

FOR IMMEDIATE RELEASE

13 MARCH 2018

## 7IM: SPRING CLEAN YOUR FINANCES IN THE TIME IT TAKES FOR A SPRING STATEMENT OR RECORD-BREAKING BUDGET SPEECH

Today's spring statement looks likely to offer the prospect of few thrills – largely the restatement of a few national debt and growth numbers that feel meaningless to most of us.

But the principle of stopping to assess where you stand with your finances is a good one, and if applied personally might put your financial plans on a much sounder footing.

The longest ever budget speech was by Gladstone in 1853 and lasted **four hours 45 minutes**. Whilst today's spring statement will likely be brief, **Seven Investment Management (7IM)** share some financial spring cleaning tips that could be completed in under Gladstone's record-breaking time.

### 1. Don't worry about ONS data – look at your own stats!

**Michael Martin, Relationship Manager, 7IM** said: "Whether a spring statement or a budget speech, there's always a huge focus on growth projections, which invariably turn out to be wide of the mark. Worry instead about your own numbers. Have you saved as much as you planned, and if not, why not? Could you have afforded to save more? And have you taken advantage of tax efficient ways of saving and investing? I speak to many DIY investors who have made some wonderful stock specific calls, but that's only part of the story. They have cost themselves a fortune due to poor tax planning."

### 2. Spend an hour with the free 7IMagine 'My Future' app (or 10 minutes if time is short)

**Verona Smith, Head of Platform, 7IM** said: "The team behind Nintendo 64 classics GoldenEye and Donkey Kong developed 7IM's free app, 7IMagine. They were clients, disliked their 'conventional' paper statements, pitched to 7IM and the rest is history! Whether 7IM clients or not, investors can use the app to capture details about their own and their families' finances in as little as 10 minutes. A wealth of options can be incorporated into any scenario and include any number of streams of income, properties and other assets. It helps gauge how close you might be to reaching your long term financial goals in a very visual way."

#### 7IMagine app illustration



### 3. Ditch the old sayings (spring cleaning AND financial)

**Sophie Kilvert, Relationship Manager, 7IM**, said: “There are hundreds of sage old spring cleaning tips: polish your silver with ketchup, treat red wine stains with white wine. Some of the markers when it comes to personal finance are equally unreliable, yet people live their lives by them. For decades, the 60/40 shares-to-bonds ratio has been held as an ideal for the ‘average’ investor (if such a thing exists), gradually reducing the shares exposure as retirement approaches. But it is important to know your time horizon and your risk profile – your own ‘ratio’ might be radically different.

“By age 60, a gradually reduced 40/60 shares-to-bonds allocation is still seen by many as conventional wisdom. But given that we are living much longer and money needs to work harder, dialling down the risk at this stage may not always be the right thing to do. Many people are in pension products doing this automatically and probably don’t even know it. This is where taking advice from a professional adviser might help – yes, good advice will cost you, but nowhere near as much as being in the wrong retirement strategy.”

#### **4. Planning for a tax bill, as well as unexpected emergencies - a tax bill is not always far around the corner**

**Andrew McCulloch, Relationship Manager, 7IM** said: “If you’ve not long filed your self-assessment return, the last thing you probably want to think about is the next one. However, you should be planning for what the next one might have in store for you, by ensuring you will have sufficient cash and planning ahead. Actually, many of the UK population are only ever a few months away from a tax bill - if you’re self-employed, the next one is due 31<sup>st</sup> July.

“So as well as that all important cash reserve to pay for the unexpected, it’s also worth putting money aside for things you expect, like your tax bill. I still come across employed clients who don’t submit a tax return because they don’t understand the rules and they are missing out on tax relief they are owed, if they are a higher rate tax payer and contribute to a pension.”

#### **5. Capital gains tax**

**Sophie Kilvert, Relationship Manager, 7IM** said: “Now might be a good time for investors to contact their investment providers and check if they have used their capital gains tax allowances for this tax year. You may have losses or gains to use up, so it makes sense to use your tax free allowance where possible before the 5<sup>th</sup> April. Crystallising gains annually in a tax efficient way can help mitigate a future tax bill, although it requires discipline, process, and you may want to take advice.”

#### **6. Have a spring clean – and uncover something that time forgot**

**Justin Urquhart Stewart, Co Founder and Head of Corporate Development, 7IM** said: “Tidying up those financial statements 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. Likewise, take a look at those credit card bills – now’s the time to see whether you can repay any outstanding amount and set up a direct debit to pay off any bills at the end of each month. I got into a horrible mess at university because of the interest payments and how they quickly accumulate through compounding. It took me six years in the end to get rid of that debt...never again! And while you are comparing those cash ISA rates, keep an eye on those utility provider rates, too.”

#### **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:

### 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.

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.

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)