PREDICTABLY
STRAIGHTFORWARD

Why invest with Seven Investment Management
We're Seven Investment Management – or 7IM – an investment management business that helps individuals, their families and advisers to manage their capital to meet their financial needs and aspirations.

We look after around £10bn of their money, as well as our own, with more than 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.
WHY INVEST?

Stock market gyrations over the last decade have caused many people sleepless nights. And without doubt, this turbulence forced many to consider whether they wouldn’t rather just keep their wealth in cash, rather than risk investing it.

But current interest rates are and have been very low and, over the long term, inflation means that people can actually purchase less and less with their cash. We all save or invest for different reasons – to fund education, long term healthcare or retirement. And we all need to find a way to be self-sufficient nowadays – the government will not provide.

Investing is a long term process and a longer term view is essential to ride out the shorter term ups and downs of the markets.

Look at the graph to see just how much market indices move around from year to year. For people looking to save for something in the short term (less than 5 years) a deposit account is probably best – it lets you sleep at night.

But what about longer term needs? Over the longer term (between 5 and 10 years+), the evidence shows that equities and similar riskier investments have provided the strongest returns. Generally, we expect the same to hold true in the future.

However, whilst equities and similar investments may generate the strongest long term returns, they tend to be volatile, with sharp rises and falls. We understand that investors have different tolerances for volatility and risk.

Portfolios need to be positioned according to the level of risk that someone is comfortable taking with their money. It is actually more likely that the appropriate spread of investments – a mix of equities, bonds, property and other alternative asset types – will enable people to reach their goals. The relative mix of those different investments then depends on how much risk people can bear.

Simply put, a well-diversified portfolio can help to smooth out the extremes of market volatility and achieve a more predictable return for investors over the long term. That’s what we strive for.

The ups and downs of markets

Source: Bloomberg December 2015
WHO WE WORK WITH

Financial planning is not something 7IM does 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 financial planning firms across the UK from small specialist practices, to large national networks. 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.

We also work with accountancy firms and their planning arms, as well as legal practices. The planner creates a picture of an individual’s current financial landscape, establishes their current and future needs and what they want their money to do for them. Our role is to provide the investment process that is most likely to deliver what is required in the long term to meet the investor’s risk profile.
“We know that little is certain in the investment world and that markets will go up and down, so it is reassuring to see how capable 7IM has shown itself to be in both good times and bad.”

Given our disciplined approach to managing money and our firm belief in achieving predictable returns over the long term, the businesses we work with and their clients share some common characteristics. First and foremost they all see the sense in making a financial plan before making an investment plan. 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.
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.

1+2+14+1+
3+25+24 =
70+

Number of countries invested in (including via other funds)

$35tn
Size of Equity Markets that we can access

$50tn
Size of Bond Markets that we can access
Our entire approach to managing clients’ 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.
- Identifying and managing risk is crucial to long term returns (so it’s no surprise that the structure of our investment process actually governs the amount of risk we can take in the different risk profiled strategies).
- You will 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 expected 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. 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**

*Obviously there are no guarantees on offer 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 minimum and maximum 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 for our risk profiled strategies, as economies evolve and markets react, we have a three step process.

**THINGS TO FACTOR IN**

1. **ANCHOR**
   - Annually we create the anchor position for our strategies.
   - We look back at the trends of the past and use them to inform our views on how asset classes are likely to behave in future — in part driven by how they have behaved over the last 50 plus years.

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

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.

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

We provide a range of risk profiles to meet the needs of investors from the cautious to the adventurous end of the spectrum.

INVESTMENT TEAM FACTS AND FIGURES

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<th>34</th>
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<tr>
<td>Number of asset classes analysed</td>
<td>Current number of external funds used</td>
<td>INFINITE DATA POINTS AND OPINIONS. ONE DECISION.</td>
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<th>20+</th>
<th>24</th>
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<tr>
<td>Number of research providers</td>
<td>Current number of asset classes invested in</td>
<td>For US equities our data series go back to 1926</td>
<td>Number of external fund meetings annually</td>
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<td>Annual number of external research meetings</td>
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HOW YOU CAN ACCESS THE 7IM APPROACH

Knowing more about our approach to running money, you also need to be clear about the different ways in which you can access our expertise.

Your adviser will help you decide which risk profile is best suited to your needs.

Our two ranges of multi asset risk-rated funds are both designed to offer an expected level of long-term return in line with an expected level of risk. The only difference between the two ranges is the way in which they are invested to try to achieve the expected returns.

The 7IM Multi Manager range of funds, now 12 years old, uses active fund managers to implement the anchor position, (or in the jargon, the ‘Strategic Asset allocation’).

The 7IM Asset Allocated Passive funds do not invest in any active managers at all, they invest much more into passive and smart passive instruments.

Similarly we offer our investment expertise in portfolios which are also designed to deliver an expected level of return in line with expected risk.

Which of these to choose, funds or models, needs to be decided based on personal circumstances. Whichever you choose, you benefit from:

• an improvement in the predictability of returns
• a cost-conscious approach to investing
• a focus on managing of risk
• and transparent investment strategies.

“Working with 7IM, clients get an investment approach that has delivered.”
We are constantly told that all investments carry a degree of risk. And this is true – it is possible to get back less than you invest; so much depends on the length of time you are able to invest for, what you invest in and the risk that is taken with your money.

At 7IM we really try to put everything in place to reduce the worry about investing. At its heart is rigorous, robust and disciplined process. And what we think helps us to stand out even more is that we can and do explain it all in an entirely straightforward way.

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<th>Improved predictability of returns</th>
<th>Choice of risk profile</th>
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<td>A disciplined process</td>
<td>Risk management</td>
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<td>A safe pair of hands</td>
<td>Cost-conscious approach</td>
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<td>A smoother ride in volatile markets</td>
<td>A good night’s sleep as you won’t need to worry</td>
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HOW IT ALL ADDS UP

We never stop looking to improve what we do for professional intermediaries and their clients.

Over the years, we have shown a consistent ability to manage risk and reduce cost, all in the service of trying to improve the predictability of returns for investors.

We are proud of a growing reputation for excellent service across our business, but never complacent about it. Wherever and whenever, talking to us, you always get straightforward explanations, a point of view and digestible information.

These qualities have been recognised in a variety of accolades. We don’t court awards but it is always very encouraging to receive some recognition from those who use our services.

“Doing the simple things well for clients – that’s what we set this business up to do – to be a safe pair of hands. And we do it for people we really like working with, so it also means that we all enjoy it and that makes for better relationships and ultimately better business.”
“Partnering with Seven Investment Management has been one of the best business decisions we have ever made. 7IM’s structure and discipline when investing, and their aggressive pursuit of both cost reduction and investment innovation are astounding.”

OUR RECENT AWARDS

DEFAQTO 5 STAR RATING

DEFAQTO 5 DIAMOND RATING

WEALTH MANAGER AWARDS

PROFESSIONAL ADVISER AWARDS

FT ADVISER.COM ONLINE SERVICE AWARDS
WHY IT ALL ADDS UP

It adds up to radical common sense because 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. We’d love you to come and put us to the test.
And if you are interested in views on markets and investments these are all available from the 7IM website.
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.