IN INDIA



Mr. Iqbal Singh
Managing Director
IFM FinCoach Global Private Limited

If we want to grow the Portfolio Management Services (PMS) industry in India, distribution must become one of its strongest pillars.

The mutual fund industry offers a clear example. Its assets under management (AUM) have grown from approximately ₹10 lakh crore in 2015 to ₹87.08 lakh crore as of August 2026[26], and the industry now serves 6.14 crore unique investors[27]. Distributors have played a central role in this growth. India has around 1.79 lakh individual mutual fund distributors (MFDs), of whom about 13,451 manage assets of ₹25 crore or more[28].

The PMS industry is much smaller than its headline figure suggests. Its reported AUM of ₹43.3 lakh crore is dominated by provident fund money, including EPFO, which accounts for nearly 79% of domestic assets[29]. This is institutional retirement money, not individual investors. Excluding it, PMS assets are about ₹10.82 lakh crore[30]. APMI has 23,387 registered PMS distributors, of whom 20,424 are individuals[31], roughly one-ninth of the individual MFD base.

This gap highlights both the challenge and the opportunity before the PMS industry.

DISTRIBUTORS MUST BECOME FINANCIAL RELATIONSHIP MANAGERS

As household savings increasingly move towards financial assets, India needs professionally trained distributors with a deeper understanding of investor profile, analytic mindset and investment products.

A PMS distributor cannot remain merely a transaction intermediary. The distributor must become a relationship manager of the family: someone capable of analysing a client's portfolio, understanding the client's risk appetite and recommending appropriate investment products.

Distributors need basic research capabilities along with advisory, portfolio-analysis and relationship-management skills. They need not become fund managers, but they should understand various investment styles, concentration risk, drawdowns, taxation, fees and performance reporting.

The world is moving towards customisation. A distributor should therefore be able to help build a portfolio suited to the client's financial goals. The relationship does not end when the client is onboarded; it is the beginning of the relationship.

SECTION III · GUEST PERSPECTIVE

EVOLUTION OF PMS DISTRIBUTION IN INDIA

STRENGTHENING THE DISTRIBUTION ECOSYSTEM

The incentive structure in PMS should adequately reward the effort involved in acquiring, educating and servicing clients. At the same time, incentives must remain transparent and aligned with investors' interests.

SEBI, APMI and other industry bodies should conduct regular training programmes covering:

- PMS products and regulations
- Portfolio and risk analysis
- Client suitability
- Taxation, fees and performance reporting
- Behavioural finance and relationship management
- Technology, compliance and digital onboarding

A structured bridge must also be created to encourage MFDs to include suitable PMS products in their offerings. **SEBI's consultation paper of 23 July 2026 is a step in this direction. It proposes a new mutual-fund-only PMS (MF-PMS) category**, under which a registered MFD could offer PMS while keeping its distribution activities at arm's length[32].

Certification remains important, but experienced MFDs are often reluctant to clear another examination. A precedent already exists: AMFI allows MFDs to distribute both mutual funds and Specialized Investment Funds (SIFs) through a single examination, NISM-Series-V-D[33]. A focused bridge module could similarly serve established MFDs, with continuing education under NISM-Series-XXI-A required once their PMS book crosses a prescribed threshold. The objective should be to strengthen competence without discouraging good professionals from entering the industry.

DISTRIBUTION IS THE BIGGEST CHALLENGE FOR PMS MANUFACTURERS

India now has 515 registered portfolio managers[32], many of whom began as entrepreneurs with teams of only three to five people. Nearly 80% of PMS providers have assets under management below ₹200 crore. For many of them, the principal challenge is not necessarily investment capability; it is access to an effective distribution network. For a new PMS firm, building a nationwide/regional distribution team is extremely difficult, and hiring experienced sales professionals at a reasonable cost is equally challenging.

For many smaller managers, the principal constraint is not investment capability but access to distribution, along with a fixed compliance burden that weighs heavily at low AUM. SEBI's proposal to relax the dealing-room requirement for managers with fewer than 10 clients or AUM below ₹100 crore[32]recognises this.

SECTION III · GUEST PERSPECTIVE

EVOLUTION OF PMS DISTRIBUTION IN INDIA

A wider, professionally trained distribution ecosystem can connect credible portfolio managers with suitable investors. Distributors, in turn, must conduct proper due diligence on each provider's investment process, risk controls, governance, key-person dependence, team stability, liquidity and transparency.

TAXATION REMAINS A MAJOR HURDLE

The industry should engage with policymakers for a more equitable framework, including allowing PMS fees (with GST) as a deduction against capital gains.

CREATING A NEW BRIGADE OF PROFESSIONALS

India needs a new brigade of PMS professionals who combine financial knowledge, relationship skills and technological competence.

PMS distribution should be developed as an aspirational profession capable of attracting young talent. The industry can collaborate with universities, training institutions and financial-services organisations to offer specialised programmes, internships and apprenticeships.

Distributors must also become technology-savvy, using portfolio analytics, digital onboarding and consolidated reporting tools. Onboarding itself remains paper-heavy; SEBI's proposals on demat account portability and Power of Attorney relaxation should help reduce this friction.

PMS NEEDS ITS OWN NATIONAL CAMPAIGN

The "Mutual Funds Sahi Hai" campaign played a significant role in increasing mutual fund awareness and penetration. Simple messaging helped make mutual funds part of mainstream investment conversations.

APMI should consider a similar pan-India campaign for PMS, supported by leading portfolio managers and credible public personalities. It should explain what PMS is, how it differs from mutual funds, who should invest in it and what risks investors must consider.

Its core message should be that PMS is not a pooled vehicle: every security is bought and sold in the investor's own demat account, and every holding is visible. A possible message could be:

> *"PMS: Aapka Personalised Portfolio. Expert ke Sathe."*

The purpose should not be to promote PMS as a product for everyone, but to position it as a bespoke solution for informed and suitable investors.

SECTION III · GUEST PERSPECTIVE

EVOLUTION OF PMS DISTRIBUTION IN INDIA

RECONSIDERING THE MINIMUM INVESTMENT IN PMS PRODUCTS

Demand for lower-ticket specialised products is evident: SIFs, with a ₹10 lakh minimum, already hold ₹31,175 crore[26]. They now also compete for the same investor.

SEBI's consultation paper proposes a ₹25 lakh minimum, but only for the new MF-PMS category[32].

This is a welcome start. The industry should make the case for extending the lower threshold to other PMS strategies, supported by proper suitability assessment and stronger risk disclosures. Investors should also be discouraged from placing a disproportionate share of their financial assets in a single PMS strategy. Lower ticket size will open opportunities for a large investor base to take benefit from the professional pool of resources of PMS.

THE WAY FORWARD

The next phase of growth in PMS will not come merely from launching more strategies. It will come from building a strong distribution ecosystem.

Portfolio managers need access to a wider investor base and a lighter compliance load. Distributors need knowledge, technology, suitable incentives and a practical certification pathway. Investors need a lower entry point, fairer taxation, transparency and advice suited to their circumstances.

The PMS industry will truly evolve when distributors are no longer seen merely as sellers of investment products, but trusted financial relationship managers for clients and long-term channel partners with PMS.

SOURCES:

26. AMFI, monthly industry data, August 2026 (industry AUM and SIF assets).
27. AMFI–CRISIL Factbook 2026 (unique investors as of March 2026).
28. Cafemutual, "Only 7.5% individual MFDs are truly active; 13,451 have AUM above Rs.25 crore", 25 May 2026.
29. APMI data for June 2026, as reported by Business Today, 31 July 2026.
30. APMI PMS Compendium, June 2026
31. APMI data for April–June FY27, as reported by Cafemutual, "Number of PMS distributors reaches 23,400", 30 July 2026.
32. SEBI, Consultation Paper on the draft SEBI (Portfolio Managers) Regulations, 2026, 23 July 2026.
33. AMFI circular on registration of MFDs for distribution of mutual fund and Specialized Investment Fund products under a single examination (NISM-Series-V-D).

SECTION III · GUEST PERSPECTIVE

PMS DISTRIBUTION: BUILDING KNOWLEDGE, TRUST AND PROFESSIONALISM

Team MACG

MFD Associations Coordination Group

> *"A distributor is not merely a salesperson; they are a bridge of trust, knowledge, and guidance."*

India's investment landscape is transforming. Investors are increasingly drawn to equities, recognizing both their potential for superior returns and the risks involved. Yet, many lack the time or expertise to study markets deeply. This is where Portfolio Management Services (PMS) step in, offering professional management across different strategies to meet different investor needs.

But PMS success depends on more than portfolio managers. It relies equally on distributors—the professionals who connect investors with the right strategies.

THE DISTRIBUTOR'S ROLE: BEYOND TRANSACTIONS

A distributor's responsibility extends far beyond executing deals. They must understand each investor's financial situation, objectives, risk appetite, and liquidity needs before recommending a PMS strategy.

KEY QUESTIONS EVERY DISTRIBUTOR MUST ASK:

- What is the PMS philosophy and approach?
- How has it performed across market cycles?
- What risks and costs does it carry and what liquidity conditions apply?
- Is it aligned with the investor's goals?

> *"Clear answers build confidence. When distributors act as guides rather than transaction agents, they foster long-term relationships."*

CONTINUOUS LEARNING: A PROFESSIONAL DUTY

Markets evolve constantly—strategies shift, regulations change, and investor behavior adapts. For distributors, learning cannot stop at certification. **NISM exams and SEBI guidelines** provide a foundation. **Workshops, case studies, and industry updates** ensure ongoing relevance.

True expertise lies in **translating complex strategies into simple language** investors can understand.

SECTION III · GUEST PERSPECTIVE

PMS DISTRIBUTION: BUILDING KNOWLEDGE, TRUST AND PROFESSIONALISM

> *"Just as portfolio managers refine their processes, distributors must refine their knowledge."*

MACG would like to work closely with APMI to get APMI registration for our members and also acquire knowledge of PMS products and strategies through regular workshops and training modules.

TURNING INFORMATION INTO UNDERSTANDING

Today's investors are digitally connected, with access to endless reports and opinions. Yet information overload often creates confusion. Distributors add value by filtering noise, contextualizing data, and guiding investors through volatility. During bull markets, enthusiasm runs high; during downturns, confidence falters. A skilled distributor helps maintain perspective, reinforcing long-term objectives.

EXPANDING REACH ACROSS INDIA

The next phase of PMS growth lies beyond metros. Rising financial awareness in smaller towns and rural areas presents new opportunities. It has become inevitable to communicate the concept of PMS in vernacular language. Limiting literacy to English excludes millions. Trust grows when knowledge is shared in a familiar language.

MACG has its member Association spread across the country and would like to be associated with APMI in spreading awareness of PMS across various parts of India and in vernacular languages too.

TECHNOLOGY AND TRANSPARENCY

Digital onboarding, portfolio visibility, and real-time reporting have made PMS more accessible. But technology must serve more than convenience—it should enhance transparency. Investors deserve clarity not only on performance but also on risks, costs and portfolio structures. When technology narrows the information gap, participation becomes more informed and confident.

PROFESSIONALIZATION: THE IMPERATIVE

Professional distributors embody four pillars: **Knowledge + Conduct + Continuous Learning + Client-centricity.**

Trust is built not by pitching past returns but by ensuring suitability, disclosure, and alignment with investor needs. In PMS, professionalism means prioritizing long-term relationships over short-term sales.

SECTION III · GUEST PERSPECTIVE

PMS DISTRIBUTION: BUILDING KNOWLEDGE, TRUST AND PROFESSIONALISM

A SHARED RESPONSIBILITY

Strengthening the PMS ecosystem requires collaboration among SEBI, NISM, APMI, portfolio managers, and MFD Associations Coordination Group (MACG). MACG can help other stakeholders in:

- Conducting workshops and preparing case studies
- Conducting multilingual training programs
- Knowledge sharing initiatives through its member associations across India

ADDRESSING CHALLENGES FACED BY INVESTORS OF PMS

In the current format of PMS, there are some challenges faced by investors. SEBI has actively been addressing these, and we are likely to have just one KYC for all investment products. Opening of demat accounts has also been simplified.

The nomination process has also been modified in the interest of investors. In fact, in case of demise of a Demat account holder, the reporting in Income Tax AIS will now be as TLH, i.e. Transferred to Legal Heir instead of Off Market, which is a very welcome step.

Recently, SEBI and the CBDT authorities have announced a very big step with regards to Capital gain calculations of Shares and Mutual Funds for the benefit of investors. A new set of Statement of Financial Transactions (SFT), namely SFT-2517 for Depositories and SFT-2518 for Mutual fund RTAs, are likely to help investors a lot in their capital gain calculations for their tax returns.

THE WAY FORWARD

India's PMS industry is poised for significant growth, driven by rising awareness, technology and evolving investor attitudes. Both SEBI and APMI have also been taking steps to resolve issues being faced by stakeholders. But sustainable progress requires more than opportunity. It must be anchored in knowledge, transparency, ethics, and investor education.

Since distributors often provide the last-mile connectivity, they remain pivotal in this journey. They connect investor needs with portfolio expertise, hand-hold investors through volatility, and foster trust.

MACG looks forward to working closely with all stakeholders in the PMS Industry to help create more awareness of PMS amongst both investors and distributors!

> *"Better informed distributors → Better informed investors → Stronger PMS ecosystem."*

By Team MACG

About MACG: MFD Associations Coordination Group or MACG is a group of over 50 MFD Associations from across India that endeavours to empower MFDs through its member associations by conducting training and development programs to improve and update their knowledge and skills, for them to offer best and ethical services to their investors and also to raise issues affecting the investment management ecosystem particularly distributors & investors, with the relevant authority/entity and get them resolved to provide ease of doing business to MFDs so that they can focus on client servicing rather than worrying about environmental issues.

You may contact Team MACG or write to us @ Email to: contactmfdcag@gmail.com

SECTION III · GUEST PERSPECTIVE

FROM PRODUCT ACCESS TO PORTFOLIO ARCHITECTURE THE NEXT DECADE OF PMS DISTRIBUTION IN INDIA

Mr. Himanshu Vyapak
MD, CIEL & CEO FinX

India's Portfolio Management Services industry managed ₹44.10 lakh crore as on 31 July 2026. It is a number worth pausing on and then reading closely. Of that total, ₹31.87 lakh crore represents the Employees' Provident Fund Organisation and other provident fund mandates. India's single largest portfolio management client is not a family office in Mumbai or a promoter in Coimbatore. It is a retirement body, and the scale of that mandate is itself a statement about the professional credibility the industry has earned.

Set those institutional assets aside and the wealth-management opportunity stands at roughly ₹12.24 lakh crore, across about 2.23 lakh clients and 514 registered portfolio managers. That is the canvas distributors actually work on. It is smaller than the headline suggests, considerably more concentrated, and growing faster than the aggregate figure reveals. Reading it correctly is the starting point for every strategic decision that follows.

WHAT HAS CHANGED IN INDIA — STRUCTURE, PRODUCTS, THEMES

The last twenty-four months have reshaped the Indian managed-portfolio landscape more than the preceding decade did.

On structure, Specialised Investment Funds went live in April 2025 as a genuinely new category sitting between mutual funds and PMS, at a ₹10 lakh minimum. They reached ₹17,858 crore by June 2026, roughly five times their size six months earlier, with hybrid long-short strategies taking about two-thirds of the pool. **SEBI's July 2026 consultation paper proposes a mutual-fund-only PMS category at ₹25 lakh with fees capped at 2.5%**, alongside KYC and demat portability so that an investor onboards once rather than at every manager. Co-investment vehicles have given private-market participation a cleaner home. The accredited investor framework, now covering 3,820 investors as of July 2026, opens PMS at ₹10 lakh and AIFs at ₹25 lakh for those who qualify.

On products, the shelf a distributor advises across has widened considerably. AIF commitments crossed ₹16.9 lakh crore by March 2026, with private credit among the fastest-growing sleeves. SM-REITs brought regulated commercial real estate yield to a ₹10 lakh entry. Privately placed InvIT tickets came down to ₹25 lakh. GIFT City structures and the Liberalised Remittance Scheme give clients a regulated route to global diversification, and SEBI's 2026 proposals would allow portfolio managers themselves to invest overseas within the LRS ceiling, hold up to 10% in unlisted investment-grade debt, and use derivatives up to 1.25 times portfolio value for hedging.

SECTION III · GUEST PERSPECTIVE

FROM PRODUCT ACCESS TO PORTFOLIO ARCHITECTURE THE NEXT DECADE OF PMS DISTRIBUTION IN INDIA

On themes, the centre of gravity has moved. Multi-asset and quantitative approaches have gained ground against single-strategy equity. Long-short and market-neutral exposure, once the preserve of Category III AIFs, is now available several rungs lower. Private credit has moved from an exotic allocation to a standing line in HNI portfolios. And in September 2026, the Demat 2.0 pilot saw corporate bonds issued natively on distributed-ledger infrastructure and settled atomically against the RBI's wholesale e-rupee an early signal of where fixed-income portfolio construction is headed.

WHAT HAS CHANGED GLOBALLY — AND WHY IT MATTERS HERE

The same forces are visible in mature markets, several years further along.

In the United States, managed-account assets reached $13.7 trillion in 2024, with industry projections pointing toward $31.8 trillion by 2028. Retail separately managed accounts, the closest structural cousin to Indian PMS, are expected to touch $3.6 trillion in 2026, up from $2.2 trillion three years earlier. Unified Managed Accounts, which hold several strategies inside a single tax-aware wrapper, and SMAs have both compounded at roughly 18% over five years. Direct indexing closed 2024 at around $864 billion.

The instructive detail is not the growth. It is what is driving it. The stated advantage of these structures is no longer security selection. It is tax management at the individual account level, and portfolio construction shaped around a particular client's circumstances. Direct ownership is the mechanism; personalisation is the product.

Three further shifts are worth noting. Private markets are reaching wealth clients through evergreen and semi-liquid structures and dedicated SMAs, curated into professionally managed slices rather than offered as a crowded shelf. Model portfolios have become the organising layer through which advisers deliver consistency at scale. And tokenised cash and yield instruments are beginning to change how short-duration money is held and settled, the same direction Demat 2.0 is pointing.

The convergence is striking. India is not following a foreign template here; it is arriving at the same destination through its own regulatory architecture, and in some respects on a shorter timeline.

ACCESS IS NO LONGER THE PRODUCT

Put the Indian and global pictures side by side and one conclusion is unavoidable.

For most of its life, PMS distribution sold access. The ₹50 lakh threshold was a wall, and beyond it lay concentrated portfolios, direct securities ownership and a manager who would take your call. Being able to open that door was, by itself, valuable.

SECTION III · GUEST PERSPECTIVE

FROM PRODUCT ACCESS TO PORTFOLIO ARCHITECTURE THE NEXT DECADE OF PMS DISTRIBUTION IN INDIA

Sophistication is no longer gated. A client can now assemble long-short exposure, private credit, commercial property yield and global diversification without crossing ₹50 lakh. If the proposition remains "I can get you into a PMS," the market has already found other routes.

WHAT REPLACES ACCESS IS ARCHITECTURE

The durable answer to "why PMS" is not a trailing return number. Performance dispersion across investment approaches is wide, and it is now transparently visible through standardised net-of-fee reporting on APMI Insights, a discipline that has done more for the industry's credibility with sophisticated investors than any marketing effort could.

The durable answer is structural. PMS is the only vehicle in the Indian retail-facing stack where the client owns the underlying securities outright, in their own name. Everything that matters at the top of the wealth pyramid follows from that single fact: a legacy portfolio transferred in specie without triggering capital gains at onboarding; losses harvested security by security; a sector excluded on conviction or governance grounds without waiting for a fund to be launched for the purpose; a founder's concentrated position in her own company treated as the central portfolio risk it actually is, rather than ignored.

This is precisely what the global SMA numbers describe, and the Indian market is already signalling the same appetite. Of the ex-EPFO pool, non-discretionary and advisory mandates together account for around ₹6.7 lakh crore, more than half. Sophisticated Indian money increasingly wants a considered say in its own portfolio.

The distributor's role in that conversation is not product selection. It is portfolio architecture: deciding what belongs in a customised direct-ownership sleeve, what belongs in a pooled fund, what belongs in private markets, what belongs offshore, and what the client should not buy at all. That is a materially harder job than the one the industry was built on, and a far more defensible one.

THE INFRASTRUCTURE IS IN PLACE

India has moved quickly on the foundations. Upfront commissions on PMS gave way to an all-trail model in 2020, aligning distributor income with the life of the relationship. NISM-Series-XXI-A established a common standard of technical competence. Mandatory APMI registration, with over 10,000 APRNs issued in the first quarter of the requirement alone, created a single verifiable identity for the distribution profession. **The Single Registration Framework lets one distributor engage across more than 500 portfolio managers without repeating the exercise 500 times**. APMI Insights and VISTA put standardised, comparable data in every practitioner's hands.

SECTION III · GUEST PERSPECTIVE

FROM PRODUCT ACCESS TO PORTFOLIO ARCHITECTURE THE NEXT DECADE OF PMS DISTRIBUTION IN INDIA

Taken together, these are reforms that several older markets spent a decade debating. They have raised the professional floor, and in doing so they have shifted where a distributor's value sits away from information, which is now shared, and toward judgment, which cannot be. Suitability, sequencing, tax, behaviour and the willingness to tell a client that a strategy with an impressive three-year number is wrong for them: these are harder to deliver and considerably harder to replace. They also make investor education a commercial necessity rather than a compliance formality. An investor who understands dispersion, drawdown and the difference between a benchmark and a promise stays invested through the cycle. One who does not will leave at exactly the wrong moment.

THE WORK AHEAD, TOGETHER

Three priorities seem to me to matter most, and none can be delivered by any one participant alone. Portfolio managers and distributors share an interest in communicating performance with the same discipline the reporting framework now makes possible consistently, net of fees, against the stated benchmark. Credibility built collectively is the industry's most valuable asset.

Distributors should treat trail income as compensation for continuing responsibility, and should build practices capable of being institutionalised and handed on. Succession planning within independent distribution deserves more attention than it currently receives.

And the industry should keep widening the base. India's wealth creation is increasingly first-generation and increasingly located beyond the metros. Reaching that investor takes patience and education before it takes product, and the distributors who invest in it now will own those relationships for a generation. **Continued work on portability, single registration and accessible data will make that outreach materially easier.**

India has built a transparent, standardised, professionally registered distribution ecosystem faster than most markets managed it. The opportunity now is to run a genuinely advice-led industry on top of it, one where the distributor is not a gatekeeper to a product, but the architect of a portfolio.

Data current as on September 2026. PMS AUM figures per SEBI's 'Assets Managed by Portfolio Managers' release for July 2026; SIF data per AMFI monthly data for June 2026; global figures per Cerulli Associates and industry outlooks for 2026.



04

SECTION IV

WHERE TO START

Two questions, answered in the order you would act on them.

SECTION IV · WHERE TO START

WHERE TO START

Two questions, answered in the order you would act on them.



I am a MFD wanting to add PMS. What do I do next?

Step	What to do
1. Check the exam route	Plan to sit NISM-Series-XXI-A: 100 questions, 2 hours, 60% to pass, valid for 3 years. SEBI's Gazette of 7 September 2021 exempted only Distributors who already held a valid AMFI ARN or NISM Series V-A certificate on that date, and only until that registration or certificate expired. If you registered later, it never applied to you. Both documents are in the Ready Reckoner: the Gazette, and APMI's Guidance Note on NISM XXI-A.
2. Prepare for it	Use the NISM workbook for XXI-A and APMI's appointed Training Partners. Units 7 to 10, on PMS product knowledge, carry 48 of the 100 marks.
3. Register with APMI	Apply on the Distributor Registration Portal to get your APRN. The fee is ₹500 for an individual, plus 18% GST, and ₹250 for each employee's EUIN if you run a firm. It is fully online: DigiLocker, OTP, bank penny-drop and Aadhaar e-sign.
4. Get empanelled	Ask each Portfolio Manager you want to work with for its distribution agreement. An APRN is a passport, not a visa.
5. Learn the product before you pitch	Read the Portfolio Manager's Disclosure Document. Know the ₹50 lakh minimum on the first investment, the fees and the high-water mark. The NISM Capsule on PMS Sales (about 2 hours, ₹500, voluntary) builds Client-facing skill.
6. Know your duties from day one	Follow the SEBI Code of Conduct (Section I · 4). File your self-certification by 15 April each year. Renew your NISM certificate and your APRN together.

SECTION IV · WHERE TO START

WHERE TO START



I already distribute PMS. What APMI tools should I use every month?

When	Tool	How to use it
Every month	PMS Industry Compendium	Read the monthly snapshot of industry numbers and developments. Use current figures in Client conversations.
Every month	APMI Insights	Check AUM trends. Filter approaches by age and size, and compare performance with the BSE 500 TRI, Nifty 50 TRI and MSEI SX 40 TRI before you shortlist or review.
Every month	Your portal dashboard	Check your profile, APRN details and NISM XXI-A certification status. Read new circulars, communications and updates on the same dashboard. Download the EUIN report if you run a firm.
By 15 April, yearly	Annual Declaration of Self-Certification utility	File to APMI and each Portfolio Manager, then download your Distributor Compliance Certificate. APMI's help video walks through the steps.
12 months before NISM expiry	NISM CPE / eCPE	Revalidate for another 3 years, then renew your APRN and EUINs. Bulk renewal is available for firms.
When a Client changes Distributor	Guidelines on APRN change and AUM transfer (11 Nov 2025)	Follow the uniform process so the change is fair to both Distributors.

FROM FRAMEWORK TO FUTURE: A GUIDE TO THE INDIAN PMS DISTRIBUTION ECOSYSTEM

First edition, September 2026

Published by the **Association of Portfolio Managers in India (APMI),**

304, Madhava, C-4, E-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051.

www.apmiindia.org

Powered by ELEVEIGHT

Important notice. This publication is a general reference. It is not legal, tax, regulatory or investment advice and does not replace the SEBI (Portfolio Managers) Regulations, SEBI circulars, NISM material or APMI communications, which remain authoritative. Proposals under consultation are described as proposals and may change. Views in contributed perspectives are those of their authors.