

# Target Market Statement

## Novia Self-Invested Personal Pension (SIPP)

November 2024

### 1 Product Overview

The Novia SIPP offers a flexible pension solution designed for clients who seek personalized management of their retirement savings. This product provides access to a wide range of investment options and enables financial advisers to design bespoke pension strategies. It caters to both long-term accumulation and flexible decumulation, supporting advisers in delivering good outcomes for clients through appropriate investment and income planning.

### 2 Who is this appropriate for?

- **Moderate to High Net-Worth Clients:** Clients with investable assets who are looking to either grow or preserve their pension wealth over time.
- **Advised Clients:** Clients working with FCA-regulated advisers who receive ongoing financial advice to ensure their pension aligns with long-term financial goals and to maximize outcomes.
- **Financially Resilient Clients:** Individuals with the capacity to bear potential investment losses while maintaining their financial stability. These clients should be comfortable with market risks and aware of the potential for capital loss.
- **Long-Term Investors in Accumulation:** Clients with a long-term investment horizon (typically 5+ years), seeking to grow their pension savings during their working life.
- **Clients Approaching Retirement:** Individuals nearing retirement who are focused on preserving the value of their pension in preparation for decumulation, with an emphasis on capital protection.

- **Clients in Decumulation:** Clients who have begun drawing from their pension and require flexible access to funds while maintaining appropriate investment strategies for ongoing financial security.
- **UK Tax-Paying Residents:** The product is designed for UK residents and taxpayers who can take advantage of the tax efficiencies offered by the SIPP wrapper.

### 3 Who is this not appropriate for?

- **Non-Advised Clients:** Those who do not receive financial advice from an FCA-regulated adviser, as this product is designed for adviser management.
- **Direct-to-Consumer (D2C) Clients:** Clients looking for a self-managed pension product without the involvement of a financial adviser.
- **Clients with Low-Risk Appetite:** Investors who are uncomfortable with the potential volatility of their pension investments and those who prefer capital protection over growth opportunities.
- **Clients with Investment Values Less Than £30,000:** Individuals whose total pension investments are below £30,000 may find the Novia SIPP less cost-effective and may not benefit fully from the product's features. This threshold ensures that clients can maximize the advantages of the SIPP structure and manage costs effectively relative to their investment value.
- **Non-UK Residents:** Clients who are not UK tax residents, as they may not be eligible to benefit from the product's tax advantages or meet the regulatory requirements for holding a UK SIPP.

## 4 Key Features

- **Wide Range of Investment Options:** The Novia SIPP offers access to a broad selection of investments, including funds, equities, and ETFs, allowing advisers to create bespoke portfolios tailored to individual client needs and risk tolerance.
- **Flexible Pension Access:** The product allows for flexible income drawdown and lump-sum withdrawals, supporting diverse retirement strategies and offering clients choice and control over how they access their pension savings.
- **Adviser-Led Platform:** The SIPP is managed through an adviser-led platform, ensuring clients benefit from professional oversight and appropriate decision-making regarding their pension strategy.
- **Tax-Efficient Pension Wrapper:** The Novia SIPP is a tax-efficient structure for UK tax-paying residents, enabling clients to grow their pension assets within a tax-advantaged environment.

## 5 Product Complexity

The Novia SIPP is a complex financial product that requires a good understanding of pension investments and their associated risks. Advisers must ensure that clients fully understand the product's features and any risks involved, particularly in relation to investment choices, market volatility, and income strategies during decumulation. Clients should also be aware that the SIPP does not offer direct access to commercial property, and advice should focus on suitable, diversified investments.

## 6 Fair Value Assessment

The Novia SIPP offers fair value for clients seeking a flexible, long-term investment solution. The transparent fee structure and access to a wide range of investments make it suitable for clients with diverse financial goals. Regular reviews are recommended to ensure that the chosen investment strategy remains appropriate and continues to deliver value for money as circumstances evolve.

## 7 Risks

- **Investment Risk:** Clients are exposed to the risk that the value of their investments could fall as well as rise, and they may get back less than they invested. It is essential that advisers carefully assess the client's risk tolerance and long-term investment goals.
- **Liquidity Risk:** Some investments within the SIPP may have limited liquidity, meaning they may not be easily converted to cash in the short term. Advisers should ensure clients are aware of these potential limitations, particularly when planning for decumulation.
- **Charges Impact:** The bespoke nature of the Novia SIPP may result in higher management costs, which can affect overall investment returns. Advisers should discuss the fee structure with clients to ensure they understand the impact of fees on their pension growth.
- **Regulatory Risk:** Clients should be aware that changes in pension and tax legislation could impact the structure and benefits of the Novia SIPP, and advisers should monitor any legislative developments that may affect their clients' retirement plans.

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