

FOR IMMEDIATE RELEASE

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## **7IM Q3 ADVISER PLATFORM PURCHASES: PASSIVE TOOLS DOMINATE AND “IT FEELS LIKE THE LATE 90s”**

**Seven Investment Management (7IM)** today publishes adviser Q3 2018 platform rankings for the highest selling funds, closed ended investment companies and Exchange Traded Funds (ETFs) via its **7IM Platform** by value.

### **Funds**

Whilst the popularity of global multi asset funds has been well documented, perhaps reflecting the UK's current period of uncertainty, particularly striking in the 7IM data is the dominance of funds using passive tools in the underlying portfolios.

**Haig Bathgate, Head of Portfolio Management, 7IM** said:

“It feels like the late 90s. Back then money was pouring into TMT, today it's passives and smart beta. But when it comes to adviser purchases, today's platform data suggests that they are often using multi asset funds with passive underlying index funds.

“The rise of passives generally shows investors are understandably looking for the cheapest way of getting exposure to markets (having only seen them move up for the past 10 years, give or take a few blips). This is during a period where market correlation has been high – why try to beat the market when it's doing so well all on its own? But as we know, it usually pays to do the opposite of what's performed best and therefore the case for active managers is quite compelling at this stage.”

### **ETFs**

**Peter Sleep, Senior Investment Manager, 7IM** said: “At a time when the lion's share of ETF money has been pouring into the S&P 500, the 7IM adviser platform purchases show a refreshingly diversified spread, encompassing metals, bonds and equities. We too hold the ishares physical gold ETC in some of our model portfolios – it is low cost and freely available. Whilst backed by physical gold, exchange traded products such as this one have flexibility and ease of stock market trading, so can be a useful way to access the shiny barbarous stuff.”

### **Investment companies**

**Simon Moore, Senior Investment Manager, 7IM** said: “As ever, property, private equity and infrastructure dominate – advisers clearly rate the closed ended structure when it comes to investing in illiquid assets. Last week's FCA paper on open-ended property funds is a reminder of just how comparatively hamstrung these funds can be when it comes to investing in property. Proposals include effectively a risk warning in the fund's own name and there are suggestions that they will begin to move away from daily dealing too. Ian Sayers at the AIC suggests that the FCA paper ignores the elephant in the room – the open-ended structure is never going to be ideal for an illiquid asset such as property. I agree with him.”

## Funds

VANGUARD INVESTMENTS UK LTD LIFESTRATEGY 60 PERCENTAGE EQTY ACC NAV
7IM AAP BALANCED S ACC
DIMENSIONAL FUNDS ICVC GLOBAL SHORT-DATED BOND ACC NAV
VANGUARD INVESTMENTS UK LTD LIFESTRATEGY 40 PERCENTAGE EQTY ACC NAV
7IM AAP MODERATELY ADVENTUROUS S ACC
7IM AAP MODERATELY CAUTIOUS S ACC
ROYAL LONDON UNIT TRUST MANAGERS UK EQUITY INCOME M GBP DIS NAV
FIL INVESTMENT SERVICES(UK)LIMITED INDEX WORLD P ACC NAV
VANGUARD INVESTMENTS UK LTD LIFESTRATEGY 80 PERCENTAGE EQTY ACC NAV
FUNDSMITH LLP EQUITY I INSTL ACC NAV

## ETFs/ ETC

VANGUARD FUNDS PLC FTSE DEVELOPED EURP EX UK UCITS ETF INC
BMO UCITS ETF ICAV BARCLAYS GBL HIGH YLD BD GBP DIS HDG
ISHARES PHYSICAL METALS PLC ISHARES PHYSICAL GOLD ETC USD (GBP) ACC
ISHARES III PLC GLB INFL LNKD GOVT BD UCITS ETF GBP ACC
LEGAL & GENERAL UCITS ETF PLC LOMBARD ODIER IM GBL COR BD FNDM GBP HD
ISHARES CORE GBP CORP BD UCITS ETF GBP DIST
ISHARES IV PLC USD TRSRY BD 20+YR UCITS ETF USD DIST
VANGUARD FUNDS PLC S&P 500 UCITS ETF INC NAV GBP
VANGUARD FUNDS PLC FTSE 100 ETF INC UCITS ETF
SSGA SPDR ETFS EUROPE II PLC MSCI WORLD ENERGY UCITS USD

## Investment trusts

MITON GLOBAL OPPORTUNITIES PLC ORD GBP0.01
SCOTTISH MORTGAGE INV TRUST ORD GBP0.05
STANDARD LIFE INVEST PROP INC TRUST ORD GBP0.01

RIT CAPITAL PARTNERS ORD GBP1
CUSTODIAN REIT PLC ORD GBP0.01
ALLIANZ TECHNOLOGY TRUST PLC ORD GBP0.25
F&C PRIVATE EQUITY TRUST ORD GBP0.01
3I INFRASTRUCTURE ORD NPV
SCHRODER REAL ESTATE INV TRUST LTD ORD SHS NPV
WORLDWIDE HEALTHCARE TRUST ORD GBP0.25

Whilst these tables show adviser purchases and excludes 7IM discretionary flows, 7IM may hold positions in some or all of the securities mentioned here, either in our funds or via the third party funds in which we invest. This information is not intended to provide specific stock or investment recommendations to individual investors.

## 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:

### 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 £14.3bn (more than doubling since 2013), and we have moved from 'basement' to 'Bishopsgate' in the City of London.

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 funds domiciled in both Dublin (with UK reporting status) as well as the UK.
- 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 funds domiciled in both Dublin (with UK reporting status) as well as the UK.
- 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

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