

## **Justin Urquhart Stewart blogs on the eve of national numeracy day on 16 May**

### **SATS, financial education and why it's time for us all to get off our 'Rs'**

They say good things come in threes. The three tenors gets three probably quite chunky tenors, the three little pigs gets three little porcine beauties, but the three 'Rs' gets you just three words and only one of which actually begins with the letter R!

It's a huge irony that the 'Three Rs', right at the very heart of our educational system, are based on a spelling mistake. Reading, Writing and Arithmetic. Hardly very comforting. So for all those primary kids being rammed with SATS exams this week – fear not. You can probably abbreviate much better than the 'system' can. LOL.

Whilst the education system is arguably much tougher than it was in my day (mercifully I never needed to know what a 'subordinating conjunction' is), these days all three of the so called 'R's' have been coming under pressure as the reliance of technology lulls all of us, young or old, into slackness of brain. After all who needs to read and write when I can just listen and watch, and who needs numeracy when I have a calculator?

But if you want to really know your way around a calculator, you still need to know your maths. Of all of the three R's it seems to be the 'A' – Arithmetic, which has the greatest tendency to bring many of us out in hives.

I've long argued that personal finance education and maths are the perfect combination. I'm yet to meet a child who isn't interested in money, but I've met many who aren't interested in maths. Putting the two together can be a game changer because it makes something so seemingly irrelevant completely relevant. The penny can drop, quite literally.

At the dawn of civilisation, personal finance and maths did go hand in hand. From the valley of the Yangtze and the Mesopotamian green crescent of the Tigris and the Euphrates, as early writing developed along with it came the counting rods of the early abacus and the Chinese suanpan.

The very basis of those basic economies needed measurement for not just size and distance, but value, trade and of course wealth. Writing may have argued your strength, reading may have transmitted your power, but it was the numeracy that measured your power and strength. A papyrus scroll illustrated your majesty, the measure of your assets prove it to all who saw.

As a nation we have not to date taught the necessary personal financial issues that we will all need to know, and this will only get worse. Whatever your political views, the State is never going to be either a reliable or generous benefactor, it will be down to us.

And it's not just in schools where we need to be doing more, but in the workplace, and universities too. Only last week, my jaw nearly dropped on the seat well when my taxi driver confessed to being a full time firefighter, as well as a taxi driver two days a week.

It certainly put my long days and early starts into perspective. “Credit card debts?” I asked. “Yes, and a huge mortgage on top!” he replied.

What is the true cost of a lack of financial education? The answer is clear – hardship. So like my taxi driver is already doing, it is now time for us all to get off our ‘Rs’ and apply some elbow grease and add up the cost of our futures.

**By Justin Urquhart Stewart, Co-founder and Head of Corporate Development, Seven Investment management (7IM)**

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**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 £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.

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