PRESS RELEASE

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7IM MONEY THOUGHTS AS ROYAL WEDDING LOOMS

The year after William and Kate's marriage in 2011, there was a surge in weddings in Britain*, so as Meghan and Harry prepare to meet at the altar, **Seven Investment Management (7IM)** have pulled together thoughts for those tempted to follow their lead.

It may not sound very romantic, but a wedding or civil partnership can be a great opportunity for parents and grandparents to do some smart inheritance tax planning. As a wedding gift, parents can each give £5,000 (so £10,000 in total) and grandparents £2,500 each without inheritance tax implications. Other individuals can give away up to £1,000.

Individuals can make up to £3,000 in gifts in a year without inheritance tax constraints. For couples that means £6,000. Unused allowance from the previous year can also be given, which might take a gift from a couple to £12,000. So taking this into account, alongside the £10,000 that two parents could collectively give for a wedding, could mean up to £22,000 free of inheritance tax (IHT) implications.

Sophie Kilvert, Relationship Manager, 7IM, said: "For a couple who have not made any substantial gifts in the past couple of years and are in the fortunate position to be able and willing to – which means gifts that come out of savings, rather than normal expenditure – a wedding or civil partnership is the chance to give away up to £22,000 in cash presents to your child. Anything more than that and you have to live another seven years for the value of the gift to fall completely outside of your estate for IHT purposes.

"You can make gifts out of normal expenditure too, so if a child or grandchild has a long engagement and you want to help pay for the wedding and still make a large cash gift on the day, you might consider setting up a direct debit and making monthly contributions for a while – this can be a big help paying towards costs."

When the honeymoon is over

Research** by **7IM** shows that young couples argue about money more than any age group – 44% of millennials (18-to-36-year-olds) quarrel over their finances, compared with just 18% of baby boomers (52-to-71-year-olds).

Michael Martin, Relationship Manager, 7IM, said: "Money obviously won't be a problem for Harry and Meghan but it is for most young couples. Our research shows that lots of people don't talk about money and when they do they argue. Before you get married it's good to talk about your financial goals. If you both want the same things it can be a lot easier because you can then set budgets and a plan. Sticking to it might be a bit harder, but if you're open and honest and set up disciplined ways to save it will help."

The big question for many couples is whether to have a joint account, separate accounts or a combination. **Michael Martin** added: "Many will put most of their money for every day budgeting and saving into a joint account and then leave themselves separate accounts for everything else – it can save arguments over whether that new purchase was strictly necessary. If you have everything in a joint account it can be worth setting a maximum spending figure where you each have to consult before you're allowed to splash out on something."

Share responsibility

Sophie Kilvert, Relationship Manager, 7IM, said: "In many households one person has traditionally taken responsibility for paying the bills and managing savings and investments, but this can leave the other partner vulnerable and in the dark if circumstances change. So it's a good idea to manage your finances as a team."

Life insurance

Michael Martin Relationship Manager, 7IM, said: "When couples first get married, insurance is probably pretty low on the list of priorities, but once you buy your first home, or start having children, the impact of a change in circumstances, for example if one of you is unable to work, can be significant. Before buying any insurance, check what cover you have at work first.

"Life insurance will give a payout on death and can be taken out for a specific term, such as 20 years. You can also get insurance to cover one of you becoming critically ill and unable to work. Because you need to think carefully about it, balancing the benefits and costs of the different types of cover, many couples put it off. But it is worth tackling as it is an important issue."

Wills and beneficiaries

Michael Martin, Relationship Manager, 7IM, said: "If you're getting married, the last thing you want to think about is wills and beneficiaries. But it's really important to inform your pension and any insurance providers about your next of kin and to have a will in place, especially if one of you has been married before. It can be reasonably cheap to get a simple will written that makes provision for who will inherit your share of the assets. It will make the task of sorting probate on your death much easier and ensure your money goes to the person you want it to go to."

The steps highlighted here are intended as a general guide only. The information contained in this document does not constitute investment or tax advice. Tax rules are subject to change and taxation will vary depending on individual circumstances.

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Notes to Editors:

*ONS data shows weddings rose from 249,000 in 2011 to 264,000 in 2012 – the highest seen since 2004.

The ***7IM Money Talks Study* involved online interviews with 2,005 adults across the UK between 7-10 November 2017. It was carried out by research company Opinium.

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 £12.5bn (more than doubling since 2013), and we have moved from 'basement' to 'Bishopsgate' in the City of London. There are now around 266 of us.

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

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