

Invest Regularly to Fulfill Dreams



NIVESH PATRIKA

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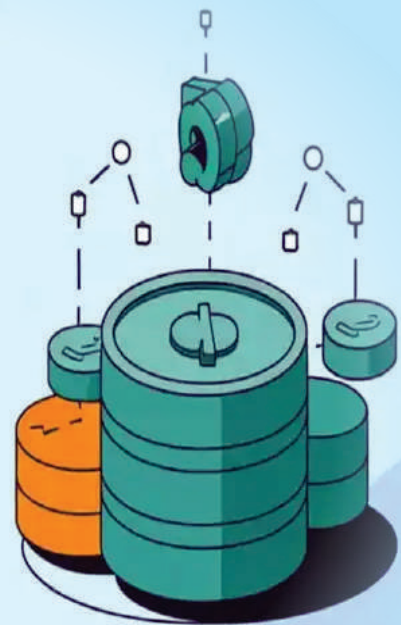
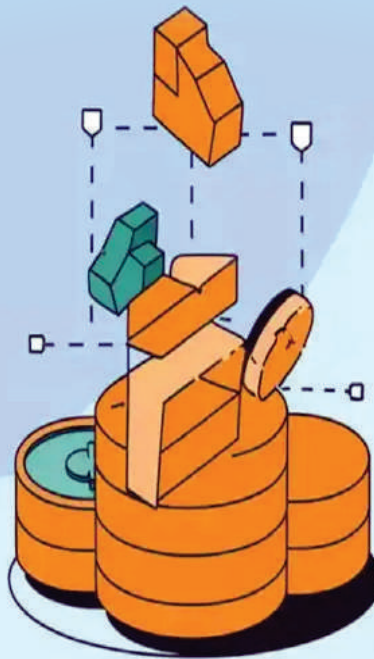
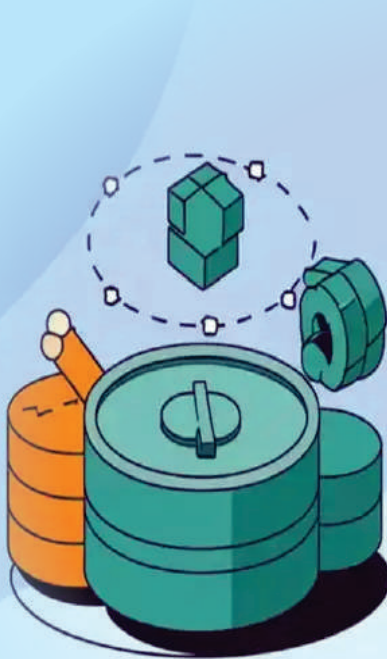
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MUTUAL FUNDS **VS** PMS **VS** AIF



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Maloo Investwise Pvt. Ltd. (erstwhile Maloo Finance & Investment Services) was established in 1992. Our purpose is to help our customers on their journey to fulfill their financial dreams. With more than 32 years of experience, Maloo Investwise is an esteemed and trusted financial service provider in Rajasthan.

We provide investment, mutual fund and diversified financial services through dynamic information management, benchmarking and continuous client reporting.

Founder and Pioneer



Award and Achievements



Dr. Ramesh Chand Maloo, founder of Maloo Investwise Pvt. Ltd. is a Certified Financial Planner (CFP) with over 30 years of experience in financial management

Awarded with NSE Market Achievers Award in 2018.



His Ph.D. theses "Analysis of Investment Opportunities- A comparative study of Mutual Funds, Equity, and traditional Investments." highlighted investment opportunities in open market

Awarded with the "Tarakki champion" Award in 2019



He has undergone a short term course on "Family Business: Organization, Strategies, Internationalization and Succession" From the prestigious IIM, Ahmedabad.

Awarded with CNBC TV 18, UTI MF, and ICRA's Best performing MFD Award erstwhile (Individual Financial Advisor Award) for north India cities (tier II)' 2018-19



He has also done short term course on leadership development program from ISB Hyderabad.

Awarded with MFRT Imperial Qualifier Award in Year 2013.



Company Strategy

Our Services

Vision

To build long-term relationship with our clients and provide them real time financial services through use of state-of-the-art technology and innovation.

Mission Statement

To ensure optimal financial growth for our clients.

Purpose

To provide active portfolio management and diversified financial services to our clients through dynamic information management, bench marking and continuous client reporting.

Online Investment

Our website and mobile app (IOS and Android) provide our clients with useful financial tools, calculators and articles for better financial planning and do-it-yourself online investment options.

Financial Solutions

We offer various financial products to help our clients achieve their financial goals;

Investment in Mutual Fund

We are Rajasthan's largest retail financial service provider offering a variety of financial products including mutual funds, life insurance, health insurance, postal schemes, bonds (capital gain, infrastructure, government and RBI) etc.

Mutual Funds vs PMS vs AIF

INTRODUCTION

As wealth grows, so do the choices for investing. For most retail investors, mutual funds (MFs) are the first step into professionally managed investments. As portfolios expand, some investors begin to explore **Portfolio Management Services (PMS)** or **Alternative Investment Funds (AIFs)**, which are tailored for higher-net-worth individuals.

But with more options comes more confusion. Investors often ask:

- Should I stick to mutual funds?
- Is PMS better than MFs?
- What does an AIF offer that PMS and MFs don't?

This article breaks down the differences between **MFs, PMS, and AIFs** across multiple dimensions like **structure, regulation, risk-return profile, suitability, taxation, and minimum investment requirements**. Our aim is to help investors understand which route may be appropriate for their financial journey — and how working with a distributor ensures the right solution is chosen.

1. THE BASICS: MF, PMS, AND AIF EXPLAINED

Mutual Funds (MFs)

Mutual funds pool money from thousands of investors to invest in equity, debt, gold, or hybrids. **They are highly regulated by SEBI** and designed to make professional fund management accessible to everyone.

- Minimum investment: As low as ₹500 via SIP.
- Transparency: Daily NAV disclosure, portfolio published monthly.
- Liquidity: Easy redemption (T+2 for equity, T+1 for debt in most cases).

Ideal for: First-time investors, long-term wealth builders, investors with smaller ticket sizes, or those seeking regulated, liquid, and diversified products.

Portfolio Management Services (PMS)

PMS is a personalized investment solution, usually offered to **high-net-worth individuals (HNIs)**. Instead of pooling money, your portfolio is managed separately. The PMS manager builds a **customized portfolio** of stocks, bonds, or other assets in your demat account.

- Minimum investment: ₹50 lakh (as per SEBI).
- Transparency: Detailed statements, direct stock holdings visible.



Mutual fund investments are subject to market risks, read all scheme related documents carefully.

- Liquidity: Relatively liquid, but portfolio restructuring can take time.

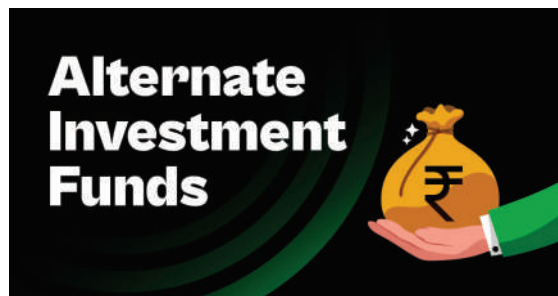
Ideal for: Investors with larger portfolios, appetite for concentrated strategies, and desire for customization.

Alternative Investment Funds (AIFs)

AIFs are private pools of capital that invest in a variety of alternatives like **listed equity, private equity, venture capital, hedge funds, real estate, or distressed assets**. They cater to sophisticated investors looking beyond traditional equity or debt.

- Minimum investment: ₹1 crore (as per SEBI).
- Transparency: Quarterly reporting, not daily NAV like mutual funds.
- Liquidity: Usually long lock-in periods (3–7 years depending on strategy).

Ideal for: Ultra-HNIs, family offices, or investors who want exposure to niche strategies and illiquid assets for potentially higher returns.



2. KEY DIFFERENCES BETWEEN MF, PMS, AND AIF

Here's a side-by-side comparison:

Parameter	Mutual Funds (MF)	Portfolio Management Services (PMS)	Alternative Investment Funds (AIF)
Regulator	SEBI (MF Regulations)	SEBI (PMS Regulations)	SEBI (AIF Regulations)
Minimum Investment	₹500 (SIP) / ₹1,000 lump sum	₹50 lakh	₹1 crore
Structure	Pool of investors	Separate account per investor	Pool of sophisticated investors
Portfolio	Standardized schemes	Customized for each client	Alternative strategies (Listed equity, PE, VC, real estate)
Liquidity	High (daily redemption)	Moderate (stocks liquid, but strategies may take time)	Low (lock-ins, 3–7 years typical)
Transparency	High (daily NAV, monthly factsheet)	High (direct stock visibility)	Moderate (quarterly disclosure)
Risk Profile	Low to moderate to high (depends on scheme)	Moderate to High risk, depend on type of PMS	Moderate to High risk, depend on type of AIF
Taxation	Pass-through (taxed at investor level)	Taxed at investor level	Category-wise (depends on AIF type)

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3. INVESTOR SUITABILITY: WHO SHOULD CHOOSE WHAT?

Mutual Funds (MFs)

- **Retail Investors:** Anyone starting with small amounts.
- **Salaried Class:** SIPs make investing disciplined and systematic.
- **HNIs:** Even wealthy investors allocate large sums to MFs for liquidity and diversification.

PMS

- **HNIs with ₹50 lakh+ to spare.**
- Those who want **direct stock ownership** instead of units in a fund.
- Investors who prefer **concentrated, high-conviction portfolios**.

AIFs

- **Ultra-HNIs with ₹1 crore+ tickets.**
- Family offices seeking **diversification beyond listed markets**.
- Investors willing to commit capital for **long horizons** in exchange for higher alpha.

4. RISK-RETURN TRADE-OFF

1. **Mutual Funds:** Broad-based diversification reduces risks. Returns are linked to benchmarks. Safer for most investors.
2. **PMS:** Higher risk because of concentrated portfolios, but potential for alpha if manager is skilled.
3. **AIFs:** Highest risk due to illiquid and alternative assets. Returns may be high, but also uncertain and delayed.



5. TAXATION ASPECT

- **Mutual Funds:**
 - Equity MF: 20% STCG (up to 1 year), 12.5% LTCG (above ₹1.25 lakh).
 - Debt MF: Taxed as per slab (after recent changes).
- **PMS:** Gains taxed like direct stocks — STCG at 20%, LTCG at 12.5%.
- **AIFs:** Depends on category:
 - Cat I & II: Pass-through taxation.
 - Cat III: Taxed at fund level, higher complexity.

6. THE ROLE OF A DISTRIBUTOR

With so many differences, most investors struggle to select the right option. A distributor plays a crucial role by:

1. **Assessing Investor Profile:** Risk appetite, goals, liquidity needs.
2. **Filtering Choices:** Not every PMS or AIF suits everyone — distributors shortlist credible, regulated options.

Mutual fund investments are subject to market risks, read all scheme related documents carefully.

3. **Handholding in Execution:** From paperwork to compliance.
4. Ongoing Review: Ensuring performance aligns with goals.

Investors benefit from professional guidance rather than navigating complex structures alone.

7. PROS AND CONS SUMMARY

Mutual Funds

- ✓ Highly regulated, low entry barrier, liquid, tax-efficient.
- ✗ Limited customization,

PMS

- ✓ Customized, direct ownership, potential for higher alpha.
- ✗ High minimum investment, higher risk, higher fees.

AIFs

- ✓ Access to alternative strategies, diversification to and beyond listed markets.
- ✗ Very high minimum ticket size, long lock-in, less transparency.

8. CASE STUDIES

- **Case 1: Salaried Professional (Age 35)**
 - Wants to invest ₹25,000 monthly for retirement.
 - **Best suited:** Mutual Funds (SIPs in equity-oriented schemes).
- **Case 2: Business Owner (Age 45, Investible Surplus ₹3 crore)**
 - Seeks diversification beyond listed stocks.
 - **Best suited:** Mix of PMS (for concentrated equity) + AIF (for PE/real estate exposure).
- **Case 3: Retired HNI (Age 60)**
 - Wants regular income + capital protection.
 - **Best suited:** Debt-oriented Mutual Funds + Conservative PMS strategy.

9. FUTURE OUTLOOK

- **Mutual Funds:** Growing with SIP culture, retail penetration increasing.
- **PMS:** Rising as HNIs look for personalized strategies.
- **AIFs:** Exploding due to startup ecosystem, private equity, and real estate opportunities.

India's wealth creation wave ensures all three categories will co-exist, catering to different investor segments.



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10. FINAL THOUGHTS

Choosing between **Mutual Funds, PMS, and AIFs** isn't about which is "better" in absolute terms — it's about what fits your profile.

- If you are beginning your investment journey: **Start with Mutual Funds.**
- If you are an HNI seeking a concentrated, actively managed equity portfolio: **Explore PMS.**
- If you are an ultra-HNI looking to diversify into alternatives: **Consider AIFs.**

As a **distributor**, we ensure that investors select the right product not just based on returns, but also on **risk, liquidity, goals, and suitability.**

Your wealth deserves a strategy that grows with you.

Disclaimer : Investments in securities markets are subject to market risks. This article is for educational purposes only and not investment advice. Please consult your distributor/financial advisor before investing.



Your Trusted Distributor for

- **MUTUAL FUNDS**
- **PMS**
- **AIF**



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WEALTH QUOTES

"Expect Volatility and Profit from It"

— Benjamin Graham



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