

# Target Market Statement

## Novia General Investment Account (GIA)

November 2024

### 1 Product Overview

The Novia General Investment Account (GIA) is a versatile investment account designed for clients seeking a flexible, long-term solution to manage their investments. Unlike tax-advantaged products like ISAs or SIPPs, the GIA does not offer specific tax reliefs, but it provides clients with the ability to invest in a wide range of assets without contribution limits. Gains and income within the GIA are subject to UK tax. The account is suitable for investors aiming to build or manage wealth through a tailored investment strategy, while also maintaining access to their funds as needed.

### 2 Who is this appropriate for?

- **Clients Seeking Flexibility:** Investors who require a flexible, non-tax-sheltered account that provides access to a broad range of eligible investments, including equities, bonds, and funds.
- **UK Resident Investors:** Clients who are UK tax residents, aware of potential tax liabilities, and looking for a diversified investment portfolio to achieve long-term growth or income.

- **Long-Term Investors:** Clients with a minimum five-year investment horizon, who can tolerate the risks associated with fluctuating market values.

- **Advised Clients:** Clients who have received professional financial advice on the suitability of the GIA, based on their individual financial situation and objectives.

### 3 Who is this not appropriate for?

- **Non-UK Tax Residents Clients:** who are not resident in the UK for tax purposes, or who have complex tax obligations in other jurisdictions.
- **Short-Term Investors:** Those seeking quick access to funds or who cannot tolerate the risk of capital loss in the short term.
- **Clients Prioritizing Tax Efficiency:** Those who are looking for tax-sheltered investments such as ISAs or pensions may find the GIA unsuitable.
- **Non-Advised Clients:** Clients without access to financial advice, given the complexity of managing investments within the GIA.

## 4 Key Features

- **Flexibility in Contributions:** The GIA allows unlimited contributions, giving clients freedom to invest at their own pace.
- **Diverse Investment Choice:** Clients can choose from a wide range of eligible investments, including equities, bonds, and funds, allowing for a tailored portfolio to suit individual risk preferences and goals.
- **No Tax Sheltering:** Unlike tax-efficient accounts such as ISAs, the GIA does not offer tax relief on income or capital gains. Clients may be subject to UK Income Tax and Capital Gains Tax.
- **Liquidity:** Clients can make withdrawals as needed, though certain assets may have liquidity constraints that could impact the speed of accessing funds.

## 5 Product Complexity

The Novia General Investment Account is considered a moderately complex financial product due to the range of investment options and the potential for tax liabilities. Advisers must ensure that clients understand the risks associated with equity-based investments, as well as the tax implications of holding assets in the GIA. Advisers should also explain how the product fits within the client's broader financial strategy, ensuring they are comfortable with the investment horizon and associated risks.

## 6 Fair Value Assessment

The Novia General Investment Account 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:** The value of investments held in the GIA can go down as well as up, and clients may get back less than they originally invested.
- **Tax Risk:** Gains and income generated within the GIA are subject to UK taxes. Advisers should ensure that clients are aware of potential tax liabilities, particularly Capital Gains Tax (CGT) and Income Tax.
- **Liquidity Risk:** Certain assets held within the GIA may not be easily converted to cash, especially in volatile market conditions. Clients should be made aware of the liquidity profile of their investments.
- **Regulatory Risk:** Future changes to tax laws or investment regulations could impact the attractiveness or functionality of the GIA. Advisers should keep clients informed of any such changes that could affect their investment strategy.

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