

FOR IMMEDIATE RELEASE

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## 7IM WELCOMES FCA INVESTMENT PLATFORMS MARKET STUDY

**Seven Investment Management (7IM)** today welcomes the FCA's Investment Platforms Market Study, which puts consumer outcomes at its core.

**Verona Smith, Head of Intermediary, 7IM** said: "This report puts the consumer at its core, centring around doing the right thing, making switching easier and comparisons simpler. This articulates much of how we have always run our own platform, being asset neutral in our pricing structure from the start."

### Switching

On switching, **Verona Smith, Head of Intermediary, 7IM** said "The industry has to make it easier for people to switch between platforms. At a time when it has become so much easier for consumers to switch bank account, the platform industry has moved forward over the years, but we are still not there yet. It's time these barriers were removed. The industry needs to remember that it is a privilege, not a right to look after client money."

### Comparing platform costs

**Verona Smith, Head of Intermediary, 7IM** said: "It is notoriously difficult to compare platform costs, because the charging structures are all so different. Whilst we don't believe in policing how platforms charge, we chose not to charge transaction fees or exit fees (other than, in the case of exit fees, passing on third party administration costs). For us, it has always been about keeping things simple and transparent."

### On orphan clients

**Justin Urquhart Stewart, Co-founder and Head of Corporate development, 7IM** said: "It is absolutely right that the regulator highlights the issue of orphan clients. If investors are paying for a service, they need to be able to make full use of it. That's why we write to orphan clients, explain the situation to them, and give them the opportunity to transfer out of our platform without charge. We also have a self invest service for those who choose to stay."

### On risk

**Verona Smith, Head of Intermediary, 7IM** said: "It's also encouraging to see that just a few weeks after the FCA's Retirement Outcomes Review, the FCA is once again flagging up its concerns about consumers holding too much cash, highlighting just how much of a concern this is to them. The unintended consequences of consumers being too 'risk off' as retirement approaches is something that 7IM has talked about a lot, and last year, we published a [discussion paper](#) on this issue and called for a national conversation on this."

### Ends

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## 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 £12.5bn (more than doubling since 2013), and we have moved from 'basement' to 'Bishopsgate' in the City of London. There are now around 266 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 funds domiciled in both Dublin (with UK reporting status) as well as the UK.
- 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 funds domiciled in both Dublin (with UK reporting status) as well as the UK.
- 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 and the Jersey Financial Services Commission. Member of the London Stock Exchange. Registered office: 55 Bishopsgate, London EC2N 3AS. Registered in England and Wales No. OC378740.

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