

# Seventh heaven?

Seven Investment Management (also known as 7IM) has a reassuringly exclusive feel to its brand according to AT8's Mark Loosmore. It is a brand with a growing recognition in the industry, especially for its clear focus on a well-defined niche of specialist IFAs.



7IM was launched in 2002 by seven financial services professionals led by Justin Urquhart Stewart and Tom Sheridan, both of whom left Barclays Stockbrokers to form the new venture. Eight years on, they are now managing and administering almost £3bn of assets with a staff of 90 (including the original seven).

There are three elements to the business – discretionary management, multi-asset funds and the Platform (the latter being the subject of today's review).

7IM's marketing and services are clearly targeted and it makes no secret of this. If you are an adviser practice with:

- Average client size of £250k+
- Are authorised Discretionary Fund Managers
- Use 7IM funds already

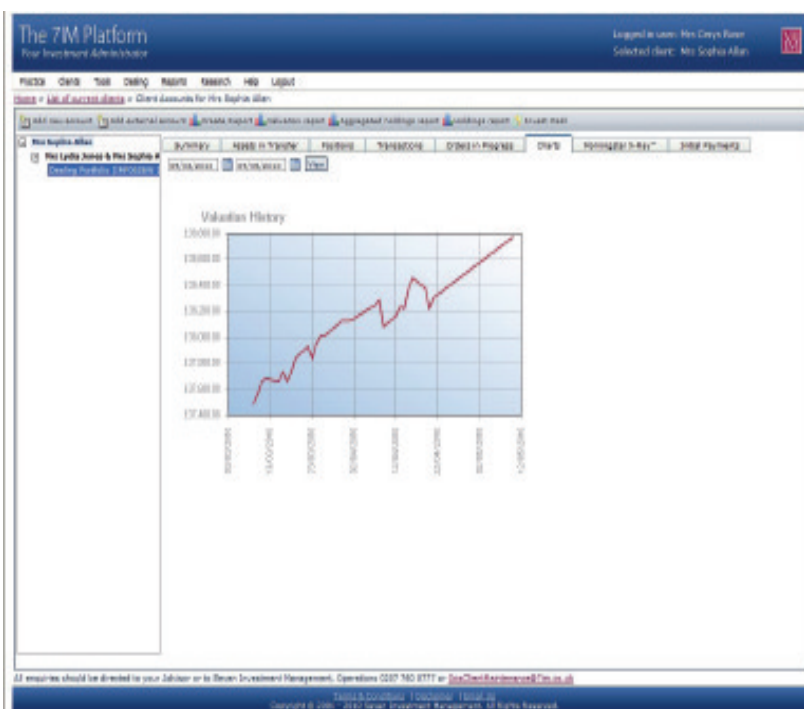
Then 7IM will be targeting you right now.

7IM's Platform has whole of market collectives, anything listed worldwide and unlisted securities. 7IM however does not create any Tax Wrappers itself (except ISAs) preferring to use other providers' products instead. In doing this, it effectively increases its market differentiation still further. 7IM works with about 20 SIPP providers, seven or eight offshore bond providers and a couple of onshore bond providers.

7IM has offered unbundled pricing from day one – aiming to be clear and transparent. It charges either 25 basis points and then £25 per trade or 35 basis points and no charge on trades. Any money it receives from the fund managers is credited to the customer's cash account.

## Technology platform

The technology platform is simple and effective. It offers the ability to view portfolios (both to the end client and to the IFA) and provides the IFA with the ability to execute transactions. The system has a search facility that can find a single



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client or group of clients that meet set criteria and the transactions themselves can be grouped and executed in bulk. Reporting facilities exist to ensure the appropriate documentation is produced and all relevant fund sheets are available. The system produces a full audit trail to help the IFA with their compliance record keeping.

Nothing exceptional in the functionality so far, but it is a clear and simple approach that avoids confusion with other parts of an IFA infrastructure and it has let 7IM focus on providing the functions they do most effectively. 7IM has done this development in-house with their 22 strong IT team and has saved the external costs associated with some of the big systems providers.

The system's reach does extend further as it has integrated to the leading practice management systems including IntelliFlo and 1st – The Exchange and Quay Software to support automated contract enquiry. Deeper levels of integration are in the works.

The 7IM vision gets more adventurous and it is now in the process of building a platform with more reach and function. To achieve this, it is looking to work with the

leading suppliers of IFA tools in the market in order to create the most effective 'joined up' proposition.

This 'joined up' vision involves close collaboration with the leading IFA practice management systems – supporting the role of these systems as the aggregators and managers of client data. Through tight coupling to these systems, it will pre-populate its own platform. The 7IM Platform itself will also host the leading financial planning tools – matching them to ensure areas such as the Attitude to Risk categories are aligned to the distributor's view.

## Under wraps

The exact financial planning tools 7IM will support is still under NDA and therefore not yet disclosed, but the aim is to include an ATR questionnaire, an ability to display current and target Asset Allocations based on asset class and volatility, and then to link (somewhat uniquely) to both its current platform and to other leading platforms. A comprehensive reporting function is also planned – all to be delivered by Christmas this year.

Its strategy is very well positioned for the post RDR world as it:

- Is whole of market for collectives, plus listed and unlisted securities
- Has open architecture for tax wrappers
- Is integrated with other platforms and software firms
- Helps provide a consistent process
- Explains and manages risk appropriately
- Gives a clear audit trail of activity

The 7IM vision is clear and well articulated. It knows its target market and work closely with them to design the solutions to match its needs. 7IM may not have the big brand (or deep pockets) of the mainstream platforms, but through focused investment they have a competitive proposition, in a well-defined niche.

## KEY INSIGHTS

- Focused on HNW boutiques
- Eliminates platform charge with 7IM investment funds or discretionary service
- Utilises technology strengths of industry partners
- Operates an open inclusive attitude to engage other platforms
- Keeps it clear and simple

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