
Cash Investment Platform for Wealth Managers

CASHFAC SECTOR LITERATURE



Introduction

Cash Savings and Investment Platforms are currently blazing a trail in the wealth management industry. With low interest rates and the ever-increasing regulatory barriers to opening new savings accounts, it has been difficult for investors to maximise the return on the cash investment element of their portfolio.

These platforms offer a cash supermarket, where savers can access multiple bank and cash savings products through a single portal, a single KYC identification process and a single application form.

Once you are signed up to a platform, all you have to do is select the products that best suit your needs. With some of these platforms you simply select the term or type of account you want, and the platform takes it from there.

It is easy for the client to spread their risk, manage the reinvestment of maturing funds and transfer between tax-wrapped cash products.

How Can Cashfac Help Cash Platform Providers?

Cashfac's Cash Platform connects to over 4,000 deposit-taking financial institutions across Europe through a single application.

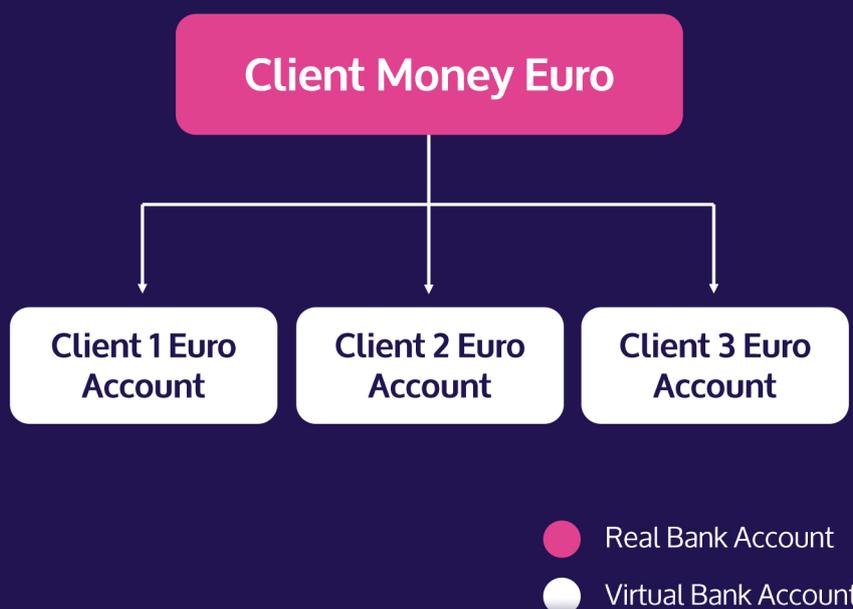
Our CASS-compliant open banking solution allows you to:

Option 1: Automatically open virtual accounts for your clients, pool their money for investment and place the pooled cash with one or more of these financial institutions.

Option 2: Automatically open and manage real bank accounts with these financial institutions for these clients, taking client or investment advisor instructions to automatically deposit, sweep or pay away funds from these accounts as required.

Option 1 - How Virtual Accounts Work

Our cash platform solution plugs into your existing real bank account. It allows you to run a banking sub-ledger of an unlimited number of virtual bank accounts off that one real account. The virtual accounts act as fully functional bank accounts allowing you to offer a full bespoke self-serve banking solution to your firm's clients.



Replacing real bank accounts with virtual bank accounts means that the organisation's cash is automatically pooled into one real bank account per currency for clients' funds. This can help minimise banking costs, but perhaps more importantly, it gives you a pool of cash that is easy to analyse, allocate and invest for higher returns.

Tools to Manage the Pools

The solution gives you the statements and analysis of current and historic activity on the virtual and real bank accounts under its control. It can also store information on expected future transactions such as unsettled trades and accounts receivable and payable transactions and balances. Using this information in combination with our analytical tools, users can **forecast** the future cash requirements of their clients.

Our analytics tool can also create **projections** of future cash balances and requirements using historic information on the accounts under its control.

Option 2 - Managing Real Accounts

Cashfac can request the opening of real bank accounts with a third-party bank. While the bank is opening the account, our solution can hold, segregate and protect the client's money in line with the requirement of CASS 7 or trust laws. Once the real bank account is opened for your client with the financial institution, the solution transfers the client's money to the new account and administers that real account for you and your clients. Our solution can:

- Automatically open the real account
- Automatically mirror the real bank accounts on our system
- Automatically deposit money to the real account
- Sweep funds to and from the real account automatically, perhaps, to meet a target balance requirement or settle a trade or a fee
- Pay funds from these accounts on instruction from client or investment advisor

As Cashfac is a fully multi-bank platform we can sweep money between client accounts and the underlying financial institution to maximise return and diversify risk. This allows wealth managers to make bulk investment and rebalancing decisions without causing processing or reconciliation backlogs.

Collections and Receipt for Deposit Accounts

Money can be collected onto virtual or real bank accounts in a completely automatic manner. Virtual bank accounts can be given their own IBAN or account numbers much like real bank accounts. This allows customers or counterparties to lodge funds directly to their individual virtual bank account as easily as they would lodge funds to a real bank account through the bank clearing network. The solution can process receipts by bank transfer, cheque, debit or credit card or direct debit onto real or virtual accounts.

Open Banking: The New Collections Paradigm

With recent innovations in the banking industry, driven by open banking regulation, our solution allows your client the ability to:

- Log onto their bank account in the high street from your website
- See their bank statements
- Initiate a Faster Payment (or other bank transfer) from that account to their account(s) being administered by our platform for your firm

This has huge advantages for your collections process as:

- Your app or website administers the payment, allowing you to ensure the referencing on the transaction is correct and receipts to be processed without human intervention
- The payment is received within 2hrs rather than 3d using traditional payment methods
- There's no risk of the receipt being dishonoured/charged back like direct debits/cards

Cashfac can deliver this functionality because we are regulated as an Account Information Service Provider (AISP) and a Payment Initiation Service Provider (PISP). The client authorises Cashfac to access your client's account using our AISP functionality and instruct a payment from the client's account to their Cashfac administered account, using our PISP functionality. Our solution automatically puts a unique reference on the payment instruction to the client's bank and sets up an expectation on the receiving bank account to match with, and therefore identify and process, the inbound receipt.

Payments Out

Payments can be made from the virtual or real accounts administered by Cashfac. Our platform captures the payment request and delivers the workflow to manage the approval and release processes for the payment. It then initiates the payment instruction to the bank or PSP, orchestrating the virtual and real accounts, if required, to ensure no reconciliation differences occur.

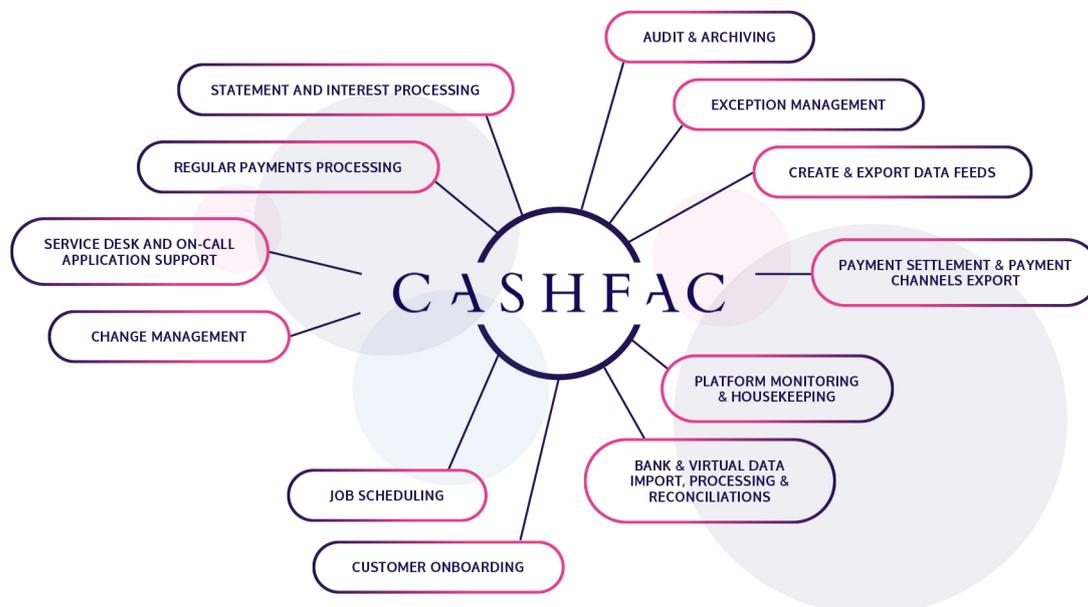
Summary

Cashfac's solution allows you to deliver your complete cash platform service with the highest levels of operational efficiency.

It connects to a wide range of deposit takers and manages the collections process/receipting process with the minimum human intervention allowing you to keep your operational overheads low. At the same time, it allows clients to have secure online access to their accounts to view and, if required, manage their account. Alternatively, the system's target balance and sweeping functionality allows much of this process to be automated for the client or their investment advisor. Finally, the solution's withdrawal process allows the client to initiate the withdrawal themselves while giving the firm the functionality to ensure it is controlled and correctly authorised.

Managed Services

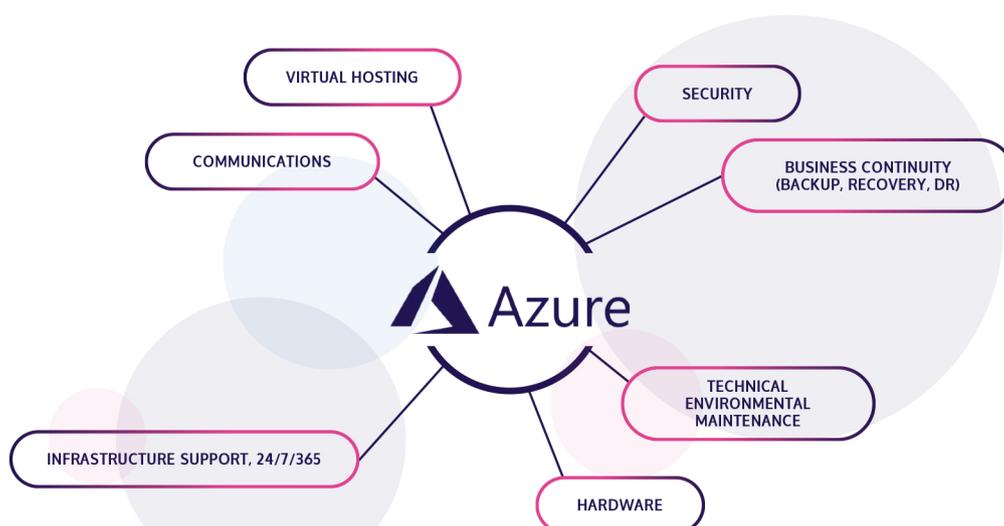
Cashfac Managed Service offers a single point of contact for all support issues, removing the need for employing dedicated customer staff to operate the virtual banking platform and thereby minimising change management and specialist training.



Hosted Services

Cashfac hosts the service via Microsoft Azure infrastructure and manages the entire release and upgrade process, including platform testing before release, and will assist you with your own testing.

Our deep knowledge of our product and a detailed understanding of the features that have been enhanced in each release, combined with proximity to the development team, ensure this process is executed with accuracy, knowledge and expediency.



For product information, to request a demonstration or to speak to us about your business needs, please contact us at www.cashfac.com/contact



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