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Quarterly Performance Update

29 December 2023

For advisers only



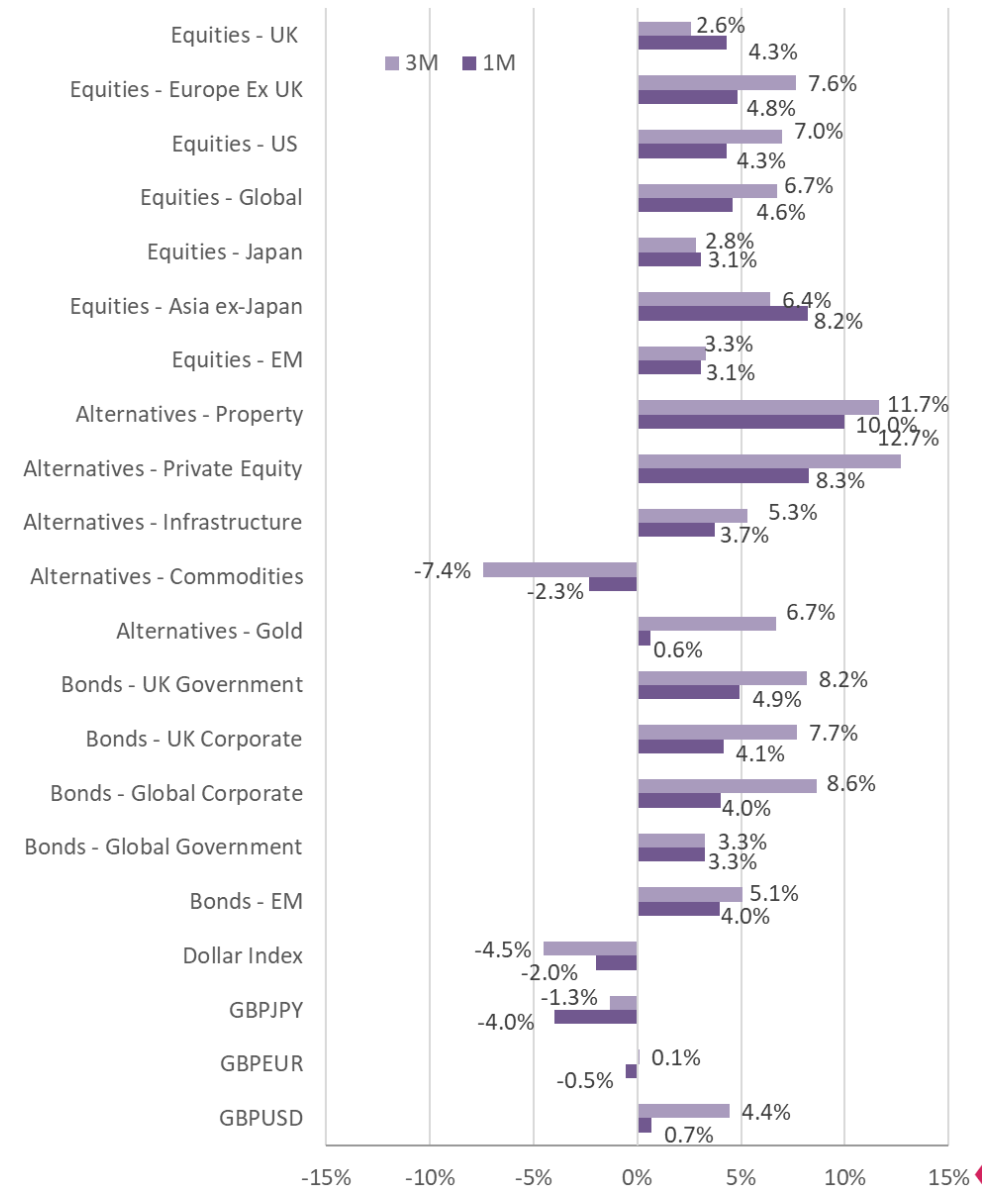
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Market performance Q4 2023

- Markets rallied sharply in December leading to strong gains over the quarter across most asset classes. The recovery was fuelled by a couple of factors including signs that inflation may be starting to subside globally, and that the US was showing signs of economic moderation and that may result in a 'soft landing.' In any case, this led to growing optimism that Central Banks would cut interest rates earlier in 2024 than previously expected. As a result, this led to a sharp recovery particularly in the most interest rate sensitive sectors of the market.
- On the inflation front, both US Consumer Price Inflation and core inflation dropped to 3.2% and 4% respectively. This news coupled with weaker job and manufacturing number raised hopes that inflation levels could reach the 2% target rate by the end of 2024. This view was further enforced after a speech by the Fed Chairman in December signalled that rate cuts were possible as inflation risks appear to have subsided. The UK and Europe similarly showed a bigger drop in headline and core inflation which was well received although the UK still maintains the highest core inflation rate in the G7 at 5.7% year of year.
- Equity markets rallied sharply in December lifting most markets into positive territory over the period under review. Returns were relatively broad based with the US and Europe leading the charge. The US saw continued strength from growth and technology stocks while Europe's financial sector benefited from stronger interest margins and profits. UK markets also posted gains although it is notable that small and mid-sized companies significantly outperformed large caps based on lower bond yields and expectations interest rates may have peaked. Emerging markets also posted a modest gain over the period although lagged developed markets.
- Like equities, bond markets also experienced broad based gain on the expectation of rates cuts in 2024. Government bonds saw yields fall sharply over the month with 10-year US Treasuries, UK Gilts and German Bunds all falling more than 100 basis points over the quarter (meaning bond prices rose). This dynamic played out across the credit spectrum with investment grade, high yield and Emerging Market debt all generating gains over the period.
- Alternatives was more of a mixed bag over the period. Real estate and private equity were some of the best performing asset classes owing to a more favourable interest rate outlook. This also benefitted infrastructure stocks although to a lesser extent. Energy commodities which rallied until late September have fallen in recent months on concerns that economic momentum is continuing to slow. Gold gave back some returns over the last months although finished the quarter in positive territory.
- The year-end rally certainly provided more relief to investors and it will be interesting to see if this momentum carries forward into the New Year. We still believe that the market backdrop remains challenging particularly when you add the uncertainty surround geopolitical events unfolding across the globe. That said, this has presented some interesting long-term opportunities across different sectors of the market. We still believe caution is warranted in this environment but are looking to take advantage of investment opportunities as they arise.

Market Performance



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- Recent comments by Federal Reserve Chairman Powell have encouraged markets that interest rate cuts are likely in 2024, however the path remains highly uncertain
- We expect inflation to continue to slow, but likely remain above central bank targets
- Central banks are beginning to discuss slowing down Quantitative Tightening (QT), which has been reducing liquidity since June 2022, a positive signal for equity markets
- Asian and Global Emerging Market equities have been oversold but economic landscape has improved
- Geopolitical issues remain elevated with the ongoing conflict in Ukraine and Israel/Gaza, with the potential for economic disruption on a global scale, we continue to monitor developments closely
- 2024 is a big year for elections, national votes due in 40 countries. Particular attention will be paid to the US, Taiwan, UK & European Parliament.
- Several policies and reforms have been put through in the UK which have generally gone under the radar, these should help drive growth and enhance economic relations with Europe and Asia (Windsor Trade Agreement & Mansion House Reforms)

Consequently:

- Remain well diversified
- Risk barometer moves into the Amber zone, signalling a shift towards a more balanced outlook
- Preference for value and quality over growth
- Within fixed income, we have begun to transition portfolios towards market weight duration
- Keep exposure to Asia and Emerging Markets

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-0.62

As of 30-Sep-2023



-0.33

As of 29-Dec-2023

Based on our proprietary Prediction Algorithm the Copia Risk Barometer is reading -0.33 as of 29-Dec-2023, a change of +0.29 from last quarter, moving to the amber zone, indicating that the global economic outlook is now neutral.

Primary drivers for the Risk Barometer:

- **Government bond markets:** Despite major global yield curves remaining inverted, the extent of inversion has narrowed from the levels seen for throughout 2023. This is an encouraging signal from bond markets, suggesting an increased likelihood of rate cuts in developed markets this year.
- **Equity market pricing:** Following Federal Reserve Powell's unexpected dovish comments, investors are pricing in expectations that the Fed is likely done raising rates. This has been a positive signal for markets with equity market momentum rising over the past quarter.
- **Credit Spreads:** Credit spreads have continued to tighten, indicating corporate bond investors are not pricing in a systemic default of the bonds and signalling a lower probability of recession.
- **Overall:** Mixed positive and negative signals are being picked up by the Risk Barometer with a cautionary outlook toward risk assets.

Note: The Risk Barometer score varies between -1.0 and +1.0. A score of -1.0 indicates an extremely poor economic outlook, which is accompanied by a high probability of negative returns in risky asset classes. A score of 0 indicates a neutral economic outlook with almost equal probability of positive and negative returns in risky asset classes. A score of +1.0 indicates an extremely positive economic outlook, which is accompanied by a high probability of positive returns in risky asset classes.

Risk Barometer history

- The top chart shows the market performance (best and worst returns) during different Risk Barometer regimes.
- The bottom chart shows how the Risk Barometer has moved between different regimes and the triggers for regime changes.
- The Risk Barometer is a forward-looking quantitative model that provides a systematic rules-based approach for dynamic risk management.

Note: The Risk Barometer score varies between -1.0 and +1.0.

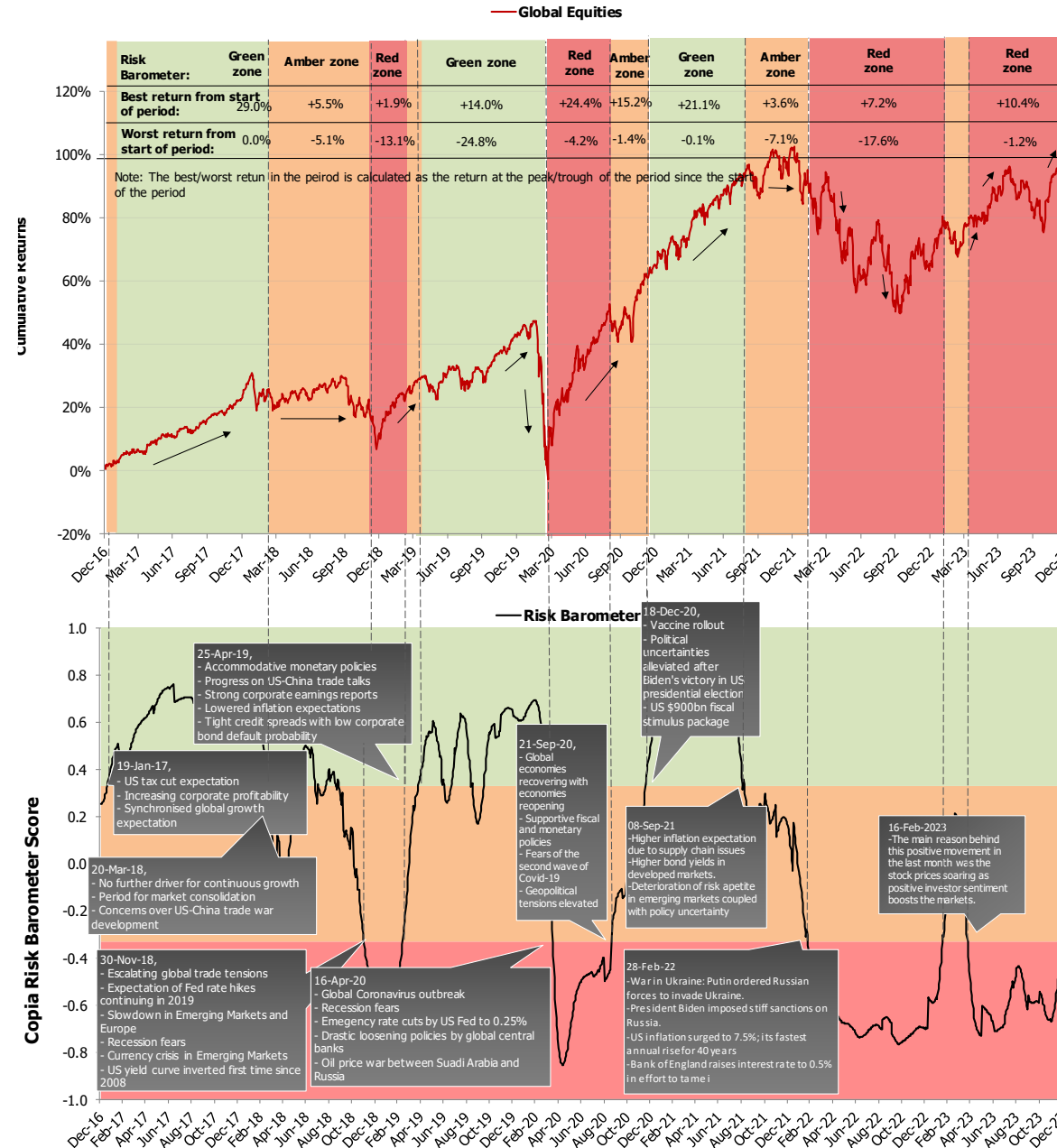
A score of -1.0 indicates an extremely poor economic outlook, which is accompanied by a high probability of negative returns in risky asset classes.

A score of 0 indicates a neutral economic outlook with almost equal probability of positive and negative returns in risky asset classes.

A score of +1.0 indicates an extremely positive economic outlook, which is accompanied by a high probability of positive returns in risky asset classes.

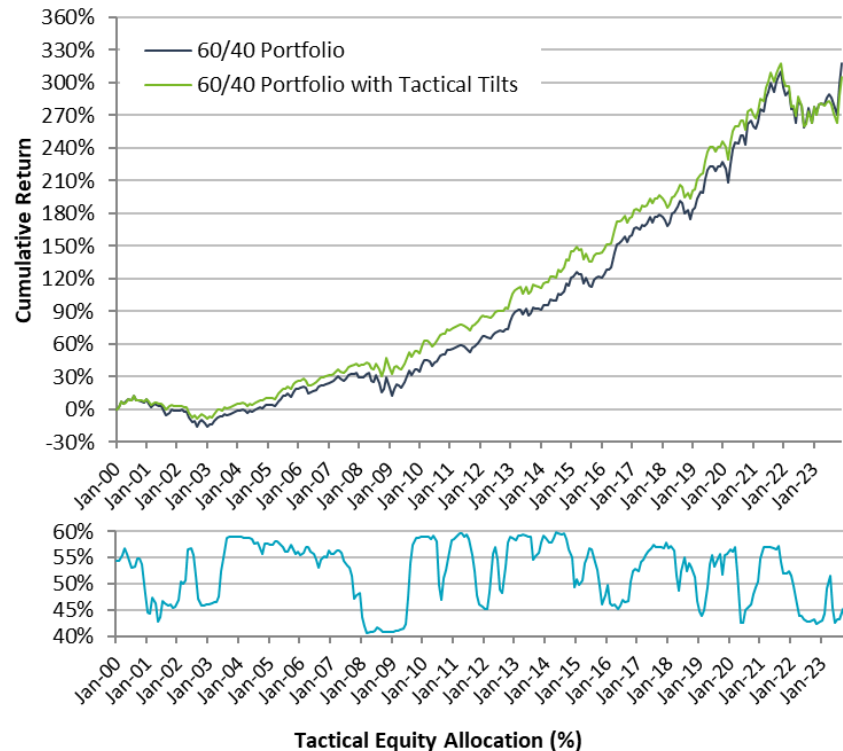
Source: Copia Capital Management, Refinitiv Datastream

Global Equities Returns is based on actual data of MSCI World Index for the period between 31-Dec-2016 and 29-Dec-2023.

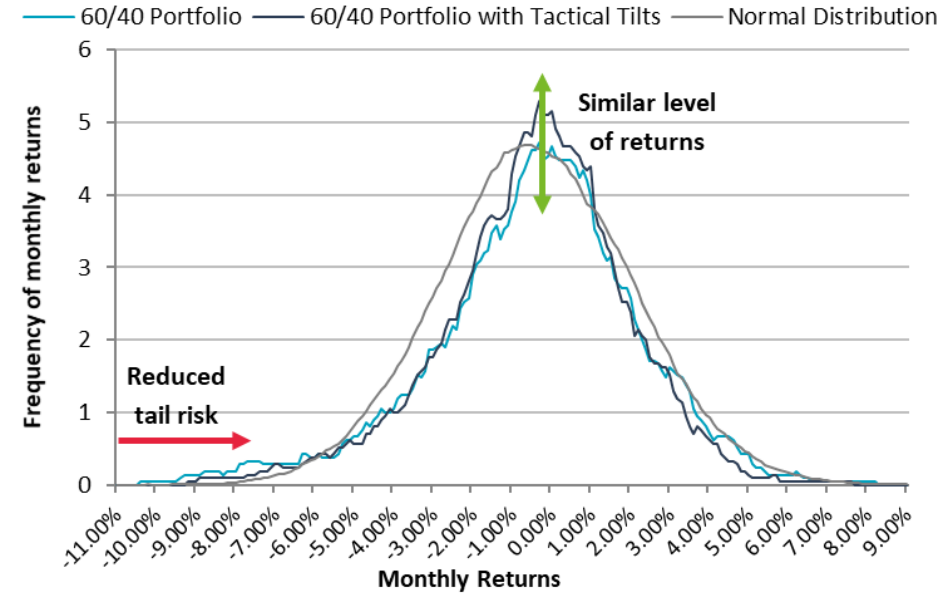


Impact of dynamic risk management using the Risk Barometer

- Objective is to achieve similar levels of returns, with a narrower dispersion of returns (reduced tail risk)
- Can enhanced risk-adjusted returns
- Can deliver a smoother investment journey whilst mitigating downside risk
- We evaluate impact using a theoretical 60/40 portfolio with and without the Risk Barometer



	Annualised Return	Annualised Volatility	Sharpe Ratio	Maximum Drawdown
60/40 Portfolio	6.16%	8.49%	0.73	-25.40%
60/40 Portfolio with Tactical Tilts	6.03%	7.44%	0.81	-19.13%
Impact	→ -0.13%	↓ -12.37%	↑ 11.73%	↓ -24.68%



Note: 60/40 Portfolio consists of 60% allocation to MSCI World Index and 40% allocation US 10-year Bond Index rebalanced monthly. Figures are based on historic actual figures in GBP terms for the period 31-Jan-2000 and 29-Dec-2023. All return figures are before fees.

The 60/40 Portfolio with Tactical Tilts consists of dynamic allocation to MSCI World Index within a range of 40% to 60% driven by the Risk Barometer. The portfolio is rebalanced monthly and remaining allocation is to US 10-year Bond Index.

Source: Copia Capital Management, Refinitiv Datastream

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Select Acc. and Select ESG performance table

Select Acc. was previously known as Select

Select Accumulation	Discrete											
	3 M	6 M	1 Yr	3 Yr	Since Inception (31-Oct-2016)	Since Inception (31-Oct-2016) (Annualized)	1 Yr Volatility	Year 1 31-Dec-18 to 31-Dec-19	Year 2 31-Dec-19 to 31-Dec-20	Year 3 31-Dec-20 to 31-Dec-21	Year 4 31-Dec-21 to 31-Dec-22	Year 5 31-Dec-22 to 31-Dec-23
Cautious	4.36%	5.11%	6.13%	2.66%	21.27%	2.73%	4.91%	9.07%	6.24%	2.03%	-5.19%	6.13%
Moderate	4.20%	4.62%	5.42%	5.21%	32.86%	4.04%	5.25%	12.74%	6.91%	6.03%	-5.87%	5.42%
Balanced	4.66%	5.13%	7.08%	11.18%	46.10%	5.43%	6.10%	15.68%	6.98%	10.26%	-5.83%	7.08%
Growth	5.04%	5.50%	8.68%	15.29%	54.93%	6.30%	7.15%	17.57%	6.51%	13.74%	-6.73%	8.68%
Equity	4.69%	5.04%	8.51%	17.77%	61.72%	6.93%	7.12%	18.11%	7.24%	15.85%	-6.32%	8.51%

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates

Select ESG	Discrete											
	3 M	6 M	1 Yr	3 Yr	Since Inception (31-Mar-2020)	Since Inception (31-Mar-2020) (Annualized)	1 Yr Volatility	Year 1 31-Dec-18 to 31-Dec-19	Year 2 31-Dec-19 to 31-Dec-20	Year 3 31-Dec-20 to 31-Dec-21	Year 4 31-Dec-21 to 31-Dec-22	Year 5 31-Dec-22 to 31-Dec-23
Cautious	4.84%	5.76%	6.76%	0.83%	9.93%	2.55%	6.21%	#N/A	#N/A	1.93%	-7.34%	6.76%
Moderate	4.97%	5.63%	6.07%	2.69%	18.28%	4.57%	7.56%	#N/A	#N/A	6.45%	-9.05%	6.07%
Balanced	5.41%	5.37%	7.14%	6.80%	30.67%	7.39%	8.65%	#N/A	#N/A	10.45%	-9.74%	7.14%
Growth	5.75%	5.25%	8.73%	10.45%	39.09%	9.19%	10.07%	#N/A	#N/A	14.06%	-10.94%	8.73%
Equity	5.64%	5.14%	8.26%	11.96%	43.65%	10.13%	10.46%	#N/A	#N/A	16.26%	-11.05%	8.26%

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates

Select Decumulation performance table

Previously known as Retirement Income

Select Decumulation						Since Inception (28-Feb-2017)		1 Yr Volatility	Discrete				
	3 M	6 M	1 Yr	3 Yr	Since Inception (28-Feb-2017)	(Annualized)	Year 1 31-Dec-18 to 31-Dec-19		Year 2 31-Dec-19 to 31-Dec-20	Year 3 31-Dec-20 to 31-Dec-21	Year 4 31-Dec-21 to 31-Dec-22	Year 5 31-Dec-22 to 31-Dec-23	
RP1/3-10Y	1.74%	2.85%	3.35%	2.26%	8.93%	1.26%	2.54%	5.99%	0.53%	2.11%	-3.10%	3.35%	
RP1/11-15Y	3.30%	4.32%	5.09%	1.79%	9.91%	1.39%	4.38%	8.47%	-0.10%	3.06%	-6.02%	5.09%	
RP1/16-20Y	3.64%	4.54%	5.71%	2.20%	12.54%	1.74%	4.98%	9.95%	-0.16%	3.60%	-6.68%	5.71%	
RP1/20-25Y+	3.77%	4.63%	6.34%	2.89%	15.56%	2.14%	5.51%	11.05%	0.37%	4.56%	-7.46%	6.34%	
RP2/3-10Y	2.35%	3.35%	4.66%	4.75%	10.74%	1.50%	3.70%	7.83%	-1.29%	4.84%	-4.53%	4.66%	
RP2/11-15Y	3.65%	4.55%	6.19%	3.59%	10.77%	1.51%	5.65%	10.83%	-2.77%	5.03%	-7.11%	6.19%	
RP2/16-20Y	3.84%	4.64%	6.86%	4.85%	14.77%	2.03%	6.14%	12.29%	-2.40%	6.40%	-7.79%	6.86%	
RP2/20-25Y+	4.13%	4.96%	7.83%	5.82%	18.36%	2.49%	6.63%	13.22%	-1.68%	6.86%	-8.16%	7.83%	
RP3/3-10Y	2.89%	3.71%	5.18%	5.32%	10.37%	1.45%	5.16%	10.39%	-4.14%	7.04%	-6.45%	5.18%	
RP3/11-15Y	3.74%	4.45%	6.52%	5.72%	12.23%	1.70%	6.63%	12.48%	-4.85%	8.22%	-8.29%	6.52%	
RP3/16-20Y	3.90%	4.51%	7.05%	6.48%	16.23%	2.22%	7.07%	14.37%	-4.36%	8.99%	-8.74%	7.05%	
RP3/20-25Y+	4.15%	4.97%	7.75%	6.63%	17.87%	2.43%	7.12%	14.84%	-3.89%	8.82%	-9.06%	7.75%	
RP4/3-10Y	3.73%	4.33%	6.94%	8.59%	13.76%	1.90%	7.31%	13.96%	-7.06%	11.49%	-8.92%	6.94%	
RP4/11-15Y	3.75%	4.33%	6.91%	8.42%	14.38%	1.98%	7.87%	15.18%	-7.90%	12.61%	-9.95%	6.91%	
RP4/16-20Y	3.82%	4.42%	6.91%	8.09%	15.87%	2.18%	7.93%	15.23%	-6.79%	12.58%	-10.20%	6.91%	
RP4/20-25Y+	3.97%	4.74%	7.27%	6.82%	15.01%	2.07%	7.82%	15.35%	-6.58%	10.56%	-9.92%	7.27%	
RP5/3-10Y	4.70%	4.70%	9.71%	14.45%	24.93%	3.31%	9.07%	16.11%	-6.69%	16.81%	-10.70%	9.71%	
RP5/11-15Y	4.07%	4.29%	7.42%	10.37%	18.75%	2.54%	9.32%	15.20%	-7.73%	16.50%	-11.81%	7.42%	
RP5/16-20Y	3.98%	4.28%	7.28%	9.88%	17.40%	2.37%	9.34%	14.84%	-7.81%	16.02%	-11.73%	7.28%	
RP5/20-25Y+	3.84%	4.22%	6.68%	8.15%	14.54%	2.00%	9.33%	15.13%	-8.27%	14.73%	-11.64%	6.68%	

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates

Select Retirement Income and Retirement Income Plus performance table

Select Retirement Income						Discrete						
	3 M	6 M	1 Yr	3 Yr	Since Inception (28-Feb-2023)	Since Inception (28-Feb-23) (Annualized)	1 Yr Volatility	Year 1 31-Dec-18 to 31-Dec-19	Year 2 31-Dec-19 to 31-Dec-20	Year 3 31-Dec-20 to 31-Dec-21	Year 4 31-Dec-21 to 31-Dec-22	Year 5 31-Dec-22 to 31-Dec-23
Risk Profile 1	3.63%	3.89%	#N/A	#N/A	4.97%	5.95%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Risk Profile 2	4.21%	4.03%	#N/A	#N/A	5.21%	6.24%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Risk Profile 3	4.46%	4.44%	#N/A	#N/A	5.60%	6.71%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Risk Profile 4	4.49%	5.09%	#N/A	#N/A	6.25%	7.50%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Risk Profile 5	5.01%	5.74%	#N/A	#N/A	6.71%	8.05%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Retirement Income Plus						Discrete						
	3 M	6 M	1 Yr	3 Yr	Since Inception (28-Feb-2023)	Since Inception (28-Feb-23) (Annualized)	1 Yr Volatility	Year 1 31-Dec-18 to 31-Dec-19	Year 2 31-Dec-19 to 31-Dec-20	Year 3 31-Dec-20 to 31-Dec-21	Year 4 31-Dec-21 to 31-Dec-22	Year 5 31-Dec-22 to 31-Dec-23
SLI Risk Profile 1	3.53%	4.01%	#N/A	#N/A	5.02%	6.01%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
SLI Risk Profile 2	4.22%	4.23%	#N/A	#N/A	5.37%	6.43%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
SLI Risk Profile 3	4.58%	4.66%	#N/A	#N/A	5.81%	6.97%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
SLI Risk Profile 4	4.64%	5.21%	#N/A	#N/A	6.37%	7.65%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
SLI Risk Profile 5	5.01%	5.74%	#N/A	#N/A	6.71%	2.78%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Select Volatility and Preservation performance table

Previously known as Volatility Focus

						Discrete						
	3 M	6 M	1 Yr	3 Yr	Since Inception (02 Nov 20)	Since Inception (02 Nov 20) (Annualized)	1 Yr Volatility	Year 1 31-Dec-18 to 31-Dec-19	Year 2 31-Dec-19 to 31-Dec-20	Year 3 31-Dec-20 to 31-Dec-21	Year 4 31-Dec-21 to 31-Dec-22	Year 5 31-Dec-22 to 31-Dec-23
Select Preservation	4.48%	5.00%	4.96%	5.44%	9.17%	2.81%	4.24%	#N/A	#N/A	#N/A	-3.50%	4.96%

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates

						Discrete Returns						
	3 M	6 M	1 Yr	3 Yr	Since Inception (14-Mar-2016)	Since Inception (14-Mar-2016) (Annualized)	1 Yr Volatility	Year 1 31-Dec-18 to 31-Dec-19	Year 2 31-Dec-19 to 31-Dec-20	Year 3 31-Dec-20 to 31-Dec-21	Year 4 31-Dec-21 to 31-Dec-22	Year 5 31-Dec-22 to 31-Dec-23
Select Thematic	6.11%	4.30%	7.28%	7.20%	59.71%	6.18%	12.38%	12.88%	2.99%	14.39%	-12.64%	7.28%

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates

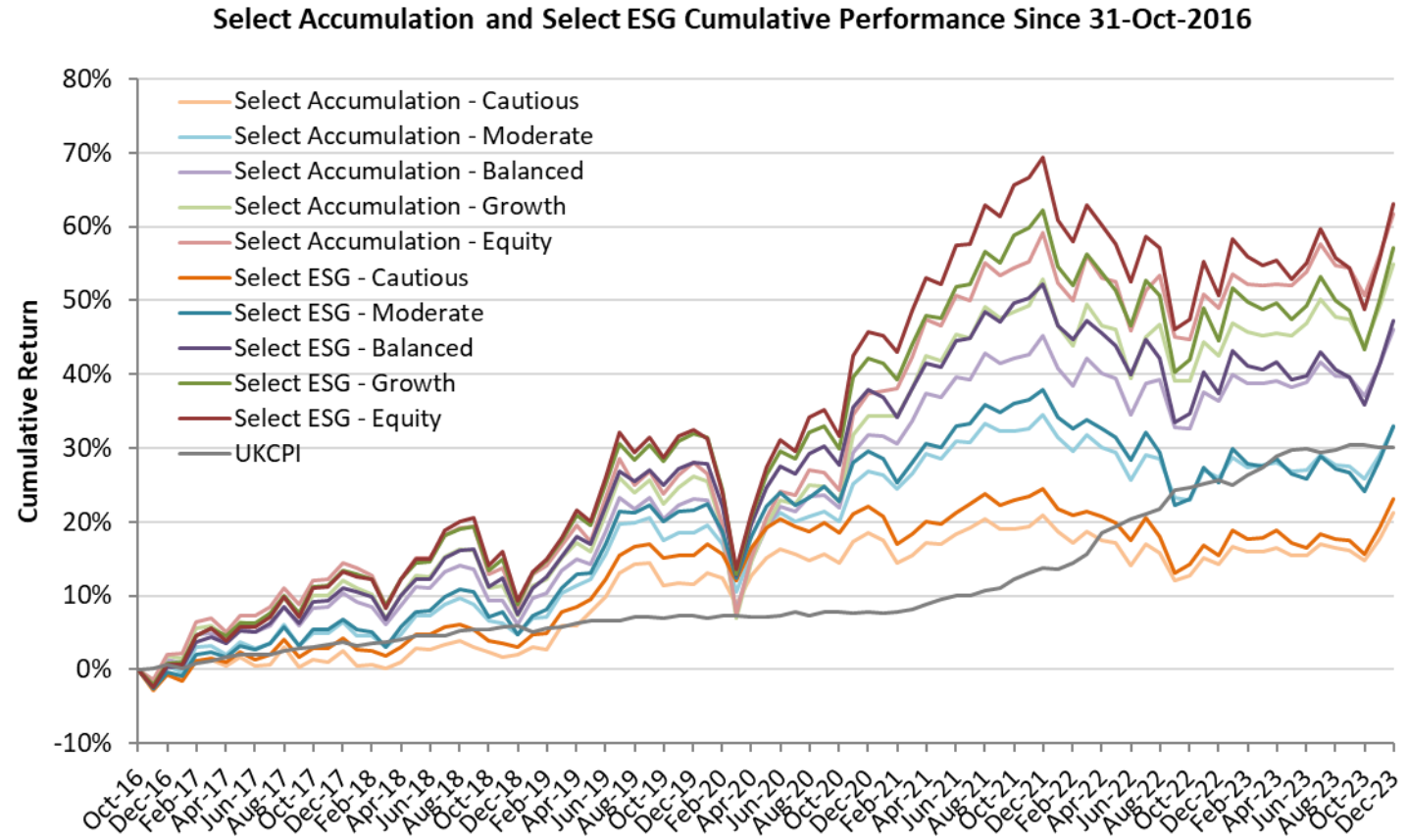
						Discrete						
	3 M	6 M	1 Yr	3 Yr	Since Inception (31 Oct 22)	Since Inception (31 Oct 22) (Annualized)	1 Yr Volatility	Year 1 31-Dec-18 to 31-Dec-19	Year 2 31-Dec-19 to 31-Dec-20	Year 3 31-Dec-20 to 31-Dec-21	Year 4 31-Dec-21 to 31-Dec-22	Year 5 31-Dec-22 to 31-Dec-23
Copia Short Duration Bond Portfolio	3.74%	6.33%	7.26%	#N/A	9.04%	7.70%	3.16%	#N/A	#N/A	#N/A	#N/A	7.26%

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates

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Outcome (cumulative return) analysis as of 29 December 2023



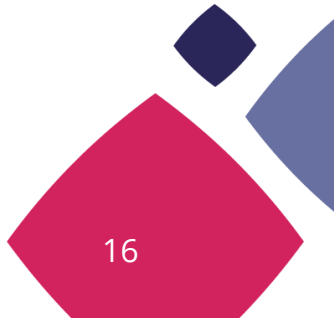
Our 'Select Accumulation' portfolio was previously known as 'Select'.

For illustration only.

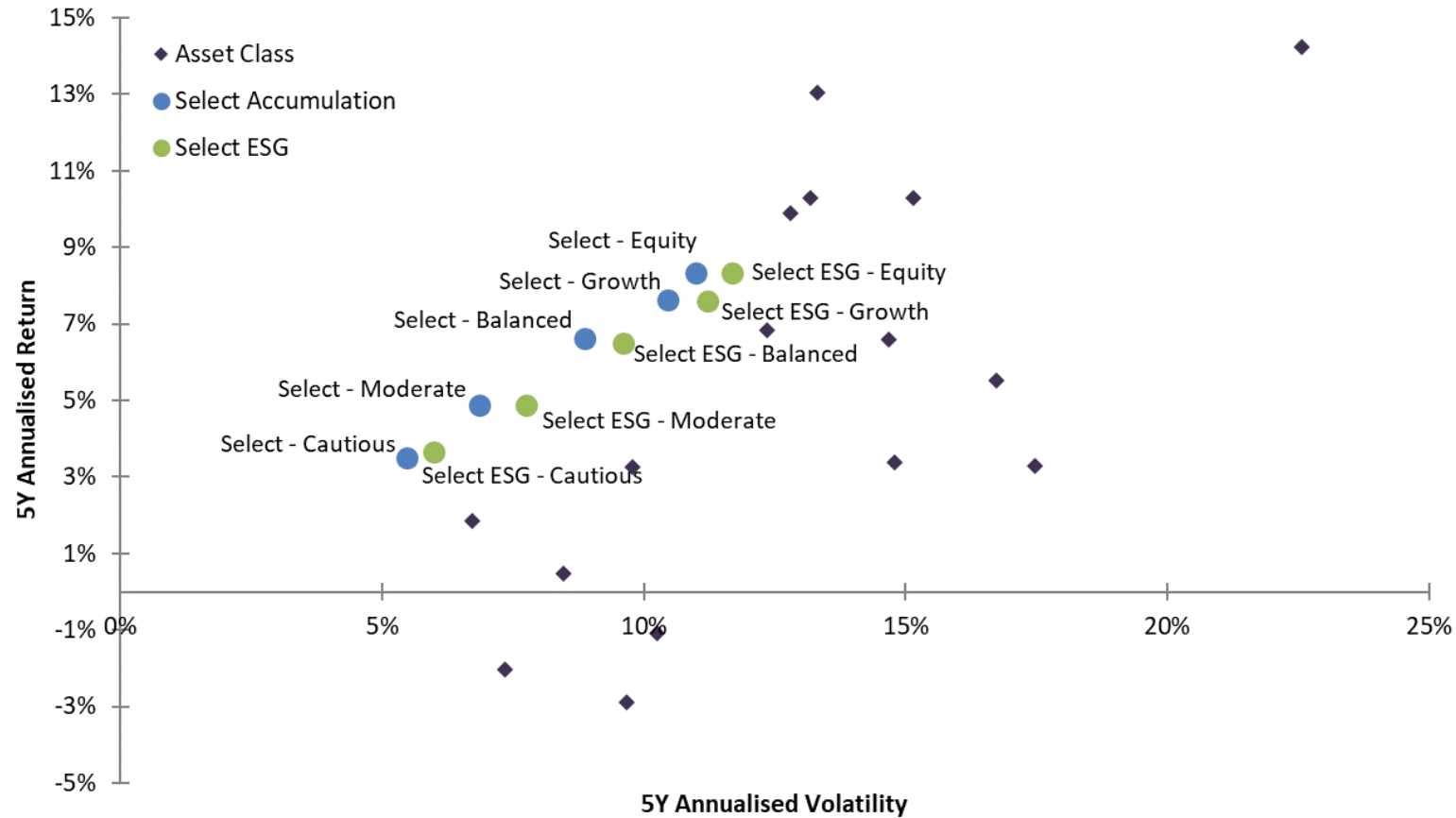
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates.

Available CPI data has been used as a comparator for real returns. CPI data for Dec 2023 is currently unavailable and not shown. Past performance is not indicative of future performance.

The cumulative returns are calculated based on the period from the inception date of the Select Accumulation portfolios (31-Oct-2016). The performance figures for Select ESG portfolios include simulated data before the inception date of the Select ESG portfolios (31-Mar-2020).



Outcome (risk-return) analysis as of 29 December 2023



Our 'Select Accumulation' portfolio was previously known as 'Select'.

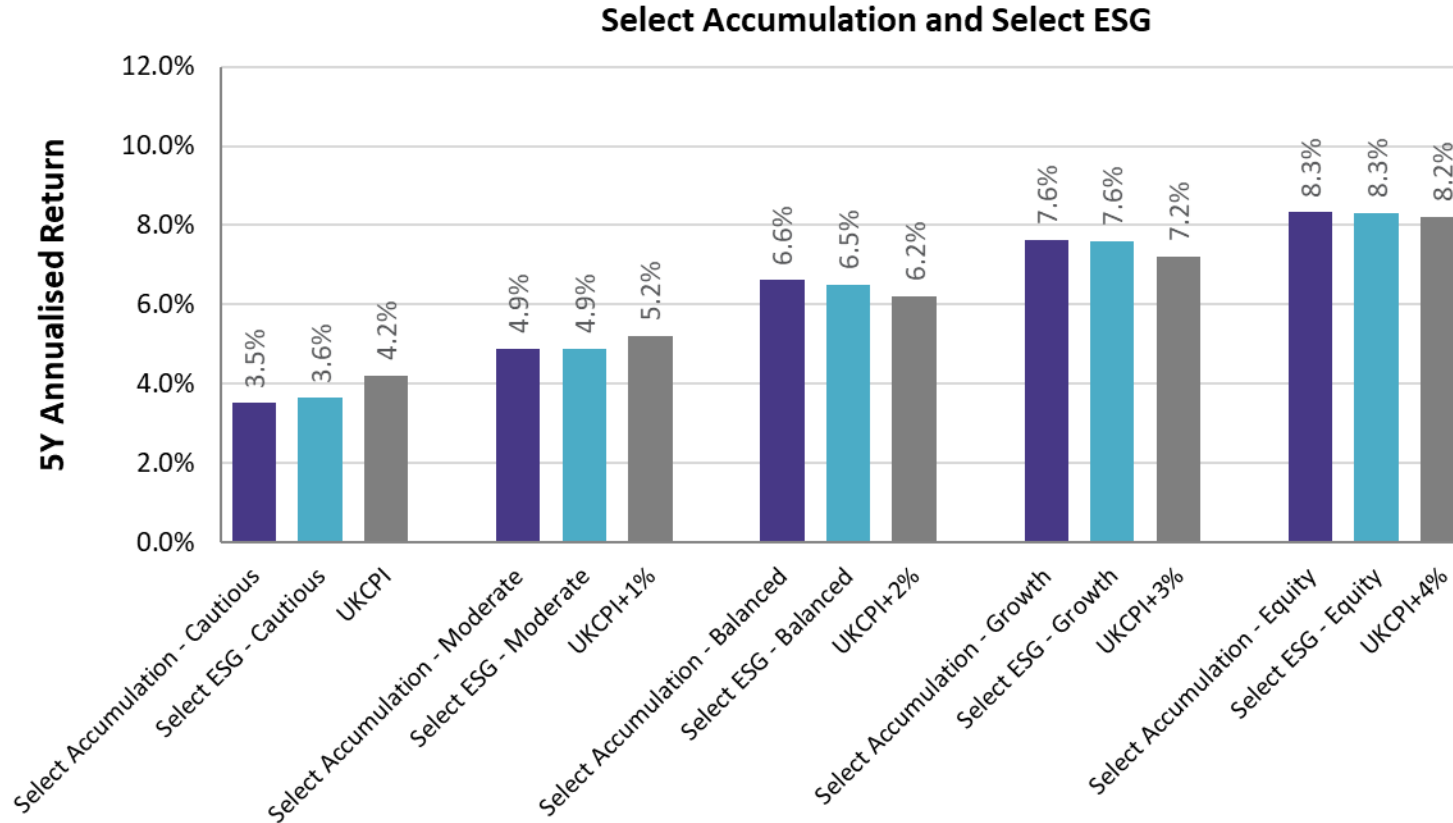
For illustration only.

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates. Past performance is not indicative of future performance.

The annualised risk and return figures are calculated based on a historic 5-year period as of 29-Dec-2023.

The performance figures for Select ESG portfolios include simulated data before the inception date of the Select ESG portfolios (31-Mar-2020).

Outcome (annualised return) analysis as of 29 December 2023



Our 'Select Accumulation' portfolio was previously known as 'Select'.

For illustration only.

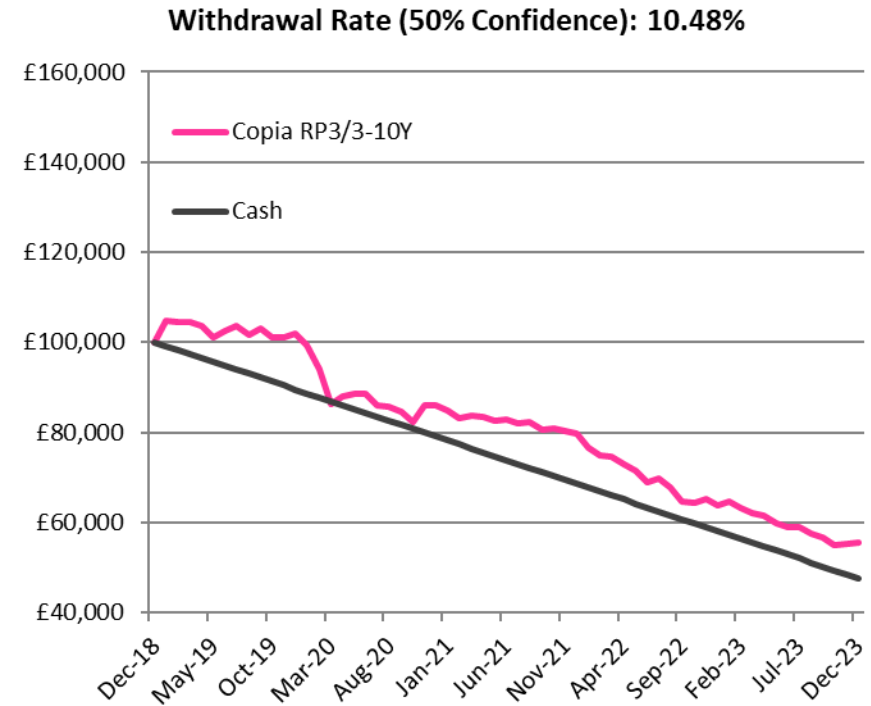
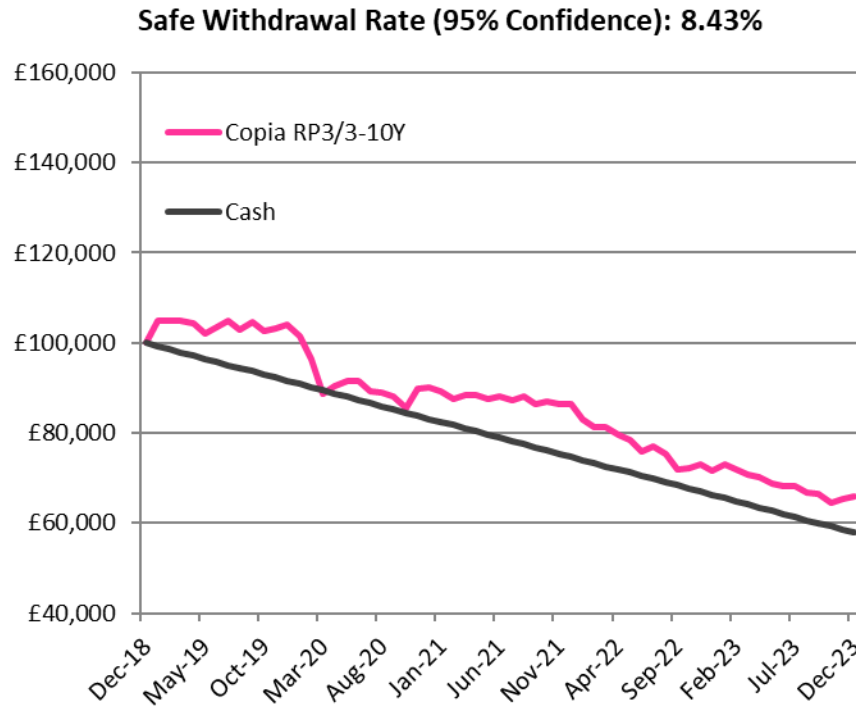
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates.

Available CPI data has been used as a comparator for real returns. CPI data for Dec 2023 is currently unavailable and not shown. Past performance is not indicative of future performance.

The annualised returns are calculated based on a historic 5-year period as of 29-Dec-2023.

The performance figures for Select ESG portfolios include simulated data before the inception date of the Select ESG portfolios (31-Mar-2020).

Outcome analysis as of 29 December 2023

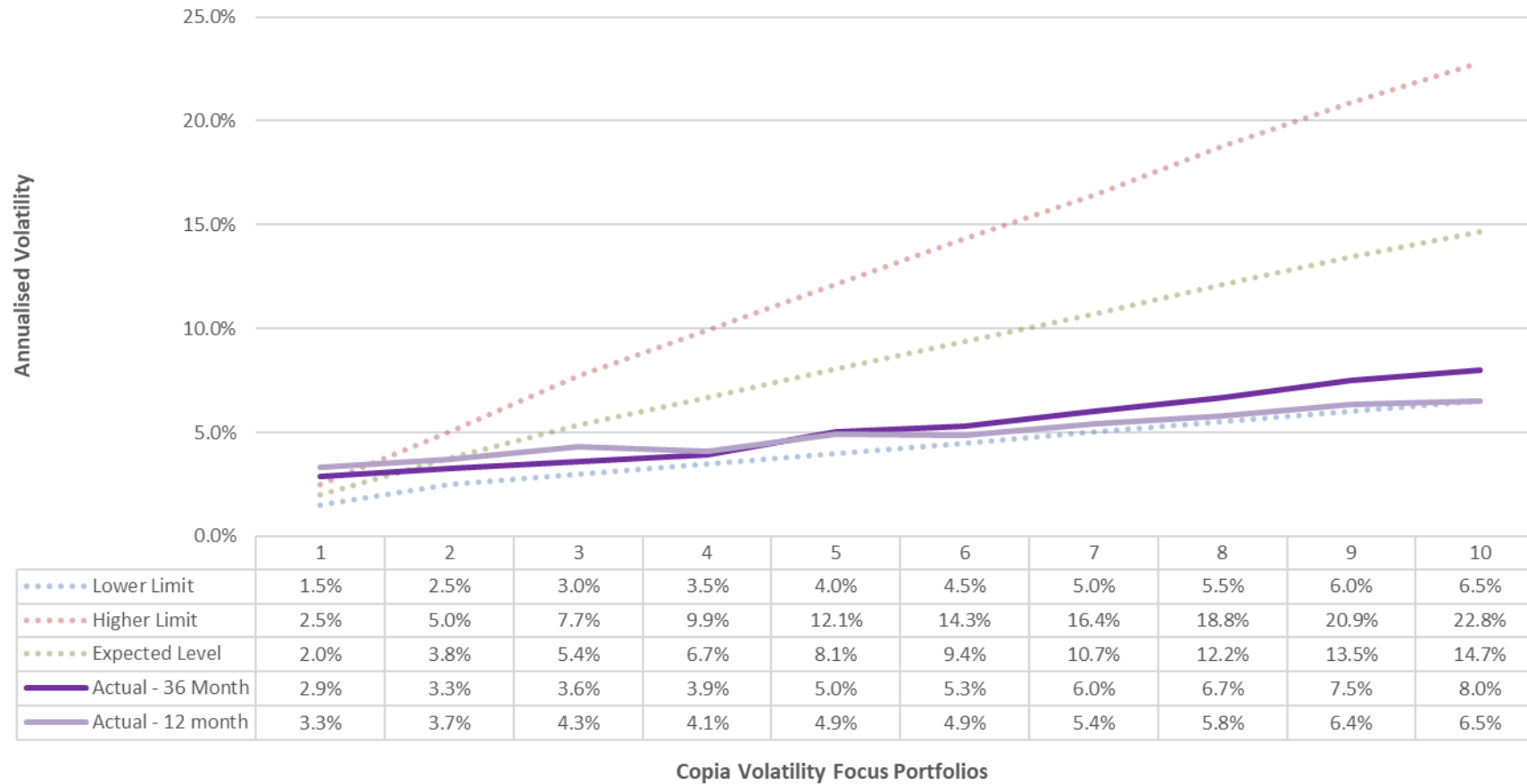


Our 'Select Decumulation' portfolio was previously known as 'Retirement Income'.

*For illustration only.
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates. Past performance is not indicative of future performance.
The returns are calculated based on a historic 5-year period as of 29-Dec-2023.*

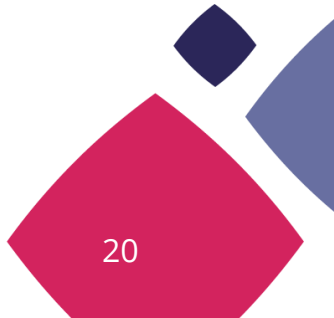


Outcome analysis as of 29 December 2023

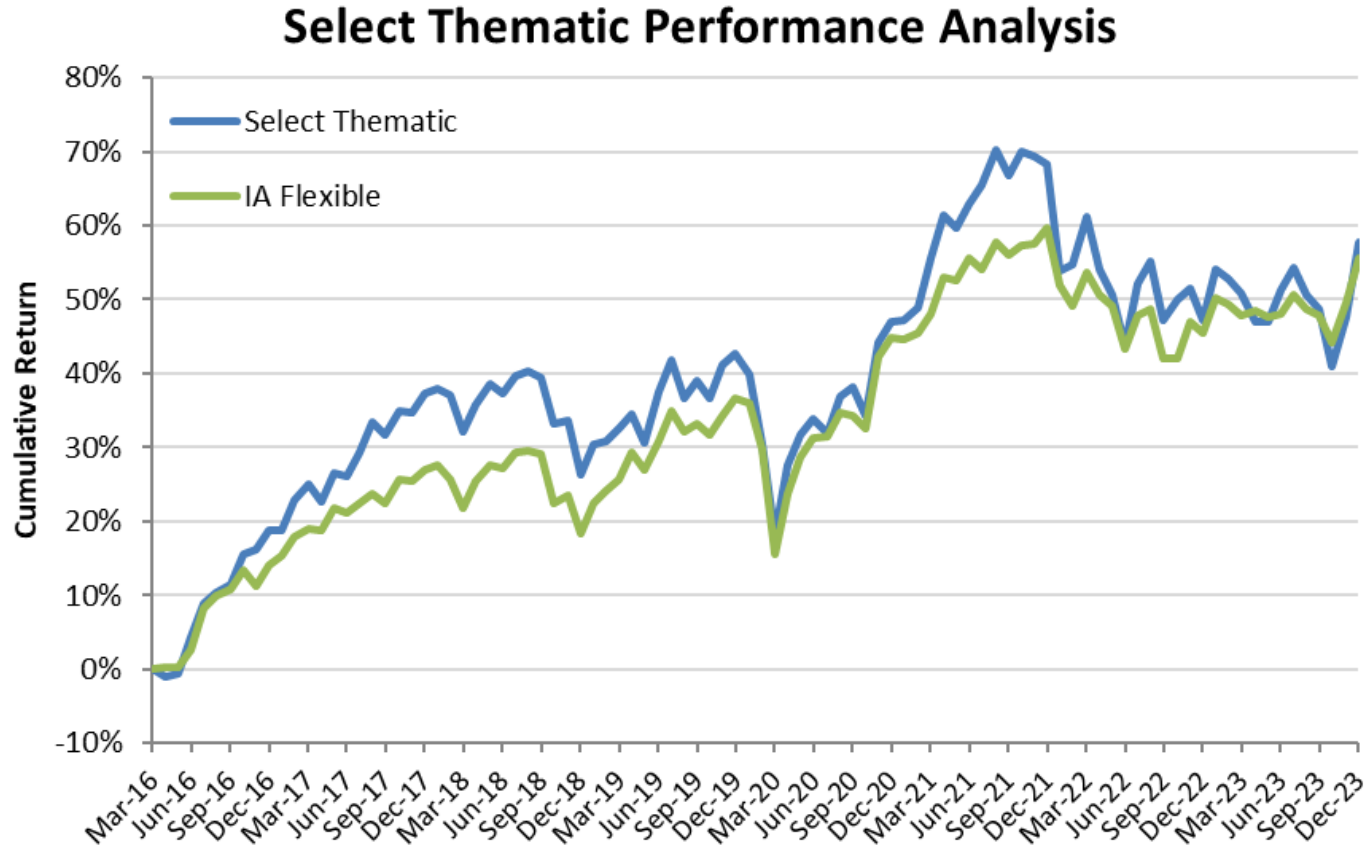


Our 'Select Volatility' portfolio was previously known as 'Volatility Focus'.

*For illustration only.
Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates.*



Outcome analysis as of 29 December 2023



Our 'Select Thematic' portfolio was previously known as 'Copia Enhanced Equity'.

For illustration only.

Returns based on Total return, assuming income is re-invested immediately and rebalanced on due dates.

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Understanding the risks

- Investment model portfolios may not be suitable for everyone
- The value of funds can increase and decrease, past performance and historical data cannot guarantee future success
 - Investors may get back less than they originally invested

Disclaimer

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