

Our risk management

The benefits

Succeeding together

7iM

Our Risk Management Team

The management of risk has always been a core part of the 7IM investment approach. Because it plays such a crucial role in our ongoing investment management, we have a team who focus on it every day. They work in parallel with our Investment Management Team, but independently. So together they create a system of checks and balances which help to strengthen our rigorous and disciplined investment process.

Meet the team



Joe Cooper



Alex Mitsialis

Together they have more than 20 years of experience in the industry, complementing the extensive experience of their investment management counterparts.



Aaron Chhokar



Hugo Brown



Haris Slamnik

What we do

In simple terms, our Investment Management Team looks for investment opportunities, focusing on return but still taking risk into account.

Our Risk Management Team focuses on risk, taking the return into account. This double-headed approach strengthens our investment proposition so that over the long term there is a better chance we can help you meet your desired goals.

The Risk Management Team independently model the risk of every single security bought within a portfolio. They are particularly concerned with each fund's market risk, which is important to help ensure that the fund's volatility does not drift outside its stated boundaries. The liquidity of each security is another key factor because we need to be able to sell it if and when we want to.

On a daily basis the risk team download all the positions we hold in our funds and plug them into various risk systems. They are able to simulate investing environments which can test the portfolios both under normal and stress conditions. For instance, an important historical event such as the market crash of 1987 can be simulated to show how one of our current funds would react in that environment. There are at least 20 different stress tests which are carried out, some on a monthly basis, and the most significant ones are run on a daily basis. Without trying to blind you with too much jargon, we have a series of industry leading tools, such as MSCI Barra One and Bloomberg Portfolio Analytics, which enable us to do this – these same tools are used by the largest institutional investment houses in the world.

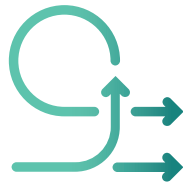
Where possible we also get hold of the underlying investments in each of the securities or funds that our strategies invest in. This means we can have a more accurate picture of our risk exposures, such as geographic and sector factors, currency and interest rates. This constant monitoring of each position within the fund helps to ensure that our investment decisions are based on facts, not guesswork.

Finally, we evaluate the performance of each one of our investments, and feed this back to the risk process, to make sure investments are moving as expected.

What makes us different?



Our Risk Management Team has easy access to our Investment Management Team and work in close partnership with them, but they are independent and do not report to the Chief Investment Officer.



By taking both risk and performance into account, we increase the chance of meeting fund objectives – so our clients have a better chance of being better off.



Our risk processes are very advanced and we constantly strive to use the best practices and technologies available in the industry.

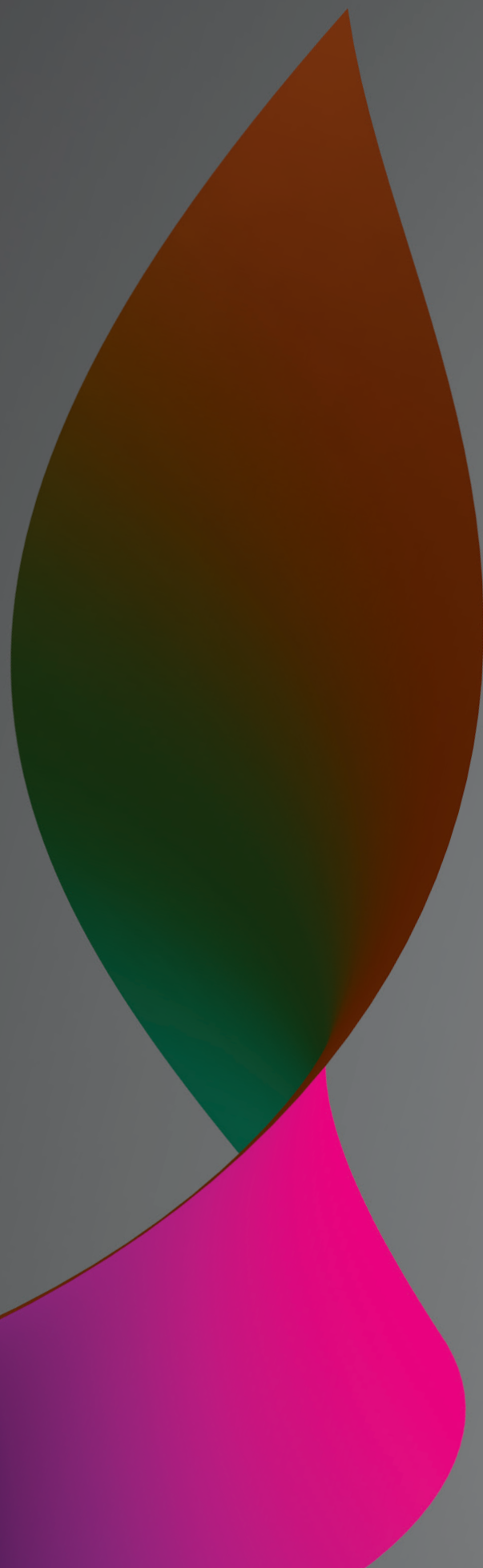


We follow FCA, UCITS, and ESMA guidelines for best practices in risk management.



Continuous stress testing of our portfolios ensures we manage tail risk as well as volatility, while also allowing us to react quickly and more effectively to a changing environment.

All companies have risk departments, but at 7IM we believe our risk practices are market leading. This risk management overlay to our disciplined investment process helps to quantify and control the level of risk in the funds, and puts investment risk management at the heart of our business.



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