PRESS RELEASE

SEVEN Investment Management

FOR IMMEDIATE RELEASE **19 APRIL 2017**

FOLLOWING A 'SELL IN MAY' STRATEGY LIKELY TO HARM YOUR LONG TERM INVESTMENT PROSPECTS

- **On average, annual returns were 9.2% for those who remained invested throughout the year rather than 8.1% for summer quitters**
- **Last year dipping out of the markets from May to mid September would have cost FTSE All Share investors 8.3%**
- **FTSE All Share has posted positive returns from May to mid September 60% of the time over last 30 years**
- **Stripping out 2001 & 2002, FTSE All Share has seen annualised growth of 7.5% from May – mid September over 30 years (versus 2.7% with those two years included)**

Investors following the old recommendation of 'Sell in May and go away, don't come back till St Leger's Day' could be losing thousands of pounds, according to investment manager **Seven Investment Management (7IM)**.

7IM analysts studied the performance of the FTSE All Share over 30 years.

Steady Eddie and **Holiday Hal** both invested in a fund replicating the performance of the FTSE All Share at the beginning of 1987. Steady Eddie left his money in the markets undisturbed for 30 years, while Holiday Hal took his out on the very last day of April each year and only reinvested in mid-September. Whilst both strategies have produced good returns, Steady Eddie's has done better due to the positive effects of compounding.

7IM research shows that the FTSE All Share has been in positive territory 60% of the time over the summer months over the last 30 years: in 18 of the past 30 years, remaining fully invested has beaten selling in May.

Remaining fully invested has resulted in an annualised return of 9.2%, compared with 8.1% from the sell in May and go away until mid September approach. The positive effects of compounding also highlight the advantages of Steady Eddie's approach. This might not seem a big difference, but over 30 years it is - producing 1,290% gains versus 927% for the 'sell in May' approach.

Selling in May in 2016 would have proved a costly mistake

There have been times when selling in May would have proved particularly costly. Last year the FTSE All Share gained 8.3% between May to mid September due to the Brexit referendum which led to Sterling depreciation and foreign earnings boosting returns.

The worst year for selling in May would have been 2009, when markets recovered sharply in the wake of the financial crisis and rose 20.9% over the summer months.

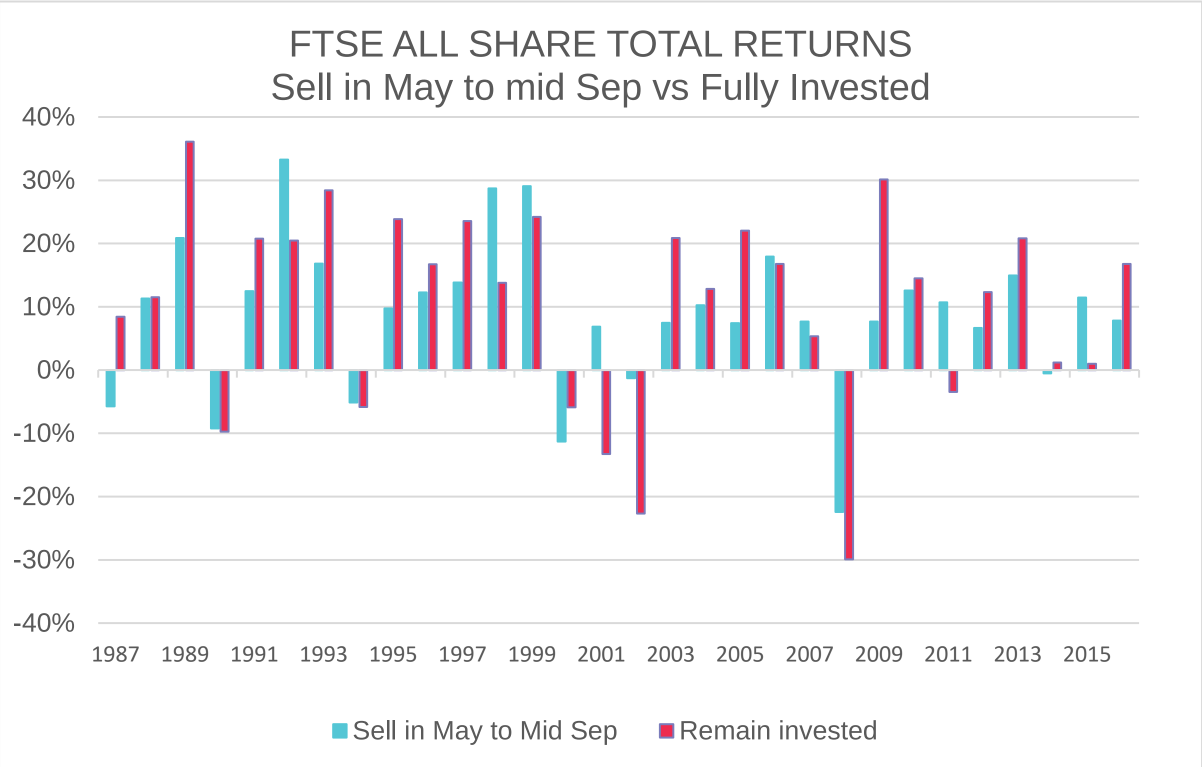
The 'sell in May' strategy does work some years – in 2001 and 2002 it would have helped investors avoid losses of 18.9% and 21.7% respectively. But interestingly, if we strip out 2001 and 2002, the FTSE All Share would have seen an annualised average return over the summer months of 7.5% since the beginning of 1987 until the end of December 2016, versus 2.7% if we include those two years, confounding the old theory that markets are quiet during summer.

Justin Urquhart Stewart, Co-founder and Head of Corporate Development, Seven Investment Management (7IM) said:

"Any strategy that is wrong 60% of the time is profoundly flawed, with the best way to maximise wealth over the last 30 years clearly being to stay fully invested. The saying dates back to the days when senior traders liked to head off for the London summer social season – from Ascot, Wimbledon and Henley to Lord's – followed by a relaxing holiday swanning round the South of France. Volumes fell and prices weakened during this period, not picking up until after the second week in September.

"But interestingly, our research shows that if we strip out 2001 and 2002 – two particularly bad years that had nothing to do with the 'sell in May' narrative, the FTSE All Share would have seen an annualised average return over the summer months of 7.5% since the beginning of 1987 until the December 2016. This is versus 2.7% if we include those two years, confounding the old theory that summer is a sluggish time for markets.

"Whilst staying invested has proved the best investment strategy over the last thirty years, during times of uncertainty this patient approach can be challenging for the best of investors - professional investors included. This is why globally diversified, multi asset funds, with active currency plays, can be a useful option. But if one adage holds true, it isn't 'sell in May and go away', but rather the sage point that it is time in the markets which is your friend and the key to long term returns."



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Notes to editors

***Source**: Bloomberg (7IM calculations). Annualised returns are from 31 December 1986 to 31 December 2016. The past performance of investments is not a guide to future performance.

About Seven Investment Management:
7IM provides investment services to professional wealth managers, planners, advisers and investors. These include:

- Discretionary investment management with advice
- A range of multi-asset portfolios
- An investment and open architecture trading platform
- A fantastic app, 7IMagine, to bring the client portfolios to life.

7IM – a story of Continuous Innovation
Since 7IM launched back in early 2002, it has pioneered a continuous stream of developments regarding how investment services are provided and charged for. We could just provide a list of our awards but actually think it is more useful to tell you what we have done and what we have provided for clients and their planners - and there is still more to come.
January 2001 – First Sterling Online Wrap Account launched with ongoing Asset Allocation
January 2003 – First White Label live
January 2004 – 7IM OEIC live
July 2005 – 7IM Platform live
September 2005 – New 7IM Income Fund launched
February 2007 – 7IM Sustainable Balance Fund launched
December 2007 – 7IM gains its own FSA authorisation and new institutional investors
January 2008 – 7IM joins the London Stock Exchange
March 2008 – 7IM launches the AAP (Asset Allocated Passives) range of funds
October 2009 – 7IM introduces 3rd party multi manager funds into the DFM service
October 2009 – 7IM Personal Injury Fund launched
April 2011 – 7IM launches enhanced, 'on-demand' client reporting
January 2012 – 7IM Unconstrained Fund launched
June 2012 – 7IM launches Fixed Term Deposits
January 2013 – 7IM launches Asset Backed Lending
March 2013 – '7IMagine' launched
June 2013 - Assets under Management pass £5bn
October 2013 – 7IM launches preferred SIPPs with DP Pensions Ltd and Carey Pensions UK
October 2014 – Assets under Management pass £7bn
January 2015 – Assets under Management pass £8bn
March 2015 – In partnership with AXA Wealth, 7IM announces preferred Offshore Bond offering
June 2015 – Assets under Management pass £10bn
February 2016 – 7IM launches My Future a new feature of the 7IMagine app which allows advisers and clients to enter the details of their existing savings and pension contributions, we well as spending expectations in retirement to identify when their cash will run out.
August 2016 – 7IM launches a Windows version of the 7IMagine App which allows 7IMagine to be used on all Windows devices including Microsoft Surface Pro, Windows phones and PC's.

WWW.7IM.CO.UK