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PART OF THE QUANTA GROUP

copia-capital.co.uk
020 4599 6475

Copia's Risk Barometer

Quantifying the macro environment to better align portfolios

We dynamically manage the risk exposure of our portfolios in a way that is **forward looking**, **quantitatively-driven** and **systematic.** Our top-down approach is supported by our inhouse **Risk Barometer.** By analysing a range of economic inputs our Risk Barometer algorithm generates a risk tilt we apply tactically to portfolios.

INPUTS

Bond Yields
Equity Prices
Inflation Rate
Volatility Index
Slope of Yield Curve
Valuation Data
ETF Fund Flow Data
Other relevant factors

COPIA'S ALGORITHM

OUTPUTS

-0.33% to - 1.00%

-0.32% to +0.32%

+0.33% to +1.00%



'Risk Off' Less exposure to equities

A score of **-0.33% to -1.00%** indicates an extremely poor economic outlook, which is accompanied by a high probability of negative returns in risky asset classes like equities. The Risk Barometer tilts our portfolios away from equities during such periods.



'Risk Neutral' Moderate exposure to equities

A score of **-0.32% to +0.32%** indicates a neutral economic outlook with almost equal probability of positive and negative returns in risky asset classes like equities. The Risk Barometer maintains a balance between equities and other asset classes during such periods.



'Risk On' More exposure to equities

A score of **+0.33% to +1.00%** indicates an extremely positive economic outlook, which is accompanied by a high probability of positive returns in risky asset classes like equities. The Risk Barometer tilts our portfolios towards equities during such periods.

Our approach means we dynamically manage the risk exposure of our portfolios based on the outlook for markets. This approach can **enhance returns**, **reduce risk** and **create a smoother investment journey**.

Important information:
This illustrative document is intended for investors where advice has been given by Advisers. The value of investments may go down as well as up, investors may not get back the amount invested, figures quoted relate to the past and past performance is not a reliable indicator of future. Models are prepared in accordance with tolerance to risk and not client circumstances. Copia only exercises discretion in terms of the model portfolio's composition and its rebalancing so that it continues to meet its overall generic strategy and objectives; the model is not referable to any specific client. Information from given sources is taken to be reliable and accurate, which Copia cannot warrant for accuracy or completeness.
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Temple Chambers, 3-7 Temple Avenue,
London EC4Y ODP

info@copia-capital.co.uk
020 4599 6475

copia-capital.co.uk

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