

# KINESIS PROCESSING GUIDE FOR INTERMEDIARIES

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Start today.

*Tomorrow's future,  
shaped today.*

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## Pre-Onboarding Agreements

In order that an Introducer can bring on Kinesis business they must first have set up Introducer Terms of Business and have an “INT” account number from CIG.

[Click here to view and download the Introducer Terms of Business.](#)

If the Introducer is advising on the investment strategy they must complete an Investment Adviser Agreement with Capital Financial Markets.

[Click here to download the Investment Advisor Template word document.](#)

If the Introducer is managing the investment strategy on a discretionary basis they must complete an Investment Manager Agreement with Capital Financial Markets.

[Click here to download the Investment Manager Agreement \(IMA\) template word document.](#)

If the Introducer is using a strategy managed by a third party that company must complete an Investment Manager Agreement (as above) with Capital Financial Markets.

**The agreements above need only be completed once.**

## Pre-Onboarding Index Operating Memorandum (“Operating Memorandum”)

Each investment strategy operated as an SRI within Kinesis must have an Operating Memorandum set up and agreed (these detail the investment strategy and the fees payable for each SRI). Please note to get the most operational and administrative benefit from the Kinesis service, multiple clients and notes can



reference the same Index; this allows you to manage one investment strategy in each SRI which can be accessed by any number of your discretionary or custody accounts (Platform Account). This allows you real scalability with aggregated dealing, rather than having to manage individual portfolios for each of your clients.

Once the Operating Memorandum has been agreed and signed by the Introducer and CFM, our asset servicing team will create a unique “SRI” reference number on our system.

Please note there is an absolute minimum size required to an Index of GBP500,000 (this could be 10 clients of GBP50,000 each or a single client as long as the strategy reaches GBP500,000 within six months of first funding. Investment Strategies in SRIs which have less than this may be closed or moved to alternative investment strategies in SRIs that have reached the minimum thresholds).

[Click here to download the Index Template word document.](#)

All ongoing fees and dealings fees will be taken directly from each SRI to minimise the need to encash each client’s holding in the SRI to cover fees. The ongoing fees and dealing charges for each SRI are the same for every client with a holding in each SRI.

## Onboarding

To onboard a new client, please follow the usual process to set up a Platform Account. Please make sure you indicate on the PAF3 form your intention to use Kinesis and complete section 5.

Please make sure you include the tariff sheet which details the initial remuneration required as this will be set at Platform Account level to allow for different levels of initial remuneration to be charged to different clients.

Once the account is set up, a welcome letter will be issued, in which the bank details to which the cash investment amount should be transferred.

## Subscription into an SRI

Once you see the cash has been applied to the client’s Platform Account, to invest into an SRI a deal instruction must be completed (per example below) and then emailed to the dealing team ([dealinggroup@capital-iom.com](mailto:dealinggroup@capital-iom.com)). Note that once initial subscriptions into an SRI have been processed, subsequent subscriptions can only be made on the next Valuation and Dealing date (this is typically the last working day of each month with dealing on the first day of the following month) for the SRI.

[Click here to view and download the Platform Account Investing in to SRI document.](#)

Please note this instruction purchases the holding in the SRI and enables the cash on the Platform Account to be transferred to the SRI. Note that cash will settle into the SRI within 3 working days of the Dealing Date.

Once cash has settled from Platform Accounts in the SRI; investments in securities to be held in the SRI can be instructed; please refer to the instructions below “Trading securities in the SRI”.



## Redemption from an SRI

Where a client wants to raise cash within their Platform Account from a sale of part or all of the SRI, email the dealing team ([dealinggroup@capital-iom.com](mailto:dealinggroup@capital-iom.com)) with an instruction to sell part or all of the holding in the SRI. The instruction can be to raise a specific amount or a set number of units in the SRI.

[Click here to view and download the SRI to Custody Dealing Services document.](#)

Please note that if there is insufficient cash within the SRI to meet a Platform Account redemption, you will need to sell some securities held within the SRI; please refer to the instructions below “Trading securities in the SRI”.

## Trading securities in the SRI

To implement the investment strategy and trade in securities, please log onto the portal and use the online dealing function to buy and sell the securities in the SRI. This can be done to invest the cash at outset, to switch investments or to raise cash (as you would with any investment portfolio). Submitting deals online can only be done once cash has settled from any Platform Accounts and is visible in the SRI.



## Pricing

The SRIs generally price monthly (as detailed in the Operating Memorandum). Subsequent to the initial subscriptions into each SRI, subsequent Subscriptions and Redemptions are monthly; in some circumstances, by agreement, SRIs can be valued and priced intra-month to allow Subscriptions or Redemptions to/from each SRI.

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