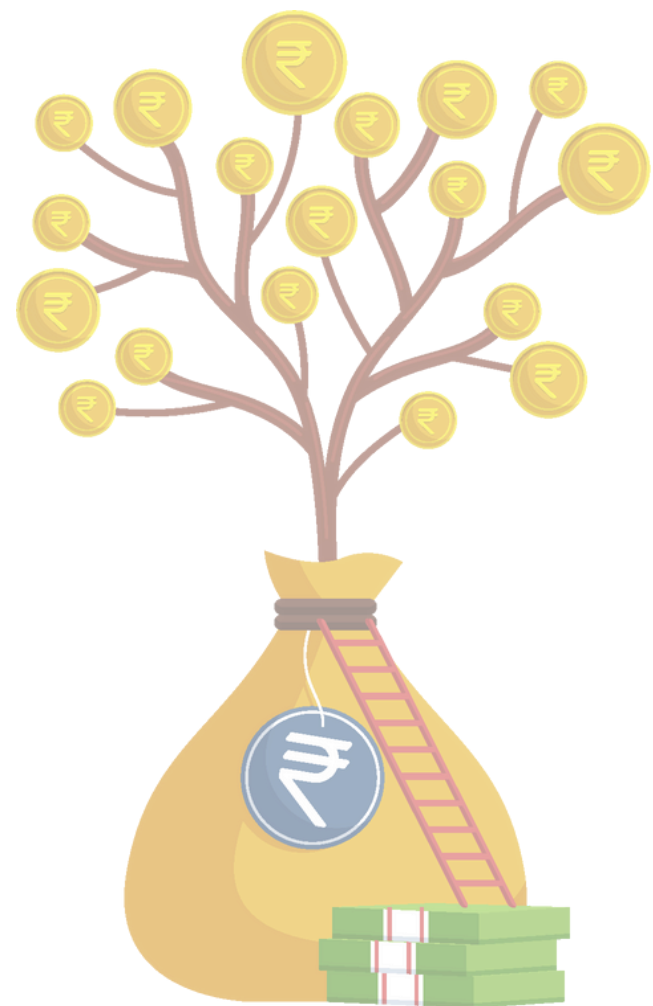


PMS VS AIF: WHICH INVESTMENT OPTION FITS YOUR STRATEGY?



What is PMS?

PMS offers customized portfolios managed by professionals, giving you direct ownership of stocks or securities. The investment strategies are tailored to meet your specific financial goals, with a minimum investment of ₹50 lakhs.



What is AIF?

AIFs are pooled investment vehicles, allowing a group of investors to participate in a wide range of alternative assets, including private equity, venture capital, and real estate. AIFs are classified into three categories based on risk and strategy.



Investment Strategy



PMS:

Focuses on active management with a personalized approach, aiming for superior returns by selecting stocks or securities based on research.



AIF:

May use both active and passive strategies, with flexibility to invest in diverse asset classes, including unlisted companies and alternative assets.

Fees & Charges



PMS:

Charges higher management fees (1-3% of assets) along with performance fees.



AIF:

Lower management fees (0.5-2%), but higher performance fees, which can go up to 30% of profits.



Liquidity & Lock-in Period

PMS:

More liquidity, with redemption typically allowed quarterly or monthly. Some funds have a 1-3 year lock-in.

AIF:

Lower liquidity with longer lock-in periods, usually between 3-5 years, with limited redemption windows.



Taxation Structure for PMS



LISTED EQUITY:

Short-term Capital Gains (STCG):

Taxed at 20% for units held for less than one year. (If assets sold on or after 23rd July 2024)

Long-term Capital Gains (LTCG):

Taxed at 12.5% (without indexation), applicable on gains exceeding ₹1.25 lakh in a financial year. (If assets sold on or after 23rd July 2024)



DEBENTURES AND BONDS:

Interest Income:

Subject to taxation as per your individual tax slabs.

STCG:

Taxed according to your applicable income tax slab if held for less than 12 months.

LTCG:

Taxed at 20% provided the bonds are held for more than 12 months.



Taxation Structure for AIFs:

AIF Category I / II:

- Focuses on unlisted securities, such as bonds or equity.
- Offers pass-through taxation; the investor directly incurs tax aligned with the nature of income.

Capital Gains:

- STCG are applied taxes based on slab rates.
- LTCG is taxed at 12.5% .

Interest Income:

- Any generated interest income is taxed according to each investor's tax slab.



Taxation Structure for AIFs:

AIF Category III:

- Targets listed securities, including equities and derivatives, with taxes typically assessed at the fund level.

Capital Gains:

- STCG faces a 20% tax rate.
- LTCG are subjected to 12.50% taxation on profits.

Derivative Income:

- Income from derivatives is regarded as business income and is taxable in line with tax slabs.

Dividend Income:

- Taxation corresponds to each investor's respective slab rates.



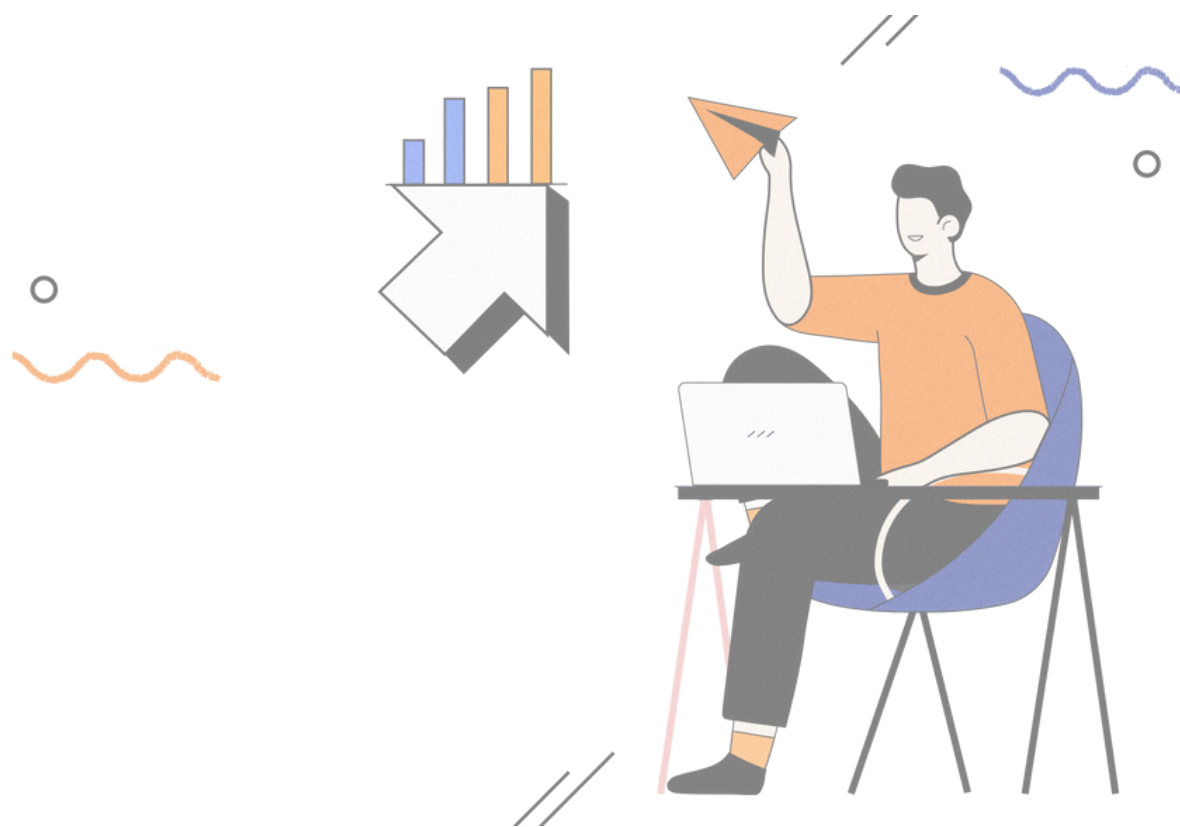
Who Should Invest?

PMS:

Best for HNIs looking for a personalized, hands-on investment approach with a higher risk tolerance.

AIF:

Ideal for a wide range of investors, from HNIs to family office, looking to explore alternative investments with diverse risk profiles.



To begin your investment journey,
scan the QR code to open your account.



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