

FOR IMMEDIATE RELEASE

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7 NEW YEAR'S RESOLUTIONS TO GET YOUR FINANCES IN SHAPE

With a new year comes new intentions. 7IM share seven ways to help get your finances in shape in 2021.

Michael Martin, Private Client Manager at 7IM, says that there is no better time to start talking about money than in the new year, following what can be an expensive festive period for families:

1. Don't be kept in the dark

"Whilst it's natural for most of us to divide up household chores, when it comes to managing household finances, there's often one person in the driving seat. It's understandable that the person with the greatest interest might want to take the lead on savings and investments. But it is important to know where everything is kept, from share certificates through to property deeds and other investments, in case anything should happen such as illness, bereavement or divorce. Being in the dark can cause a huge amount of additional stress at vulnerable times."

2. Keep aside some money for a rainy day

"Many people in the UK don't have anything to fall back on in a financial emergency and therefore ensuring you have at least three months' worth of living expenses will allow you to sleep better at night, should something unexpected happen. In an ideal world, six months' worth of living costs is even better.

"If you do not have any money set aside for this specific purpose, then this should take priority over other financial goals. Once this has been achieved, you can therefore take a much longer-term view with your other investments, safe in the knowledge that you have something to fall back on if you have a sudden change of circumstances. This can also help you avoid other financial issues, like having to take on additional short-term debt and other negative consequences of being caught out."

3. Diversify your tax risk

"Political uncertainty and a fluid tax system means that diversifying your tax risk is a good way to ensure that you won't be caught out by any changes that may happen.

"While it's impossible to be completely 'future proofed' you can try to be as robust as possible by making sure that you use all your allowances. That way, should one investment become tax inefficient, the others can compensate. Use pensions, your Capital Gains Allowance, ISA and dividend allowance. Other higher risk investment vehicles could also be Enterprise Investment Schemes and Venture Capital Trusts.

“The government does not give us many ways to save tax, so make sure you use as many as you can – you never know when they may be taken away!”

4. Plan for your children’s future

“Most kids rightly get spoiled rotten over Christmas, but just as many recently purchased drones might have already been lost on their maiden voyage, parents don’t want their hard earned savings going the same way.

“If you don’t want to spoil your children, or crush their ambition by giving them too much, it’s worth thinking about saving into a pension for them. With burdens such as university fees, not to mention postgraduate study, saving for a deposit on a house, and childcare fees further down the line, many are not getting started with a pension until much later in life.

Saving into a pension for your children could turn out to be one of the best things you ever do for them.”

5. Nothing personal? Try to remove behavioural bias from your portfolio

“Something we notice with potential new clients is how personal their investments can be. Clients may have previously had a good experience with a certain stock or sector and this can lead to a behavioural bias in their investment decisions. We see clients holding on to ‘losers’ in the hope they recover some of their former sheen, or having an overweight position in a sector familiar to them, exposing their wealth to unnecessary risks.

“It makes sense to invest in investment stocks or sectors that you have a personal interest in, but it is not necessarily the best way to construct a diversified portfolio. There’s nothing wrong with having some fun with shares, but it is not the right way to weather proof your portfolio too. It is important to diversify geographically, but also at a sector level too. Multi asset funds can help diversify risk further beyond traditional asset classes.”

6. Take advice for the big moments

“Whether it’s covering education costs or taking that first step onto the eye-wateringly expensive housing ladder, speaking to a professional can help you prepare for those big moments that matter.

“Of course, deciding when and if to take financial advice can be difficult. But there are some key moments in life when doing so really makes sense; such as getting married or entering a civil partnership, receiving a windfall of money such as inheritance, or when it comes to your retirement.

“Throughout all these moments a professional financial planner is well equipped to analyse your situation, help plan your approach, and advise what’s best for you and your family.”

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7. Stay flexible

“While having a clear financial plan in place is the best way to arm yourself to secure a robust financial future, it’s also important that those financial plans are flexible and that you don’t leave yourself dependent on one outcome.

“Diversifying your risk, be that tax or investment, and having a mix of both short and long-term savings should allow you to weather any storms and keep your longer-term financial plans on track. Having the proper advice to implement this flexibility to cover unforeseen costs or market downturns can allow you to protect your finances and achieve the lifestyle you want.”

Tax rules are subject to change and taxation will vary depending on individual circumstances. This article does not constitute advice or a recommendation; please consult a financial adviser.

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About 7IM

It all began in 2002, with seven of us in a basement establishing 7IM because we couldn't find anywhere we wanted to invest our families' money. Our assets under management now stand at around £17bn, and we have moved from 'basement' to 'Bishopsgate' in the City of London.

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

PRESS RELEASE



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.**
- 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. There are different funds for different profiles: **7IM Adventurous, 7IM Moderately Adventurous, 7IM Balanced and 7IM Moderately Cautious.**
- 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.**

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.**

In 2019, we launched **7IM Pathway**, a diversified range of passive multi asset model portfolios underpinned by our robust Strategic Asset Allocation (SAA) process. The Pathway Model Portfolios differ from our traditional offering and are built purely using a streamlined version of 7IM’s robust (SAA).

The 7IM funds and Model Portfolios are available through the 7IM Discretionary and Platform 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, the Jersey Financial Services Commission and the Guernsey Financial Services Commission. Member of the London Stock Exchange. Registered office: 55 Bishopsgate, London EC2N 3AS. Registered in England and Wales No. OC378740.