

# Introduction to the Watt money ESG Model Portfolio Service

Managed by COPIA

The logo for wattmoney, with 'watt' in white lowercase letters on a blue rectangular background, and 'money' in blue lowercase letters to its right.The logo for copia:capital, with 'copia:' in red lowercase letters and 'capital' in grey lowercase letters to its right.

## The Watt Money Investment Strategy

For over 25 years, we have been successfully designing investment portfolios on an advisory basis for our clients. Our strategy has been based on three crucial elements:

- Working a client's risk profile
- Diversifying across a range of asset classes
- Selecting funds from high quality, good value fund managers.

By managing this strategy in house, we have been able to choose the right blend of investments to balance risk and returns, monitoring and adjusting this to the individual needs of each client, as well as changing market conditions. Our process has successfully survived the 2008 global credit crunch and the 2020 Covid crash and has consistently delivered attractive returns for our clients over the long term.

Our in-house Investment Committee researches and monitors the selected investments on a regular basis. Any necessary changes to the portfolios are discussed with clients and their individual consent is obtained before making changes.

While this has worked very successfully for many years, investment markets have become more sophisticated in recent times and both technology and financial solutions have developed rapidly.

In order to ensure that our client portfolios have a high level of resilience and adaptability, we have decided to enhance our existing process by partnering with an institutional asset manager to provide an additional layer of expertise and resource. After in-depth research into the options available, we are delighted to announce that we will work with **Copia Capital Management** to enhance our portfolios, launching April 2022.

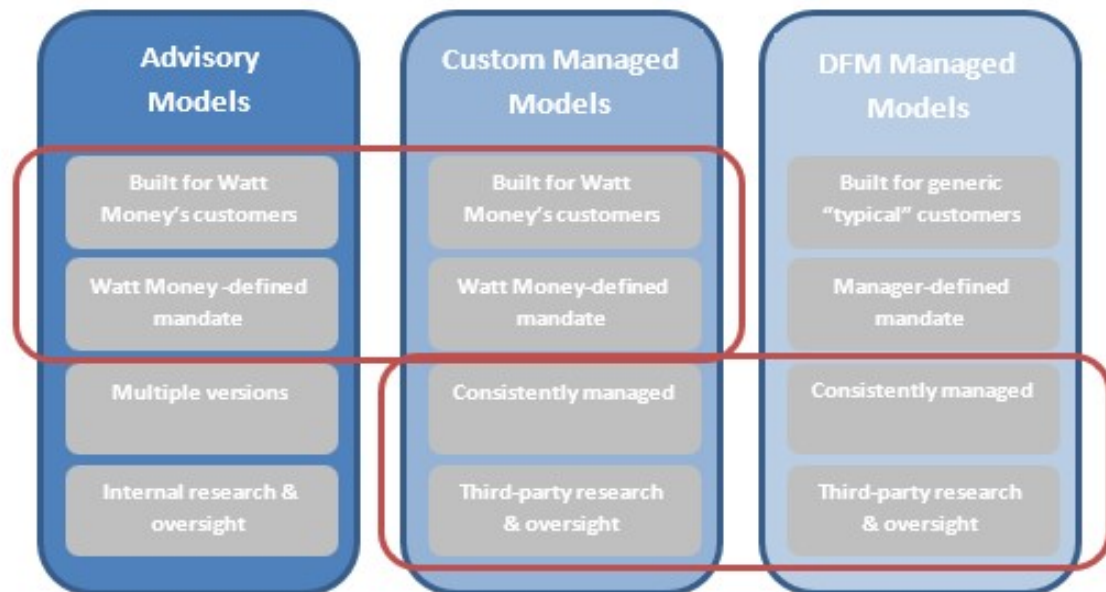
## About Copia

Copia Capital Management is the investment solutions division of Novia Financial PLC, a UK Based

Financial Solutions Provider, who has £9.5bn of assets under administration. We have chosen to work with them as investment managers for the following reasons:

- They meet our requirement that they work with and enhance our existing investment process, rather than making radical changes. Copia will join our Investment Committee and we will discuss investment decisions and strategies together.
- The Copia investment philosophy is very similar to our own. They believe in diversification, choosing the right assets as the main driver of returns, investing for the long term, protecting against inflation, using tried and tested methods and seeking value for money.
- They employ experts who specialise in managing and selecting investments and are supported by institutional investment style research and software systems.
- Their size and status will allow us to access funds that would not normally be available to retail investors, at lower cost.

We feel that this gives the best possible combination of tailored personal services with the consistency and strength of an institutional approach to managing portfolios. The next image explains how combining 's service with Copia's expertise and systems effectively provides you with "the best of both worlds".



### How will my portfolio change if I move to the Watt Money portfolios managed by Copia?

There are likely to be some minor adjustments to the underlying funds, as we create a new base model for clients based on their risk profile. Nevertheless, you can rest assured that:

- i. Your investments will be similar to their current position.
- ii. Neither Copia nor Watt Money would levy any charges for the initial move.
- iii. In the rare event that there is a charge to sell an existing investment, we would make you aware of this before recommending whether you should move.
- iv. The same principle applies if any tax is likely to be payable for investments held out with an ISA or pension wrapper.

Copia will produce highly informative reviews of the portfolios periodically, covering risk, returns and market information.

There is one main change that is particularly positive. Copia will buy and sell investments on a "discretionary" basis, rather than the advisory approach we have adopted to date. This means that you will not need to give permission for changes to be made to your investments, removing the need for paperwork and possible delays.

This will help considerably in speeding up the process of ensuring your funds accurately reflect

your risk approach. Quarterly exercises will be undertaken to review the asset mix and adjust this accordingly to meet the correct allocation.

All proposed changes to specific funds will be approved by our Investment Committee and we will of course continue to seek your agreement for any other recommendations that we make.

### Will this cost me more?

Copia levy an annual fee of 0.25% to portfolios brought under their management. This is extremely competitive for the service they offer. While this is an additional cost, it is likely that we will be able to offset this by obtaining lower cost versions of funds, due to Copia's purchasing power. We will calculate whether you will pay less or slightly more overall by moving to the new portfolio and let you know.

### Will this affect how well my investments perform?

We do not expect there to be any radical change to performance, given that portfolios will evolve, rather than change dramatically overnight. It is, of course, impossible to predict future performance, however, over the long term, we expect Copia's involvement to have a positive effect on potential returns. This should result from their extensive research capacity and ability to consistently monitor and adapt to changing market conditions.

### Is my portfolio in safe hands?

Whilst Copia will make changes to your portfolio via the investment platform that we have recommended for you, they will not have access to any of your personal details and cannot transact withdrawals or make any external changes.

Everything Copia will do is overseen by the Watt Money Investment Committee. We can end their involvement if performance or service is not satisfactory. Should this occur, Watt Money will have the option of appointing another manager or reverting to our current advisory approach.

### Do I have to move to COPIA?

While we are very excited about the investment capabilities and new ideas that the Copia team will add to our service, we will continue to offer alternative options to clients for whom the new portfolios are not suitable.

There is no requirement to go ahead by a certain date or to move all of your plans and assets to the new strategy.

### How will moving to the new portfolios work in practice?

There are a few steps to the process:

1. We will review each client's current investment amounts, costs and tax position and confirm whether we think you should move to one of our Copia portfolios.
2. Investments will remain in situ on platform but will be moved from the existing fund selection to the new portfolio. We do not anticipate that this change would take more than a few days.
3. You will continue to view your investments via the platform or portal as usual and will receive normal valuations and annual reviews from your Watt Money adviser, as before.

**This is an exciting new step in our investment journey and reflects Watt Money's desire to adapt to new technologies and developments along the way. If you have any immediate questions regarding the change, please contact us.**