

PRIVATE WEALTH BRIEFING · 2026

Specialized Investment Funds

India's newest regulated asset class.

A confidential briefing for high-net-worth investors on the SEBI-regulated category that sits between mutual funds and PMS — and how to access every fund through SIF Prime.

AMFI Registered SIF Distributor

Built on Morningstar + BSE
Execution

20 SIFs Tracked · 4 Strategy
Categories

A gap in the Indian wealth product spectrum.

For two decades, Indian investors with growing wealth have faced a binary choice: mutual funds at the entry level, or Portfolio Management Services at ₹50 lakhs and above.

There has been no regulated, professionally-managed vehicle that offered sophisticated long-short and tactical strategies between those two extremes — until now.

"SIFs are the missing middle of Indian wealth management."

— SEBI category, introduced April 2025

THE WEALTH PRODUCT LADDER

Mutual Funds	₹500
Retail · long-only · daily liquidity	
Specialized Investment Funds	₹10 Lakh
Emerging HNIs · long-short · SEBI regulated	
Portfolio Management Services	₹50 Lakh
Ultra HNIs · bespoke · individual portfolios	

DEFINITION

What is a Specialized Investment Fund?

A Specialized Investment Fund (SIF) is a new SEBI-regulated investment category introduced on 1 April 2025. It bridges the gap between traditional mutual funds and Portfolio Management Services — offering sophisticated long-short, sector-rotation, and tactical strategies, within the regulatory umbrella of SEBI's Mutual Fund Regulations.

₹10L

**MINIMUM
INVESTMENT**

Aggregated at PAN level per
AMC

25%

**UNHEDGED SHORT
EXPOSURE**

Up to, via derivatives

8

**APPROVED
STRATEGY TYPES**

Equity, debt, hybrid, multi-asset

20

LIVE SIFS IN INDIA

As of May 2026

The SEBI framework — built for institutional integrity.

SIFs operate under SEBI's Mutual Fund Regulations with category-specific provisions. Only AMCs meeting strict eligibility criteria can launch a SIF — ensuring professional management, mandatory disclosures, and a level of investor protection unavailable to unregulated alternative products.

ROUTE 1

Sound Track Record

- Minimum 3 years of AMC operations
- Average AUM of ₹10,000 Cr over the preceding 3 years
- Clean record — no regulatory action under SEBI Act

ROUTE 2

Alternate — Talent Route

- CIO with 10+ years of fund management experience
- Demonstrated history of managing \geq ₹5,000 Cr AUM
- An additional fund manager with 3+ years' experience

Designed for the emerging HNI.

SIFs are purpose-built for investors who have outgrown the simplicity of mutual funds but are not yet ready — or willing — to commit ₹50 lakhs to a PMS mandate.

- | | | |
|-----------|--|--|
| 01 | Emerging HNIs | ₹10 lakh+ investable surplus seeking genuine portfolio diversification beyond plain-vanilla MFs. |
| 02 | Experienced Investors | Comfortable with moderate-to-high risk, looking for alpha through active and alternative strategies. |
| 03 | Outgrown MFs, Not Ready for PMS | Want PMS-style flexibility — long-short, sector rotation, tactical allocation — without the ₹50L commitment. |
| 04 | Medium-to-Long Horizon | Investment horizon of 3-5+ years; can tolerate near-term volatility for cycle-tested strategies. |
| 05 | Resident Indians, HUFs & NRIs | Open to Indian residents, Hindu Undivided Families, and NRIs meeting the ₹10 lakh PAN-level threshold. |

SIF vs Mutual Funds vs PMS vs AIF

Parameter	SIF	Mutual Funds	PMS	AIF
Minimum Investment	₹10 Lakh (PAN, per AMC)	₹100-₹500 (SIP)	₹50 Lakh	₹1 Crore
Target Investor	Emerging HNI	Retail	Ultra HNI	Institutional / HNI
Strategy Range	Long-short, sector, tactical	Long-only, mandate-bound	Bespoke, unrestricted	Strategy-specific, varied
Short Exposure	Up to 25% unhedged	Hedging only	Unrestricted	Strategy-dependent
Regulatory Framework	SEBI MF Regs + SIF rules	SEBI MF Regs (strict)	SEBI PMS Regs	SEBI AIF Regs
Liquidity	Daily / interval	Daily	Tied to holdings	Lock-in (years)
Expense Ratio (TER)	1.5% - 3%	0.5% - 2.5%	2-3% + perf fee	2-3% + perf fee
Customization	Strategy selection	None — pooled	Full personalization	None — pooled
Taxation	MF taxation by strategy	Equity / debt MF rules	Per-security (individual)	Pass-through (varies)
Transparency	Monthly disclosure	Monthly disclosure	Real-time access	Periodic NAV

SIF occupies the middle ground — sophisticated strategies of PMS with the access and transparency of mutual funds.

Equity-oriented strategies.

Market Neutral Long-Short

Medium -
High

MANDATE ≥ 65% equity

Returns regardless of market direction via simultaneous long and short positions.

SUITABLE FOR *Investors wanting equity exposure decoupled from market beta.*

Sectoral Long-Short

High

MANDATE ≥ 80% in up to 4 sectors

Concentrated sector exposure with the ability to short within those sectors.

SUITABLE FOR *Investors with strong sector-specific views.*

Ex-Top 100 Long-Short

High

MANDATE ≥ 65% in stocks beyond top 100 by mcap

Alpha from mid- and small-caps; shorts used to hedge cyclical drawdowns.

SUITABLE FOR *Aggressive investors hunting alpha in less-covered names.*

Sector Rotation Long-Short

Medium -
High

MANDATE ≥ 80%, dynamic rotation across 4 sectors

Tactical reallocation across sectors based on business cycle indicators.

SUITABLE FOR *Investors comfortable with active sectoral timing.*

Debt, hybrid & active asset allocation.

Debt Long-Short

Medium

MANDATE Debt across duration spectrum

Active duration management and yield-curve positioning via exchange-traded debt derivatives.

SUITABLE FOR *Fixed-income investors seeking enhanced post-tax yields.*

Sectoral Debt Long-Short

Medium

MANDATE Debt across ≥ 2 sectors, max 75% in one

Credit-spread trading and sector-specific credit opportunities.

SUITABLE FOR *Investors with sectoral credit views.*

Hybrid / Balanced Long-Short

Medium

MANDATE Dynamic equity / debt allocation

Tactical asset allocation with hedging tools across asset classes.

SUITABLE FOR *Investors seeking balanced exposure with downside protection.*

Active Asset Allocator

Medium-High

MANDATE Unrestricted across equity, debt, derivatives

Maximum manager discretion to navigate across market cycles.

SUITABLE FOR *Investors trusting an experienced manager's allocation calls.*

Why 25% short exposure changes the math.

A traditional equity mutual fund can only buy stocks. When markets fall, all it can do is watch its NAV decline. A SIF can short up to 25% of its book through derivatives — a structural tool that lets the manager hedge drawdowns and, when used well, profit from names that are overpriced.

THE PRACTICAL DIFFERENCE

- Hedge concentrated positions during drawdowns
- Capture alpha from overvalued stocks, not just undervalued ones
- Reduce correlation to broad-market beta
- Maintain mutual-fund taxation, not derivative-trading tax

MARCH 2026 STRESS TEST

Alpha Shield in action.

Nifty 50 in March 2026

-11.30%

Spread between best and worst Hybrid L-S SIF

> 8 pp

Manager skill, not market direction, drove returns in the worst month of the cycle. Long-short tooling does its job when it matters most.

The SIF landscape today.

20

LIVE SIFS

across 11 AMCs

4

STRATEGY
CATEGORIES

equity, hybrid, ex-top 100, AAA

+15.4%

TOP 1-MONTH
RETURN

qSIF Ex-Top 100, Apr 2026

+5.35%

TOP SINCE-
INCEPTION

Altiva Hybrid L-S, Edelweiss

APRIL 2026 PERFORMANCE HIGHLIGHTS

Fund	AMC	Category	1M (Apr 26)	3M (Feb-Apr)	Since Inception
qSIF Ex-Top 100 L-S	Quant	Ex-Top 100	+15.38%	+5.65%	-0.79%
qSIF Equity L-S	Quant	Equity L-S	+13.68%	+4.35%	+1.44%
iSIF Hybrid L-S	ICICI Prudential	Hybrid L-S	+7.45%	—	-0.99%
qSIF Hybrid L-S	Quant	Hybrid L-S	+6.94%	+6.48%	+5.10%
Titanium Hybrid L-S	Tata	Hybrid L-S	+5.51%	-0.35%	-0.74%
Altiva Hybrid L-S	Edelweiss	Hybrid L-S	+3.17%	+2.32%	+5.35%

Source: AMFI · NAVs as of 30 Apr 2026 · Direct Plan Growth. Tracked live on sifprime.com/sifreturns.

MF-like taxation — a structural HNI advantage.

Unlike PMS, where every trade in your portfolio creates a personal taxable event, SIFs are taxed like mutual funds: taxation triggers only at redemption — never on the manager's intra-portfolio trades.

EQUITY-ORIENTED SIFs

Equity exposure \geq 65% of NAV

LTCG (held > 12 months)

12.5%

STCG (held < 12 months)

20%

HYBRID / CONSERVATIVE SIFs

Equity exposure < 65% of NAV

LTCG (held > 12 months)

12.5%

STCG (held < 12 months)

Slab rate (up to 30%)

Illustrative — post-tax math: An equity SIF returning 14% pre-tax delivers **~12.25% net** after 12 months at 12.5% LTCG. A 30%-bracket FD yielding 7% delivers only **~4.9% net** — a 700+ bps post-tax gap.

Why SIF Prime.

India's first comprehensive platform to discover, compare, and execute on every SEBI-regulated Specialized Investment Fund — purpose-built for HNIs and their advisors.

Complete Universe Coverage

Every one of the 20 live SIFs from 11 AMCs, tracked daily — plus upcoming NFOs before they launch.

Institutional Data Backbone

Live NAV, returns, AUM and strategy disclosures powered by Morningstar data and BSE execution rails.

Apples-to-Apples Comparison

Side-by-side scorecards mapped to SEBI-disclosed benchmarks: Nifty 500 TRI, Nifty Midsmallcap 400, Hybrid Composite.

Alpha Shield Stress Tests

Each fund stress-tested against the worst Nifty drawdowns — so you see manager skill, not just total return.

Tax & Liquidity Intelligence

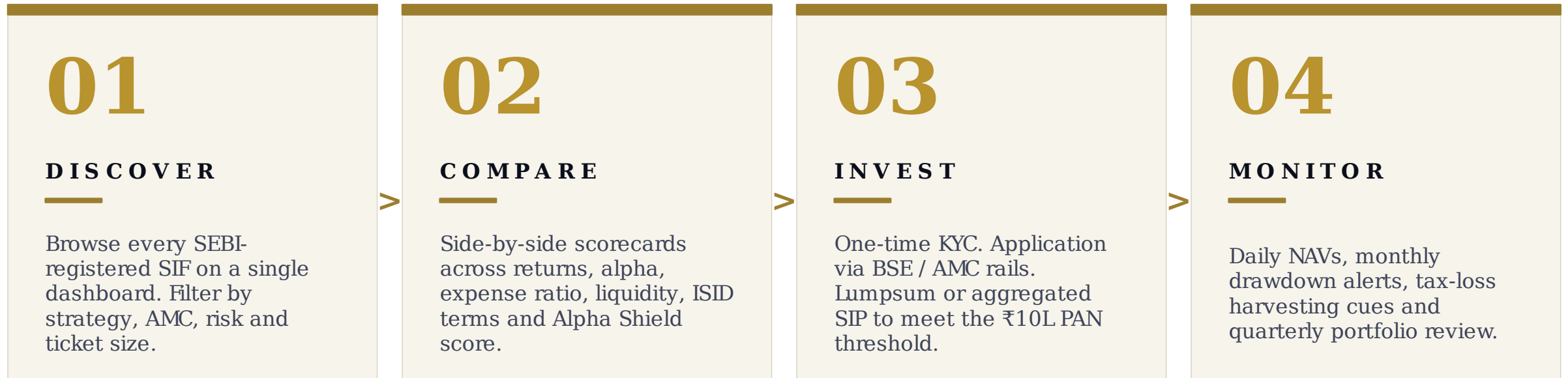
Fund-by-fund tax buckets, exit-load windows, and redemption-rule guides — modeled to your holding period.

AMFI-Registered Distribution

End-to-end onboarding, execution and reporting under one regulated roof — no hidden intermediaries.

From discovery to portfolio — in four steps.

We compress what would otherwise be weeks of comparison, paperwork and execution into a structured, white-glove process — completed online or with an advisor on call.



IMPORTANT CONSIDERATIONS

Risks & suitability.

SIFs are sophisticated products built for informed investors. The same flexibility that creates opportunity — derivatives, concentrated mandates, tactical timing — also creates distinctive risks. Every SIF Prime briefing begins with a candid risk conversation.

Market Risk

Long-short does not eliminate market risk. Both legs can lose simultaneously in correlated drawdowns.

Strategy Execution Risk

Complex strategies require precise execution. Poor timing or wrong sector calls can underperform a passive long-only fund.

Liquidity Risk

Interval SIFs allow redemption only in defined windows. Plan exits in advance — tax-loss harvesting needs lead time.

Cost Structure

Expected TER of 1.5%–3% is higher than vanilla MFs. Performance must clear the cost hurdle to add net value.

Derivative & Short Risk

Short positions carry theoretically unlimited loss potential; derivative leverage can amplify losses in fast-moving markets.

Limited Track Record

The category launched April 2025. Most live funds have <18 months of history — strategy quality must be assessed on process, not just outcomes.

Investments in SIFs are subject to market risk. Read all Investment Strategy Information Documents (ISID) carefully. Past performance is not indicative of future returns.

SIF PRIME

BEGIN YOUR SIF JOURNEY

Let's get to work.

A 30-minute conversation is the fastest way to understand whether SIFs belong in your portfolio — and which strategies match your wealth, risk and tax profile.

BOOK A CONSULTATION

rzp.io/rzp/vGK4GbZ

30-minute private call

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Briefings & reports on request