

MURODEL
WEALTH MANAGEMENT

PRACTICAL GUIDE · INVESTMENT · FUNDS

Practical guide to investing in investment funds

What a fund is, who is involved, types and assets, fees, ratios for comparing them and how they are taxed in Spain, with case studies.

NOVEMBER 2026 EDITION

murodel.com

INVESTMENT · FUNDS

What an investment fund is

An investment fund pools the money of many investors (unitholders) to invest it jointly, following a defined investment policy and under professional management. Each unitholder owns a share of the fund in proportion to their units, whose price is the **net asset value**.

According to Inverco's final data, the assets of Spanish investment funds stood at **479,345 million euros** at the end of October 2026, with **19.69 million unitholder accounts**. Foreign funds marketed in Spain are in addition to this figure.

In Spain, the **fund switch regime** allows individuals to change funds without tax until final redemption. This guide explains how funds work, how they are compared and how they are taxed.

AT A GLANCE

€0	Tax on switching between funds: the gain is deferred until redemption.
19-30%	Savings scale applicable to the gain on redemption, the same in all regions.
2.25%	Maximum annual management fee on assets set by the collective investment regulations.
1 to 7	Scale of the risk indicator shown in the key information document.

IN THIS GUIDE

01 What a fund is and who is involved
02 What is inside a fund
03 Fees and expenses
04 Analysis ratios
05 How funds are taxed in Spain
06 Frequently asked questions
07 Legislation and case law

01 · BASIC CONCEPTS

What a fund is and who is involved

Spanish funds are governed by Law 35/2003 on Collective Investment Undertakings (LIIC) and its Regulations (Royal Decree 1082/2012), under the supervision of the CNMV.

Legal nature

The fund is a **segregated pool of assets** without legal personality, belonging to the unitholders. It is not on the balance sheet of the management company or the depositary: if either of them were to run into difficulties, the fund's assets are not liable for their debts.

SICAVs are the corporate form: the investor is a shareholder in a public limited company that invests in the markets. Harmonised foreign funds (**UCITS**), usually domiciled in Luxembourg or Ireland, are marketed in Spain after registration with the CNMV.

Who is involved

- **Management company (SGIIC):** makes the investment decisions, calculates the net asset value and administers the fund.
- **Depositary:** holds the assets in custody and ensures that the management company complies with the law and the prospectus.
- **Distributor:** the entity through which units are subscribed (bank, agent or platform).
- **Auditor and CNMV:** annual audit of the accounts and public supervision.

Documentation

Before investing, the investor must receive the **key information document** (KID, under the European PRIIPs Regulation), which summarises the objective, risks, costs and performance scenarios and includes the **risk indicator from 1 to 7**. The full prospectus, periodic reports and annual accounts are available on the CNMV website.

Liquidity and valuation

The net asset value is generally calculated daily. Redemptions are settled within a few business days, according to the prospectus. The regulations allow the fund to apply notice periods for large redemptions (from €300,000, if its fund rules so provide).

02 · TYPES AND ASSETS

What is inside a fund

Assets in which they invest

- **Cash and money market:** deposits, bills and very short-term commercial paper.
- **Fixed income:** government debt and corporate bonds of varying credit quality and duration.
- **Equities:** listed shares across different regions, sectors and sizes.
- **Alternative assets:** real estate (property funds), private equity, private debt or absolute return strategies, usually in specific vehicles.
- **Derivatives:** for hedging or investment, within the limits of the prospectus.

Main categories

Type	What it invests in	Indicative horizon
Money market	Highly liquid, very short-term assets	Days to months
Fixed income	Government and corporate bonds; short or long term	1 to 5 years
Mixed	Combination of fixed income and equities in varying proportions	3 to 7 years
Equity	Domestic or international shares	Over 7 years
Index	Track an index at low cost	Depends on the index
Target return and guaranteed	Portfolio that seeks or secures a result at a given date	Until maturity
Global and absolute return	Flexible management, without a fixed benchmark	Medium term
Hedge and property funds	Alternative strategies or real estate; limited liquidity	Long term

Share classes and income policy

The same fund may have several **classes** of units that differ only in fees and minimum amounts. In addition, most Spanish funds are **accumulation** funds (they do not distribute income but reinvest it), which allows taxation to be deferred; **distribution** funds pay periodic dividends that are taxed every year.

03 · COSTS

Fees and expenses

Article 5 of the Collective Investment Regulations sets the legal maximums. Management and depositary fees are deducted daily from the net asset value, so the published return is already net of them.

Legal maximums

Fee	Maximum limit
Management fee on assets	2.25% per year
Performance fee	18% of results
Mixed management fee	1.35% of assets and 9% of results
Depositary	0.20% of assets per year
Subscription and redemption	5% of net asset value

Ongoing charges

In addition to management and depositary fees, the fund bears audit and brokerage costs and, if it invests in other funds, their costs. The KID shows the total as annual **ongoing costs**, which is the figure for comparing funds with one another.

Case study: the effect of costs

Two funds invest €100,000 in the same portfolio, with a gross return of 6% a year for 20 years. The first has total costs of 1.8% and the second 0.5%.

	Costs 1.8%	Costs 0.5%
Net annual return	4.2%	5.5%
Value after 20 years	€227,695	€291,776
Difference		€64,081

> Illustrative calculation with a constant return. Not a forecast: past performance is no guarantee of future returns.

04 · ANALYSIS

Analysis ratios

No ratio is sufficient on its own. They should always be compared against funds in the same category and over periods of at least three to five years.

Return and risk

Ratio	What it measures	How to read it
Volatility	Dispersion of returns around their mean	The higher it is, the more the value fluctuates

Ratio	What it measures	How to read it
Maximum drawdown	Worst loss from a peak to a trough	Shows the maximum loss suffered in the period analysed
Sharpe ratio	Return above the risk-free asset per unit of volatility	The higher it is, the greater the return per unit of risk
Sortino ratio	Like Sharpe, but penalises only downside volatility	Useful for funds with asymmetric returns
Alpha	Return generated by the manager relative to that expected for its market risk	Positive indicates added value
Beta	Sensitivity of the fund to movements in its index	1 = moves like the index
Tracking error	Difference in performance relative to the index	Low in index funds; high in very active management
Information ratio	Excess return over the index divided by tracking error	Measures the manager's consistency

Fixed-income specific

- **Duration:** sensitivity to interest rates. With a duration of 4, a 1% rise in rates causes a fall of approximately 4% in value.
- **Portfolio yield to maturity:** return the fund would obtain if it held the bonds to maturity, before fees.
- **Average credit quality:** investment grade or high yield.

Other indicators

Fund size and tenure of the management team, portfolio turnover, concentration in the ten largest positions, quartile within its category and ratings from independent providers. The sustainability classification under the European SFDR Regulation (Articles 6, 8 and 9) shows the degree to which ESG criteria are integrated.

05 · TAXATION

How funds are taxed in Spain

The taxation of a resident individual unitholder is the same in all autonomous communities, because the savings scale combines identical state and regional bands. What differs between Madrid and Andalusia is Wealth Tax.

Redemption

The difference between the redemption value and the subscription value is a **capital gain or loss** included in the savings base of personal income tax. If units were bought on different dates, **the oldest are deemed sold first** (FIFO).

The management company applies **19% withholding** on the gain, which is a payment on account of the annual return.

Savings base	Type
Up to €6,000	19%
6,000 to €50,000	21%
50,000 to €200,000	23%
200,000 to €300,000	27%
Over €300,000	30%

Switches

Article 94 of the IRPF Law allows switching from one fund to another without tax: the new units retain the acquisition value and date of the previous ones and there is no withholding. Main requirements:

- The money cannot pass through the unitholder's account: the order is given at the **receiving institution**.
- Applies to Spanish funds and to harmonised foreign collective investment undertakings marketed in Spain through entities registered with the CNMV.
- In the case of **SICAVs**, they must have at least **500 shareholders**.
- **ETFs** (exchange-traded funds), Spanish and foreign, **are excluded**, except under the transitional regime for foreign ETFs acquired before 2022.

Losses

Losses are offset against savings capital gains and, if any balance remains, against up to **25%** of investment income (interest, dividends), and vice versa. The excess is carried forward for **four years**. A loss cannot be claimed if units in the same fund are repurchased in the **two months** before or after the sale.

Wealth Tax: Madrid and Andalusia

Units are valued at their **net asset value at 31 December**.

	Community of Madrid	Andalusia
Wealth Tax	100% allowance; tax-free threshold €700,000	100% allowance since 2022
Solidarity Tax on Large Fortunes	Applies to net wealth above €3,000,000	Applies to net wealth above €3,000,000

While the national solidarity tax remains in force, both communities adjust their allowance so that the taxpayer does not pay twice on the same wealth.

Case study: redeem or switch

An investor resident in Málaga (or in Madrid; the result is identical) invested €100,000 in a fund now worth €140,000.

	Redemption	Switch
Gain	€40,000	€40,000 (deferred)
Tax today	€8,280	€0
Capital remaining invested	€131,720	€140,000

The redemption calculation applies 19% to the first €6,000 (€1,140) and 21% to the remaining €34,000 (€7,140), assuming no other savings income that year.

FAQ

Frequently asked questions

What happens to the investment if the management company or depositary fails?	The fund is a segregated pool of assets and is not liable for the debts of the management company, the depositary or the distributor. The risk borne by the unitholder is that of the markets in which the fund invests.
How long does a switch take?	The regulations set maximum periods which, in practice, are usually a few business days when the switch is between different institutions. It is always requested at the receiving institution.
Can a switch be made into an exchange-traded fund (ETF)?	No. Exchange-traded funds are excluded from the deferral regime, both as origin and as destination.
How are gifts and inheritances of units taxed?	On inheritance, the accumulated gain is not taxed in the deceased's personal income tax and the heirs pay Inheritance Tax. On a gift, the donor is taxed on the gain in their personal income tax.
What is the difference between a fund and a share portfolio?	It depends on the size of the assets and the objective. A fund provides diversification and tax deferral on changes of strategy; a direct portfolio provides control and transparency, but every sale at a profit is taxed.

REFERENCES

Legislation and case law

Provisions and rulings cited in this guide. The wording in force should be verified in each case in the Spanish Official State Gazette (BOE), the regional gazettes and the electronic office of the Spanish Tax Agency.

Legislation

- Law 35/2003 on Collective Investment Undertakings.
- Royal Decree 1082/2012, Collective Investment Regulations, Article 5 (fees and expenses), as amended by Royal Decree 1180/2023.
- Law 35/2006 on Personal Income Tax: Articles 37.1 (disposal of units), 49 and 76 (savings base and scale), 94 (switch regime) and 101 (withholding).
- Law 7/2024, raising the top band of the savings scale to 30%.
- Regulation (EU) 1286/2014 (PRIIPs) and Regulation (EU) 2019/2088 (SFDR).
- Legislative Decree 1/2010 of the Community of Madrid and Law 5/2021 on Ceded Taxes of Andalusia (Wealth Tax).

MURODEL

WEALTH MANAGEMENT

Wealth management firm based in Madrid. We bring together investment, financing and taxation for business owners, investors and families.

OFFICE · BY APPOINTMENT

Paseo de la Castellana 7, 1st floor
28046 Madrid

CONTACT

info@murodel.com
+34 627 788 744

WEB

murodel.com
Book an online meeting

IMPORTANT NOTICE

This guide is for information purposes only and reflects the legislation and the administrative and judicial criteria known as of November 2026. It does not constitute legal or tax advice, nor a personalised investment or financing recommendation. Each case must be analysed individually, with the support of a tax or legal adviser where appropriate; legislation may change and financing terms are subject to approval by the lending institution. Past performance is not a guarantee of future returns; investing involves the risk of losing capital.

AGMUDEL 4460, S.L. (MURODEL Wealth Management), tax ID B22642177, exclusive financial agent of Bankinter, S.A., registered in the CNMV register of agents.