

# Alternative Investment Fund

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- Alternative Investment Fund comprises pooled investment funds which invest in venture capital, private equity, hedge funds, managed futures, etc.
- In simpler terms, an AIF refers to an investment which differs from conventional investment avenues such as stocks, debt securities, etc.
- An alternative investment is a financial asset that does not fall into one of the conventional investment categories. Conventional categories include stocks, bonds, and cash etc
- Alternative Investment Fund is described under Regulation 2(1)(b) of the Regulation Act, 2012 of Securities and Exchange Board of India (SEBI).
- AIF can be established in the form of a company or a corporate body or a trust or a Limited Liability Partnership (LLP).
- Generally, high net worth individuals and institutions invest in Alternative Investment Funds as it requires a high investment amount, unlike Mutual Funds.