05 Other kinds of transfer...

Although transfers are usually between securities investment funds, they may also involve other types of collective investment schemes: foreign funds subject to EU legislation (most of those filed with the CNMV for distribution in Spain), real estate investment funds, open-end investment companies (SICAV)...

- The characteristics of the scheme involved can affect the cost and terms of the transfer transaction. For instance, whether subscriptions and redemptions are confined to certain dates (as with real estate funds), or the flow of capital and information is between countries (foreign funds distributed in Spain).
- If one of the funds is denominated in foreign currency, the transfer will be subject to exchange-rate risk.

06 Remember that...

A transfer involves both a subscription and a redemption. This means that, **if the scheme prospectus so determines,** the investor will have to pay the corresponding subscription and redemption fees.

- On requesting a transfer, it is a good idea to give the destination entity a copy of your delivering fund statement ➔ **the transfer will be faster and more secure.**
- **Transfers can extend to the whole sum invested in a fund or only to a part of it.** In the latter case, you must clearly state the amount or the number of units you want transferred.
- The unitholder ordering the transfer will not actually see his capital at any point, as it will go straight from the delivering to the receiving entity together with the relevant tax information.
- It takes around eight working days to complete a transfer between schemes run by different managers. If different types of scheme are involved, the time needed may be longer.
- One point to check is that the receiving fund does not specify a minimum investment higher than the amount you are planning to transfer.

The aim of this leaflet is to inform the general public about different aspects of the securities markets. Its text is for information purposes only and, as such, cannot constitute a support for subsequent legal interpretations, which must rely exclusively on the prevailing regulations.

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Transfers between mutual funds

Investor Assistance Office **902 149 200**

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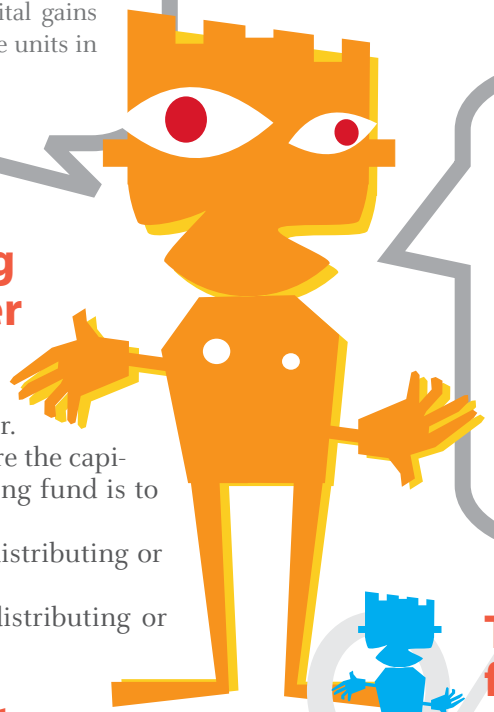
Transfers between mutual funds

What is an inter-fund transfer

An inter-fund transfer is simply redeeming an investment in one mutual fund and immediately subscribing to another, while conserving the age of the first investment for tax purposes. This means capital gains are not taxed until such time as the units in question are finally redeemed.



02 Parties intervening in a transfer

- **Delivering fund:** the fund where the investment was held prior to transfer.
- **Receiving fund:** the fund where the capital redeemed from the delivering fund is to be invested.
- **Delivering entity:** the entity distributing or managing the delivering fund.
- **Receiving entity:** the entity distributing or managing the receiving fund.

03 Transfer between mutual funds with the same manager

- **The most simple transfer case.** The delivering and receiving entity are one and the same, meaning checks are far easier to complete.

- The unitholder approaches the entity to request a transfer between two mutual funds, duly identified, specifying the amount or number of units to be redeemed. The investment in the receiving fund should be made effective within a maximum of three working days.

Before choosing a mutual fund, make sure you study its prospectus for details on its risk profile, investment policy, fees and other features, **so you can decide whether the product fits with your expectations and financial situation. Your fund distributor will provide you with a copy of the prospectus,** which can also be consulted through the CNMV.

04 Transfer between funds run by different managers

The procedure is rather more complex, and **in normal circumstances will take around eight working days** (other eventualities are dealt with below). The steps to take are as follows:

[1] The client should first approach the manager of the receiving fund, specifying the fund to be withdrawn from and the amount or number of units to be transferred. A good way to avoid mistakes being made is to give the manager one of your statements, as this will contain all the necessary information to identify the delivering fund.

[2] The receiving entity has **one working day** to send the transfer application to the delivering entity.

[3] The delivering entity then has **two working days** at most to run the corresponding checks.

[4] Once the delivering entity has confirmed that the request is in order, it will make the withdrawal from the delivering fund. It has a maximum of **three working days** to complete this operation.

[5] The delivering entity then makes a bank transfer of the amount redeemed to the receiving entity, along with the unitholder's tax data. In practice this step usually takes a further **two working days.**

[6] Once the capital has arrived in the receiving entity, the subscription of the new fund units goes through automatically.