PRESS RELEASE

SEVEN Investment Management

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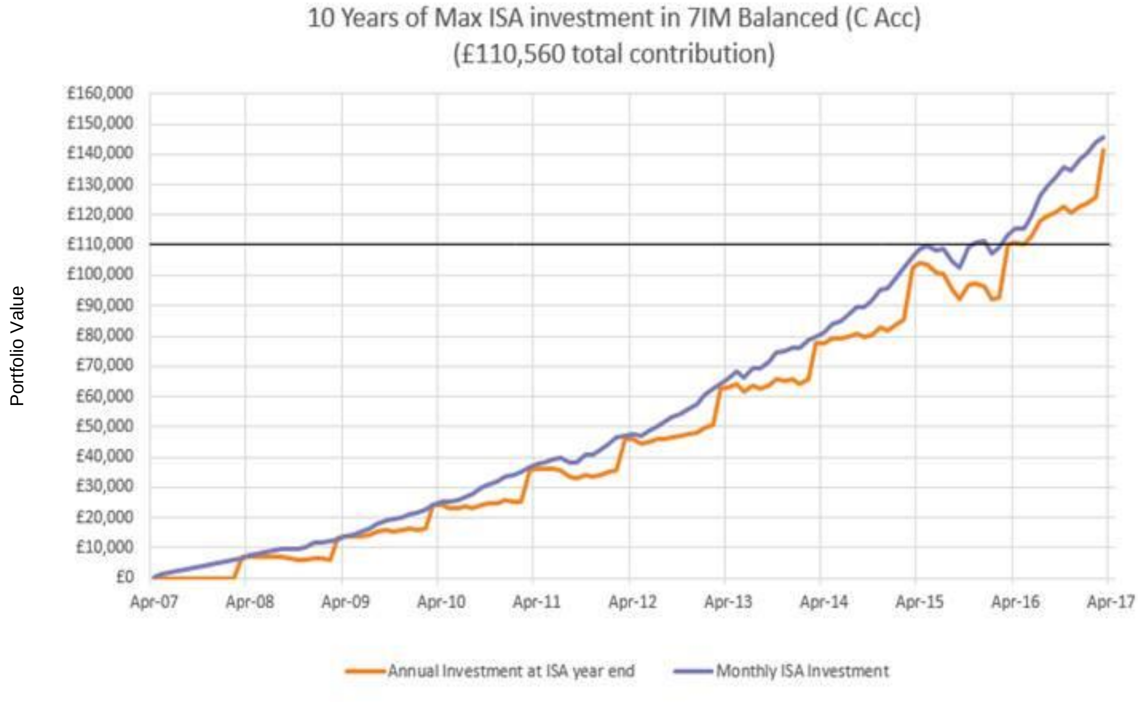
7IM INSIGHTS TO SPRING CLEAN YOUR PORTFOLIO

Spring has officially sprung, and with the Easter weekend around the corner, it's a traditional time for some DIY. But it's not just our homes that can benefit from some TLC early in the year – our finances can, too. **Seven Investment Management (7IM)** has published seven insights for investors as we head into the new tax year.

1. Drip feeding your ISA allowance works!
Justin Urquhart Stewart, Co Founder and Head of Corporate Development, **7IM** said: "By trying to time the market, you could be more likely to miss the boat. Over the last 20 years to the end of December 2016, our research[1] has found that some of the best days enjoyed by the FTSE100 occurred within a week or so of the worst days – so by trying to time the market, investors can lose out on some spectacular gains. Whatever the case, you definitely don't have a crystal ball telling you which days to miss and which to be invested, which is why drip feeding your ISA allowance can be such a good idea.

"But how does this concept work in the context of multi asset, globally diversified portfolios? Whether investors were drip feeding their full ISA allowance over the last 10 years into the multi manager **7IM Balanced Fund**, or piling in at the end of the tax year, the end result to the end of March 2017 has actually produced startlingly similar returns[2]. In fact the monthly investment method ends up with a slightly higher return (£145,701 vs £141,356), effectively because the money in aggregate is invested for longer (an extra year). But crucially, monthly investing into the fund has experienced much less pronounced ups and downs along the way. Whilst the end game is similar, regular investors have experienced a much smoother return, with less of those stomach churning highs and lows along the way."



2. Re-examine your risk tolerance
Some investors think they are adventurous, but its uncanny how market falls can lead to a radical rethink. So think carefully about your attitude to risk.

3. How diversified is your portfolio?
It's also startling how attitudes vary towards what constitutes that 'diversified' portfolio – the holy grail of any investor. Is that basket of equity funds really spreading your investment risk, or is it simply giving you that much talked about 'deworsification'? (multiple exposure to the same company via different funds). Have you thought about spreading risk further towards alternative assets?

4. What's your objective?
Sit down and have a think about how much you need to retire on, either by getting some advice as to how to work out that number or, at the very least, download our app, **7IMagine**, to help. You can then work backwards to determine how much to save and how much investment risk you may need to consider taking to achieve that goal with greater clarity.

5. Scrutinise your spending
This opportunity to file bank statements properly and sort out your financial affairs never fails to uncover something that time forgot. Whether it's a direct debit or an old subscription for something you never use, it's amazing how these tally up.

6. Step up the saving
There used to be a guideline that you put into your pension a percentage that was half your age: so if you were 25, you'd look to save 12.5%; if you were 40, you'd save 20%; and so on. In reality this isn't always possible, so you start to procrastinate about your pension and may never start anything.

Justin Urquhart Stewart continued: "Clearly you will spend money on your home or family, but do you really need to change cars every three years? I've driven the same Morris Minor Traveller for double that and plan to continue, which suits me perfectly. Work out what's important for you and then determine what you can sensibly save. I often treat savings like dieting…if you go all out, you're bound to fall off the wagon at the first hurdle."

7. Re-evaluate your tax
There are a fair few tax changes this year that should make you pause for thought financially.

On the positive side, your annual personal allowance is going up by £500 per person, and the threshold for the higher rate of tax is up by £2,000 outside of Scotland. There's a new £100,000 per person property allowance, in addition to the existing inheritance tax allowance. And the ISA allowance will jump to £20,000.

There are a few takeaways too though. Dividend allowances have been cut from £5,000 to £2,000 (even more reason to fully utilise that ISA allowance if you can) and any buy-to-let properties will (over the next four years) increasingly not allow you to offset the cost of mortgage interest payments against rental income. Also look out if you're providing services to a company through your own limited company, there's some amends here too. Last, but not least, the tax on insurance premiums is going up.

It's also worth going through the list of things against which you can claim tax relief. For example, a lot of people don't realise that their membership of the National Trust, English Heritage and London Zoo counts as a donation to charity. Even if you ticked the gift aid box, higher rate taxpayers can claim back the rest of the tax paid on their donation.

All this can add up to quite a lot and so while 7IM isn't able to give individual tax advice, particularly since everyone's personal circumstance are quite different, we can help you use up the various allowances you're entitled to.

Ends

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Notes to editors

[1] The research was undertaken by 7IM using Bloomberg data over 20 years to end December 2016.

[2] Source: Bloomberg to 31 March 2017. 7IM calculations.

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