



**Alternative Investment
Managers:
Gaining operational
efficiencies with Goji**

1 Copyright © 2019 Goji Administration Services Ltd



Introduction

In today's investor climate, investment managers need to differentiate themselves on their customer service. Retail investors demand an intuitive online investment journey and at the same time managers need to increase operational efficiencies both to improve customer experience and drive down costs.

At Goji our mission is to provide regulated, modular investment platform technology and operations to deliver scalable, operational capabilities which allow investment managers to focus on what makes their business unique.

The Goji Platform allows managers to:

- Onboard investors
- Manage KYC/AML risk
- Manage ISAs
- Hold client money
- Process payments

In this document we highlight the operational improvements that can be gained for each of these key workflows.

Investor onboarding and due diligence

The Goji Platform allows investors to be onboarded and subject to initial KYC/AML checks and ongoing monitoring. Goji's technology means that these checks are performed automatically. Where additional checks are required, Goji's operations and compliance teams perform the additional verification steps.

Managers can save around 151 hours per month on investor due diligence using the Goji Platform

Task	Manual effort by manager w/o Goji	Manual effort by manager with Goji	Typical transactions per month	Typical monthly saving
Onboard UK natural person	1	0	80	80
Onboard UK natural person, referred status	2	0	20	40
Onboard UK corporate	1	0	5	5
Onboard overseas investor	4	1	2	6
Ongoing monitoring	10	0	-	10
Periodic refresh of KYC	10	0	-	10
Total monthly saving				151

Payments

The Goji platform gives managers a 24/7 real-time payments capability with a direct integration into the faster payments scheme. Both inbound and outbound payments can be executed immediately without waiting for payments to clear. This both gives an improved investor experience as funds clear much faster but also offers operational efficiency gains as outbound payments can also be processed in real time.

Capability	Goji Platform	Traditional Bank
Supported payment methods	Faster payments, BACS, cheques, CHAPS, SWIFT	Faster payments, BACS, cheques, CHAPS, SWIFT
Inbound clearing times	Faster payments is instant. Other payment methods vary. Automatic update provided 24/7 when funds clear.	No automated updates provided by bank when funds clear.
Outbound clearing times	Instant	Depends on systems offered by bank but typically involves manual intervention
Automated payments	Yes	Depends on systems offered by bank but typically involves manual intervention
Availability	24/7	Office hours

The Goji Platform provides a 24/7 payments platform with real-time, automated clearing and transaction processing



Client Money

Holding client money requires specific regulatory permissions and the manager must abide by strict daily reconciliation and reporting standards. This requires managers to:

- Appoint an appropriate person to the FCA Controlled Function CF10a
- Develop internal processes and reconciliation processes
- Submit monthly reports to FCA
- Appoint an external CASS auditor
- Hold regulatory capital – typically £250k

The Goji Platform integrates its payments capability with a client money account meaning Goji can act as custodian and take responsibility for all regulatory CASS requirements.

Firms holding client money must ensure they hold an appropriate amount of regulatory capital – typically £125,000 plus a percentage of annual running costs.

Relying on Goji to hold client money offers significant cost savings compared to the manager holding client money itself.

Managers can save around 100 hours per month by using Goji to hold Client Money plus the significant financial savings from not needing to hold regulatory capital or conduct an external CASS audit

Task	Monthly manual effort by manager w/o Goji	Monthly manual effort by manager with Goji
Daily reconciliation	80	0
Monthly CMAR reporting	8	0
Monthly governance and oversight	4	0
Internal audit (pro-rated)	4	0
Annual external audit (pro-rated)	4	0
Total monthly saving		100



ISA Management

The IF ISA was launched by the Government to allow investors to include P2P investments and debt based securities in their ISA allowance. Managing an ISA requires a manager to both register as an ISA manager and to build the capabilities to comply with the appropriate regulations and HMRC ISA manager guidance notes.

Goji is an authorised ISA manager and can offer managers a fully white labelled ISA. This offers managers significant cost savings as Goji is taking responsibility for all aspects of managing the ISA.

Goji continually invests in its ISA technology to ensure that investors get the best possible experience. Currently ISA transfers can take between 5-40 days to process. Goji's investment in joining the electronic ISA transfer schemes means in some cases ISA can be transferred same day.

The following table shows some of the key workflows ISA managers have to carry out and the savings associated with using the Goji Platform.

Task	Manual effort by manager w/o Goji	Manual effort by manager with Goji	Typical transactions per month	Typical monthly saving
Transfers in	4	0	10	40
Transfers out	6	0	2	12
Additional permitted subscriptions	10	0	0.5	5
Annual returns (pro-rated)	2	0	1	2

Managers can save around 63 hours per month by using Goji as ISA manager plus managers do not have to invest the upfront technology and operational cost to build ISA. Goji's investment in electronic ISA transfers means some transfers can take place same day rather than waiting 5-40 days

ISA repairs / voids (pro-rated)	2	0	1	2
Tax year breaks (pro-rated)	2	0	1	2
Total monthly saving				63

Summary

The Goji platform is designed to give managers access to core regulatory capabilities meaning managers do not have to invest upfront cost and ongoing operational FTEs in providing these services to investors.

This not only offers cost savings but also frees up management time and resources to invest in value adding areas of the business.

Find out more at <https://www.goji.investments>

Capability	Manual effort by manager w/o Goji	Manual effort by manager with Goji	Typical monthly saving
Investor onboarding	153	2	151
Client money	100	0	100
ISA management	63	0	63
Total saving			314

Managers can save over 300 hours per month by using Goji’s regulatory capabilities.

Goji’s continual investment in its operational and technical capabilities means managers see the benefits of these ongoing improvements.

