

FOR IMMEDIATE RELEASE

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GOLD PLATED SEATBELTS: 7IM GOLD EXPOSURE HITS RECORD HIGH

- **Gold exposure at 7IM is ahead of countries such as Ireland, United Arab Emirates and Czech Republic**
- **Equities still being added: Miton European Opportunities added to the Multi Manager funds yesterday for its ‘every weather’ potential**

Last week **Chris Darbyshire, Chief Investment Officer, 7IM**, illustrating 7IM’s ‘risk off’ positioning and in reference to the elevated risks he thinks stockmarkets are facing, commented in a [blog](#) that “our seatbelts are fastened.”

Data released today by **7IM** suggests that those seatbelts are, in fact, gold plated. **7IM’s** gold exposure is currently at its **highest ever level**, placing exposure ahead of countries such as Ireland, United Arab Emirates, and Czech Republic*.

Ben Kumar, Investment Manager, 7IM said: “We own 15.4 tonnes of gold. That is 28 cubic feet, which would take up about half the space under my desk. This puts us ahead of countries such as Ireland, United Arab Emirates and Czech Republic. The **7IM AAP Balanced Fund** alone holds 3.7 tonnes of gold – ahead of Hungary, Luxembourg and Hong Kong. If we were a country, we’d be ranked 63 out of 102 in the gold rankings. Britain is number 17, with the United States in first place*.

“We access gold via physically backed passive structures – ETCs (exchange traded certificates, which are sisters of exchange traded funds). We like the security of knowing that our gold exposure it is backed by a vault of gold, mostly through **Source Physical Gold**, but with some exposure to **iShares Physical Gold** tacked on.”

Chris Darbyshire, Chief Investment Officer, 7IM said: “Our seatbelts are fastened, but we’re not saying financial Armageddon is imminent: we have a habit of often being ‘early’ in our calls, so there could be some way for markets to run yet. And when it does falter, that’s not to say it will be at credit crunch levels. Nobody knows.

“But it feels like markets are currently having an inverse symmetry with Q1 2016: back then, markets were relentlessly and unnecessarily negative. Today, we are faced with a sea of negatives, which at some stage we think the market will finally overreact to. We have Brexit uncertainties, tensions between North Korea and Trump, we have a Polish Prime Minister seemingly intent on becoming a dictator (and it is no small country, with a population of almost 40 million), and sanctions in Qatar. Will we see a US trade war with China? It’s another scenario we can’t one hundred percent ignore. In this context, our gold exposure is at its highest ever level, although we continue to look for opportunities, and are still adding new equity positions.”

Equities still being added – Miton European Opportunities added to multi manager funds

Damian Barry, Senior Investment manager, 7IM added: “Despite being risk off as a house, we continue to hunt for good managers. **Miton European Opportunities** has just been added into our multi manager portfolios. This, for us, is a fund that complements our overall European exposure, investing in niche companies that are more immune to economic ups and downs and under researched by analysts – this creates opportunities. The fund eschews large cap growth

stocks that may be vulnerable to rising rates over time. It invests in mid-size companies with strong balance sheets and a competitive edge that have superior growth potential in a low growth world.”

7IM funds with highest gold exposure at 31 July 2017 (%)

AAP (Asset Allocated Passive) Funds	Multi manager funds	Specialist funds
7IM Cautious Fund: 8.07%	7IM Moderately Cautious Fund: 7.02%	7IM Personal Injury Fund: 8.19%
7IM AAP Balanced Fund: 7.17%	7IM Balanced Fund: 6.95%	7IM Unconstrained Fund: 6.93%
7IM AAP Moderately Cautious: 7.17%	7IM Moderately Adventurous Fund: 5.94%	
7IM AAP Adventurous: 6.22%	7IM Adventurous Fund: 5.94%	
7IM AAP Moderately Adventurous: 6.20%		

Source: 7IM

Ends

For further information, please contact:

Jemma Jackson
 PR Manager, 7IM
 jemma.jackson@7im.co.uk
 020 3823 8696
 07776 204 610

Notes to Editors:

*Source: [World Gold Council](#), 7 August 2017

About 7IM

It all began in 2002, with seven of us in a basement establishing Seven Investment Management (7IM) because we couldn't find anywhere we wanted to invest our families' money. Our assets under management now stand at around £11bn (more than doubling since 2013), and we have moved from 'basement' to 'Bishopsgate' in the City of London. There are now around 240 of us.

Radical common sense

We manage money aiming to meet people's medium to long term return expectations. Fundamentally, we believe in active asset allocation in both active and passive investments (where we were one of the first to offer actively managed passive portfolios). We build global portfolios based on that allocation, and include alternative assets where appropriate to manage the risk reward trade off. Active currency management is also at the core of what we do.

7IM provides investment services to professional wealth managers, planners, advisers and private investors. These include: Discretionary investment management, a range of multi-asset portfolios, an investment and open architecture trading platform and a fantastic app, 7IMagine, which brings client portfolios to life.

Multigenerational investing

We do our best to pass on economies of scale, reducing fees so more investors within a family save with us. Grandparents, through to parents and their children can invest as individuals with one charging structure – whether they live under the same roof or not.

A story of continuous innovation.

In 2013, we launched 7IMagine, an app allowing investors and advisers to keep up to date with their portfolio. The brainchild of some clients – professional ‘gamers’ uninspired by their paper statements – 7IMagine was enriched in February 2016, with My Future. Again using gaming technology, My Future allows advisers and investors to capture details about family or individual finances, including any number of streams of income, properties, other assets and expenses, to help identify how sustainable their finances are and if / when their retirement income will run out.

Our funds

- Our **AAP fund range (Asset Allocated Passive)** is populated largely with passive structures to keep costs to a minimum. Asset allocation is actively managed to help exploit opportunities and reduce risk across the spectrum: **7IM AAP Adventurous, 7IM AAP Moderately Adventurous, 7IM AAP Balanced, 7IM AAP Moderately Cautious, 7IM Cautious and 7IM AAP Income**. Some of these risk profiles have an offshore version of the fund.
- Our **Multi-Manager fund range** invests in a range of active and passive vehicles. Costs still matter, but if we think an actively managed fund can outperform a passive alternative we have the freedom to choose it. Asset allocation is actively managed. Again, there are different funds for different profiles: **7IM Adventurous, 7IM Moderately Adventurous, 7IM Balanced and 7IM Moderately Cautious**. Again, some of these risk profiles have an offshore version of the fund.
- We also have a selection of funds designed to meet specific needs, such as the **7IM Personal Injury Fund**, the **7IM Unconstrained Fund** or the SRI focussed **7IM Sustainable Balance Fund**.
- We also have a range of ‘smart passive’ funds known as the equity value funds. The range includes: the **7IM UK Equity Value Fund**, the **7IM US Equity Value Fund**, the **7IM European (ex. UK) Equity Value Fund** or the **7IM Emerging Markets Equity Value Fund**. These are entirely systematically managed based solely on company fundamentals, the aim being to outperform the relevant passive market cap-weighted alternative by selecting profitable, high-quality, cash-flow generating companies that trade at a discount to their intrinsic value.

Our Model Portfolios

The 7IM Model Portfolios are a range of risk rated portfolios and are available within our discretionary investment services and standalone on the 7IM platform and other platforms. The Models use the same investment process and asset allocation as our funds. Like the Asset Allocated Passive (AAP) funds, the entire asset allocation is fulfilled with ‘Smart Passive’ market cap weighted passive instruments (for example UK and US equities) which track those markets and systematic instruments. 7IM undertake the due diligence on the passive securities (such as counterparty risk and concentration). Our range of Model Portfolios are available across the risk profiles: **7IM Adventurous Model Portfolio, 7IM Moderately Adventurous Model Portfolio, 7IM Balanced Model Portfolio, 7IM Moderately Cautious Model Portfolio, 7IM Cautious Model Portfolio and 7IM Income Model Portfolio**.

The 7IM funds and Model Portfolios are available through the 7IM Discretionary, Managed Investment, Platform, and Self Invest services, as well as on other platforms.

Important information: The information contained in this document does not constitute investment advice and if you are in any doubt about the suitability of the investment or service, you should consult a professional financial adviser. The value of investments, and the income from them, can fall as well as rise and you may not get back the full amount invested. Seven Investment Management LLP is

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WWW.7IM.CO.UK