

DIGITAL ACCOUNT OPENING

FOR THE FUND INDUSTRY

Digital Account Opening Process

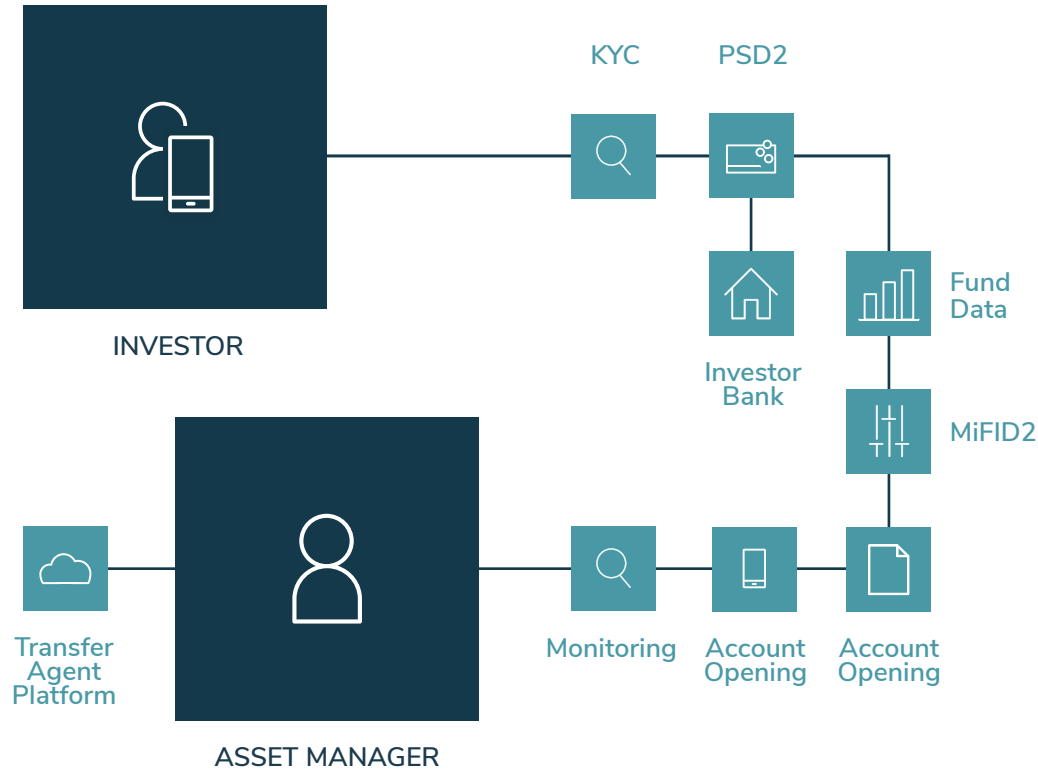
New entrants to financial services and banking have created innovative business models around customer-centricity.

This has enabled digital challengers to gain and grow significant customer bases. Their simplified and streamlined operating models enable these actors to focus relentlessly on customer experience and user convenience.

Critical to success in this new world is a frictionless account opening process. Building on the best approaches in the field, FundsDLT has designed a mobile-first approach and digital operating models, enabling our clients to deliver seamless account creation and a simpler transactional experience for their customers.

Delivering a superior Digital Account Opening experience involves:

- A simplified data entry process
- Digital ID verification
- Investor due diligence
- Final account approval



A Simplified Data Entry Process

For a superior digital account opening experience, FundsDLT leverages on Azure Active Directory, Microsoft's cloud-based identity and access management service, which is used as the Identity Provider (IdP) for the app.

In a first sign-up step, basic customer data, including device, mail and phone validation, are captured and verified by sending SMS and emails. The back end instantly issues mobile login credentials.

In further steps, additional data are required from the investor, including more personal data, tax information, addresses, education level, PEP information, FATCA, etc.

Digital ID verification

Account opening and onboarding of customers by financial institutions must be done in full compliance with Know Your Customer (KYC) regulations. Institutions that make use of digital account opening, which is based around mobile and online tools and processes, need to ensure the rules on digital identity verification are followed.

To meet these requirements, FundsDLT collects all necessary documentation and leverages on third-party service providers that deliver automated identity document authentication combined with facial comparison tools. These enable the digital verification of the identity of the prospective customer.

As an initial step, the investor is requested to scan their official identity document, which may be an ID card

or a passport or other, by using their phone. Various algorithms and other techniques are used to determine if this document is genuine.

Following verification of the scanned identity document, the customer is asked to take a photo of themselves and this photo analysed with facial comparison technology to compare it with that on the identity document. It is only after this step has been successfully passed, meaning that both the document and the photo are identified as genuine and matching, that the prospective customer can advance to the actual process of account opening.

The interoperation with external service providers is achieved via API connectivity. Clients can leverage on FundsDLT preferred partners or appoint their own.

Cash Link with Cash Environment

The banking and financial services sector has seen the rollout of various open banking initiatives over the last few years. This permits customer data, via the use of APIs and with their specific consent, to be accessed by third-party financial service providers. By opening up the market in this manner, more actors can operate within the market and opportunities are created to improve retail financial services.

FundsDLT provides interoperability with third-party providers and payment initiation service providers (PISPs), enabling access to the investor's custodian banks in full compliance with local regulations. Whether it is for settling one single transaction or setting up regular savings investments, it is then possible to directly debit investors' accounts without burdening customers with manual processes.

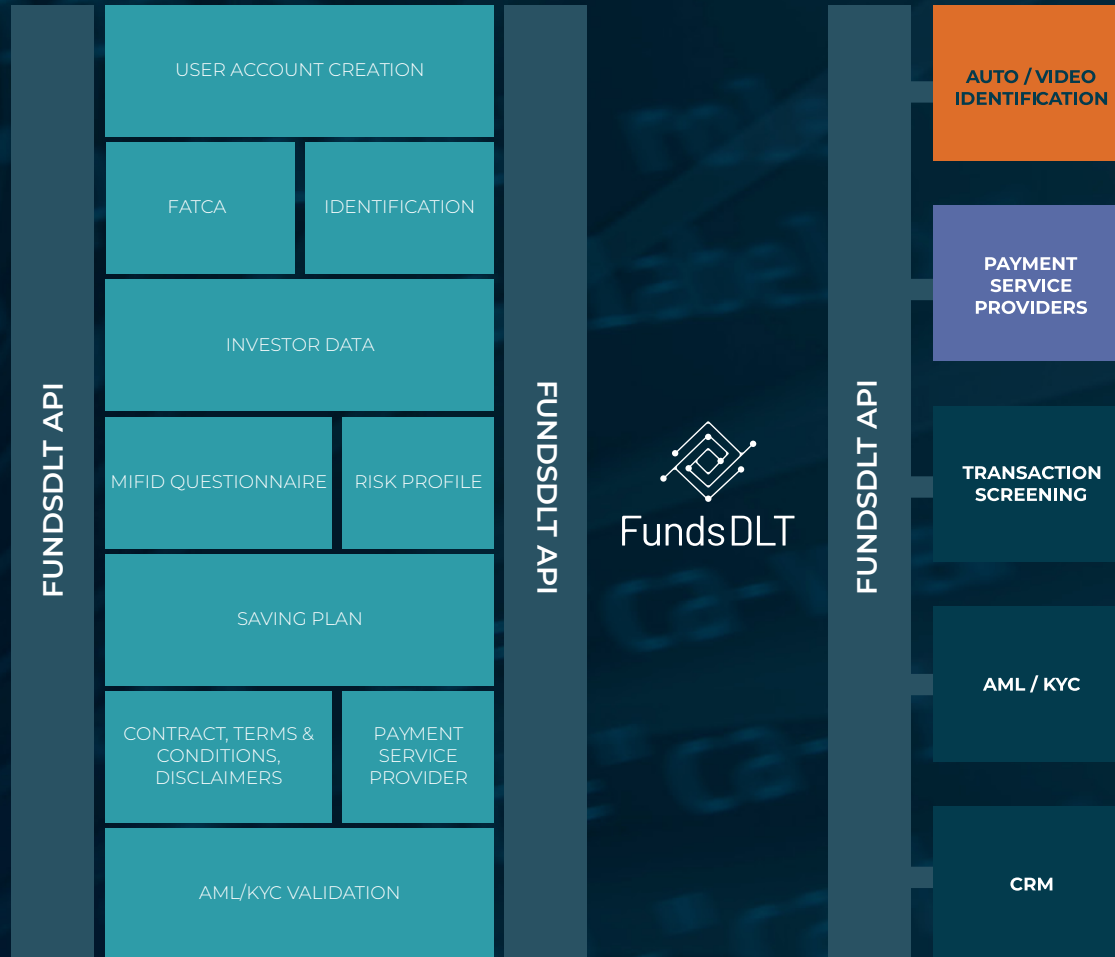
Distribution Obligations Compliance

As part of the existing distribution rules, investment firms are required to identify the target market and to specify the type of investor for whose needs, characteristics and objectives the financial instrument is compatible.

To ensure this, the investor completes a MiFID Investment Questionnaire to determine in depth their knowledge of and experience in the financial markets and, where applicable, their financial situation and their investment objectives, in such a way that suitable investments can be offered to the investor. Additionally, investors are to be provided with stand-alone, pre-contractual documentation for investor protection and adequate disclosure.

FundsDLT supports these processes by making use of relevant fund data to enable the client to fulfil their legal obligations. Fund data can be displayed on the app thanks to API connectivity with fund data providers.

Final Account Verification



Once all the investor's information is verified, FundsDLT grants full account access by enabling acceptance of e-signatures and paperless document delivery. If there is no hit or concerns, the account can be opened automatically without manual intervention.

DISCLAIMER

The purpose of this brochure is to provide an overview and as such the information contained herein is of a general nature, not intended to address specific circumstances or situations and may be subject to change without notice. FundsDLT endeavours to provide complete and accurate information but there can be no guarantee that such information is complete or accurate or that it will continue to be complete or accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. The inclusion of information from third parties does not give or imply any recommendation, warranty, representation or undertaking by FundsDLT.

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