

## Case Study: Prosperity Financial Solutions

### The pressures of running their own models

Prior to working with Copia, Prosperity ran its own model portfolios on the Aegon platform for several years. However, as Maria Saunders, one of Prosperity's IFAs, says: "This was extremely labour-intensive because of the need to get client permission every time we wanted to make a change to the model. It created a huge volume of admin and it was a constant battle to get clients to return the documentation."

Her colleague Owen Hadden, one of Prosperity's Chartered Financial Planners, concurs and says that the other driver of change was the challenge of keeping up with market developments. "Despite our qualifications, we would all struggle at times to keep up with changes in the market, particularly in terms of asset classes that we didn't often use. We found it was difficult to make proactive decisions and be absolutely sure, for example, that we were using the right platform or the right share class to meet a client's risk profile."

The issue of risk was significant. Owen continues, "We were often worried that if we made mistakes in investment strategy, all the risk would sit with us and then we could be on the hook for significant client compensation."

### Why Copia?

With these pressures in mind, Prosperity decided that it would either have to employ an in-house Discretionary Fund Manager (DFM) or outsource to an external provider.

Having decided to take the latter route, they reviewed the capabilities of a number of suppliers, including Copia. Maria Saunders explains some of the reasons for choosing Copia: "They just seemed different from the others, in particular we liked the fact that the Custom portfolios they would create for us were truly bespoke, and we were impressed by their investment approach including, for example, the Risk Barometer's 'traffic light' system.

"The fact that they would take on much of the compliance risk was also very important, along with their presence on our investment committee, working in partnership with us."



### About Prosperity Financial

Founded in 1995 by its managing director Bill McCracken, Prosperity Financial Solutions is a Glasgow-based firm of advisers providing high quality independent financial advice across the full range of financial needs for individuals and businesses. The majority of its clients are in Scotland, but they also advise people and organisations throughout the UK and overseas, and many of their clients have been with the firm since its foundation.

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Owen Hadden  
Chartered Financial Planner  
Prosperity Financial

Owen Hadden adds: “Copia also offered very good value – when we looked at the cost of their service against the historic performance outcomes we could see that it would be hard for us to do better. On top of this, we liked the fact that the portfolios that they created for us would be using Prosperity’s branding.”

### Working in partnership

Since the portfolios went live in March 2019, Prosperity have been impressed by the service that they have received from Copia. The relationship centres around quarterly investment committee meetings, attended by both Copia and Prosperity teams, along with plenty of ad hoc support and the provision of Prosperity-branded marketing materials which the Prosperity team can use with their clients.

Describing the benefits, Maria says: “It’s freed us up enormously to focus on our clients and their needs because we’re no longer having to deal with all the paperwork. And the DFM arrangement is good for clients too because their investments can be switched to take advantage of market conditions more quickly: we’re not waiting on them to tick a box or return a document.”

Owen and Maria also appreciate the shared approach to investment strategy: the portfolios are run to Prosperity’s risk profiling requirements and although the fund allocation and investment are then delegated to Copia, Prosperity know that they are in control.

Owen says: “We feel very involved in the process, much more so than with other DFMs we use where the portfolios are not bespoke to us. We know we have a veto if necessary, and we can make suggestions about funds or areas we’d like to invest in: we can be proactive without the risk and responsibility we had previously.”

In addition, as Maria says, “We value Copia’s analysis and market perspective which then enables us to advise our clients better – this was particularly important in early 2020 during the first stages of the pandemic when the markets were very unstable.”

### Looking to the future

Prosperity has already increased the funds that it has under management with Copia and says this trend is likely to continue. In particular, the team has worked with Copia to create a Prosperity-branded ethical portfolio and Maria and Owen expect client demand for this kind of investment to increase significantly over the next five years, as long, they say, as performance is as good or better than conventional portfolios!

Owen concludes by saying, “Copia have met our expectations and exceeded them in terms of performance, service and support for our own business strategy.”

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