

# FAQs – When a fund is suspended

8 April 2021

## **Q. What is an Authorised Corporate Director (ACD)?**

A. An ACD is authorised and regulated by the Financial Conduct Authority. It is responsible for the management of a UK UCITS Fund (a Collective Investment Scheme) in accordance with the Fund Prospectus, the FCA rules and all other pertinent laws and regulations. The ACD is responsible for all aspects of the Fund, which includes managing its investments as well as its administration. The prime responsibility of an ACD is to act in the best interests of all the investors in the Funds that it manages.

## **Q. What is a Depositary?**

A. A Depositary is a firm that is authorised and regulated by the Financial Conduct Authority. The prime responsibility of a Depositary is to safeguard investors' interests. In this respect, it has responsibility for the oversight of the Fund's ACD. This takes a number of forms and includes ensuring the ACD manages the Fund in accordance with the Prospectus and the FCA rules. The Depositary is also responsible for the safekeeping of a Fund's investments (Scheme Property). To carry this out, the Depositary has oversight of the Fund's Custodian. A Fund's Custodian has the care of the Fund's investments.

## **Q. What does the suspension mean for my investments within the fund?**

A. 7IM will continue to manage your investments within the fund in accordance with the prospectus whilst the fund is suspended.

## **Q. Do you continue to manage the fund whilst it is suspended?**

A. Yes, 7IM will continue to manage the funds in accordance with the prospectus. Transactions will be made to adjust the portfolio to changing market conditions and our preferred thinking.

## **Q. What happens to the value of my investment while the fund is suspended?**

A. The fund's value will continue to change to reflect the value of the investments it holds. Changes in the value of your investment during this time will be a result of market movements or our Fair Value Pricing assessment, coupled with changes to the investments held in the fund. You will be able to see the up-to-date value of your investment by logging onto the 7IM portal or by speaking to your Private Client Manager/Financial Adviser.

## **Q. Will I be able to sell my investments in the suspended fund?**

A. No, unfortunately you will not be able to sell your holding in the fund whilst it is suspended.

## **Q. Will redemption requests be queued?**

A. No.

**Q. How long will the fund suspension last?**

A. There is no set time frame; suspensions end as soon as the Authorised Corporate Director or Depositary of a fund decides a course of action that is in the best interests of investors in that fund. 7IM has an obligation to review the suspension every 28 days.

We will regularly review the suspension internally and the circumstances that gave rise to it. We will also formally review the suspension with the Depositary at least every 28 days.

Furthermore, 7IM together with the Depositary, will be reviewing the options available under the relevant rules to allow a lifting of the suspension or a restructure of the Funds as soon as practically possible.

**Q. Are any other 7IM funds likely to be suspended?**

A. 7IM consider a number of factors on a daily basis and do not believe that there is a requirement to suspend any other funds from trading.

**Q. Why wasn't I informed that this might happen sooner?**

A. 7IM has an obligation to act in the best interests of all investors at all times and all clients should be treated equally so specific groups of clients cannot be treated and informed separately.

Furthermore, the specific circumstances leading to this conclusion only occurred recently and as the Authorised Corporate Director we've acted on this.

**Q. What will happen to any income payments from the suspended fund?**

A. If you have dividend payments from a suspended fund paid straight out to your bank account, you will receive them as normal.

If you have any automatic divestments that involve selling units in the fund, it will resume automatically but only when the suspension is lifted.

**Q. What happens to my standing order payments that were funded by selling 7IM Absolute Return Portfolio Fund/7IM Income Portfolio Fund?**

A. Standing order payments will be suspended until the fund suspension is lifted.

**Q. Will dividends continue to be reinvested into the suspended fund?**

A. No. It is not possible to buy shares in a suspended fund and so we cannot reinvest any dividends you receive.

If you have asked us to reinvest dividends from a fund that is currently suspended, the payments will stay in your account as cash.

**Q. What happens to any regular contributions that I have scheduled to go into the fund?**

A. We will collect your direct debit payment as usual, and any money that would usually have been invested in this fund will remain in your account as cash. You can choose an alternative investment, or if you want to invest in the same fund then you can wait until the suspension is lifted.

**Q. What happens if I am transferring an investment in a suspended fund?**

A. This will depend on how the transfer is being carried out:

- If it is a 're-registration' (in other words, your units are simply being moved from one platform to another without being sold), the transfer can go ahead as planned.
- If the transfer involves selling units in the suspended fund and moving the proceeds as cash, this will not be possible while the fund is suspended.

**Q. Will I still be charged the OCF (Ongoing Charges Figure)?**

A. Yes, the fund will continue to incur both the underlying investment costs and management charges as the fund continues to be managed in accordance with the prospectus and in line with investors best interests.

However, we are waiving 20% of the Annual Management Charge (AMC) of the fund, for the duration of the suspension period, effective from 16 March

**Q. Will you be waiving the 7IM service charge for assets held within the suspended fund?**

A. No, the 7IM service charge will continue to be charged as your portfolio will continue to be managed by 7IM and services such as valuations continue to be provided.

**Q. Why should I continue to trust 7IM with my money given these latest developments?**

A. As you would expect of 7IM, we are taking the fund suspension very seriously. We are working with all concerned parties to strive for the best outcome for you and all our unitholders.

7IM has a consistent, robust investment process for the management of clients' money which has worked well over many years. That process continues.

**Q. I'm not happy with the situation. How do I raise a formal complaint?**

A. To raise a complaint, please contact your Private Client Manager or Financial Adviser.

Alternatively, you can contact us directly by phone: 0207 760 8777 or email: [complaints@7im.co.uk](mailto:complaints@7im.co.uk). You can also write to the Chief Client Officer, Seven Investment Management LLP, 55 Bishopsgate, London EC2N 3AS.

If you have purchased a 7IM fund using the application forms available on our website, you can contact our Fund Servicing Centre, which is managed on our behalf by Northern Trust. Their contact details are 0333 300 0354 or [7iminvestorservices@ntrs.com](mailto:7iminvestorservices@ntrs.com).