

FOR IMMEDIATE RELEASE

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7IM: Four key areas to consider when managing your wealth in marriage

Divorce applications and break-ups are skyrocketing across the UK and around the world. Leading British law firm Stewarts logged a 122% increase in enquiries between July and October 2020, compared with the same period for 2019¹.

Against this backdrop, considerations as to how to manage your money in marriage have become more important than ever.

Adam Long, Private Client Manager at 7IM says: “Unfortunately not all relationships work out, so it’s important to consider that possibility and know how to protect your assets, any you may inherit, and any you may leave behind.”

Here he lays out key areas to consider when managing your wealth in marriage:

Talk about money

“Effective personal finance involves making important decisions. So, success is often more about understanding psychology than it is about knowing all the rules and allowances.

“You and your loved ones won’t bring the same financials and emotions to a relationship. You don’t simply bring earning ability, and assets and liabilities, but also the baggage of past decisions and experiences.

“Our propensities to save, consume, take on debt and take risk. Our hopes and aspirations. These all vary wildly. As can our views on private education, healthcare, looking after relatives, giving to charity, choosing whether to invest ethically or without constraints, how much financial support to give our children. So, you need to talk about money. Regularly. Aim to make it a frequent and enjoyable experience and understand that compromise is vital.”

Get educated, get organised

“As Benjamin Franklin once said, “an investment in knowledge pays the best”. Invest in yourself: read, study, learn the skills and habits needed to make the most of your time and money.”

“From a planning perspective, get the basics right: decide how much cash to keep available for emergencies and keep it safe. You and your partner may have some impressive plans, check they are affordable by doing a cash-flow modelling exercise. Use a spreadsheet, or software. If they’re not all affordable: compromise and prioritise.”

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Review your cover

“Know where you stand for inheritance tax and what can be done about it. Don’t just optimise for tax savings. Your legacy is about the impact you have on those around you, it isn’t just about how much wealth you pass on.

“Ensure your loved ones are looked after if you are no longer able to contribute financially. Review your life cover, income protection and death in service. Life insurance is typically done to cover a mortgage, but it can be used to cover a lot more. For example, funeral costs and leaving a charity legacy. One insurance provider even covers “death wishes” such as “turn my ashes into a diamond”.

“If you die without a will you don’t control who inherits your assets. This is determined by intestacy rules (available on gov.uk if you’re interested).”

Tie up loose ends

“Would inheriting control over your assets be a burden? Could your loved one(s) run your company? Or your investments? Do they even know where everything is?

“Have a one-pager naming your solicitor, bank, wealth manager and accountant, with their contact details. Better yet, involve your loved ones in those relationships if you can. Securely store a copy of your will and life insurance details, and let your family know how to access them.

“Contact your pension provider(s) to ensure you nominate who inherits them, as these are typically not covered in your will.

“If you lose the ability to make decisions about your health or wealth, you want those decisions taken by a person (or people) you trust. So, ensure you have Powers of Attorney in place long before it’s necessary. Set them up while you still can.”

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.

¹ BBC: <https://www.bbc.com/worklife/article/20201203-why-the-pandemic-is-causing-spikes-in-break-ups-and-divorces>

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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

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.

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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.