

Transfer Agent

Once a fund is created and the agreement of the regulatory authority obtained, the fund sponsor must acquire investors interested in placing money in the fund. This is achieved by offering shares in the fund (in the case of a SICAV or an OEIC (Société d'Investissement à Capital Variable or Open Ended Investment Company) or units of the fund (if the fund is a FCP or a Unit Trust). This offer can be made via various distribution channels – retail banks, independent financial advisors, private wealth managers, the internet etc.) depending on the geographic market and the targeted clientele.

Investors' subscription orders and subsequent share and unit redemption orders are gathered by the transfer agent and registrar (Transfer Agent or TA). The transfer agent is an intermediary between investors, distributors and the investment fund.

At any point in time, the TA must know who has invested in the fund. He is thus responsible for the treatment of subscription, redemption and switch requests for fund shares and units. He verifies shareholder's identity and the origin of their invested monies in the interests of the struggle against money

laundering. He also monitors the fund's liquidity level. He maintains the nominal register of the fund's shareholders and looks after any property transfer of the funds' shares (for example in cases of a shareholder's death, if shares are used as collateral, change ownership etc.). At the same time, he must monitor all transactions and identify any dubious or criminal transactions (those which do not respect the cut off time for order reception, involve arbitrage between the share/unit price in different markets (market timing) or involve insider trading etc.). He also manages the production and communication of statements, reports, confirmations and other documents destined for fund shareholders or unit holders. Broadly speaking, the transfer agent also manages all corporate actions involving shares or units issued by the funds, specifically: distribution of dividends, reinvestment of dividends if requested by the investor, mergers of funds or fund compartments etc. As the transfer agent centralises all transactions involving fund shares and units, he is also responsible for the calculation and payment of retrocessions (such as trailer fees) to the distributors' partners.