



Copia launches portfolios purpose-built for decumulation using iShares®

- ◆ Copia Capital Management today unveils its Retirement Income range of managed portfolios, purpose-built for decumulation and built by Copia using iShares® exchange traded funds (ETFs)
- ◆ For this range, Copia has set five risk profiles and four time horizon ranges to help Advisers match portfolios to client needs.
- ◆ Copia has also published and developed a table of ‘Safe Withdrawal Rates’* that match each asset allocation and investment term, which relates to life expectancy.

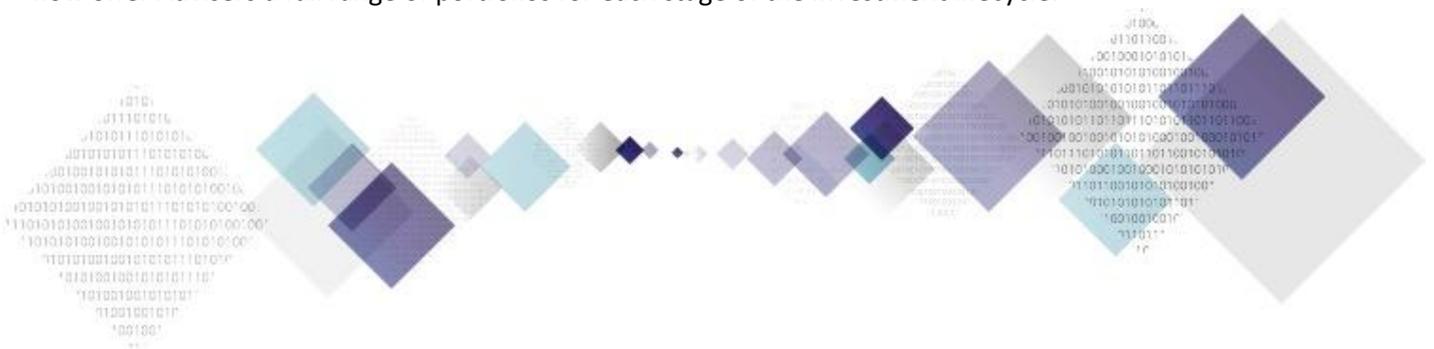
Copia Capital Management, the discretionary fund management division of Novia Financial plc, has today launched its range of managed portfolios purpose-built for decumulation. Designed to assist Advisers looking for a Centralised Retirement Proposition, they consider the three key variables for retirement planning – risk level, withdrawal rate and time horizon. Time horizon is primarily a function of life expectancy so Advisers will be able to check a ‘Safe Withdrawal Rate’ for each of the portfolios.

The Retirement Income portfolios are designed to mitigate what is considered to be the key retirement risk – “shortfall risk” (the risk of running out of money), and four of its drivers:

- ◆ **Sequencing Risk:** Risk and return expectations vary depending upon different time horizons. So sequencing risk can be mitigated by ensuring the asset allocation is appropriate for the time horizon.
- ◆ **Longevity Risk:** By applying a matching ‘Safe Withdrawal Rate’ for a given time horizon based on National Life Tables, Advisers can receive further statistical confidence that the retirement pot will last the course.
- ◆ **Interest Rate Risk:** each portfolio targets a specific duration (interest rate sensitivity) that relates to the investment term.
- ◆ **Inflation Risk:** Portfolios are constructed by Copia using iShares® ETFs

Copia is using strategic asset allocations for each risk profile from EValue which has an established track record in developing actuarially robust asset allocations using its stochastic modelling engine. Copia then uses the reading from its quant-driven Risk Barometer to make tactical allocation adjustments to protect the portfolios from short-term market risk on the downside.

While Copia’s portfolios are only available through the Novia platform, they have the facility to launch and run on any other platforms that provide access to ETFs. The launch of the new Retirement Income range allows Copia to now offer Advisers a full range of portfolios for each stage of the investment lifecycle.



Press release continued



Henry Cobbe, Head of Copia Capital Management said:

“Decumulation is very different from accumulation. It has different objectives, different risks and requires a different investment approach. We don’t think it’s right to recycle old thinking into this new world. Only Advisers know their clients’ retirement income needs and circumstances. Our Retirement Income range is purpose-built to give Advisers a compliant investment solution that matches a ‘Safe Withdrawal Rate’, risk level and time horizon for each client. It’s Retirement Risk Profiling as it should be.”

Pollyanna Harper, Head of iShares Retail UK Sales at BlackRock said:

“Whether the aim is to provide equity income or manage bond duration, using ETFs to build portfolios equips investors with targeted tools for achieving exposures that match their outlook and help pursue their goals. This is an exciting solution for the Adviser community.”

Andrew Storey, Sales Director at EValue said:

“Investing in retirement is like investing upside-down. You are not putting money in, you are taking money out. And taking too much out too early creates a big problem. So managing the key retirement risks is essential.”

Abraham Okusanya, Head of Research, FinalytiQ said:

“Those that attended FinalytiQ’s Science of Retirement conference this year or read our white papers will be familiar with the concepts of pound cost ravaging, sequencing risk and sustainable withdrawal rates. These are key considerations when advising clients in retirement. It’s good to see providers are now addressing them.”

Colette Dunn, Head of Strategy at Milliman LLP, a global actuarial and management consultancy, said:

“Pension freedoms mean the need for financial advice around retirement planning is greater than ever. It also means there is a clear need for a broader range of retirement-focused solutions that address the key risks of retirement investing. We welcome and encourage innovation in this field.”

About the Retirement Income range of portfolios

- ❖ Copia has set five risk profiles: 1 for lower risk to 5 for higher risk
- ❖ Copia offers four time horizon ranges: 3-10 years, 11-15 years, 16-20 years, and 21-25+ years
- ❖ This means there are a total of 20 Retirement Income portfolios
- ❖ A ‘Safe Withdrawal Rate’* table developed by Copia matching each portfolio to a time horizon to use in conjunction with National Life Tables published by the Office of National Statistics
- ❖ Strategic asset allocations provided by EValue a leading risk modelling expert.
- ❖ Tactical asset allocations driven by the Risk Barometer from Copia’s proprietary Quant Model
- ❖ Diversified multi-asset approach with high income and low cost bias
- ❖ Portfolios built by Copia using iShares® ETFs for diversification, transparency, and efficiency
- ❖ Copia’s portfolio management fee is 0.30%+VAT
- ❖ Net Income Yield ranges from 1.4% to 3.2% depending on the portfolio
- ❖ The ‘Safe Withdrawal Rate’ is the statistical maximum that a portfolio, with a given asset allocation, can support – such that the expected worst case (95th percentile) terminal value is positive at the end of the investment term.

Press release continued



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Follow us on Twitter @Copia_Capital

Notes for editors

- ❖ Copia Capital Management was established in October 2013 as discretionary fund management business.
- ❖ Copia is a business division of Novia Financial plc, a UK platform provider with £4.5bn assets under administration.
- ❖ Copia has for the last 3 years been using its now tried and tested toolkit that consists of a Quantitative Investment algorithmic model to create a predicative “Risk Barometer” score, an ETF Screener and a Portfolio Optimiser that can be set to different portfolio objectives.
- ❖ For monthly performance information, please refer to <https://www.copia-capital.co.uk/portfolios-performance/performance/>
- ❖ Novia Financial plc is a leading UK platform providing financial advisers with custody and administration services.
- ❖ Novia Financial plc launched to market in October 2008 to provide a comprehensive wealth management service for Investment Advisers and their clients and now has approximately £4.5bn of assets under administration.

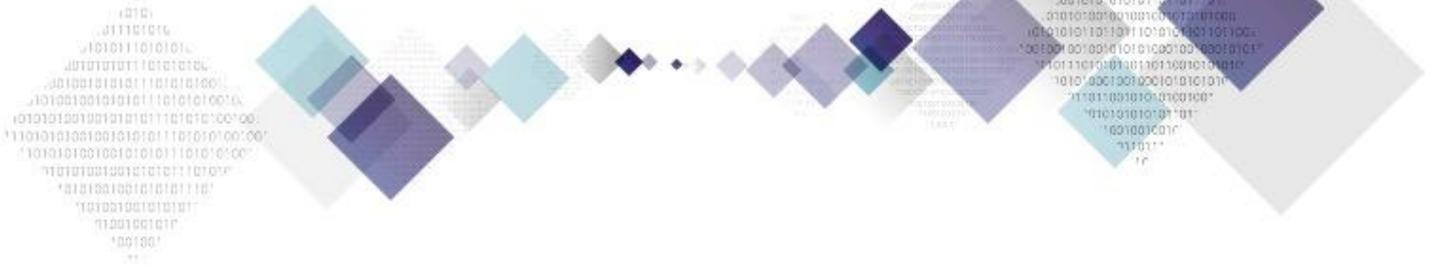
Biographies

Bill Vasilieff is the Chief Executive Officer and one of the founders of Novia. Prior to setting up Novia he was one of the four founding directors of Selestia where, having joined in 2001, he spent six years in the role of Marketing Director. Selestia was one of the earliest and most successful fund platforms in the UK. Before this role he was at fund manager M&G where he spent eight years, ending in the role as executive director in charge of product development.

Henry Cobbe joined the Copia Capital investment team as a consultant in July 2016. After graduating in 1999 with a first class MA (Hons) degree from the University of Edinburgh, he worked in investment research for 17 years at leading investment firms, including Schroders plc, Thames River Capital LLP, Nevsky Capital LLP and as Head of Research at Elston Consulting which develops investment strategies for index providers, asset managers and intermediaries.

Hoshang Daroga holds a Master's in Financial Engineering from UCLA School of Management in Los Angeles, and an MBA from Fordham University in New York. He has over 7 years' experience in financial markets and is currently pursuing his CFA certification.

Press release continued



About BlackRock

BlackRock is a global leader in investment management, risk management and advisory services for institutional and retail clients. At December 31, 2016, BlackRock's AUM was \$5.1 trillion. BlackRock helps clients around the world meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, iShares® ETFs, and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through *BlackRock Solutions*®. As of December 31, 2016, the firm had approximately 13,000 employees in more than 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa.

About iShares

iShares® by BlackRock, the world's leading ETF provider, with over 800 iShares® ETFs globally that collectively have more than \$1.3 trillion in assets under management as of December 31, 2016.

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