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Case Brief – Round 1

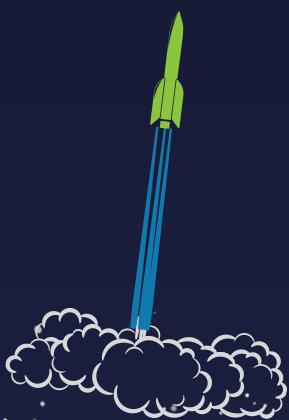
Reimagining Mutual Fund Asset Management in India

Designing an Investor-First AMC for the Next Decade



Submission Deadline

26th February '26



Industry Context

India's mutual fund industry stands at a historic moment. Over the past decade, retail participation has increased rapidly, with more than 5.5 crore investors and monthly SIP flows exceeding ₹25,000 crore. The industry now includes over 40 SEBI-registered Asset Management Companies (AMCs) competing to attract and manage investor capital.

Despite the impressive growth, several structural concerns remain unresolved.

Many investors struggle to understand why they are invested in specific funds. Product portfolios across AMCs often appear indistinguishable. Distribution incentives frequently reward asset gathering rather than long-term investor outcomes. Fee structures remain opaque to a large segment of investors. While participation has increased, consistent long-term wealth creation outcomes remain uneven.

This creates a critical paradox:

The Indian mutual fund industry has successfully scaled participation but has not fully earned investor trust or differentiation.

As financialisation of savings accelerates and millions of first-time investors enter capital markets, the AMC industry is poised for a disruptive transformation.

Firm Context

Monarch Networth Capital is a ~30-year-old publicly listed Indian financial services company with diversified capital markets businesses, a broad client reach, and an emerging asset management franchise.

Today, it operates through ~57 branches and ~958 sub-brokers across India, serving ~300,000+ clients including retail investors, high net worth individuals, institutional investors, and corporates. The firm's core lines of business include equities broking (equity, derivatives, commodities, currency), institutional equities, investment banking, wealth and third-party product distribution, portfolio management services, and alternative investment funds.

On financials, Monarch reported total operating revenue of ~₹322 crore in FY2025 and profit before tax/profit trends in line with peer capital markets firms. Its alternative investment arm, Monarch AIF, manages ~₹1,000 crore of AUM across long-only category III equity funds.

You can use any publicly available information about the firm as part of your research.

The Strategic Question

Address the following market-entry challenge using **first-principles thinking**, unconstrained by legacy industry practices:

How should Monarch build a new mutual fund AMC in India today that would be genuinely differentiated, industry disruptive, and commercially sustainable over the next 10-15 years?

Designing an AMC is not merely about investing approaches. It requires solving a system of interconnected strategic choices. As such, you must develop an integrated solution that addresses three core dimensions:

- (1) **Business Model:** how should the AMC operate to create a competitive advantage?
- (2) **Product Strategy:** what funds should be offered and how can they be differentiated?
- (3) **Go-to-Market:** how should the firm reach, educate and serve investors ethically?

Your design must demonstrate internal consistency.

For example, a low-cost passive strategy demands scale-driven digital distribution and thin margins. A high-conviction active strategy requires investor education, volatility tolerance, and premium pricing justified by performance.

Expected Deliverable

Your submission must clearly define the following in a **well-integrated manner**:

1. Strategic Thesis

- a. Identify what is structurally broken or misaligned in today's mutual fund industry
- b. Analyse why existing AMCs have been unable to solve this, but your proposal can
- c. Articulate a **unique belief or insight** that should form the basis of the AMC's strategy

2. Business Model & Competitive Advantage

- a. Design the to-be business model for the firm covering the entire value chain
- b. Define the sources of disruptive competitive advantage over incumbents
- c. Showcase the financial viability of your proposal covering revenue model, cost structure, and breakeven scale

3. Go-To-Market Strategy

- a. Identify the primary investor segment the AMC should target
- b. Formulate a portfolio of mutual fund schemes that are differentiated from existing offerings
- c. Design go-to-market approach covering investor awareness, acquisition, and channel strategy

Strong submissions will:

1. Go beyond standard industry problems and instead identify non-obvious structural gaps
2. Maintain strong internal coherence & alignment across dimensions
3. Be deeply supported by data – both primary & secondary research
4. Demonstrate creativity in ideation of solutions

Operating Constraints and Assumptions

1. Full compliance with SEBI mutual fund regulations
2. No use of regulatory arbitrage or alternative structures such as AIFs, PMS, NBFCs, or crypto-linked products
3. Entry into a highly competitive, incumbent-dominated market
4. Limited capital requiring disciplined prioritisation
5. Investor trust, governance, and fiduciary duty treated as non-negotiable foundations

More generally, **think boldly but remain operationally realistic** in Indian regulatory & market context.

Submission Guidelines

Teams may submit their solutions as a **PPT of upto 11 slides** comprising:

1. Title Slide
2. **Upto 6** main body slides
3. **Upto 4** appendix slides

Submissions must:

- Follow a clear, logical structure
- State key assumptions explicitly
- Acknowledge trade-offs and constraints, and explain the rationale behind your choices
- Be presentably formatted

Evaluation Parameters

Over the course of the competition, solutions will be evaluated on the following aspects:

1. Disruptive impact
2. Strategic coherence
3. Analytical depth
4. Feasibility
5. Presentation & Communication

Terms & Conditions

1. *All decisions of the organisers regarding evaluation shall be final and binding.*
2. *By participating, you agree to give Monarch Asset Management full & exclusive right to use your submission, the ideas & the derivatives thereof.*

Appendix: Regulatory Reference Framework

You can rely on the following regulatory materials for guidance (separate regulatory research is not required).

- Latest SEBI (Mutual Funds) Regulations: [Securities and Exchange Board of India \(Mutual Funds\) Regulations, 2026](#)
- SEBI Scheme Categorisation Framework: [SEBI | Categorization and Rationalization of Mutual Fund Schemes](#)
- Investment & Exposure Limits: [Restrictions on investments by Mutual Funds](#)
- Specialised Investment Funds (SIF): [SEBI | Regulatory framework for Specialized Investment Funds \('SIF'\)](#)
- TER Limits & Expense Regulations: <https://www.amfiindia.com/investor/knowledge-center-info?zoneName=expenseRatio>
<https://www.zerodahfundhouse.com/blog/understanding-total-expense-ratio-ter-in-mutual-funds/>