

FOR IMMEDIATE RELEASE

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7IM ON POST 18 EDUCATION REVIEW: “YOU CAN NEVER BE OVERDRESSED OR OVER EDUCATED” - STUDENTS TODAY HAVE TO MAKE A CHOICE BETWEEN THE TWO

Seven Investment management (7IM) share its thoughts on yesterday’s Government announcement on a review into post 18 education, and on saving for children more generally.

Justin Urquhart Stewart, Co Founder and Head of Corporate Development, 7IM said:

“Whilst it may be the cost of living that is the largest immediate hurdle for students, tuition fees – far higher than were ever intended – are a significant psychological barrier to entry, whilst the interest rates are so usurious they are worthy of the Merchant of Venice.

“We should see university as an investment in the intelligence bank of the future for the country. Whilst we may be more likely to see university tuition fees rebranded, rather than consigned to history (yesterday’s announcement was careful to manage expectations), this review may offer a chance to look at some of the gaping inequalities in the system. I think repayment should be by way of additional tax over a minimum salary level, rather than classed as a debt.

“I’d like to see maintenance grants restored, alongside bursaries, which have been withering on the vine. We all need to remember the benefit that students bring on what has increasingly become a learning production line.

“But don’t necessarily let the commoditisation of learning dictate your choice of degree or aspirations. From a financial services perspective, I don’t always want those who have been taught finance at degree level, doing finance – we need a range of skill sets. That said, a maths A-Level is always a good one for the back pocket, even if you go on to do arts or languages at degree level. Also, remember that today’s work places often have a stronger expectation about other, on-the-job professional qualifications, too – so doing something you love at degree level may actually make up for somewhat dryer subject matter further down the line.”

Overdressed, under educated?

Michael Martin, Relationship Manager, 7IM commented: “Oscar Wilde said that you can never be overdressed or overeducated, but with sky high tuition fees and cost of living expenses, students might struggle to do either.

“The JISA, combined with the adult cash ISA for 16 and 17 year olds, is a great way to save towards university expenses. But parents may have to choose not between education or cost of living, but between education, the cost of living or helping fund a house to live in. No matter how much we all want to help our children, it’s important to make sure it doesn’t compromise your own financial security in the process. Saving for children might need turning on its head – whilst we’ve traditionally thought about saving for children’s future from birth, we might have to think about saving for them way before they have even been born.

“It will be interesting to see what this review uncovers. As far as this topic is concerned, ‘there is only one thing worse than being talked about, and that’s not being talked about’ (yes, I love Wilde). If it is at the forefront of our minds, we may be able to help future students get the education they deserve, but can’t afford.”

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 £12bn (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 Real Return 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.

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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