

sector by pooling small sums of money from multitude of individual investors. REITs are regulated by Securities and Exchange Board of India (SEBI).

Most middle-class investors presently do not invest in commercial real estate because of the big size of investment. This entry barrier will be removed through REITs as it will make the expensive real estate sector accessible to the middle-class investor. REITs will also help the real estate industry which is currently plagued with problems such as weak demand, cash constraints, stuck projects etc. Now, the developers will be able to sell their property to REITs and move on to execution of new projects.

SEBI has also approved **Infrastructure Investment Trusts (InvITs)** along with REITs which are very similar to REITs but are for infrastructure sector.

113. (d)

- An **angel investor** is a person who invests in highly risky companies, typically before those companies have any revenue or profits. They are often among an entrepreneur's family and friends and invest in small start-ups and entrepreneurs.
- Angel investors provide more favourable terms compared to other lenders, since they usually invest in the entrepreneur starting the business rather than the viability of the business.
- Angel investors are focused on helping start-ups take their first steps, rather than the possible profit they may get from the business.
- Fund-raising with angel investors is typically done more casually, using networking and crowd funding platforms.
- Essentially, angel investors are the opposite of venture capitalists. Angel investors typically use their own money, unlike venture capitalists who take care of pooled money from many other investors and place them in a strategically managed fund.
- Angel Investment in India is regulated by Securities and Exchange Board of India (SEBI) under Category I of Alternative Investment Funds (AIF).

114. (d)

Anchor investor is a concept launched by SEBI in 2009. Anchor investors are institutional investors (not individual) who are invited to subscribe/purchase the shares before the Initial Public Offer (IPO) opens so that it popularizes the issue and increases the confidence of the other investors and improves the demand of the share. Each anchor investor needs to invest a minimum sum in the issue. The anchor investors are allotted share one day before the IPO opens and there is some lock in period before which they cannot exit their investment.

115. (d)

Alternative Investment Fund (AIF) means any fund established or incorporated in India which is a **privately pooled investment vehicle which collects funds from sophisticated investors**, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors. AIFs are registered with and regulated by SEBI. Angel Investor Funds and Venture Capital Funds come under AIF.

116. (d)

A Sovereign Wealth Fund (SWF) is a State/Government owned investment fund or entity that is commonly established from export surpluses, fiscal surpluses, proceeds from privatization etc. Countries generally create SWFs to diversify their revenue streams to protect and stabilize the budget and economy from excess volatility. For ex., UAE relies on oil exports for its wealth. Hence, it devotes a portion of its reserves to an SWF that invests in diversified assets that can act as a shield against oil-related risks (when oil prices plunge, govt's budgetary resources/taxes decline, and SWFs act as buffer). SWFs