

# Mutual Fund FAQs

GROWTH POTENTIAL

Your complete guide to mutual funds, PMS, AIFs, and GIFT City investments. Clear answers to help you make informed investment decisions.

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## Mutual Funds (MF)

Invest in a diversified portfolio of stocks or bonds managed by professionals. Features like SIP (Systematic Investment Plan) allow regular, disciplined investing, while SWP (Systematic Withdrawal Plan) offers regular cash flow.

2

## Portfolio Management Services (PMS)

Customized investment solutions for high-net-worth individuals, offering a more personalized approach than mutual funds.

3

## Alternative Investment Funds (AIF)

Pooled investment vehicles for sophisticated investors, investing in diverse assets like private equity, hedge funds, or real estate.

4

## GIFT City Products

Investment opportunities within India's International Financial Services Centre (IFSC), offering global exposure and competitive advantages.

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# Understanding Mutual Funds

## What is a Mutual Fund?

A mutual fund pools money from many investors to invest in stocks, bonds, or other securities. Professional fund managers handle these investments with the goal of generating returns while spreading risk across multiple securities.

## Why Use a Distributor?

A distributor helps you identify suitable funds based on your financial goals, risk appetite, and investment horizon. They provide ongoing advisory support, portfolio monitoring, and assist with transactions to keep your investments aligned.

# Safety and Documentation

## Are Mutual Funds Safe?

Mutual funds are market-linked, which means returns are subject to market risks. However, they are regulated by SEBI (Securities and Exchange Board of India), ensuring transparency and strong investor protection measures.

## Required Documents for Investing

To start investing, you need to complete KYC (Know Your Customer) with these essential documents:

- PAN card for tax identification
- Address proof (Aadhaar, Passport, Driving License)
- Recent passport-size photograph
- Active bank account details



- i The KYC process is a one-time requirement that enables you to invest across multiple fund houses seamlessly.

# Investment Amounts and SIP

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## Minimum Investment

You can start with as little as ₹500 per month through a Systematic Investment Plan (SIP). The ideal amount depends on your financial goals, risk profile, and investment time horizon.

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## What is SIP?

A SIP allows you to invest a fixed amount at regular intervals in a mutual fund scheme. It builds wealth gradually, averages purchase costs over time, and instills financial discipline.

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## What is SWP?

A Systematic Withdrawal Plan (SWP) allows you to withdraw a fixed amount from your mutual fund investments at regular intervals. It's ideal for generating a steady income stream, especially during retirement.

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## Flexibility in Withdrawals

Open-ended funds can be redeemed anytime, providing liquidity when needed. However, some funds may have a lock-in period (like ELSS with 3 years) or exit loads for early withdrawal.

# Types of Mutual Funds



## Equity Funds

High growth potential funds that invest primarily in stocks. These are ideal for long-term wealth creation and are suitable for investors with higher risk tolerance and longer investment horizons.



## Debt Funds

Relatively stable funds that invest in bonds and fixed-income securities. These are suitable for conservative investors seeking steady returns with lower volatility compared to equity funds.



## Hybrid Funds

A balanced mix of equity and debt investments, these funds offer a middle ground between growth and stability. Perfect for investors seeking moderate risk with diversified exposure.

# Taxation and Charges

## Tax Treatment

Equity Funds:

- Short-term (<1 year): 15% tax
- Long-term (>1 year): 10% tax above ₹1 lakh

**Debt Funds:** Taxed as per your income slab (post-2023). Dividends are also taxable in your hands at applicable rates.

## Fee Structure

Mutual funds charge an Expense Ratio that covers management and operational costs. There are no separate charges for investing through registered distributors unless explicitly stated in the offer documents.

- 📄 Lower expense ratios mean more of your money is working for you in investments.



# Portfolio Management and Tracking



## Track Your Investments

Monitor your portfolio through consolidated account statements from CAMS/KFintech, AMC websites and apps, plus our personalized portfolio review services.



## Flexibility to Switch

You can switch between schemes or change your allocation based on evolving goals or market conditions. We assist in rebalancing portfolios when required.



## Market Volatility Strategy

During market downturns, stay invested for the long term. Continuing SIPs during volatile periods helps average costs and can improve long-term returns significantly.

Regular Plan includes distributor support with slightly higher expense ratio. Direct Plan has lower costs but requires self-management. Most investors prefer regular plans for expert guidance.

# Premium Investment Options

## Portfolio Management Services (PMS)

PMS offers bespoke investment services for high-net-worth investors with customized portfolios. Unlike mutual funds, PMS accounts are individually managed with minimum investment of ₹50 lakh as per SEBI guidelines.

Gains are taxed directly in the investor's hands with capital gains treatment, providing transparency and personalized strategies.

## Alternative Investment Funds (AIFs)

AIFs are privately pooled vehicles investing in alternative asset classes like private equity, venture capital, hedge funds, real estate, and structured credit with minimum investment of ₹1 crore.

Suitable for sophisticated investors with higher risk appetite and long-term horizons, including HNIs, family offices, and institutions seeking diversification.

# GIFT CITY

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# GIFT City Investment Opportunities

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## What is GIFT City?

Gujarat International Finance Tec-City is India's first International Financial Services Centre (IFSC), offering a globally competitive financial ecosystem with tax-friendly regulations for both domestic and international investors.

2

## Investment Options Available

Access international mutual funds and ETFs, global equities and bonds, AIFs and PMS structures based in IFSC, plus offshore funds with attractive Indian tax benefits.

3

## Tax Benefits

Enjoy exemption from capital gains tax on specified securities, no GST on financial services, concessional rates for eligible investors, and 10-year tax holidays for qualifying IFSC operations.

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## Eligible Investors

Both Resident Indians (within LRS limits) and NRIs/foreign investors can participate, offering seamless global investment access with lower costs than Singapore or Dubai.



# Ready to Start Your Investment Journey?

Whether you're starting with a simple SIP of ₹500 per month or exploring premium investment options like PMS and AIFs, we're here to guide you every step of the way.

Our experienced team helps you navigate the complexities of mutual fund investing, ensuring your investment strategy aligns perfectly with your financial goals and risk tolerance.

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## ✔ **Get Started Today:**

- ✓ Complete KYC documentation✓
- Choose your investment amount✓
- Select suitable fund categories✓
- Begin your wealth creation journey

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Investment in mutual funds is subject to market risks. Please read all scheme related documents carefully before investing.