

7IM (DUBLIN) FUNDS FREQUENTLY ASKED QUESTIONS

SEVEN 
Investment Management

FAQ // FEBRUARY 2017

Tax rules are subject to change and taxation will vary depending on individual circumstances. We do not provide tax advice.

WHAT ARE THE 7IM (DUBLIN) FUNDS?

7IM (Dublin) Funds plc is an umbrella open ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland. It currently includes a range of six sub-funds. It is recognised by the UK's Financial Conduct Authority as a scheme within the meaning of section 264 of the Financial Services and Markets 2000 Act ('FSMA'). UK Investors should refer to the fund documents and to the UK Country Supplement for information on our website.

ARE THE 7IM (DUBLIN) FUNDS ANYTHING TO DO WITH THE 7IM DISCRETIONARY FUNDS?

In June 2015 the 7IM Discretionary Funds converted to UCITS fund and in February 2016 their names were changed to become the 7IM (Dublin) Funds. The names were changed at umbrella and sub-fund level per the below table.

Previous Name	Current Name
7IM Discretionary Funds plc	7IM (Dublin) Funds plc
7IM Discretionary Cautious Fund	7IM Moderately Cautious (Dublin) Fund
7IM Discretionary Balanced Fund	7IM Balanced (Dublin) Fund
7IM Discretionary Growth Fund	7IM Moderately Adventurous (Dublin) Fund
(launched in January 2017)	7IM AAP Moderately Cautious (Dublin) Fund
(launched in January 2017)	7IM AAP Balanced (Dublin) Fund
(launched in January 2017)	7IM AAP Moderately Adventurous (Dublin) Fund

HOW COULD A UK RESIDENT INVESTOR BENEFIT FROM THE DUBLIN FUND RANGE?

The 7IM (Dublin) Funds have UK reporting fund status. As an offshore entity the 7IM (Dublin) funds are not subject to UK corporation tax. The tax saving can be reinvested giving the Dublin funds a potential performance advantage over the UK equivalent risk profile.

COULD ALL UK RESIDENT INVESTORS BENEFIT FROM THE DUBLIN FUND RANGE?

We cannot give tax advice, however, potentially yes. However, investors holding a Dublin fund outside of a tax wrapper are expected to face additional administrative effort when completing their tax return.

UK resident investors are not subject to Irish tax on their investment and do not incur any withholding taxes on payments from the fund. They will need to consider Dividend Income and Excess Reportable Income when completing their tax return. Any gain or loss the investor makes on the sale when disposing of the 7IM (Dublin) Fund is treated as a capital gain or loss. When UK resident investors sell the 7IM (Dublin) Fund, it is recommended that they seek financial advice on whether or not the Excess Reportable Income can be offset against their Capital Gains Tax (CGT) charge.

Investors holding a significant value of the fund and / or who have a reasonable understanding of the tax return process may choose to buy the Dublin funds and accept the administrative burden. An investor with a smaller holding may decide that the benefit of holding the Dublin fund does not justify the additional effort when completing their tax return and decide to stick with the UK fund.

Investors in a tax wrapper (e.g. ISA, SIPP) benefit from the advantages of the Dublin fund without the additional tax reporting administrative burden.

DO THE NEW DIVIDEND TAX RULES (AS AT 2016/17) IMPACT MY DECISIONS TO BUY UK OR DUBLIN AAP FUNDS?

From 6 April 2016, the notional 10% tax credit on dividends was abolished and replaced with a £5,000 tax free dividend allowance. As the 7IM funds pay all distributions as dividends, the new dividend tax rules apply whether you invest in our UK or Irish Funds.

IS THERE A DIFFERENCE BETWEEN THE WAY THAT UK AND DUBLIN FUNDS ARE MANAGED?

The 7IM (Dublin) funds are managed in the same way as their 7IM UK funds with equivalent risk profiles. They will have the same target asset allocation and will aim to have the same underlying securities and proportion of those securities. There will be some exceptions as it is not always possible for a Dublin fund to replicate its corresponding UK fund 100%.



WHERE ARE THE 7IM (DUBLIN) FUNDS AVAILABLE?

The 7IM (Dublin) fund range is available on the 7IM and other third party platforms. You can also purchase them via our fund servicing centre, managed by NT.

WHAT COMPENSATION AND PROTECTION IS AVAILABLE TO INVESTORS IN THE 7IM (DUBLIN) FUNDS?

The 7IM (Dublin) Funds are authorised by the Central Bank of Ireland as Undertakings for Collective Investment in Transferable securities ('UCITS'). Capita Financial Managers (Ireland) Limited ('CFM') is the UCITS Management Company and is responsible for overseeing the activities of 7IM as the Investment Manager. The assets of the 7IM (Dublin) Funds are held in safe custody by Northern Trust Fiduciary Services (Ireland) Limited ('NT') which is authorised and regulated by the Central Bank of Ireland. Investors will not be eligible for compensation under the UK Financial Services Compensation Scheme, however, they will be eligible for the Investor Compensation Scheme. The Investor Compensation Scheme covers a wide variety of financial services firms including UCITS management companies. In the event of failure / default, clients could make a claim to the Investor Compensation Scheme which (as at the date of these FAQs), can pay out 90% of a valid claim up to a maximum of €20,000 per person.

As an FCA Regulated and Authorised firm the service 7IM provides means that in the event of the firm's default eligible investors may have recourse to the UK Financial Services Compensation Scheme in respect of those services should they be found to have been unsuitable for individual clients, 7IM's default in itself would have no bearing on the assets within the funds which it manages as those assets are held by the independent custodians.

CAN AN INVESTOR CONVERT A POSITION IN A 7IM UK FUND TO A 7IM DUBLIN FUND?

No. An investor cannot convert their holding because the UK and Dublin funds are separate legal entities. An investor can switch from UK to Dublin by selling their UK fund and buying the Dublin fund. The investor should be aware of the potential tax implications on the disposal of the UK fund in certain circumstances.