



Novia Global Information Pack  
2020

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## / About this pack

Welcome to the Information Pack for Novia Global and the Novia Global Wealth Management Service. We have put this together to make collecting key information about us and our Service as easy and straightforward as possible.

Novia Global provides a platform service for Advisers, Private Banks, Trust Companies and their clients.

We are completely independent with a focus on providing a service that delivers the opportunity for growth, control, flexibility and adding value.

Very simply - we provide the technology to help simplify the complex world of investment management.

We provide researching, investing and reporting capability for Financial Advisers, Private Banks and Trust Companies with international clients. We do this through our web-enabled, technology and supporting services that have been specially designed for the multi-currency, cross jurisdiction requirements of the international investment environment.

This pack is designed to support the information gathering processes of organisations that are considering taking advantage of our specialist technology and services to reduce the administrative burden associated with selecting, making and reporting on investments. It is constructed as a compilation of key documents that explain who we are, what we offer and how we work.

# / History and Background

## Background

Novia Global launched to market in October 2015, bringing the benefits of the latest in online platform technology to the key international markets.

We provide a platform service for Advisers, Private Banks, Trust Companies and their clients.

We are completely independent with a focus on providing a service that delivers the opportunity for growth, control, flexibility and adding value.

Very simply - we provide the technology to help simplify the complex world of investment management.

## Experience

### Experienced team

The executive team behind Novia Global have already successfully delivered multiple technology-led wealth management services. It is perfectly positioned to be able to use its existing development and management experience and expertise to provide a fit for purpose solution for the International market.

### Chairman (non-executive) - Bill Vasilieff

Bill Vasilieff is the Chairman of Novia Global. Prior to setting up Novia he was one of the four founding directors of Selestia where, having joined in 2001, he spent six years in the role of Marketing Director. Selestia was one of the earliest and most successful fund platforms in the UK. Before this role he was at fund manager M&G where he spent eight years, ending in the role as executive director in charge of product development.

### Managing Director – Steve Andrews

Day to day responsibility for Novia Global will be held by Steve Andrews. Steve has over thirty years' financial services experience in retail and institutional asset management platforms as well as life and pensions, both in the UK and internationally.

Steve joined Novia Global in 2019 with a desire to lead the charge into a new world of clear and transparent online services and take Novia Global forward into the next phase of its development.

### Head of Risk and Compliance – Tony Stevens

Tony has been in the financial services for 40 years, where he has held senior roles in Operations, Marketing and Compliance. He is trustee for two charities, one of which he chairs.

### International Sales Manager - Chris Skelhorn

Chris has over 25 years' experience in sales and account management within the investment industry. He joined Novia Financial just after launch in 2009 and has extensive knowledge of how platforms can shape businesses to deliver efficiency and offer comprehensive investment choice.

### **International Sales Manager – Paul Forman**

Paul has been involved in financial services for over twenty-five years, including adviser facing sales roles for the last twenty years. He is a Chartered Financial Planner and holds Fellowship status with the Personal Finance Society. Paul has extensive UK and International experience which he has gained in earlier roles with an international pension trustee and before that as regional sales manager for several leading offshore life offices.

### **International Sales Manager – Darren Moth**

Darren has worked within Financial Services since 2005, including roles as a Paraplanner, Support Team Leader and Practice Manager within different Adviser Firms in the South West of England.

As an International Sales Manager, Darren endeavors to draw on his knowledge of platforms and experience as an 'end user' to provide outstanding customer service, ensuring that Novia Global delivers a market leading offshore proposition.

Darren is a Chartered Financial Planner and a fellow of the Chartered Insurance Institute.

### **International Sales Manager – Rob Montague**

Rob has over 30 years' experience working with advisers in the financial services industry, including in an investment platform sales consultancy role for the last nineteen years.

His experience includes working in partnership with financial advisers, trust companies and discretionary managers in the UK and Channel Islands to provide support for their retail and professional clients.

### **Head of Customer Service - David Field**

Dave has been working in the platform industry for over 20 years, including being head of institutional business at Novia Financial. He has a wealth of experience including managing migration projects as well as being responsible for the discretionary proposition.

### **Experienced Board**

The Novia Global's Board comprise Bill Vasilieff (Chairman), Paul Parry (CFO), and the following non-executive directors:

- / Donald Mackinnon – Non-Executive Deputy Chairman
- / Andrew Staley - Andrew has been in financial services for over 40 years and started Marlborough Investment Management in 1985. He is Chairman of the Marlborough Group of Companies which manages in excess of £6 billion of assets.
- / Richard Goodall – Non-Executive Director

### **Legal Structure and ownership**

Novia Global Ltd is a limited company that is registered in England and Wales (Reg No. 9042249). Its registered office is Cambridge House, Henry Street, Bath, BA1 1JS.

Novia Global is independently owned by private individuals along with small and medium-sized enterprises with significant financial services experience who are committed to the longevity and continued profitability of the business. The principal financial backers are Bill Vasilieff, David Royds (ex Chairman and co-founder of Matrix Securities), Andrew Staley and Sprinter Ltd, a Registered Private Company based in Jersey. Andrew Staley has 29.5% of the voting rights of the company.

## / The availability of our Service

### Geographical

Novia Global Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the United Kingdom. Consequently, the FCA have authorised us to perform the regulated activities required to run an investment platform; such as arranging and making deals in investments, safeguarding and administering and arranging the safeguarding and administration of investments.

It is important for us, as we extend our geographical reach, to have a home state (sometimes known as a lead) regulator. We chose the FCA to perform this activity because we believe the rigour and challenge they provide should give local regulators across the globe confidence in our commitment to do the right things in the right way.

In respect of trusts and incorporated companies, our identification and verification requirements checks, that form part of Anti- Money Laundering and Financial Crime obligations, will take place on all underlying beneficial owners (commonly known as UBOs).

Under the Market in Financial Instruments Directive (MiFiD) we have been granted our European passport. As a business regulated by the FCA in the UK, our passport allows us to provide our platform services to residents in the following European states:

*Austria, Belgium, Bulgaria, Croatia, Cyprus (republic of), Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom. In addition, a special agreement exists with Gibraltar.*

Outside of Europe, the Novia Global service is available in both Dubai and the Cayman Islands. We are also able to accept business from professional investors in Hong Kong as well as other countries and jurisdictions on a case by case basis.

### Intermediaries from which we will accept business

We will only accept applications introduced through an authorised financial intermediary, who has applied for and entered into a Terms of Business with us. We do not accept applications directly from clients.

The intermediary can be a financial adviser, a trust company or a private bank. It must be authorised by a recognised regulatory body in one of the jurisdictions in which we offer our services. It is the responsibility of the intermediary to ensure that it has the appropriate local registrations or authorisations to provide services in the jurisdictions where any of its clients' reside.

Through our Investments List we will provide information about the investments available. However, it is the responsibility of the Intermediary to ensure that any product or any investment is suitable for, and available to, their clients. This also involves making sure the Intermediaries abide by any local regulations (for example, the appropriateness of rebate paying funds).

# / Features of the Service

## Range of assets

Novia Global has an open architecture philosophy and we aim to offer access to the broadest possible range of investments. We believe it's a Financial Adviser's, Private Bank's or Trust Company's right to be able to choose the investments they deem suitable – not as dictated by a service provider. This means we will seek to work with any investment manager who meets operational and compliance requirements.

The Novia Global service is designed to give easy access to a very broad range of investments, including collective investments (UCITS including OEICS, SICAVs etc), structured products, ETFs, Investment Trusts, cash deposits and to direct equity trading. It covers retail and clean share classes and daily and non-daily dealt funds.

The full range of funds available in the Novia Global Wealth Management Service along with associated charges and the Products that they can be held in are shown in our 'Investments List', which is available through our secure website.

## Products

In a Novia Global Client Account, a product is a way of holding investments. It enables you to:

- / aggregate assets held to align reporting and treatment with the appropriate regulatory structures so that clients can easily see a collective view of their investments
- / show valuations and charges for each product in a clear manner
- / easily select those assets that are appropriate to hold in a particular Product for a specific jurisdiction from the wide range of investments on offer

We offer two types of product, a Global Investment Account (GIA) and an International SIPP

### Global Investment Account

The Global Investment Account is a general investment account. Clients will be able to make unlimited payments into the currency holdings within the GIA and benefit from the:

- / reporting and tools
- / range of investment opportunities
- / wide choice of funds
- / competitive charges from Fund Managers
- / handling of investment strategies through model portfolios and DFMs

### International SIPP

The International SIPP is exclusively available through the Novia Global platform, costs just £45 plus VAT per quarter and has no establishment fee.

It is fully integrated into the Novia Global platform and therefore enables you to leverage on the considerable experience we have in dealing with UK ceding scheme trustees and thereby reducing transfer pipeline wait times.

In addition to its low cost, you can also benefit from:

- / A streamlined application process.
- / An on demand client portal which provides your clients with access to "read only" information on their account.
- / A simplified investment process through online platform trading
- / 24/7 access to generate reports and valuations
- / Access to low cost multi-currency

Further information on our International SIPP is available in our [Key Features](#) document, or through your Novia Global International Sales Manager.

## Currencies

The Novia Global Wealth Management Service provides the flexibility for a client to:

- / pursue multiple investment strategies in a single currency and across different currencies
- / work with one or more Portfolio Management Service eg Discretionary Fund Managers
- / invest and disinvest in a range of currencies

This allows complex investment strategies to be followed whilst producing straightforward, meaningful reports and conducting transactions efficiently. The Service reports and facilitates investment in US Dollars (USD), Sterling (GBP), Euros (EUR), Swiss Franc (CHF), Hong Kong Dollars (HKD) and Australian Dollar (AUD).

In each currency holding there is a cash facility. This provides liquidity and holds funds for investing and withdrawals. Money from sales and dividends generated from within the specific currency holding will be paid into its cash facility and the relevant fees and charges will be paid from it. A minimum of 2% of the value of the currency holding will be maintained in the cash facility to meet these obligations. All cash and investments are managed by Novia Global in accordance with the rules of the Financial Conduct Authority.

## Straight through processing (STP)

Novia Global utilises genuine straight through processing technology. This is from an online application and Product opening process, asset allocation, selection and portfolio construction tools straight through to investment transactions being processed in our back office. This reduces the chance of errors and improves efficiency. Regular status updates online ensure you can see how business is progressing as it is processed.

## Switching processes

A Financial Adviser, Private Bank or a Trust Company selects the funds they wish to switch out of and specifies what percentage they wish to sell down. They will then choose the new investments via the Novia Global asset selector tool and these will be purchased upon receipt of sale monies.

## Discretionary Fund Management

Novia Global's Discretionary Fund Management (DFM) capability offers access to a range of DFMs through its Wealth Management Service. It enables Advisers, Private Banks and Trust Companies to keep control of the assets whilst outsourcing investment management to a DFM. The assets remain within the Novia Global nominee and do not come under the ownership of the DFM. Appointment of the DFM can also be handled through the Wealth Management Service so that the Intermediary remains in control at all times.

DFMs can offer model portfolios or bespoke portfolio management as required and can be remunerated transparently through the Investor's Cash Facility.

We can provide access to these discretionary management services at a much lower cost than a firm may get going direct through the use of model portfolios that increase efficiency for the DFM. In many cases we can also remove the often prohibitive minimums that could stop clients accessing such services. Our use of model portfolios ensures a streamlined, bulk rebalancing and switching process, automatically aligning all clients as instructed to the model concerned, thereby reducing risk to an Adviser.



## Tools provided

The Novia Global Wealth Management Service comes with a comprehensive suite of tools for its users.

Our tools have been developed in conjunction with expert suppliers, such as Financial Express, to provide the means to simply and easily inform and manage investment decisions. We add further value by cutting out unnecessary paperwork and removing time wasted by avoiding the need to re-enter data.

The tools enable Advisers, Private Banks and Trust Companies to create standalone reports, to help build portfolios and to support full investment reviews.

Clients have access to their key documents and detailed information about their investments held on the Novia Global Wealth Management Service through our web application, Investor Zone. They can review their information and valuations at any time through smart phones, tablets or computers with internet access.

### Asset Selection

We help Advisers, Private Banks and Trust Companies to identify those assets that potentially meet their clients' requirements. Only those funds that are available to purchase will be shown for selection. Our Asset Selector then provides filters that will help reduce the funds displayed to those that are most relevant.

We also plan to provide you with the functionality to generate an optimised range of assets based on a risk profile, (from our Risk Profiler or from other sources) and make available for selection all of the pre-built model portfolios. These can be used as the basis of a new portfolio and users will be able to amend the assets selected as required

### Fund Information - Documents and Downloads

Users of the Novia Global Wealth Management Service have access to information on a comprehensive range of funds. In addition to the Novia Global fund universe, we supply information on an array of other universes including: UK ABI Pensions, UK Mutual, UK UT and OEICs, Hong Kong Mutual, Singapore Mutual, Malaysia Mutual, Germany Mutual, Switzerland Mutual, Offshore mutual, Ireland Offshore and Global ETFs.

Users are able to easily identify those assets that are of most interest using a wide range of filtering methods.

All key documentation provided by the fund managers is available for download. This includes documents such as the provider's factsheet, Key Investor Information Document, Supplementary Information Document, Prospectus, Annual Report, Product Highlights Sheet and the Key Facts Statement. They can be downloaded individually or can be selected through a download tool. This tool enables users to specify the reports that they want and to capture them as a single pdf, to the extent that regulation allows.

The download tool is also a gateway to dividend information that can be shown on screen or downloaded into an excel document.

## Fund Comparison Tool

To help with fund selection we have also included a comparison tool. This allows users to select up to four funds from those that they have placed in the portfolio for investigation and produce a pdf report that shows:

- / type of fund
- / charges
- / historic performance
- / ratios and risk measures
- / underlying holdings

This is highly flexible and will provide documentation that will help to communicate the strengths and weaknesses of funds across sectors, currencies, share classes etc.

## Portfolio Scanner (P-Scan)

We give Advisers, Private Banks and Trust Companies the ability to “drill down” within portfolios to analyse asset allocation, geographical/ sector split, return compared to benchmarks and risk rating. Our portfolio scanner, which provides this breakdown of a client’s investments, is called P-Scan. It is available to use as a standalone tool for initial client research or integrated into a broader portfolio review. The reports generated are useful for client updates and annual review packs. They can be tailored to your requirements and your firm logo can be added.

## Fund Charting

Our Fund Charting tool allows Advisers, Private Banks and Trust Companies to monitor the performance of selected funds over a choice of time periods and compare these to other funds and benchmarks, such as sector averages and indices.

This covers all assets offered by the Novia Global Wealth Management Service (the Novia Global Asset universe) and 11 other fund universes eg Singapore Mutual, Germany Mutual etc. The assets include Societe d’Investissement a Capital Variable (SICAVs), Undertakings for Collective Investment in Transferable Securities (UCITS), Exchange Traded Funds (ETFs), alternative investments, structured products and direct investment in equities and bonds.

## Secure Client Zone

Our secure client zone allows clients to track all their investments held in the Novia Global Wealth Management Service. It offers secure access to valuations and the detailed composition of portfolios.

As a secure, view-only online portal, it is available wherever there is internet connectivity so clients will be able to check on their investments at their convenience. The application resizes the display for use on mobiles, tablets and PCs and, by choosing to install the tile on the device, the service will be just one tap away.

On logging in, clients will see a dashboard view on their home screen. It will show the total amount they hold in the Novia Global Wealth Management Service, the value of funds by Product (GIA or International SIPP) and the overall asset allocation by sector.

Selecting a Product will reveal its breakdown by the currency holding within it. It is possible to investigate each of these further. Selecting a currency holding will show the funds it contains, the proportion of the sectors represented and their values. Charts will show movement in value for the currency holding and the money in and out of it over a 6 or 12 month period. By selecting “Transactions” a full list of all money movements, including charges, will be shown.

In addition, clients have access to a library of important documents about their use of the Service. These are available for download as PDF’s.

To support efficient communication and the effective provision of their service, Advisers, Private Banks and Trust Companies will be able to see the same information in the same format as their clients.

## Risk Profiler

Assessing a clients' attitude to risk is a key aspect to giving appropriate advice. To assist with the fact finding process we provide a Risk Profiler tool. By analysing a client's responses to a series of questions, this standalone tool provides a standardised approach with an auditable, client focused output.

### Assessing Risk

Our investment and actuarial consultants have constructed a Risk Assessment Questionnaire of 12 questions that fall into three main categories.

- / Investment details                      These questions obtain factual details about the client's plans for the investment
  
- / Importance and expectations            These questions enquire about the relative importance of the amount being invested and the expected outcome. They are designed to assess the client's capacity to take on risk
  
- / Tolerance of investment risk            These questions investigate how the client feels about various possible outcomes from their investment portfolio

The responses that the client provides are analysed using our consultant's algorithm to produce a risk score of 1 to 10.

### Risk Score

The risk score is calculated in the following way.

- / The possible answer for each question is assigned a score between 0 and 100 that indicates where the client sits in terms of risk.
- / Each question also carries an 'importance weighting' reflecting how close a proxy the response is for investment risk.
- / The weighting is applied to each score and these are summed to produce a total.
- / This total is then mapped against the normal distribution of responses found in the population to produce the final risk score of 1 to 10. 1 reflects the most risk averse investors and 10 are those with the greatest appetite for investment risk.

### The Report

The output from the Risk Profiler is a report that contains:

- / a record of the client's responses
- / the risk score for the client
- / an explanation of what the score means
- / the ability to include your own bespoke commentary
- / a declaration for the client to sign for your records

This is produced as a PDF which can be printed and emailed.

Adopting a standardised approach helps produce consistency across clients. The ability to easily and quickly generate comprehensive risk assessment documentation, and retain copies agreed by clients, supports both transparency and compliance activities. These are benefits provided by our Risk Profiler.

### Access and charges

We allow the tools we provide to be used by all registered users for any of their client's at no additional charge. We will develop new tools and improvements to meet the needs of the international marketplace.

## White Labelling

Novia Global provides white labelling to allow users to brand their use of the Service. This includes client view screens and output from tools such as the Portfolio Scanner.

## Management Information

Management Information (MI) is available for users of the Novia Global Wealth Management Service. Through our secure website, you will have access to a range of user friendly reports. Initially, a comprehensive "Client Valuation" report will be available, which will also include the facility for backdated valuations to be produced.

Going forward, the range of reports on offer will be greatly expanded to cover all aspects of business written through Novia Global.

These are designed to provide supporting information about holdings in the Novia Global Wealth Management Service at the touch of a button. Reporting is:

- / intuitive and easy to use - designed to be straightforward and uncomplicated to use from start to finish
- / easily accessible - online web application will be available at any time through the Novia Global website
- / quick – you are able to download and export reports in a matter of seconds
- / updated daily – the information is refreshed daily from the Novia Global system and Financial Express pricing data
- / flexible - all reports are downloadable in several different formats which can be manipulated and edited, used as part of an audit trail, printed for clients and recorded for compliance and management purposes.
- / comprehensive - reports cover all aspects of business written through Novia Global - including clients, valuations, remuneration, investments and transactions

Access to the various reporting levels can be set by your firm's Service administrator. The information provided to an individual is aligned to the role that you have assigned to them within the system. This is to meet the different requirements of Senior Management/owners, client managers and administrators.

## / Implementation and support

The typical support that Novia Global provides is set out below. We tailor it for each organisation so that we can meet specific requirements and help to maximise the benefits that our Service offers. We have identified 5 stages in the Implementation process and we offer support for each.

### Stage 1 - Initial Engagement

The process starts with initial engagement with either Novia Global or a distributor working with us. At this early stage we seek to gain a strong understanding of the requirements of the specific organisation, be it a Financial Adviser, Private Bank or Trust Company. It may include an initial WebEx demonstration of the platform with nominated individual(s) and is normally around the time when Terms of Business (TOB) are signed. A TOB agreement will need to be entered into to enable use of the Novia Global Wealth Management Service.

### Stage 2 – Introduction and Planning

Following completion of a TOB, we work with an organisation to understand its training requirements and to identify the appropriate individuals for specific training. This is documented and the training plan agreed along with the most appropriate medium for us to deliver it eg WebEx, Skype for Business etc.

Client Services can assist in putting in place the initial system administrator logins for those managing access to the system for any firm. This helps to ensure that the firm is able to issue login credentials to users and therefore those attending any training will be able to access the system. In practice, this often involves setting up a brief discussion to guide a system administrator through the initial process, after which they will be able to easily set up users themselves.

## Stage 3a – Deliver Training

The next stage is to deliver training according to the agreed plan. Each training plan will be tailored to meet the users' specific requirements and covers configuration, transacting, research activities and servicing. Examples of the areas covered are set out below.

### Configuration

- / Set-up of user access, including issuing logins and providing training on each level of access
- / Firm Administrator training
- / Browser and minimum system requirements
- / Third Party Integration assistance, if relevant

### Transacting

Journeys for:

- / New Business
- / Trading
- / Top-Ups
- / Switches

### Research

Using research tools:

- / Risk Profiler
- / Fund Information and the download tool
- / Asset Selection
- / Fund Comparison Tool
- / Fund Charting
- / P-Scan

## Servicing

Using reporting tools and processes that support efficient administration:

- / Management Information
- / Model Portfolio Manager
- / Portfolio Performance Review
- / Withdrawal process and timeframes
- / Transfers
- / Re-registration

Depending on requirements, the training session can be tailored to specific areas of the business, for example:

- / Support staff - inputting of clients through to report generation
- / Administrators - dealing with business submission and documentation through to client servicing
- / Investment specialist – Investment Tools/Report generation, Portfolio Analysis etc
- / Firm owner – management information, performance, information for compliance

We will provide full telephone support and WebEx demos in the run up to and during the training period should help be required.

## Stage 3b - Migration Support

Typically, around the time of training and when Intermediaries are seeking to move clients into the Service, we provide asset analysis and migration support. We use our expertise in assessing an existing book of business, analysing the assets held and understanding the available options to recommend the optimum methodology. At the same time, we identify any assets that are not suitable for migration to the Service.

As part of this support we profile clients and identify those that are suitable for migration to the Novia Global Wealth Management Service. We help Intermediaries by ensuring that suitable documentation is available (and where appropriate pre-populated) to support client engagement including pre-approach letters, pre-populated forms and support materials for meetings.

A key outcome of the analysis is a project plan that contains the key migration tasks. It enables resource to be identified, progress to be tracked and checkpoint meetings to happen. This is key to ensuring all tasks are completed on time and the migration progresses as agreed.

## Stage 4 – Go Live Support

We offer go-live support for an agreed period for organisations that are new to the Service when they are ready to submit business onto the platform. This is to ensure the easiest possible adoption and helps to underpin the transition to the new technology in a “live” environment.

## Stage 5– Business as Usual

Once the training plan has been completed, and all parties are happy that users are able to use the systems effectively, the implementation phase moves into “Business as usual”. Our Client Services Team remains the principle contact-point for future assistance.

Your organisation will receive on-going support as and when needed to ensure that you are able to effectively use system enhancements. This includes ensuring key people within the firm have the knowledge they need to use the platform as they require.

## / Security of client money and assets

When advising clients, financial intermediaries need to consider the risks to their client's money (cash and cash deposits) and assets (eg: funds, stocks and shares). This document considers the risks that clients face when investing through the Novia Global Wealth Management Service and how these are minimised or mitigated.

### Investment Risk

Novia Global does not provide financial advice but delivers a service that enables the effective administration of investment choices by intermediaries (financial advisers, trust companies and private banks). We consider that the performance of investments is the most significant financial risk faced by clients. We recommend that the prospectus, Key Investor Information Document (KIID) and associated documents are studied and that the inherent risks are clearly understood. To assist with this, we make these documents, and pricing and comparison information, available through our Research Hub.

### Strict Regulatory Oversight

Novia Global Limited is authorised and regulated by the UK's Financial Conduct Authority (FCA); registration number 653661 to administer client Money and Assets. Our systems and processes aim to ensure that all transactions are carried out in accordance with UK FCA regulation. An integral part of our pursuit of best practices in client money and assets protection.

### Segregated Accounts and Business Failure

The approach that we take reduces the client's risk of loss from business failure when compared to life assurance bonds where typically the underlying assets are owned by the life company.

#### Client Money:

We hold all client monies in segregated client money accounts under separate (nominee) names, in accordance with the FCA's CASS rules and guidance. Whilst the legal ownership title is held with the Custodian (BNP Paribas), the ultimate beneficial ownership remains with the client. All client money accounts are protected by Acknowledgement Letters signed by the banks (BNP & HSBC), meaning that should the worst happen the creditors of Novia Global would not have any legal right to client money bank accounts nor can we use it to cover Novia Global's obligations.

We currently use BNP Paribas Security Services S.C.A., Jersey Branch (BNP) and HSBC Bank PLC Jersey Branch (HSBC) as the holding banks.

#### Client Assets:

Unit trusts and OEICs have a requirement to use a trustee or depositor to hold the underlying stocks that are held in their funds. Therefore, for investment of this type, a Fund Manager in financial difficulties would have no access to the client assets held by the trustee (or depositor).

The risks from the business failure of the key parts of the investment chain are outlined below:

Business	Role	Impact on client
Novia Global	Administrator	On failure an Administrator would be appointed. Failure may lead to a delay in instructions being processed.
BNP Paribas Security Services S.C.A., Jersey Branch	Custodian	On failure an administrator for these duties would be appointed. There is a risk that money or ownership transactions between the trading agent, custodian and fund manager may be lost. To help protect the client we require fund managers to hold money in segregated client accounts.

## Capital Adequacy

As outlined in the FCA's General Prudential sourcebook (GENPRU 2), Novia Global holds both Pillar 1 and Pillar 2 regulatory capital cover to ensure there are sufficient funds to maintain administrative functions in the event of business failure. We aim to adhere to these pillars that requires Novia Global to hold three months of operating costs on an on-going basis. We review this requirement on a regular basis and report to the FCA quarterly through Gabriel submissions.

## Reconciliation and Auditing

Novia Global holds the individual client registers and reconciles client money and assets both internally and externally against those aggregated records of BNP and/or HSBC on a daily basis.

We also have a CASS Committee which meets at least on a monthly basis or more frequently when there are client money and assets matters to discuss. The committee's chairman with support of other members of the committee has overall responsibility for oversight and governance of all CASS related affairs of the firm including but not limited to review and discussion of breaches, client money & assets exceptions, and monthly regulatory submissions (CMAR) to the FCA.

In addition to its requirement as a UK Company to have an annual audit, under the FCA rules Novia Global has to have an annual client money and asset external audit, known as CASS Audit. This is to confirm that all process and procedures are being carried out in accordance with regulations that protect client money and assets. We have appointed PwC to undertake this function as it is a world renowned, independent, international audit firm with in depth knowledge of CASS requirements. On this matter they (PwC) report the audit outcomes directly to the FCA and Novia Global's ARC (Audit & Risk Committee).

## Notification and Transparency

We follow the transparency objectives set by the FCA and, as a core element of our business proposition, we place high importance on keeping clients informed about their holdings with us. In addition to providing a quarterly statement (which we provide as a pdf in the client's literature library that can be viewed online), clients can view online valuations and a detailed breakdown of all transactions through their Novia Global Client Account. Updated daily, these enable clients and Intermediaries to monitor performance or raise concerns without needing to wait for statements to arrive.

## Internal Risk Control and Fraud Prevention

Novia operates a structured and controlled environment, in line with the FCA requirement, to minimise the risk of mistakes and fraud. Key aspects of our framework include:

- / A Head of Risk and Compliance who is responsible for helping ensure the business remains compliant and assists with managing any recognised risks to ensure these are controlled and mitigated where possible.
- / A monthly Client Money Committee that reviews and assesses the effectiveness of our systems and controls and provides oversight to the main processing within the business to confirm compliance.
- / Review and regular sign-off of risk and control matrices at all levels of the organisation to ensure controls are operating effectively.
- / Provision of initial and refresher training to all staff covering their responsibilities.

These systems ensure that all investment activities are scrutinised by multiple individuals, that there is clear responsibilities and any concerns are raised to the Board of Novia Global.

## Our Business Approach

We are independently owned by private individuals and Small to Medium Enterprises (SMEs) with significant financial services experience. These are committed to the longevity and profitability of the business. We have a clear goal – the provision of wealth management services to Advisers, Trust Companies and Private Banks and their clients. We will only achieve our objectives by providing the choice, simplicity of use and security that is sought by the international investment community.

Novia Global Ltd has the reporting responsibilities of a limited company that is registered in England and Wales (Reg No. 9042249). Our registered office is Cambridge House, Henry Street, Bath, BA1 1JS.



## / Technology and third party agreements

Novia Global combines the very best of market leading technology, designed specifically for Wealth Management, with high quality personal service. We seek to make the processes efficient for the Advisers, Private Banks and Trust Companies with which we work and to support the best possible experience for their clients.

To do this we carefully select our suppliers because of the capabilities of their existing systems, the ability to customise solutions and, more importantly, their long term development plans. Whilst we outsource the delivery of the core operating system, we develop and own the front-end technology which provides the added value and ease of use essential for a world class international Wealth Management Service. This also allows us to deliver the personal service essential to our users and their clients. We maintain ownership of all data held on 3rd party software.

Novia Global has long term licence arrangements with GBST, Financial Express and other leading software providers.

### Core Operating System

Novia Global works with a specialist provider, GBST, for its core operating system. Established in Australia, where over 90% of Adviser investment business is carried out through investment platforms, GBST has been developing software solutions for funds administration and financial services since 1996 and for platform solutions since 1999. They entered the UK market in 2003 and have established a reputation for delivering high quality, robust, functionally advanced software which has scalability to meet business demands.

GBST provides technology to power four of the top 10 investment platforms in Australia and a number of other blue chip companies. Collectively, these providers administer in excess of \$250bn (AUD) on GBST's Composer technology.

We benefit from the economies of scale that such a business can provide – they are constantly upgrading their system. This allows our users to benefit from the latest technology without having to bear the costs of development individually. This delivers a constantly updated, sustainable and highly cost efficient approach. We use high quality technology to carry out our key function to aggregate and disaggregate assets – ensuring that in other areas we can add genuine value to both users and their clients.

Novia Global's strong relationship with GBST is a central plank of our business solution, with complementary companies working together to deliver market leading technology that works consistently. We have extremely low levels of downtime with the platform consistently maintaining a 99.9% uptime.

### Data Providers

Financial Express are experts at providing specialist data for platforms and power our comprehensive suite of portfolio management tools. We combine our skills and knowledge to improve existing tools as well as developing new ones.

### Data and System Security

Our hardware platform is outsourced to Rackspace. Rackspace have delivered enterprise-level hosting services to businesses of all sizes and kinds around the world since 1998 and have grown to serve more than 205,000 customers. They operate on four continents.

They maintain the highest level of physical security and back up arrangements expected for FCA regulated organisations. Rackspace provides a secure environment and the solution is protected as a whole from un-authorized internet access by a two tier firewall infrastructure. The internet facing firewall provides intrusion prevention, antispyware, and antivirus protection on top of standard firewalling capabilities. All offsite backups are encrypted.

## Disaster Recovery and Business Continuity

We have established a business continuity and disaster recovery policy that includes internal controls, policies, and procedures, as well as appropriate management oversight, monitoring, governance and training.

The core Novia Global hardware platform is hosted offsite from our Bath HQ. Rackspace provide a production data centre near Crawley with complete replication at a separate backup site near Hayes. Both are rated at tier 3, guaranteeing 100% availability, and have full uninterrupted power supply (UPS), power generator backup and fire prevention and detection technology. We have private connectivity between both data centres and the Bath office. This structure avoids any single point of failure and provides reliable and continual access to the Novia Global Wealth Management Service by authorised users and Novia Global staff.

Novia Global's business continuity plan covers the possibility of significant disruption to its offices where it becomes necessary to move critical operations to an alternative site. We have contracts in place with Sungard to provide a standby recovery site which Novia Global may invoke at any time. The Sungard service provides accommodation and connectivity to enable critical operations to continue, to maintain services for you and your clients and to fulfil our on-going regulatory obligations.

'During the coronavirus pandemic, we had to initiate our disaster recovery plan. We were immediately able to cater for home working as the structure and equipment to do so were already in place. We were able to maintain our high standards of service and this was achieved regardless of a significant and sustained increase in business brought about as a consequence of being one of the few real straight through processing e-enabled propositions in the marketplace.'

## / Key policies

### Best Execution

We maintain a best execution (or order) policy to help ensure we take reasonable steps to obtain the best possible result when executing trading instructions. All instructions received by us will be dealt with in the order they are received and carried out in accordance with this policy to ensure they are treated in a fair and consistent manner.

We monitor dealing instructions at regular intervals to ensure they are carried out in accordance with this policy. We also review the policy's effectiveness each year and will let you know if we make any significant changes to it.

When you trade with us, trading will be considered to be your consent to this Policy.

Acting reasonably, we may delay or suspend the transmission of any trading instruction where an event, act or circumstance outside our reasonable control affects our ability to act on the trading instruction in accordance with the best interests of our clients or in accordance with applicable law and regulation (for example, market disruption).

Our terms and conditions contain further information about the way we handle transactions in the Transactions Section.

### Our Trading Agents

All instructions for collective investments such as funds are sent to BNP Paribas Security Services S.C.A Jersey Branch, with Winterflood Business Services and Market Securities handling instructions for exchange traded funds, equities and securities and other investment instruments. We have contracted with these parties to provide trading and settlement services.

For collective investments, BNP Paribas Security Services S.C.A. Jersey Branch will route dealing instructions to the appropriate fund manager for execution at the next available valuation point for that particular fund.

### Aggregation

Where other relevant trades are taking place, we aggregate deals in collective investments (OEICS, SICAVS, UCITS) and exchange traded funds.

All valid instructions will be aggregated in the same asset level on the same valuation point, for sale by unit or purchase or sale by value. We do not carry out net dealing.

Where a deal is unable to be placed, it will be carried over to the next available valuation point until it is determined that the deal is unlikely to be placed, at which point the instruction will be cancelled and you will be informed.

Aggregation can generally benefit our clients by:

- > Reducing the overall cost of dealing administration
- > Sharing dealing fees \*
- > Reducing the overall cost of custody
- > Allowing clients to purchase an investment below the investment's minimum purchase requirements
- > Allowing client holdings below the minimum holding requirement\*
- > Disaggregation of a deal may result in a fractional increase in units allocated which might not happen if dealing directly with the fund manager.

\*these do not apply to equities

However, there are circumstances where aggregation may be a disadvantage:

- > Additional explicit charges (for example, a dilution levy) might apply
- > Delaying part of the deal until a later valuation point
- > Disaggregation where a fund manager rounds down may result in a very small decrease in units (typically only worth a few pence)

If any of these circumstances occur, charges will only be applied in line with the terms and conditions and assets or proceeds will not be allocated until the whole deal has completed.

### **Execution Factors**

When executing an instruction on your behalf, the following factors will be considered:

- > Price
- > Cost
- > Speed of execution
- > Likelihood of execution and settlement
- > The nature of the order and the investment/instrument being ordered
- > Order size
- > Venue
- > Any other criteria relevant to the execution of the order

Price will generally be used as the primary factor for achieving best execution. Our Trading Agents will however use their commercial experience and judgement to determine the relative importance of the above factors in achieving the best possible result.

Our Trading Agents have access to a number of execution venues for the purpose of trading, price referencing or trade reporting and are responsible for selecting the appropriate execution venue for any deal. When selecting a venue, they consider the price offered, the amount of any commission and other charges incurred by the client, the venue's ability to manage the order and the reliability of its settlement and clearing features, the creditworthiness of the venue, the speed of execution, the quality of regulation and any other venue characteristics relevant to the execution of the order.

### **Trading Arrangements for Different Types of Investment**

For orders in UK equities where there is sufficient depth on the relevant exchange order book or the market maker quote size in the relevant market is sufficient they will either reference the volume weighted average price or, in a quote driven market, the order's price and size to their published quotes on the relevant execution venues.

For orders in European equities, they will reference its price to the home market price and where possible, the relevant multi-lateral trading facility order book. Where orders involve elements like home market or non-standard settlement and/or foreign exchange, they will be reflected accordingly.

For orders in US equities, they will reference its price to the home market price where possible. Where orders involve elements like home market or non-standard settlement and/or foreign exchange, they will be reflected accordingly.

Depending on the time an order is placed, there may not be a home market price to reference to. Such periods will be classed as out of hours trading and their house price will be used.

For small orders in bonds and gilts, Our Trading Agents will use automated execution technology to source the best price from a range of dealers. Larger orders may have to be dealt with manually to identify current traders in the security. If liquidity is available and a price comparison made for the size of trade concerned, they will route the order to the counterparty which gives the most competitive overall pricing.

## Data protection

Novia Global Limited is a Data Controller, as referred to within the Data Protection Act 1998, authorised to maintain and store personal data. By accepting our terms and conditions, your client will also be agreeing to their personal information being used by Novia Global Limited in the following ways. We will only use the information your clients have given us:

- / for the operation of the accounts they hold with us
- / to comply with the law or regulator's requirements
- / to identify clients when they contact us
- / for business analysis, research and testing
- / to ensure the integrity of our systems
- / to contact clients with details of changes to the things they have bought

We have a data protection policy and clients agree to all key aspects, which are referred to in our Terms and Conditions.

## Conflicts of interest

We operate a strict Conflicts of Interest Policy.

Conflicts of interest will invariably exist for us within the operation of our business. We maintain operational, organisational and administrative arrangements designed to prevent conflicts of interest from occurring or giving rise to a risk of damage to the interests of any clients.

In respect of the business that we conduct, the following summarises the measures we take to manage both potential and actual conflicts:

- / Our employees are required to act in the best interests of each individual client and not to have regard to the interests of one client, Novia Global or an intermediary, over the interests of any other.
- / We operate a policy of supervision of persons whose principal role is to carry out transactions or provide services to clients whose interests may conflict with each other, or with the interests of our firm.
- / We operate measures to manage and monitor the duties of any persons who may exercise influence over the way in which another person carries out services and activities, where such involvement may impair the proper management of conflicts of interest.
- / We operate procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest.
- / We do not allow the remuneration of persons engaged in one activity to be linked to the remuneration of different persons engaged in another activity, where a conflict of interest may arise in relation to those activities.
- / We ensure Client orders are carried out sequentially and promptly unless the order itself or prevailing market conditions make this impracticable.

We will take all reasonable steps to identify where a conflict of interest has arisen and notify where such a conflict results in a material risk. Where we believe we are unable to mitigate or manage conflicts of interest, we will disclose such facts or decline to act for your clients.

## / Fees and Charges

The Novia Global Wealth Management Service has been built with the goal of delivering flexibility and choice. This extends to the charging structure.

We provide a choice of remuneration options to support a variety of Financial Adviser, Private Bank and Trust Company business models and their regulatory requirements. If the adviser is looking for an explicit charging methodology, our functionality facilitates an initial charge of the clients' investment and/or an on-going charge. Either way, the platform will be able to support the operating model that most meets the needs of the Intermediary and their clients through the following three charging structures.

- / Charges Type B applies to accounts where all rebates are paid into the client cash facility and the client agrees the remuneration payable. The payment is taken from the client's cash facility. This adds transparency and is known as "unbundled" charging.
- / Charges Type C allows complete transparency with no complications created by rebates from fund managers. This is the method required in some jurisdictions, such as the UK, and reflects the general direction of travel in the industry towards "clean" funds. It can be selected for accounts containing only non-rebate paying ("clean") funds and remuneration is paid from the client's cash facility based on the rate agreed

Full details for each are shown on the accompanying sheets. These outline the charges levied by Novia Global, how your remuneration is arranged and any other fees that typically apply to a client. An Intermediary business can choose to have access to both Charges Schedules if required, however each Novia Global Client Account can only have one charging type.

A cash facility is a fundamental part of every currency holding and this will be used to administer fees and charges. All amounts taken from it will be shown in the client's online transaction history.