SINGLE-MINDEDLY PERSONAL

A guide to our discretionary service:
what it is and how we can help you
We’re Seven Investment Management – or 7IM – an investment management business that helps individuals, their families and their advisers manage their capital to meet their financial needs and aspirations. We do the same for charities and trusts too.

We look after around £10bn of their money, as well as our own, with around 200 of our people taking care of it and them. We’ve been around for over a decade, which means we’ve probably seen the best and worst the world can throw at us. Yet we’ve still delivered an investment performance consistent with what we’ve promised our clients.

We’re independently minded and we set up our business to do things the way we think they ought to be done. So we keep our promises, make things clear and simple, fix what’s wrong, do the right thing and the very, very best job we can. We call it radical common sense.

We call it this because we take doing things as logically as possible, as far as possible. And because we think common sense is in short supply in our world.
Financial planning is not something 7IM do but we believe passionately in its importance. So it comes as no surprise that the majority of our business is done working with the professional adviser firms who offer that service to individuals, their families and businesses. Over the last decade, we have built enduring professional relationships with a range of planning firms across the UK. Whilst the division of expertise between us is quite clear, combining our complementary skills and knowledge is designed to achieve the best results for clients. At the same time, it’s not easy to produce a definitive list of who does what in these relationships because invariably it’s down to the particulars of each situation and the different needs of the people involved.

We work with financial planning practices; we also work with accountancy firms and their planning arms, as well as legal practices. As a broad rule of thumb, the financial planning piece involves creating a detailed picture of an individual’s current financial landscape, establishing current and future needs and what they want their money to do for them and the wider family. From that understanding a detailed recommendation results. At that point we at 7IM get involved and start to talk about how best to create an investment portfolio that is most likely to deliver what is required in the long term.

And as people’s personal circumstances change, so their financial plans and their investment portfolios will need to be reviewed from time to time as life events dictate.

“They manage my client’s capital to a defined brief, are clear about what the investments are likely to deliver, explain what they are doing and why, what went right, what went wrong and they work closely with us, the professional advisers, whenever needed.”
HOW WE WORK WITH THEM

Depending on a professional adviser’s particular skills and expertise, we will share the responsibilities surrounding the creation, management and maintenance of portfolios between us in a variety of ways.

The nuance of those arrangements will depend on each individual situation and what is in the best interests of achieving the right outcomes for clients. 7IM work with a wide range of businesses. Over the years we have developed the best working practices to suit them and their clients.

People work with us in particular ways for good reason; we try not to prescribe. However we are always very clear about what we don’t offer: financial planning. That’s because it is a particular skill and requires particular expertise which we believe is best carried out by qualified professionals. So we leave the needs’ forecasting and analysis, the retirement planning, protection needs, taxation and trust and estate planning to the professionals in those areas.

The division of labour between us will typically look something like this.

In practice, we work out what works best for each relationship as it develops.
WHO WE MANAGE MONEY FOR

An eclectic mix... from company chairmen to entrepreneurs, ‘ordinary folk’ who’ve done well for themselves, family businesses to sports people, as well as schools, charities and pension funds. They may be individuals, couples or multi-generational families; they may have retired or not. And they have a range of professional advisers with whom we work. Sometimes we work with the professional adviser and their client, all together. Sometimes we work in a more ‘behind the scenes’ capacity with the adviser and they then work with the client on their own. Every situation is a little bit different.

People who invest with us share some common characteristics. First and foremost they all see the sense in making a financial plan before making an investment plan – so they take professional advice in doing both. And they want us to take on all aspects of managing their money for them.

They have a longer term view of their finances – five years at a minimum, often much longer. They tend to prefer a steady, predictable approach to their investments; they are not trying to ‘shoot the lights’ out, as it’s understood that approach goes hand in hand with significant risk. So that’s why they have chosen our approach.

“And sometimes if there is not a lot going on that I need to know about we can just have a chat about the family or the business, it’s that kind of relationship, there’s no them and us.”

“I really like the fact that they are running their own business, that’s how I made my money so I know they will look after mine; they get what it takes to make it.”
Our Investment Management team manage our clients’ investments. We have no star managers. Whatever wealth is invested with us, we manage it consistently, with structure, rigour and discipline. We constantly strive to improve the predictability of our returns. And our constant innovation and creativity also play a crucial part in achieving this.

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\begin{align*}
1+2+14+1+3+25+24 &= 70+ \\
\text{Number of countries invested in (including via other funds)}
\end{align*}
\]

\[
\begin{align*}
$35tn \\
\text{Size of Equity Markets that we can access}
\end{align*}
\]

\[
\begin{align*}
$50tn \\
\text{Size of Bond Markets that we can access}
\end{align*}
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Our entire approach to managing capital is founded on a set of beliefs that have not changed since we set the business up.

**We believe that:**

- Investment returns are ultimately determined by choosing the correct blend of assets (equities, bonds, commodities, cash...) for any given investment strategy, be it a cautious one or a more adventurous one.
- Your clients benefit from a far better trade-off between risk and reward by investing in strategies made up of a very broad range of asset classes and markets than by investing in those focused on a small number of primarily UK based assets. So again it will come as no surprise that all our strategies are invested globally and across a range of asset types.
- By managing money to achieve particular return outcomes and within particular risk profiles, we can achieve greater predictability of returns.
- No one should be advantaged or disadvantaged because of the size of their portfolio, or even the alphabetical ordering of their surname. Every single decision we make about the asset types to buy or sell is made for every single client in any given strategy at the same time.
- And finally, we believe that investment is best treated as a long term commitment. It’s not really suited to those who wish to invest for less than 3 years. However our defined investment process and its clear parameters for risk profiles will go some way to reducing the risks of investing when used over a period of 5 years or longer. That said, the value of investments will fluctuate and there is still potential for investors to get back less than they originally invested.

**7IM Balanced Fund – managing to expected returns**

- Obviously there are no guarantees on past or future performance, but for every strategy we manage, we work to an expected return.

This graph illustrates our approach. The orange line shows an expected return, the yellow and red lines likely maximum and minimum divergence from that expected return (you will see that divergence narrows over time) and the black line shows what return has been achieved.

Source: FE analytics 7IM / IBBOTSON study 2015
To work out the best way to achieve those expected returns, as economies evolve and markets react, we have a three step process.

1. **ANCHOR**
   Annually we create the anchor position for our strategies.

2. **ASSESS**
   Quarterly we assess how current events – economic, political and market driven – will have an impact on that anchor position.

3. **IMPLEMENT**
   As for working out the best ways to implement the thinking done in steps 1 and 2, that is happening all the time.

Through both of these stages we use external minds, international investment consultant experts and our Asset Allocation Committee, to challenge us. And we blend hard data with real life experience.

Ultimately all of this distils into a range of multi asset risk-rated strategies designed to offer an expected level of long term return in line with an expected level of risk – that said, of course there can be no guarantees. In addition we run other more specialist strategies to meet specific objectives.
OUR CORE RISK PROFILE SPECTRUM

MODERATELY CAUTIOUS  BALANCED  MODERATELY ADVENTUROUS  ADVENTUROUS

INVESTMENT TEAM FACTS AND FIGURES

34
Number of asset classes analysed

24
Current number of asset classes invested in

88
Current number of external funds used

20+
Number of research providers

1926
For US equities our data series go back to 1926

50+
Annual number of external research meetings

100+
Number of external fund meetings annually

1
INFINITE DATA POINTS AND OPINIONS. ONE DECISION.

Discover more facts and figures on the back of our brochure
WHAT OUR DISCRETIONARY SERVICE IS

It combines the discipline and rigour of our uniform investment process with the flexibility inherent in a truly bespoke service.

We will literally do it the way advisers and clients want; lots of contact by phone or in person, or little contact; meeting in advisers’ offices, in our offices or clients’ homes; lots of investment updates and comment or just six monthly ones. It’s as straightforward or as complex as each client’s needs. At its heart, as the name suggests, is the fact that we act for clients; we have ‘discretion’ to make investment decisions for them.

• It’s for people who have made their money and for those who are still making it – and who want investment help from an experienced team.
• It’s for people who want us to make the decisions for them, create their investment portfolio and take away as much of the financial administration as they want.

The basic building blocks of any portfolio are the four core 7IM risk profiled strategies — enhanced with a selection of specialist strategies, as personal circumstances dictate. We run a series of active and passive strategies, an unconstrained approach and an income one. Where it makes sense for certain portfolios, we will also identify complementary investment strategies run by external managers.

Portfolios can be managed within or outside tax wrappers, as well as onshore or offshore. We also provide clients with banking services; lending and cash management. And, if you also want us to look after legacy holdings, we can.

We work hard to make sure every client stays as involved and informed as they and their adviser want. We pride ourselves on delivering, not just well but in a manner, means, time and at a frequency that suits the particular needs of each client.

“What I really like is they never make it sound complicated, though clearly there are lots of brains going into making it all work every day.”

“Why doesn’t everybody manage money like this?”
“Remember we actually sit on the same side of the table as the client. Tom Sheridan and I and the other founding partners were the first clients: we are still clients today.”

Justin Urquhart Stewart
Co founder

“Managing client money is personal. We manage it the same way as we look after our own pension monies.”

Chris Darbyshire
Chief Investment Officer
HOW WE DELIVER SERVICE AND WHERE

On the one hand, you enjoy the reassurance of predictability and a safe pair of hands, when it comes to money management and financial objectives; on the other you get flexibility where you really need it – in how we work with you.

Our Relationship Managers listen to advisers and learn, then advise on the most appropriate portfolio to meet the client’s needs. And they make sure it stays current and relevant as life events direct, and economies and markets evolve.

From the planning work advisers and clients do together we understand goals and cashflow, tax position, income needs and myriad other details – then you together can choose how much we do for you. Whilst our Investment Managers manage risk and return in a very clearly defined manner, our Relationship Managers define how they work, starting from what you want.

And to back it all up we also offer online and mobile access to your account wherever you are and whatever time of day.

• We can take away parts of the administrative burden.
• We manage tax positions; we actually remove the unintended consequences of tax charges through the structures we use to manage investments.
• The efficiency of our investment structures also enables us to help to manage currency risks too.
• As well as financial planners, we can work with a variety of other professional advisers to whatever extent needed.
• For families we can manage your investments as a whole – an integrated plan to make the most of tax positions and reduce costs.
• Lastly, costs are clear and defined, everyone knows from the outset how much they pay and what for. And we do not charge dealing costs.

“People like our service because it’s smart, it’s honest, it doesn’t hide anything and it meets their needs in a variety of ways.”

Tom Sheridan
Co founder and CEO
Advisers and clients work with us in a way that suits them, their goals, their lifestyles and their availability.

We know an individual’s wealth is often the fruit of their life’s work and we never forget it’s their money not ours. We work with advisers to support how they work with clients; some want monthly phone calls about markets and portfolios, others only need a conversation twice a year and the occasional check on their investments online.

However you want to talk to us, everyone gets straightforward explanations, a point of view and digestible information. We work hard to make it this way because people understanding their money is too important for us to do anything else.

WHO LOOKS AFTER YOU

Our team of investment professionals is as eclectic a mix of people as are our clients.

We span the generations, we come from different parts of the investment world; some of us have past lives outside of the sector.

And we travel the length and breadth of the British Isles every week to work with advisers and their clients.

“Our planning partners analyse and structure clients’ needs, we then implement the investment portfolio to meet the needs. And we wrap the whole service together with people who get to know each other – after all this should become a long term relationship.”

Stewart Sanderson
Head of Relationship Management

OUR RECENT AWARDS
WHY IT ALL ADDS UP

We impose discipline and process, where it is essential, in how we manage money. At the same time we deliver a service that’s flexible and individual. It’s both our approach to service and how we manage money that define us. We set up our business to do things the way we think they ought to be done. It all adds up to radical common sense. We’d love you to come and put it to the test.
OUR RELATIONSHIP MANAGEMENT TEAM

BALANCED
Our team is 50% female

PERSONAL
We have carried out 5,000 client meetings in the last year

DIVERSE
Our team includes a retired submarine captain, a paralympian and a microbiologist

COMPLEMENTARY
Our age range is 26-59
If you would like further information regarding any of our services, please contact us on information@7im.co.uk
T 020 7760 8777

At 7IM we aim to manage your money to an expected return and we’re clear about what we’ll charge you. We’re careful on cost and big on service. We do things simply and well. Because it’s hard to find, we call it radical common sense. It’s what defines us.