



The Copia Retirement Income range is designed for clients wanting a purpose-built income portfolio as part of their broader retirement plan. It has been created for clients who are approaching, or in the retirement phase of their lifecycle.

Copia's Investment Approach

The Portfolios are managed consistently using Copia's 'actively passive' investment approach:

1. Set Portfolio Objectives:

The objective of this range is to provide a durable income portfolio for a given level of risk and an expected time horizon.

2. Focus on Asset Allocation:

Optimised asset allocations to match each investment term, tactically rebalanced using our Quant Model.

3. Deliver smarter Portfolio Construction:

We build the Retirement Income portfolios using ETFs with a high income and low cost bias.

Why choose the Retirement Income range?

The Copia Retirement Income range is purpose built for decumulation and has the objective of providing a durable income portfolio for a given level of risk and expected time horizon.

The investment approach draws on institutional science on how best to mitigate the key retirement risk known as "shortfall risk". Shortfall risk is driven by a range of factors such as sequencing risk, longevity risk, interest rate risk and inflation risk. Designed to make the most of pensions freedom, this range has a fresh approach built on established science to address the challenge of investing for retirement.

About the Retirement Income range

What is it?

Copia offers a range of portfolios categorised by five risk profiles and four time horizon ranges to provide retirement income.

How does it work?

Copia combines diverse sources of income to support current and future withdrawals, while aiming to mitigate key retirement risks.

How does it help?

Copia designs its portfolios to help provide clients with a durable income for the time horizon selected.

- ◆ Key points:
- ◆ Focuses on risk profile and time horizon
- ◆ Supports income needs
- ◆ Mitigates key retirement risks
- ◆ Diversified portfolios
- ◆ Cost efficient



Retirement Income continued



About the portfolios

Each portfolio has an optimised asset allocation that focuses on mitigating the key retirement risks, whilst providing a durable income stream over the investment term. Portfolios are constructed using ETFs with a high income and low cost bias and target a specific duration that relates to the Client's investment term.

Why choose Copia?

At Copia we believe the true art of portfolio construction is to take an actively passive approach that draws on an investment science also used by the world's largest and most experienced investors.

Evaluating outcomes

As Retirement Income Portfolios are relatively new to market, they are not yet tied to classical benchmarks. However, we recognise that you and your Clients will want to establish a fair way to evaluate their performance against alternative choices, such as cash and/or annuities.

We consider the best way to do this is to compare the value of the portfolio after regular withdrawals against the value of cash after regular withdrawals. To help you do this, we regularly publish illustrative information on our website, showing the value of an example portfolio relative to cash, after applying the 'Safe Withdrawal Rate' (95% confidence) SWR monthly, relative to an initial illustrative value.

Selecting the appropriate time horizon

Investing for retirement requires an estimate around life expectancy in order to select the appropriate time horizon. The Office of National Statistics provides useful guidance on this:

Table: Average life expectancy (in years) for selected ages

Age	55	60	65	70	75	80	85
Male	26.73	22.47	18.45	14.66	11.26	8.25	5.81
Female	29.61	25.16	20.87	16.78	12.99	9.59	6.76

Source: ONS

'Safe Withdrawal Rate' (95% confidence) explained

The 'Safe Withdrawal Rate' (95% confidence) 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 (see important notes*).

You should regularly review your Clients' actual withdrawals against a SWR for comparison purposes. Under normal circumstances we will publish a SWR table for each of our asset allocations once each year by way of guidance for Advisers. If expected market conditions for the Investment Term have significantly changed since publishing the last SWR, then the SWR may change.

It remains the Adviser's responsibility to assess suitability in terms of their Client's portfolio size, its ability to support expected withdrawals, the investment term (considering age and health), the clients risk profile and any legacy plans.

Retirement Income continued

Copia Retirement Income Range 'Safe Withdrawal Rate' (95% confidence) - 2017 Table

		Copia Retirement Risk Profile (RP)					
		1	2	3	4	5	
Time Horizon (years)	3	31.77%	31.16%	30.31%	28.85%	26.23%	3-10Y
	4	23.73%	23.26%	22.56%	21.24%	19.23%	
	5	18.88%	18.48%	17.83%	16.84%	15.20%	
	6	15.17%	14.78%	14.28%	13.56%	12.26%	
	7	12.99%	12.68%	12.24%	11.58%	10.49%	
	8	11.46%	11.17%	10.77%	10.08%	9.10%	11-15Y
	9	10.23%	9.96%	9.58%	8.93%	8.03%	
	10	9.23%	8.98%	8.60%	8.04%	7.15%	
	11	8.06%	7.92%	7.57%	7.18%	6.42%	
	12	7.46%	7.27%	7.01%	6.59%	5.88%	
	13	6.92%	6.75%	6.47%	6.03%	5.40%	16-20Y
	14	6.44%	6.30%	5.99%	5.52%	5.07%	
	15	6.03%	5.89%	5.60%	5.18%	4.60%	
	16	5.58%	5.44%	5.16%	4.80%	4.33%	
	17	5.30%	5.12%	4.91%	4.53%	4.09%	
	18	5.05%	4.87%	4.67%	4.31%	3.89%	21-25+Y
	19	4.79%	4.66%	4.43%	4.12%	3.69%	
	20	4.59%	4.46%	4.25%	3.93%	3.54%	
	21	4.30%	4.18%	4.00%	3.73%	3.40%	
	22	4.16%	4.03%	3.83%	3.57%	3.26%	
	23	4.02%	3.89%	3.71%	3.46%	3.17%	
	24	3.88%	3.75%	3.58%	3.33%	3.09%	
	25	3.76%	3.62%	3.46%	3.22%	2.99%	
	26	3.65%	3.53%	3.38%	3.15%	2.87%	
	27	3.54%	3.44%	3.32%	3.07%	2.76%	
	28	3.45%	3.35%	3.22%	2.99%	2.69%	
	29	3.35%	3.25%	3.15%	2.90%	2.61%	
	30	3.24%	3.18%	3.04%	2.83%	2.55%	

Key points to note:

- ◆ This table is designed to help you find the right 'SWR' for your Client
- ◆ The 'SWR' relates to the asset allocation of each Retirement Risk Profile and Investment Term
- ◆ Each Retirement Risk Profile is designed to consider the key retirement risks for that time horizon
- ◆ Advisers are responsible for assessing suitability regarding the client's expected need for withdrawals, any tax implication of any withdrawals and their expected time horizon
- ◆ Regular withdrawals will be funded from the income yield of the portfolio and/or the sale of units.

The SWR assumes all in yearly costs of 1% and no initial charge – if actual charges are higher, you should adjust the client's withdrawals downwards from the SWR accordingly. For other assumptions see the important notes**

Source: Copia, as at 28 Feb 2017 – See important information**

Retirement Income continued

Summary

	Copia Retirement Income Range
Client use	Retirement Income
Objectives	Durable income portfolios for a given level of risk and expected time horizon
Asset Allocation	Optimised to target income yield, duration and investment term
Underlying Securities	High income bias and low cost ETFs
Portfolio Constraints	Turnover, Asset Range
Copia Fee	0.30%+VAT

For more information about Retirement Income Range, our other portfolios and more general enquiries:

S: Speak to one of our relationship managers by calling **0845 850 8880*****

W: www.copia-capital.co.uk

E: info@copia-capital.co.uk

Important information:

For Adviser Use Only

Our standard charge for using the Copia DFM is 0.30%pa + VAT and is calculated and deducted every month from the cash facility in your wrapper. Copia does not provide any advice and is not required to assess the suitability of the product provided or offered to your Client. All our portfolios are not guaranteed to remove the key risks but are designed to help mitigate them. The value of any portfolio can go down.

*The 'Safe Withdrawal Rate (95% confidence)' is a commonly used term to define the percentage of the initial investment which can be withdrawn each year for a given investment term and not lead to portfolio failure; failure being defined as a maximum 5% probability of depletion to nothing within the given investment term. Even where you recommend the 'Safe Withdrawal Rate' you should continue to regularly review the continued appropriateness of the level of client withdrawals.

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*** Lines are open Monday – Friday from 9am to 5pm except for Bank Holidays. Calls may be recorded for quality and training purposes.

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