



Novia Global Due Diligence Pack

October 2015

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/ About this pack

Welcome to the Due Diligence 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.

We believe that keeping things simple and straightforward, when coupled with flexibility and choice, creates efficiencies from which benefits flow. This is what we refer to as "Intelligent Wealth Management" and it is what we aim to deliver.

We provide researching, investing and reporting capability for Financial Advisers, Private Banks and Trust Companies with international clients so that they can reinvest their time and energy on those activities that produce competitive advantage. 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 due diligence 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 Ltd launched its Wealth Management Service in October 2015 with the goal of bringing the benefits of technology-enabled investing to the international financial market. We offer straight through processing, portfolio management tools, a suite of management information and comprehensive fund research. This is through an easy interface enabling the Service to drive business efficiency for those organisations with which we work.

We deliver the flexibility required to work with clients in multiple jurisdictions and across multiple currencies. Given this breadth we have ensured that charging choices are in place that enable Advisers, Trust Companies and Private Banks to work effectively with their clients.

The Retail Distribution Review in the UK brought change to the financial services marketplace with the implementation of a new regulations that increased qualification standards for Advisers and required greater fee transparency. Elements of this are now sought by some regulators in EU and British Crown Dependant Territories jurisdictions. International product providers are responding with clean share classes and greater oversight on the advisory practises of offshore firms. Legacy, opaque products are becoming outdated. There is an immediate requirement for a multi-currency solution that helps make these changes straightforward and cost effective. We have designed the Novia Global Wealth Management Service to do this. It enables Advisers, private Banks and Trust Companies to:

- > have on-line access to all the information for their underlying clients and be able to service their clients on a 24/7 basis
- > provide access to the large number of funds which are available through the service
- > access a range of discretionary fund managers with competitive charges
- > access reporting and monitoring tools to ensure that performance is in line with expectations and keep a view on how the underlying client investments are performing
- > To provide reporting, via the reporting tools and Financial Express (FE) analytics link, in a format which can be populated into reports

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.

CEO (Bill Vasilieff)

Day to day responsibility for Novia Global will be held by Bill Vasilieff. Bill's experience of setting up 3 wealth management services within the UK and his experience in the Financial Services industry make him ideally placed to act as CEO of Novia Global. Bill was instrumental in creating the success of Selestia, Novia Financial and Novia Investment Service Limited. He has over 30 years of experience in the Financial Services Industry and in the last 25 years has occupied senior roles in marketing and also as CEO. He has experience of product development and has a strong track record of successful delivery. He has a strong technical background, often working at the forefront of dealing with changing regulation.

Business Development Director (Shaun Allwright)

Shaun was one of the key people who developed the GBST Platform for Novia Financial and was responsible for the introduction of the innovative tools which have been used by Advisers across the UK. He has driven the customisation of Novia Global with the intent to deliver a world class system to the global market. Shaun holds the key relationships with GBST, all other system suppliers and the hosting company.

Chief Financial Officer (Paul Parry)

Paul has been with Novia Financial for circa 3 years as Chief Financial Officer, having been Finance Director and Managing Director in the IT industry. He has a wealth of experience in highly regulated and fast changing environments.

Head of Distribution (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 unparalleled investment choice.

Head of Operations (Sally Stephens)

Sally is a qualified accountant who, prior to heading up the Novia Global Operations, was Head of Operations for Novia Financial. She brings significant commercial and administration experience in the global financial services industry having worked for over 8 years for Old Mutual International and Skandia International as Administration Director and Head of Operational Strategy respectively. She has also been involved in outsourced operations, having been a Director for Vertex Financial Services and Capita PPML.

Experienced Board

The Novia Global's Board comprise Bill Vasilieff (CEO), Paul Parry (CFO), Shaun Allwright (Business Development Director) and the following non-executive directors:

- > John Beaumont – Non-Executive Chairman - has held numerous non-executive roles in major public sector organisations and several technology start-ups
- > 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.

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 and SMEs 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. No investor has ownership or control of 25% or more of the shareholding.

We have one clear aim – the provision of wealth management services to advisers and clients. Novia Global has been formed purely to create a wealth management service that meets the needs of international investors.

/ The availability of our Service

Geographical

Novia Global Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the United Kingdom (Register Number 653661). The FCA have authorised us to perform the regulated activities required to run an investment platform; including arranging and making deals in investments, safeguarding and administering and arranging the safeguarding and administration of investments.

Although we won't offer our services to UK residents 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.

Our authorisation from the FCA allows us to trade in some of the crown dependencies; Jersey, Guernsey and the Isle of Man. We will accept applications from residents in these places including registered trusts and incorporated companies.

Through MiFID passporting arrangements we are also able to provide our Wealth Management Service 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 and Sweden. In addition, a special agreement exists with Gibraltar.

As the activities we perform are not recognised regulated activities in Switzerland, we are also able to accept applications for Swiss residents.

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). We will not under any circumstances consider applications where any UBO is a US person, as defined under the Foreign Account Tax Compliance Act (FACTA).

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 and must be authorised by a recognised regulatory body. It is the responsibility of the intermediary to ensure that they have the appropriate local registrations or authorisations to provide services in the jurisdictions where its clients' reside.

Through our Investments List we will provide information about the investments available to residents of a particular jurisdiction. However, it is also the responsibility of the Intermediary to ensure that any product or any investment is suitable for the client. This also involves making sure they abide by any local regulations regarding the access of certain products and investments to certain people (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 (OEICS, SICAVs, UCITS etc), structured products, ETFs, Investment Trusts, cash deposits and to direct equity trading. It covers retail and clean share classes, authorised and unregulated investments 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 website.

Products

In a Novia Global Client Account, a Product is a way of holding investments so that clients take advantage of specific allowances and any favourable tax treatments that might apply. It enables you to:

- > Aggregate assets held to align reporting and treatment with the appropriate regulatory structures
- > 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 a Global Retirement Account (GRA).

Global Investment Account

The Global Investment Account is a general investment account. Investors 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

Global Retirement Account

The Novia Global Retirement Account will be an overseas pension arrangement that meets the qualifying conditions specified by HMRC. It will be a Maltese registered plan that will be able to accept pension transfers from appropriate UK Pension Schemes. The GRA will give clients the opportunity to:

- > build up pension funds through transferring appropriate existing pension arrangements. It is available to nationalities with accrued UK pensions, resident outside the UK.
- > transfer amounts from qualifying schemes without restriction
- > take benefits in a form that is best for them from the age of 55
- > take advantage of a wide range of investments and have income drawn from the fund. There will be no compulsion to take an Annuity and any balance on death will be passed to dependents
- > benefit from clear reporting
- > grow funds in an appropriate tax environment. The tax payable on distribution will depend on the client's tax residency

Currencies

The Novia Global Wealth Management Service provides the flexibility for an Investor 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, Financial Advisers etc
- > 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) and Hong Kong Dollars (HKD) and assets will be held in USD, GBP and EUR.

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.

Model portfolios

Model portfolios comprising a bespoke mix of investments can be established for any number of risk profiles (for example 1 through to 10) or product. We provide the option to allow the advisory firm to establish their own model portfolios to reflect their investment proposition or appoint a Discretionary Fund Manager. Once established, asset allocations and investment composition can be changed at any time for one or all model portfolios providing excellent flexibility and without any switching, administration or transaction charges.

We intend to make the tools to support this available from Q4, 2015.

Bulk Switching and Switching processes

Bulk switches can be carried out via our extensive model portfolio functionality – amending a model will automatically realign all clients using the model. Any associated switches will be carried out in bulk by our systems using straight through processing technology. In terms of individual switches these can be easily and quickly carried out. 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.

Portfolio rebalancing tools

Portfolios can be set up to rebalance on an annual basis at no additional charge. Ad-hoc rebalancing is also supported and the charge is shown in the Charges Schedules.

Discretionary Fund Management

Novia Global's Discretionary Fund Management (DFM) Model 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. Appointments 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 via the Cash Facility.

We can provide access to these discretionary management services at 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 bespoke web application, Investor Zone. They can review their information and valuations at any time through smart phones, tablets or computers with internet access.

Risk Profiler

Our Risk Profiler can be used as part of your fact find process. We have had a Risk Assessment Questionnaire constructed by our investment and actuarial consultants that asks a series of questions to help identify your client's attitude to investment risk. The resulting risk score range from 1 and 10 – with 10 reflecting the highest appetite for investment risk. This score can then be taken into account when building a portfolio using tools such as our Asset Allocator.

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, based on the jurisdiction of the client, will be shown for selection. Our Asset Selector then provides filters that will reduce the funds displayed to those that are most relevant.

You are able to generate an optimised range of assets based on a risk profile, from our Risk Profiler or from other sources, and all pre-built model portfolios will be available for selection. 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 Investment 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
- > 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 considered 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.

Model Portfolio Manager

We intend to make our Model Portfolio Manager (MPM) tool available from Q4 2015. It will enable Advisers, Private Banks, Trust Companies and Discretionary Fund Managers (DFMs) to take full administrative control over their model portfolios, creating and managing them on line. The tool enables them to construct and amend model portfolios for their clients.

MPM will be linked to our other analysis tools so models can be researched at the point of construction. There is an instant submit, with no “overnight refresh” so Advisers, Private Banks and Trust Companies will be able to build portfolios and use them for their clients within the hour.

In addition:

- > Advisers, Private Banks and Trust Companies will be able to establish their own model portfolios or work with a DFM
- > It will be possible to establish an unlimited number of portfolios for different risk profiles for both Novia Global Products
- > MPM provides the choice of updating some or all clients within a model by one simple instruction
- > MPM has the functionality to synchronise all clients’ trades within a model portfolio. The single dealing point provides equality across clients

Investor Zone

Investor Zone is a secure web portal that allows clients to track all their investments held in the Novia Global Wealth Management Service. At the touch of a button it provides access to valuations and the detailed composition of portfolios.

As a secure, view-only online portal, Investor Zone will be 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 GRA) and the overall asset allocation by sector.

Selecting a Product will reveal its breakdown by the currency holding within it. It will be 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 will be able to have ready access a library of important documents about their use of the Service. These will be available for download as pdfs.

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

Access and charges

We allow the tools we provide to be used by all registered users for any of their client 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 Advisers 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) will be 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. 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, commission, 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 the entering into 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 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 (Launch anticipated in Q4 2015)
- > 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 assets

Novia Global Limited is granted permission to administer client assets and money by the Financial Conduct Authority in the UK under registration number 653661

Novia Global operates systems and processes to administer client money that ensure all transactions are transparent to clients. All transactions can be seen by clients by logging into their online Novia Global Client Account. They are also shown in an annual statement that is held in the client account as a pdf which can be printed if desired.

Novia Global has appointed BNP Paribas Security Services Ltd (BNP) as the custodian for investment funds from its offices in Jersey. It will also provide trading within these accounts at Novia Global instruction and foreign exchange services.

BNP were selected to support Novia Global as it is part of a large French Company who have a long term senior debt rating of A1 from Moody's and A+ from S&P. It has a large global reach, operating in 80 countries and 100+ markets, and employs over 200,000 employees. BNP has assets under custody of US\$6,679bn and assets under administration of US\$ 1,381 bn and has won a number of awards for its service provision.

Novia Global holds the client register and is responsible for reconciling the client money and assets with BNP to the client records to protect client assets and money.

In the event of any error or omission beyond the control of Novia Global the business is insured to £10m with Dual Corporate Risks for Professional Indemnity insurance.

/ 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 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 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 complimentary 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 will power our comprehensive suite of portfolio management tools. We will 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, antispysware, 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 Slough with complete replication at a separate backup site in South London. 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.

/ 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 orders. All instructions received by us will be dealt with in the order they are received and carried out in accordance with the 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 the 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, with Winterflood Business Services 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 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 purchase or 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 by Winterflood:

- > 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

Winterflood will generally use price as the primary factor for achieving best execution. They will also use their commercial experience and judgement to determine the relative importance of the above factors in achieving the best possible result.

They 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.

Winterflood's 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, Winterflood 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. For a business established on a commission basis where the client exclusively uses rebate-paying funds we offer the option of initial and trail fees. 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 business and their clients through the following three charging structures.

- > If Charges Schedule A is selected we will pay the intermediaries a commission. This only applies to accounts containing only rebate-paying funds and where the rebates are collected by Novia Global. This is known as "bundled" charging.
- > Charges Schedule 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 Schedule 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. 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 raised by Novia Global, how your remuneration is arranged and any other fees that typically apply to a client. An Intermediary business can choose all Charges Schedules that are required for their clients, 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.