

FOR IMMEDIATE RELEASE

7 FEBRUARY 2018

MORNING AFTER THE DAY BEFORE: 7IM PORTFOLIO ACTIONS IN WAKE OF YESTERDAY'S MARKET MOVES

Seven Investment Management (7IM) today publish an update on yesterday's portfolio actions.

Ben Kumar, Investment Manager, 7IM said: "Following the moves seen in markets yesterday, we have taken profits on one of our EuroStoxx 50 put options. The fall in equity markets and the rise in volatility gave us the chance to take a profit on a position that had been implemented to protect against these sorts of events. Admittedly, we hadn't seen them occurring within five days of purchase.

"We had spent 0.1% of our Balanced portfolios' NAVs last Thursday with the put struck at 3450, around 5% below the market level at the time. This option was due to expire in December of this year, giving a sense of our expected time horizon. However the violent moves on Monday and Tuesday quickly saw the option become 'in the money', so yesterday we exited the position. Overall we had spent £6.6 million on premium, and we sold for a total of £10.6 million – a 60% return.

"Whilst we are not in the habit of switching in and out of positions in the space of a few days, in this case we felt that taking profits was the sensible approach. We still have two put options in the portfolios, one struck further down on the EuroStoxx and one on the S&P 500. The intention is that these could continue to protect portfolios if we see another sharp move downwards.

"With markets still unsettled today (the US market closed higher, but the futures market is lower again), we are now looking for opportunities to put some of our cash to work."

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

"Portfolio insurance can be a valuable thing – put options can protect value when markets wobble. If you think it could be a bad winter, you might strengthen your home insurance – put options can work in exactly the same way. Market volatility can create opportunities, and is not necessarily any more disconcerting than the eerie calm that we have hitherto seen in markets over the last year or so."

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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