

PRESS RELEASE

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Copia launches first decumulation portfolios harnessing guaranteed income as an asset class

Copia Capital Management [Copia] has launched the Copia Select Retirement Income Plus (RI+) portfolios, which use guaranteed income alongside a managed portfolio to increase the opportunity to outperform and provide greater certainty of outcome in retirement without increasing the overall investment risk. The range of five risk-rated portfolios is designed to address the four main decumulation risks: sequencing, longevity, inflation and interest rate, and help advisers meet the new Consumer Duty rule to “avoid causing foreseeable harm”.

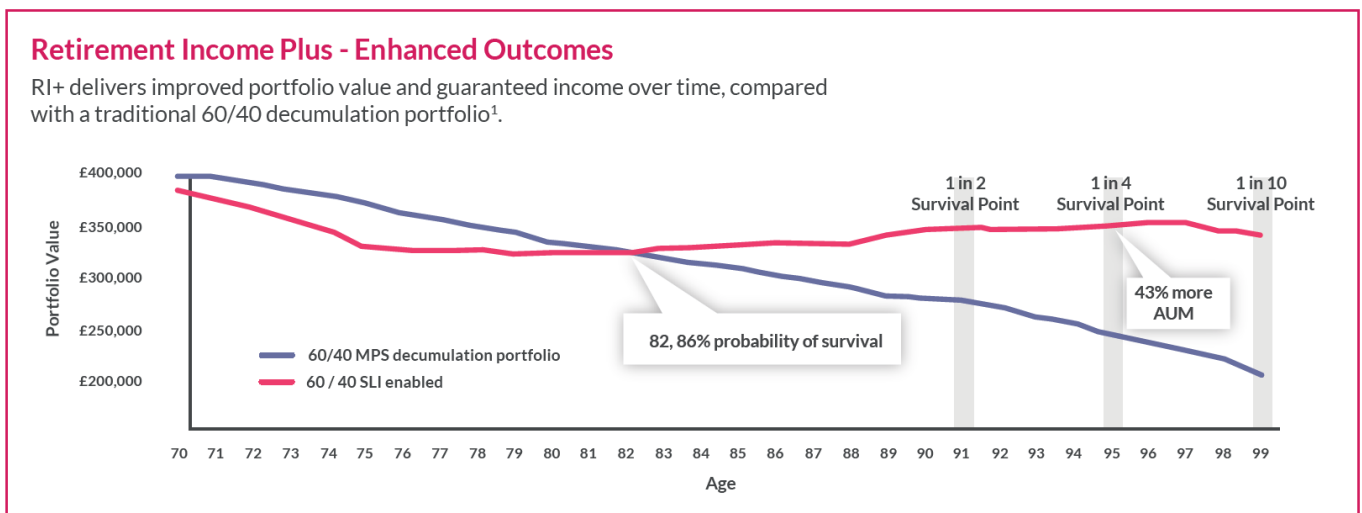
RI+ is the first decumulation portfolio strategy purpose-built to work in conjunction with a guaranteed income solution. Offering attractive rates of income, the guaranteed income asset, which at launch is delivered by Just Group’s Secure Lifetime Income (SLI), is 100% uncorrelated to other asset classes. This allows Copia’s expert investment team to produce a complimentary investment proposition that works alongside the guaranteed income solution to offer investors in drawdown some protection against the effects of ‘pound cost ravaging’ by reducing the need to sell assets in unfavourable markets to generate income. More of the assets stay invested for longer, increasing the opportunity to outperform, without increasing the overall risk for the investor.

Robert Vaudry, Managing Director of Copia, says, “People in retirement face very different risks to those who are still working and building their wealth. Those in drawdown have had a stark reminder of the risks facing their income over the last few months. Market volatility has meant many in decumulation have had to continue taking an income during unfavourable market conditions, while the cost of living crisis is eroding the spending power of retirement savings and increasing the possibility of people running out of money sooner than required. At the same time, central bank efforts to quell inflation through interest rate rises are hitting bond capital values, adding further uncertainty to investment outcomes.

“To properly manage these risks, decumulation requires a different investment approach to accumulation, and yet many advisers use the same portfolio ranges for both objectives. Our new RI+ portfolios are purpose-built for decumulation to support advisers in delivering improved portfolio value and guaranteed income over time, compared with a traditional 60/40 decumulation portfolio, without increasing the investor’s overall risk.”

Paul Turner, Managing Director, Retail of Just Group, says, “The Financial Conduct Authority’s thematic review of retirement income advice will surely conclude that a different approach is required for people approaching and in-retirement compared to people in the accumulation phase. Using our new fixed income guaranteed asset class, delivered through our secure lifetime income solution, alongside a managed portfolio is a really innovative way to optimise asset allocation in retirement income portfolios. It helps investment managers and advisers manage the risks facing investors in decumulation while achieving more certainty over investment outcomes. We’re excited to be supporting Copia in delivering this pioneering new range of portfolios.”

Tony Hicks, Head of Sales at Copia, will be hosting a webinar on the new RI+ portfolios with Yannis Katsis, SLI Business Development Director at Just Group, at 11am on 24 May. Sign up here: https://zoom.us/webinar/register/4916831902868/WN_WIXMRRkGQNek31rKYx_7LA



¹ Example based on 70-year-old, average health non-smoker persona, with a £400,000 total portfolio value, taking £16,000 (4%), non-escalating income pa 1.75% AMC/ongoing adviser charge, SLI scenario assumes a £60,000 (15%) SLI purchase price and include the cash-in value within total portfolio value, graph shows median scenario of 1,000 stochastic projections.

Select Retirement Income Plus & SLI combined asset allocation

	Retirement 1	Retirement 2	Retirement 3	Retirement 4	Retirement 5
Equity	20.00%	35.00%	50.00%	65.00%	80.00%
Fixed Income	40.00%	25.00%	15.00%	8.00%	5.00%
Alternatives	15.00%	25.00%	25.00%	22.00%	15.00%
SLI	25.00%	15.00%	10.00%	5.00%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%

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NOTES FOR EDITORS

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About Copia

Copia is the investment solutions division of Novia Financial plc, a UK platform provider with group platform assets in excess of £11.8bn under administration. Novia was launched in 2008 and Copia was launched in 2013.

For more information, see www.copia-capital.co.uk

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