PRESS RELEASE

SEVEN VII IM Investment Management

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7IM's BACK TO SCHOOL MONEY LEARNING TIPS

As school children across the country return to school, and the extra-curricular activity treadmill begins again in earnest, it's also a time when parents might once again tackle those best laid plans. Some of these might be almost as packed as the school curriculum, from tying shoelaces (Velcro might not always be considered a great look in juniors!), telling the time, extra tuition, or getting to grips with financial literacy.

For parents planning to help their children learn more about money, **Seven Investment Management (7IM)** have published some tips for parents with children across the age groups.

Justin Urquhart Stewart, Co-Founder and Head of Corporate Development, 7IM said: "Financial education in the classroom is really important, but it also has to start at home. It's a bit like learning your Ps and Qs. It doesn't come naturally at first, but with some gentle goading (it isn't the most scintillating of subjects in a world of instant gratification), it can become a whole lot easier. But you have to start early."

Under 7's

Learn to count money first

1. **Justin Urquhart-Stewart, Co-Founder and Head of Corporate Development, 7IM** said: "Teach your children how to count up different denominations of money, and not only will it give them a real understanding of the value of money, but it's a sure fire way to boost their maths skills. Nailing 'tens and ones' is one of the key maths building blocks – and doing it with 10p and 1p pieces is probably the cheapest and most visual way of starting. Counting money is something most young children really struggle with – but in my experience, it's amazing how quickly dangling a carrot like pocket money can really focus the mind. So it really helps their understanding of money concepts whilst seriously boosting their maths skills – a win/win!"

Never too young to learn about the preservation of capital (or cookies!)

2. **Tony Lawrence, Investment Manager, 7IM** said: "My 4 year old has recently been learning about the preservation of capital. She is a fledgling baker with a particular talent for delicious chocolate chip cookies. After a long hard day, if I arrive home to see her tasty biscuits left uncovered, she will often find that the 'taxman' has taken a large bite out of her well-baked assets (it's a handy cover story). However, if she has them safely stashed away under an impenetrable layer of Clingfilm, she not only learns the lesson of preserving the freshness of said cookies, but also the benefit of protecting her assets in an efficient tax wrapper! The next step is to start selling cookies to neighbours."

All ages

Matching savings: in for a Penny, in for a Pound

3. **Tom Sheridan, Chief Executive Officer, 7IM** said: "With four boys, it has potential to get expensive, but pound matching is a great way to incentivise your children to save and foster good habits, without spoiling them. It also means they should be much more receptive to paying into a pension when the time comes, having had a good grounding in the benefits of matched employer contributions."

9-13yrs – Future stock pickers?

4. **Robert Hardy, Business Development Manager, 7IM** said: "My 9 and 12 year olds have had pocket money since they could complete chores. They originally received it fortnightly to help them budget, moving to a monthly basis when they reach(ed) 10.

   "When each reaches 13 – an age when they can grasp the appropriate concepts – I plan to introduce a Junior ISA and help them select the underlying funds. That allows some five years of investment experience before they can access any money. They'll also hopefully appreciate that money foregone today is simply transferring happiness to another time frame!"

10yrs plus – take on the tuck shop

5. **Simon Moore, Senior Investment Manager, 7IM** says: "My sons tried selling goodies to school chums. We bought from cash-and-carry and they sold them on at school. Learning outcomes: bulk buying, profits, margins, competition from local monopoly (school tuck shop)."

Teens – preparing for university

6. **Peter Sleep, Senior Investment Manager, 7IM s**ays: "When our kids got older we set up their own bank accounts with cards and paid into the accounts by standing order, and not a penny more. They learnt to budget and manage their own finances.

   "The kids were allowed to keep birthday and Christmas cash, but cheques went into a savings account. I tried to make a bit of a ritual in pointing out how much it had grown on its own over the years, far better than spending it on computer games, which only fall in value. Speaking of which, we urged our kids to sell their computer games online or to exchange them to get a little bit of extra cash. Other toys went to charity shops."

All ages: Children's savings schemes and why you should never be afraid to talk about money

7. **Sophie Kilvert, Relationship Manager, 7IM** said: "Children's investment schemes such as Junior ISAs can be a great way to engage children with the concept of stock market investing, and understand concepts of risk, long-termism – not to mention delayed gratification. It's the ideal way to get children and young adults on board with the concept of saving and investing.

   "That said, and quite legitimately when it comes to large sums of money, not all parents want their children to know about their accounts, citing work ethic concerns. And since not all kids like to listen to their parents in any case, I have some clients who send their twenty-somethings to see me, instead. We'll chat risk, long-termism, aspirations and asset allocation. It's really important when making the transition into adulthood, and all the responsibilities that come with it, that children have a sound grasp of the basics. Whether coming into wealth, or taking on significant student loans, never be afraid to talk about money."

Ends

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Notes to Editors:

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 authorised and regulated by the Financial Conduct Authority. Member of the London Stock Exchange. Registered office: 55 Bishopsgate, London EC2N 3AS. Registered in England and Wales No. OC378740.

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