

How digitising transactions and processes can be a game-changer for Fund Managers

Managing large transactions can be time-consuming and complicated, with stakeholders across multiple jurisdictions and time zones. Coordinating due diligence, structuring and documentation often requires a complex web of email trails, document versions and negotiation notes. Fund managers face more challenges as they raise funds and acquire new investment opportunities.

Challenges

- Lengthy processes increase the cost or cause the loss of investment opportunities
- Parties use emails to track and manage transaction flow, cause unreliable coordination,
- Manual processes and lack of coordination of documents lead to a lack of consistency in approach and, often, misplaced documents and lost time.
- Regulatory requirements add complexity to many aspects of transactions

These can increase operational costs for the Fund manager and their other stakeholders. There are, however, ways to improve the processes and get to market faster.

Opportunities

Recent regulatory updates have clarified that using digital processes to manage the myriad of regulatory requirements is appropriate for regulated entities where it fits within their regulatory framework. In many jurisdictions, for example, electronic signatures and electronic identity verifications are legally valid, which gives flexibility in some of the more time-consuming aspects of the onboarding process.

Regulators in many jurisdictions allow firms to choose the form of signature and verification they prefer, physical or digital, so long as they can demonstrate a thorough risk assessment of the process and how it meets their regulatory requirements.

It is now possible to digitally manage various aspects of gathering and managing information to close complex transactions.

1. **Company information:** The first step in your KYC process is to gather basic information about the companies you are dealing with, including full legal name, registration number and head office. Options include kompany, Companies House, Open Corporates, and Phundex.
2. **KYC and AML** Due diligence on parties before you start to work with them can save you time and money. Many options are available, including MeshID, KYC Global, MyCDD and Comply Advantage (ask us about the Phundex relationship with ComplyAdvantage).

3. **eSignature execution:** Using digital signature management is a game changer in terms of time savings. Using tried and tested eSignature platforms gives confidence in the process. Some popular options include DocuSign, Adobe Sign, Eversign, Hello Sign and Phundex.
4. **Workflow and document management** Being able to manage the flow required for new investment opportunities and working with investors will allow you to complete deals faster. It should support the various types of transactions and processes you do. Ideally, it should enable you to customise operations to match how you work. It should also support your data management requirements. Some options for this include Obsidian SmartDocs, Monday.com and Phundex.
5. **Due diligence** Efficiently gathering and storing all the information necessary for a transaction is pivotal to meeting timelines. Being able to share that due diligence information is even better. Options for this include DropBox, Asana, and Phundex.

Digitising your transaction management and operational processes as well as having a well-controlled data room can benefit all parties significantly. Sharing documents securely with the right people at the right time will speed up transactions and reduce email traffic.

Standardising transaction workflows

One way to reduce the time to acquire new investments and investors is using digital platforms. The benefits include

Significant Time Reduction

A standardised transaction workflow lets everyone know who is doing what and that all required steps are complete before the deal closes. Managing transactions, reviewing documents and sending for e-Signatures all from one place increases efficiency. Creating a standardised process allows you to easily replicate and manage operations without rework, enabling you to select, manage and close transactions quicker.

Reduced Operational Risk

In addition to saving time, using Phundex and similar platforms can also help eliminate document errors and missing information. Tasks can be assigned to specific Team Members, including any dependencies, ensuring you have the relevant information before starting the next task. Web Forms capture all required information, with comments about tasks are available on the platform, meaning no lost notes or emails with crucial information. Significantly, key person risk is also reduced, as all the information they manage and the status of transactions is centrally accessible.



Global collaboration

A digital platform allows stakeholders from any location to provide and access information. Investors, administrators, advisors and the investment businesses can collaborate centrally on Phundex

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Better regulatory and data management

Platforms like Phundex have built-in user and data permissions, version control and audit history, helping you to manage regulatory requirements regarding data access and control. A central data room for each transaction ensures the right documents and data are easy to find while maintaining version control and audit history, so you are always using the most up-to-date documents. A virtual due diligence room allows you to share final documents and automatically track who has received them.

Transparency and Governance

Platforms like Phundex provide a dashboard to show the status of transactions and processes so you can see what's on track and what's not at a glance. They also give transparency on the status of transactions, improved governance and better control.

More investments translating into more AUM

Finally, streamlining and standardising transactions allows you to onboard investments and investors more efficiently, leading to increased AUM.

Phundex is by far the easiest way for fund administrators and their advisors to manage the various transactions and processes required to set up and administer new funds.

You can find more articles on our website, at [Phundex Resources](#), on LinkedIn at [Phundex LinkedIn](#), or for other questions, please email us at: hello@phundex.com.

To book a demo or do a trial, you can either use the link on our website or email support@phundex.com, and they will be happy to set it up for you.