



InCredPremier

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EXPLORING ALTERNATIVES:

A JOURNEY INTO

ALTERNATIVE INVESTMENT FUNDS



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SWIPE



What are AIFs?

An Alternative Investment Fund (AIF) refers to a privately pooled investment vehicle that operates outside of traditional investment markets such as stocks, bonds, and cash.

These funds typically invest in assets such as real estate, private equity, hedge funds, commodities, infrastructure, and other alternative asset classes.



Taxation on AIFs:

The tax treatment for investors in AIFs depends on the category of the AIF and the nature of the income earned by the AIF:

1 AIF category I and II:

AIF category I and II which invest in unlisted securities (bonds or equity) are pass through vehicles and tax is charged at investor level. The rate and slab of tax is dependent on the nature of income earned by the AIF.

Capital Gains:

Profits derived by selling unlisted equity held as capital assets are taxed as capital gains. Short-term capital gains (STCG) are taxed at the applicable slab rates, while long-term capital gains (LTCG) are taxed at 20% with indexation benefits.

Interest Income:

If the AIF generates interest income periodically, it is taxable in the hands of the investors based on their respective tax slabs.

Dividend Income:

Dividends received by AIFs from underlying investments are taxed at investor level depending on overall dividend income.



2 AIF category III:

AIF category III which invests in Listed securities (primarily equities and derivatives) are generally taxed at the Fund level. The rate and slab of tax is dependent on the nature of income earned by the AIF.

Capital Gains:

Profits derived by selling equity held as capital assets are taxed as capital gains. Short-term capital gains (STCG) are taxed at 15%, while long-term capital gains (LTCG) are taxed at 10% on profit.

Income from Derivatives:

The income generated from derivatives transactions are taxed as business income as per tax slabs.

Dividend Income: Dividends received by AIFs are taxed as per tax slabs.



To bring it to a close

At InCred Premier, we acknowledge that your hard-earned wealth deserves nothing less than the utmost care and attention.

Rest assured, we are committed to providing you with unparalleled investment services.

If you need help or have any questions as you progress, our dedicated team is here for you. You may reach out to us at care@incredpremier.com.



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