

23 June 2017



The first ETF-led Smart Beta portfolio proposition to launch in the UK Adviser market celebrates strong performance returns

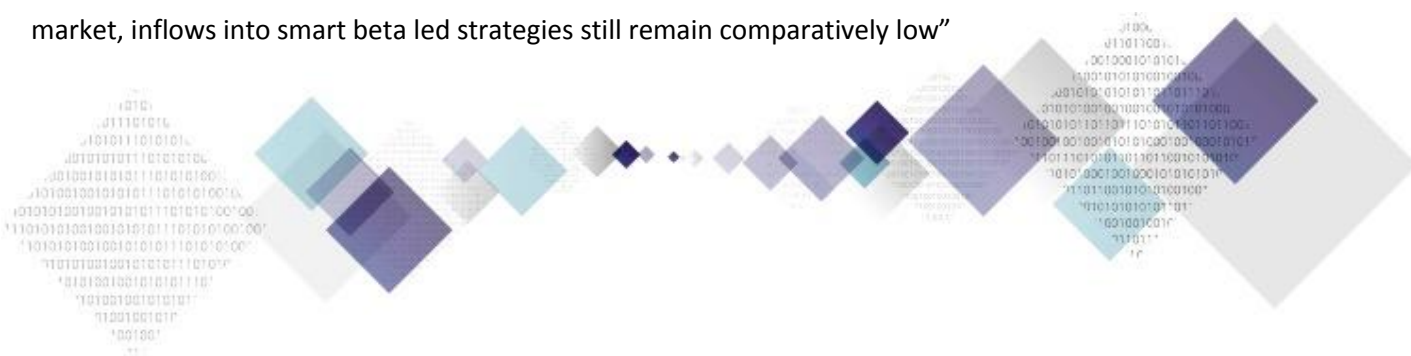
Portfolio range announces one year anniversary beating the IA flexible sector average by 8.4%

The Copia Smart Beta portfolios celebrated its 1-year anniversary in March 2017, navigating smoothly through a challenging year in the markets. Partnering with fastest growing US ETF provider First Trust and leading momentum US investors Dorsey Wright, this range of Copia smart beta portfolios achieved out performance on all key comparator sectors on an absolute basis as well as on a risk-adjusted basis.

The Copia First Trust Smart Beta portfolio achieved annualized return of **28.1%** (with annualised volatility of 9.6%) and the Dorsey Wright Smart Beta portfolio achieved an annualised return of **30.6%** (annualised volatility of 13.1%) against the IA sector average of **21%** annualised return and 7.3% volatility.*

The Copia Smart Beta portfolios are made up of First Trust AlphaDEX® ETFs, which follow an investment strategy that selects stocks based on both its growth prospects and attractive valuations in a systematic way. The range is comprised of **The Copia First Trust Smart Beta portfolio**: where Copia employs a quantitatively driven country rotation alongside a partial risk rotation strategy to determine the optimal asset allocation for the portfolio of First Trust smart beta ETFs and **The Copia Dorsey Wright Smart Beta portfolio**: where there is a strong focus on supply and demand, using point and figure charts for relative strength to make timing decisions and to identify the top four ETFs most likely to outperform. This portfolio prefers First Trust AlphaDEX® but also uses other trackers where First Trust is not available.

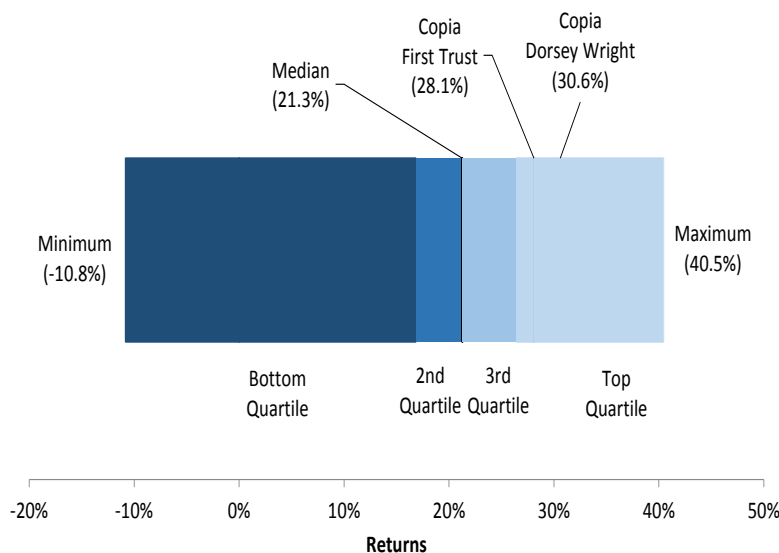
Hoshang Daroga Quantitative Investment Manager at Copia said: “The strong performance of these new portfolios can be mainly attributed to outperformance from the underlying Smart Beta ETFs as well as the tactical asset allocation performed using the Copia Quant Model and the Dorsey Wright investment strategy. It is interesting to note that despite outperforming many of the ETF portfolios available in the market, inflows into smart beta led strategies still remain comparatively low”



Press release continued



Derek Fulton CEO at First Trust Global Portfolios said: “There are a plethora of reasons why Advisers and Investors should consider using smart beta portfolios as part of their investment strategy, outstanding performance is understandably a key factor. Academic research continues to demonstrate the benefits of using smart beta in beating indices, but in order for advisers and investors to capitalise on these potential returns, education is needed to help Advisers further understand this investment strategy which, whilst widely taken up in the US, remains to some extent hidden under a bushel here in the UK”.



The chart alongside illustrates the distribution of 1-year returns for the period 14-Mar-2016 to 14-Mar-2017 for all funds within the IA Flexible Investment sector. Quartiles are segregated by colour. The IA Flexible Investment sector was chosen as being the ‘most appropriate’ from a selection of IA sectors. As indicated the Copia First Trust

Smart Beta portfolio and the Copia Dorsey Wright Smart Beta portfolio are in the top quartile within the IA Flexible Investment sector.

*Source: Bloomberg, Copia Capital Management, FE Analytics

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Press release continued



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 over £5bn of assets under administration.
- ⦿ AlphaDEX® is a registered trade mark of First Trust Portfolios L.P. First Trust Portfolios L.P. has obtained a patent for the AlphaDEX® stock selection methodology from the United States Patent and Trademark office.

First Trust

First Trust launched to market in 1991 and has over \$100 billion assets under management of which \$40billion is in ETFs. The business wrote \$11billion of ETF sales in 2015. The AlphaDEX indices have outperformed the market capitalisation weighted benchmarks over the past ten years and have done so with Beta’s close to one, implying strong correlation and sensitivity to equity returns in that asset class.

Dorsey Wright and Associates

Dorsey Wright and Associates is a US based firm providing financial technical research services, as well as money management and products including Mutual Funds, ETFs, Unit Investment Trusts and Separately Managed Accounts. Based in Richmond Virginia and with over 30 years of financial adviser experience Dorsey Wright became a subsidiary of Nasdaq in 2015 and is well recognised for the breadth of research it provides from broad market insights to portfolio management tools and investment models, and Point and Figure charts on over 40,000 stocks, funds and ETFs traded around the world.