

FOR IMMEDIATE RELEASE

23 JANUARY 2018

## **7IM Q4 ADVISER PLATFORM PURCHASES: ARE PROPERTY INVESTMENT COMPANIES FINALLY ON AN EVEN RADAR WITH OPEN ENDED COUNTERPARTS?**

- **Polar Capital UK Value Opportunities Fund popular with advisers, a fund 7IM has recently initiated a position in across its multi manager range**
- **Japan also features prominently in fund selections**
- **“Reassuringly boring” ETF selections, says 7IM’s Peter Sleep**

**Seven Investment Management (7IM)** today publishes the highest adviser **7IM Platform** purchases in Q4 2017 by value for funds, investment companies and ETFs. Over half of adviser purchases were via model portfolio selections in Q4, which may be reflected in some of the top 10 rankings.

What particularly stands out in the Q4 data is the extent to which **property investment companies** have gained traction.

Half of the highest purchased investment companies by advisers were in property sectors, the highest since **7IM** began publishing this data\*. Interestingly, these were all generalist, whereas previously they have also been in specialist property areas (e.g. healthcare, storage, student property).

### **Investment companies**

**Simon Moore, Senior Investment Manager, 7IM** said: “The Q4 data suggests that property investment companies may finally be hitting the mainstream, since all those in the top ten have a generalist mandate. In previous quarters, property specialists in niche areas of the property market have often featured.

“Whilst this might be a one off, it looks like advisers are looking at property open and closed ended funds on an equal footing, rather than using investment companies when they want to go particularly specialist. Either way, the closed ended structure of investment companies can be particularly well suited to accessing property, and advisers clearly recognise that.”

### **Funds**

**Tony Lawrence, Investment Manager, 7IM** said: “It’s interesting to see Polar Capital UK Value Opportunities Fund feature amongst advisers’ top 10 – this is a fund we have just initiated a big position in across our multi manager funds. This is an unconstrained multi cap equity portfolio, focussing on companies trading at a discount to their intrinsic value. With a balance of domestic and overseas earners, and with low correlation to the FTSE All-Share Index, this is a fund we rate highly and which we would expect to have some resilience in down markets.

“It is also interesting to see two Japan funds feature so strongly. Japan had a strong run leading into Q4, translating into renewed interest for the region, with the two Japan funds highlighted in the top ten suggesting that some advisers may be blending growth and value styles.”

### **ETFs**

**Peter Sleep, Senior Investment Manager, 7IM** said: “Q4 is reassuringly boring. Investors are buying gold, major equities indexes such as the FTSE 100 and S&P 500, and short duration bonds. Perhaps after a great run in 2017, advisors are staying with markets they know, where they will have strong liquidity, rather than seeking value in less familiar markets.”

**On platform purchases generally, Verona Smith, Head of Platform, 7IM** said: “Over half of adviser purchases were via model portfolio selections in Q4, which may be reflected in some of the top 10 rankings. Model portfolios selections are increasingly dominating adviser platform purchases, up from 38% in Q2, 47% in Q3 and 53% in Q4 2017. Advisers are clearly keeping an eye on costs, but the rise of model portfolios also suggests an increasing trend towards outsourcing.”

**Most bought funds, investment companies and ETFs by value via the 7IM platform in Q4 2017**

<b>Top 10 funds</b>	<b>Top 10 investment companies</b>	<b>Top 10 ETFs – includes one Exchange Traded Certificate (ETC)</b>
JPMORGAN ASSET MANAGEMENT UK LTD JPM JAPAN C ACC	SCHRODER REAL ESTATE INV TRUST LTD ORD SHS NPV	ISHARES PHYSICAL METALS PLC ISHARES PHYSICAL GOLD ETC USD (GBP) ACC
SCHRODER UNIT TRUSTS TOKYO Z INC	STANDARD LIFE INVEST PROP INC TRUST ORD GBP0.01	HSBC ETFS PLC S&P 500 UCITS ETF
7IM AAP BALANCED	RIT CAPITAL PARTNERS ORD GBP1	VANGUARD FUNDS PLC FTSE 100 ETF INC UCITS ETF
M&G SECURITIES LIMITED M&G GLOBAL MACRO BOND I INC	WORLDWIDE HEALTHCARE TRUST ORD GBP0.25	SSGA SPDR ETFS EUROPE II PLC BB SPDR BARCLAYS 1-5YEAR GILT EUR
NEW CAPITAL UCITS FUND NEW CAPITAL GLOBAL ALPHA GBP X INC	CUSTODIAN REIT PLC ORD GBP0.01	ISHARES III PLC UK GILTS 0-5YR UCITS ETF GBP DIST
KAMES CAPITAL PLC PROPERTY INCOME B GROSS ACC	TR PROPERTY INVESTMENT TRUST ORD GBP0.25	ISHARES GBP CORP BD 0-5 UCITS ETF GBP DIST
DIMENSIONAL FUNDS ICVC GLOBAL SHORT-DATED BOND ACC NAV	CITY OF LONDON INVESTMENT TRUST ORD GBP0.25	VANGUARD FUNDS PLC S&P 500 UCITS ETF INC NAV GBP
POLAR CAPITAL FUNDS UK VALUE OPPORTUNITIES I GBP DIS	RUFFER INVESTMENT CO RED PTG PREF SHS GBP0.0001	SSGA SPDR ETFS EUROPE I PLC SPDR S&P 500 ETF USD NAV
7IM AAP MODERATELY CAUTIOUS	SCOTTISH MORTGAGE INV TRUST ORD GBP0.05	UBS ETF SICAV MSCI JAPAN UCITS A GBP DIS HDG
DIMENSIONAL FUNDS GLOBAL CORE EQUITY GBP ACC	F&C COMMERCIAL PROPERTY TRUST ORD GBP0.01	ISHARES CORE GBP CORP BD UCITS ETF GBP DIST

Whilst this table shows adviser purchases and excludes 7IM discretionary flows, 7IM may hold positions in some or all of the securities mentioned here either in 7IM 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:

\*This compares to 4 out of 10 in Q2 and Q3 2017.

### 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. 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.

[WWW.7IM.CO.UK](http://WWW.7IM.CO.UK)