

FOR IMMEDIATE RELEASE

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GERMAN ELECTIONS: 7IM OVERWEIGHT EUROPE AND HUNTING FOR MANAGERS ACROSS MARKET CAP SPECTRUM

With the German elections approaching, **Seven Investment Management (7IM)** shares its views on European equities, and how it chooses to access Europe. Some of the European funds held are recent purchases for the multi manager funds, namely **Miton European Opportunities Fund and Syz AM (Lux) Oyster Continental European Selection Fund**.

Europe is currently **7IM's** highest overweight equity position. For example, **7IM Balanced Fund** currently holds 8% in European equities against its standard asset allocation of 6%.

Damian Barry, Senior Investment Manager, 7IM said: "We like Europe and have exposure using a broad range of styles from across the market cap spectrum. The European economy is performing well, earnings look likely to move ahead after years in the doldrums, and at a time when valuations look stretched in many markets, European profitability and returns still have a lot of upside and are well behind levels enjoyed in the 1990s and the noughties. The prospect of labour reform in France could also pique investors' interest in the long term prospects for the continent.

"Whilst a patient approach to Europe is still very much warranted – European equities often bear the brunt of bad sentiment – there has been a string of positive news. For example, Greece, Spain, Italy and Ireland are showing strong signs of recovery, whilst Portugal yesterday had its debt upgraded, with Portuguese bonds jumping on the news."

The main ways 7IM access European Equities:

- **Miton European Opportunities Fund** run by Carlos Moreno. This fund has a strong mid cap growth bias (held in 7IM multi manager funds). This fund was bought this summer.
- **Old Mutual Europe (Ex UK) Smaller Companies Fund** run by Ian Ormiston (held in 7IM multi manager funds).
- **Syz AM (Lux) Oyster Continental European Selection Fund** run by Michael Clements - this is a mid cap core fund (held in 7IM multi manager funds). This fund was bought this summer.
- **Eurostoxx 50 Future**
- Smart beta: **7IM European (Ex. UK) Equity Value Fund** (7IM felt that there was a dearth of value opportunities left in Europe, so built its own). Many of the funds in Europe are growth funds, which has been the right place to be. But as and when the style cycle turns, there are not many funds available to take advantage of the rotation.

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 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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