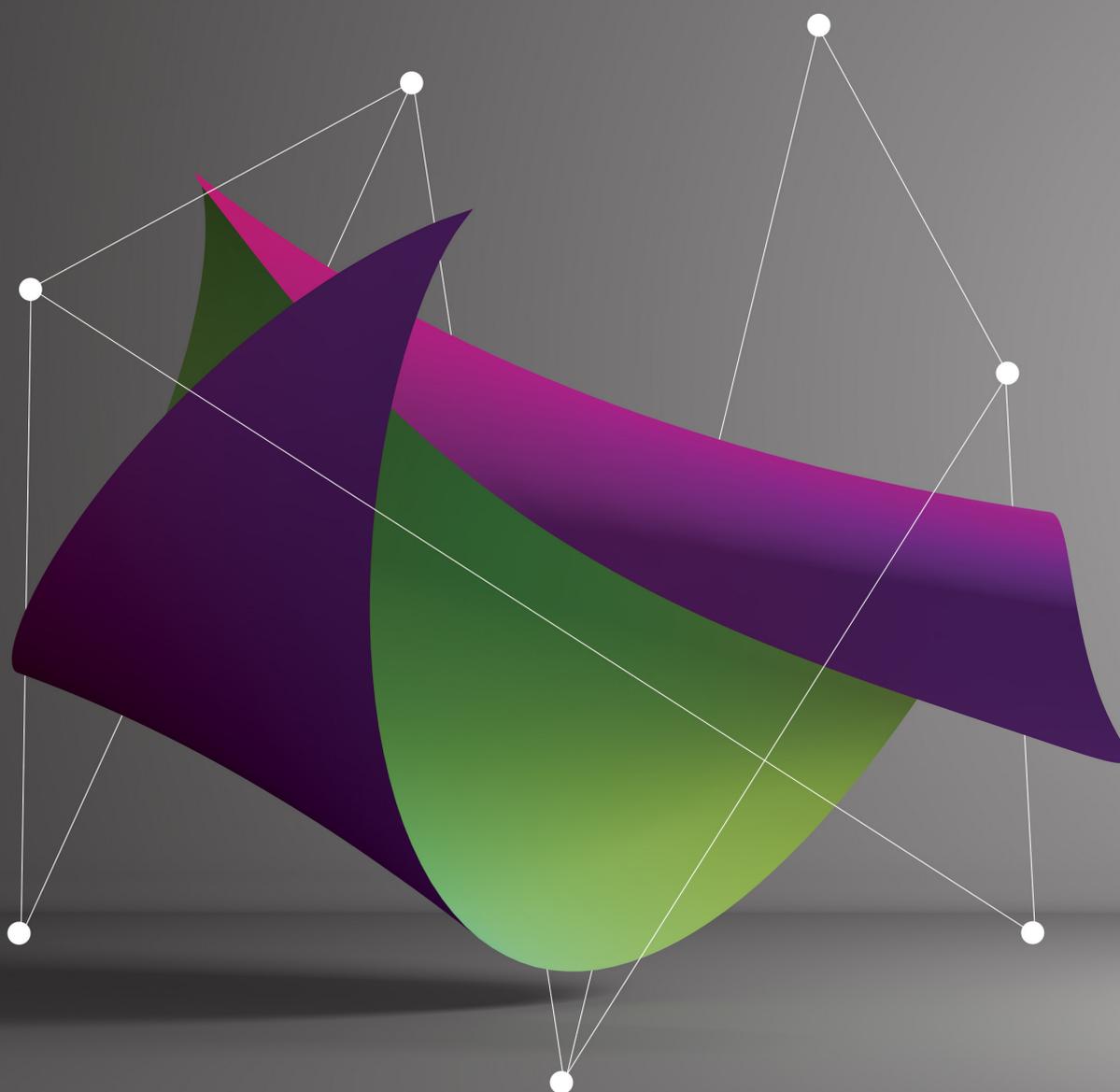


# 7IM: Assessment of value

March 2022



Succeeding together

**7iM**

For funds with an accounting period  
ending of 30 November 2021

**AAP Range:**

7IM AAP Adventurous

7IM AAP Moderately Adventurous

7IM AAP Balanced

7IM AAP Moderately Cautious

7IM Cautious

7IM AAP Income

**Multi Manager Range:**

7IM Adventurous

7IM Moderately Adventurous

7IM Balanced

7IM Moderately Cautious

**7IM Sustainable Balance**

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# Introduction

Like 2020, 2021 was another year dominated by the COVID-19 pandemic and was punctuated with further lockdowns, supply-chain issues and a mass vaccination programme.

Yet, despite all that unfolded last year, I'm immensely proud that, as a firm, we have been able to continue to adapt to meet our clients' evolving service needs and deliver strong investment performance. We have also been able to achieve a number of strategic initiatives across technology, people and culture, and our sustainability endeavours, for the benefit of our clients.

While 2022 is likely to be characterised by ongoing change as we continue to adapt to living with COVID and as the truly heart-breaking humanitarian crisis in Ukraine rumbles on, what we are focusing on at 7IM this year remains the same as when 7IM was first founded – and that is to put our clients' interests at the heart of everything we do. That's why we continue to challenge ourselves to ensure we are delivering the best possible value across the seven key criteria that have been identified in our Assessment of Value. And where we believe we are falling short of delivering good value to our clients, as with previous reports, we have identified remedial actions.

In last year's Assessment of Value, I touched upon the need for greater consistency in how investment managers report on value. I'm therefore pleased to see that our regulator, the Financial Conduct Authority, published a report last year detailing the key findings from their review of 18 Authorised Fund Managers' approach to the Assessment of Value. In light of these findings, we have taken a look at how we conduct our own Assessment of Value and continue to evolve our approach in the spirit of what the regulator is asking firms.

As with previous years, while we have identified and made a number of improvements to ensure we are delivering value to our clients, we don't wish to ever be complacent and are always willing to listen and respond. With this in mind, if there are any areas you think we have overlooked or believe there are areas for further improvement, and you would like to share your views then please email: **[information@7im.co.uk](mailto:information@7im.co.uk)**



A handwritten signature in black ink, appearing to read 'D. Proctor', with a horizontal line underneath.

**Dean M. Proctor, Chief Executive Officer, 7IM**

# A word from our Chief Investment Officer

The last 12 months or so have once again been far from 'normal' in the investment world. And just as the coronavirus has kept on mutating, so has the investment landscape.

Supply chain issues have meant that inflation has returned with a vengeance, central banks have started to tighten monetary policy, bond markets have plummeted, and while equity markets have continued to grind up, it's been far from plain sailing. And this was all before the awful and tragic events in Ukraine started to unfold.

As challenging as the environment has been, it's during these periods of market dislocation and volatility that an investment manager is able to truly demonstrate the genuine value they deliver to investors. After all, the real test of how sturdy your vessel is and how skilled your crew are, is not when waters are calm, but rather when waters become choppy.

The past year has once again provided further evidence that our portfolios are very well served by our investment process, which is underpinned by our Strategic Asset Allocation, our robust risk management framework, and the teams responsible for them. Our truly diversified approach and focus on risk management means we have continued to be able to successfully navigate what was a turbulent 2021 and deliver value to our investors.

While 2022 has and will continue to bring further change and challenges, not least with the Ukraine-Russia crisis and what looks like another bumpy year for equity markets, we are already seeing how maintaining a diversified asset allocation can deliver when we need it to.

Of course, we will remain flexible when needed, while keeping faithful to our investment process, philosophy and identity, which we detail under the 'quality of service' section, so that irrespective of what may lie ahead we can be confident that we will continue to deliver value to our clients.



A handwritten signature in blue ink, appearing to read 'Martyn Surguy'.

**Martyn Surguy, Chief Investment Officer, 7IM**

# Recap: What is a value assessment?

In 2019, our regulator the Financial Conduct Authority (FCA), introduced new rules as part of its Asset Management Market Study (AMMS) to ensure the asset management industry acted in investors' best interests. As a part of these new rules, all authorised fund managers (AFM) such as 7IM are now required to carry out an annual assessment across their fund range to determine whether they are delivering value for money to investors.

**This report will look to assess value according to the seven pillars set out in the FCA guidelines:**



**1. Quality of service**



**2. Performance**



**3. AFM cost**



**4. Comparable market rates**



**5. Economies of scale**



**6. Comparable services**



**7. Classes of units**

As with previous reports, our assessment of value has been conducted by 7IM's Client Experience Team to ensure the outcomes are fair and impartial. The findings from our assessment were presented to the 7IM board, who reviewed and validated the conclusions drawn. The 7IM board includes two Independent Non-Executive Directors who bring an external perspective and undertake a key role providing independent oversight and challenging the approach taken where necessary.

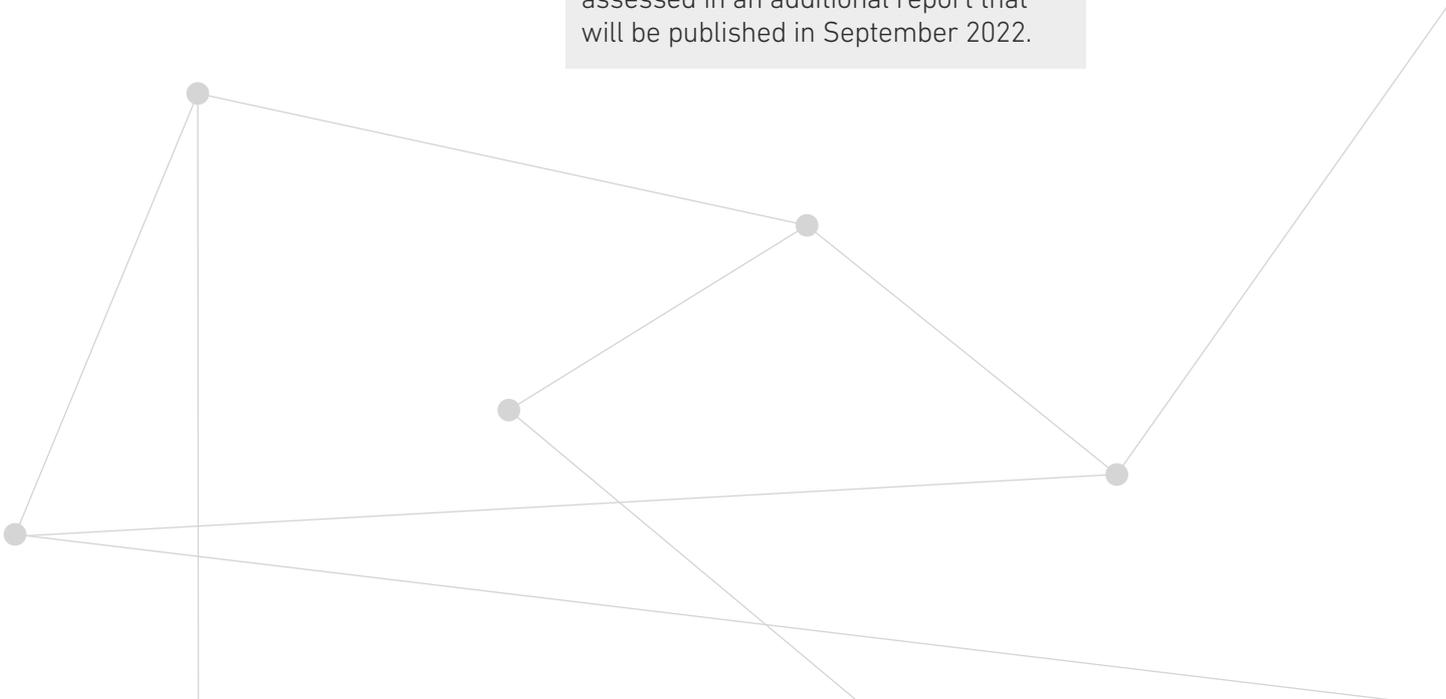
The funds which are included in this report all fall under our 7IM Investment Funds umbrella – our Multi-Manager and AAP fund ranges. This includes the following funds:

- 7IM AAP Adventurous Fund
- 7IM AAP Moderately Adventurous Fund
- 7IM AAP Balanced Fund
- 7IM AAP Moderately Cautious Fund
- 7IM Cautious Fund
- 7IM AAP Income Fund

- 7IM Adventurous Fund
- 7IM Moderately Adventurous Fund
- 7IM Balanced Fund
- 7IM Moderately Cautious Fund

- 7IM Sustainable Balance Fund

The remaining fund ranges will be assessed in an additional report that will be published in September 2022.



# Actions we have taken since our last report

In last year's report we identified a number of actions. We have since reviewed these areas and taken the following steps:

Action	Status
Carry out periodic private client and adviser surveys with third party research agency and learn from feedback	<p>To determine the quality of the service we provide our private clients, we participated in the 2021 UK Client Experience Benchmark Study, conducted by Aon.</p> <p>To better understand how we are viewed, across brand, proposition, service and communications by provide financial advisers that use 7IM, we commissioned Research in Finance to undertake a telephone survey in October 2021.</p> <p>The results from both surveys are being used to inform future strategy.</p>
Launch new fund documentation production service with our fund data and information provider	<p>Following the launch of the new 'Fund Centre' on the 7IM website in December 2020, we completed the launch of our new fund documentation service, again working with our fund data and information provider.</p> <p>This ensures the timely and accurate publication of fund documents which can be accessed by investors via the Fund Centre on the 7IM website.</p>
Review / retender of third-party contracts	<p>Our review this year indicates that almost all third-parties are meeting the standards expected of them and that we have the right level of engagement with them.</p> <p>The only exception is one third party where we continue to experience some issues in terms of their turnaround time for responding to requests and other queries, but none of which affect investors in the funds.</p> <p>We have replaced KPMG with BDO as our auditors for 2021.</p>

Action	Status
Submit 2020 Stewardship Code report for approval	 The 7IM 2020 Stewardship report was submitted and the team are working on the 2021 stewardship report which will be submitted before the end of April 2022.
File first report as signatory of the PRI	 We produced our first full PRI report in March 2021.
Embed newly formed Culture & Sustainability Committee as a key part of the firm's governance structure	 The 7IM Culture and Sustainability committee has been established and is working with the business on implementing our corporate commitments as a key part of the firm's governance structure.
Incorporate ESG data for our funds into investor-facing collateral	 In light of the FCA's recent 'Dear AFM Chair' letter and Guiding Principles on sustainable disclosures, we are reviewing the design, delivery and disclosures we make on the 7IM Sustainable Balance fund to ensure that they are all in accordance with the Principles.
Commence ESG integration and decarbonisation into the SAA; offset and reduce corporate footprint	 In 2021 we commenced with our intended plan to de-carbonise Strategic Asset Allocation. Our first step concentrated on equity and reducing the carbon exposure in the US equity portion of the SAA. Furthermore, we introduced a framework for measuring the emissions for our Government Bond holdings and Alternatives and our next step will focus on other equity regions and credit markets. As part of our commitment to carbon offset we have partnered with World Land Trust and will offset any emissions 7IM produced in 2021.
As part of 7IM's annual Product Governance review, assess costs and charges of funds against comparable offerings to consider whether they are justified and appropriate	 In our annual Product Governance review of the funds in this report, we have assessed their costs and charges against the market. While some of the funds are priced more expensively relatively to the peer group, we concluded that they were priced appropriately. We will continue to monitor and review our costs and charges against our peers.

## Actions we have taken since our last report

### Continued

Action	Status
Review the appropriateness of the IA 0-35% sector as a performance comparator benchmark for the 7IM Cautious Fund	 <p>In last year's report, we noted an action to review the appropriateness of the IA 0-35% Shares sector as a performance comparator benchmark for the fund. We have determined that while the fund is likely to underperform the sector in a rising market environment due to its lower equity allocation, it continues to be a suitable benchmark.</p>
Proceed with conversion of eligible holdings in bundled share classes to the corresponding clean share class	 <p>In order to proceed with converting eligible holdings in bundled share classes to the corresponding clean share class we were required to insert new wording into our fund Prospectuses stating that the Authorised Corporate Director (ACD) has the discretion to conduct 'mandatory share class conversions' on holdings without the investor's express instruction.</p> <p>We wrote out to all investors in 7IM funds informing them of this in December 2021, and then in January 2022 we wrote again to investors whose holdings we had identified as suitable to be converted, confirming that unless they told us otherwise, we would convert their holding by the end of March 2022.</p>
Write to distributors still receiving rebates asking them re-confirm that they are passing them onto the end investor	 <p>We have written to all platforms to whom we continue to pay rebates and received confirmation that they are passing them onto the underlying investor, as required by the FCA as a condition for rebates on legacy holdings to continue.</p>

# Quality of service

## How are 7IM assessing value in relation to quality of service?

In appraising whether we offer good value when it comes to the quality of service we deliver, we have assessed both the quality of service we provide to our investors and also the quality of services we procure on behalf of them.

## Quality of service assessment

In conducting our assessment of the quality of service we provide, we have split our analysis into four broad areas - quality of fund and risk management, the broader investor experience, relationships with third party service providers and Environmental, Social and Governance (ESG) issues.

## Quality of fund management

Our analysis into the quality of fund management that we offer investors covers five areas which are listed below:

### **Investment Management Team structure and personnel – who manages our clients' money**

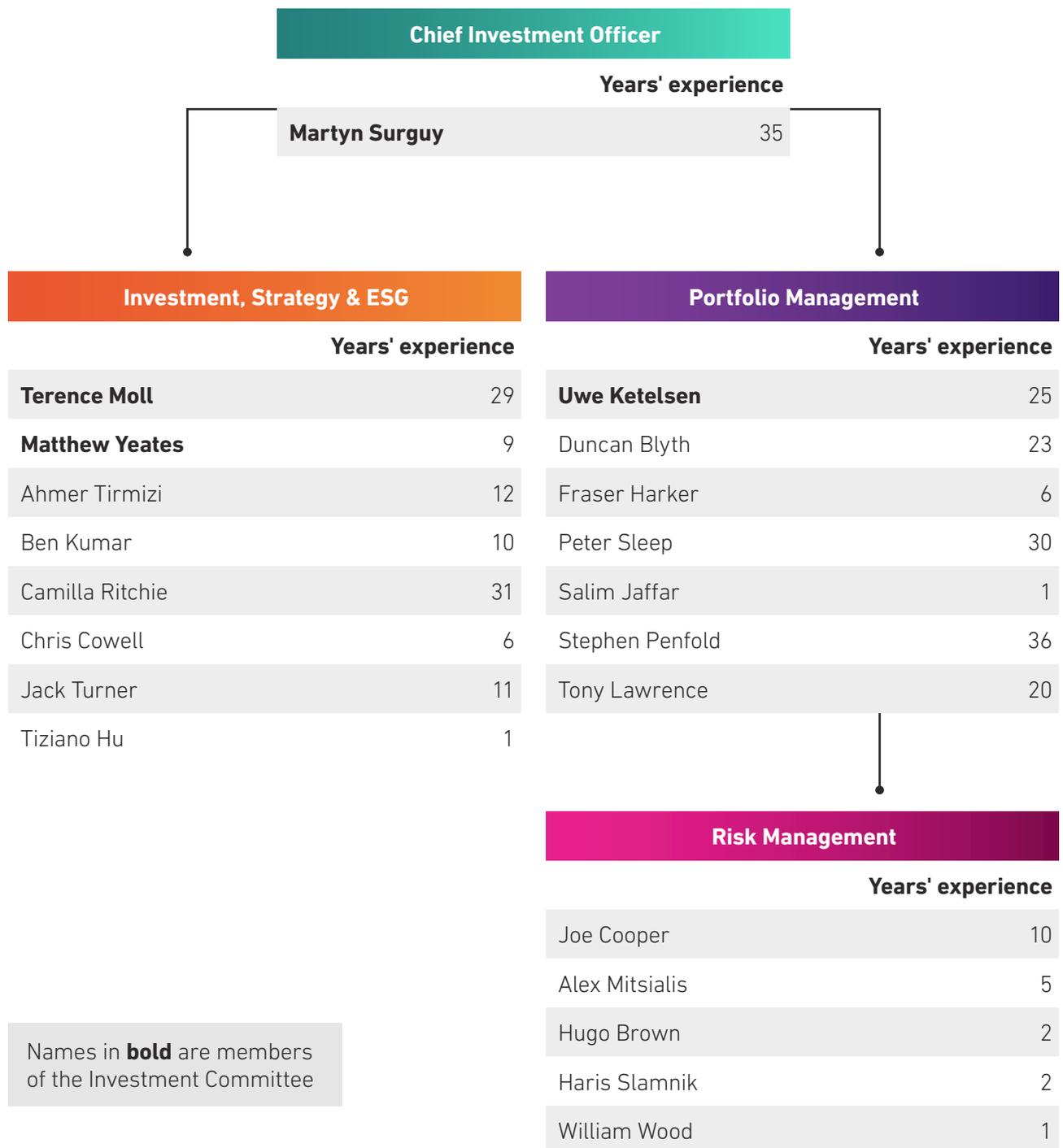
Our Investment Management Team is well-resourced with 16 investment professionals, many of whom have extensive experience in the industry and within the business.

One significant senior hire was made in 2021, with Uwe Ketelsen taking charge of the Portfolio Management team. To complement this experience, recruitment has been ongoing at a junior level to bring fresh ideas and expertise to the team, with three hires made in the course of 2020.

The result is that we have a far better mixture of quantitative and qualitative skill within the team. Furthermore, each member of the Investment Team has clearly defined roles, responsibilities and accountabilities.

## Quality of service

### Continued



## Objectives – what we want to deliver for our clients

### **1. Strong investment performance**

Our clients' goals are to preserve and grow capital. Steady inflation adjusted growth is key.

- Over the long term, our portfolios have consistently delivered excellent real returns

### **2. Managing risks in an uncertain world**

Our job is to take risk for our clients. Effective management of those risks is vital.

- Our robust risk management has worked when most needed i.e. Global Financial Crisis, Brexit, COVID

### **3. Communication, support and transparency**

One of our most powerful tools is our ability to talk clearly and honestly to our clients about what is going on.

- Communications throughout the COVID crisis has elicited consistently great feedback from clients

## Quality of service

### Continued

#### **Identity – what our clients should expect**

##### *Unashamedly conservative*

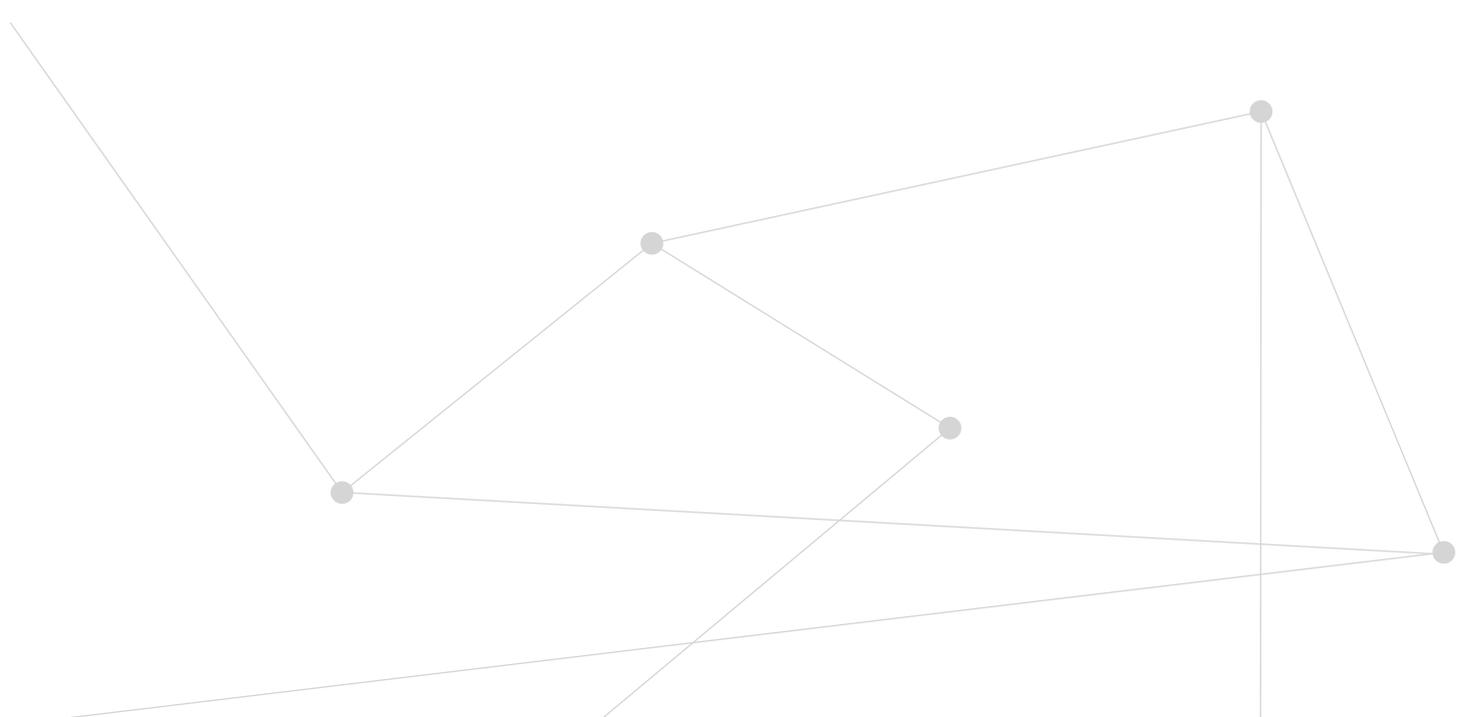
- We are obsessive about risk management across all of our products; resulting in well-controlled, well-understood position sizes.
- Our collegiate approach leads to considered, rather than extreme, risk-taking.
- We use alternative ways to manage risks in portfolios.

##### *Equal-weight bias*

- Our portfolios allocate risks more equally and thoughtfully across asset classes, geographies and exposures.
- Our tactical trades won't all be positioning for the same outcome.

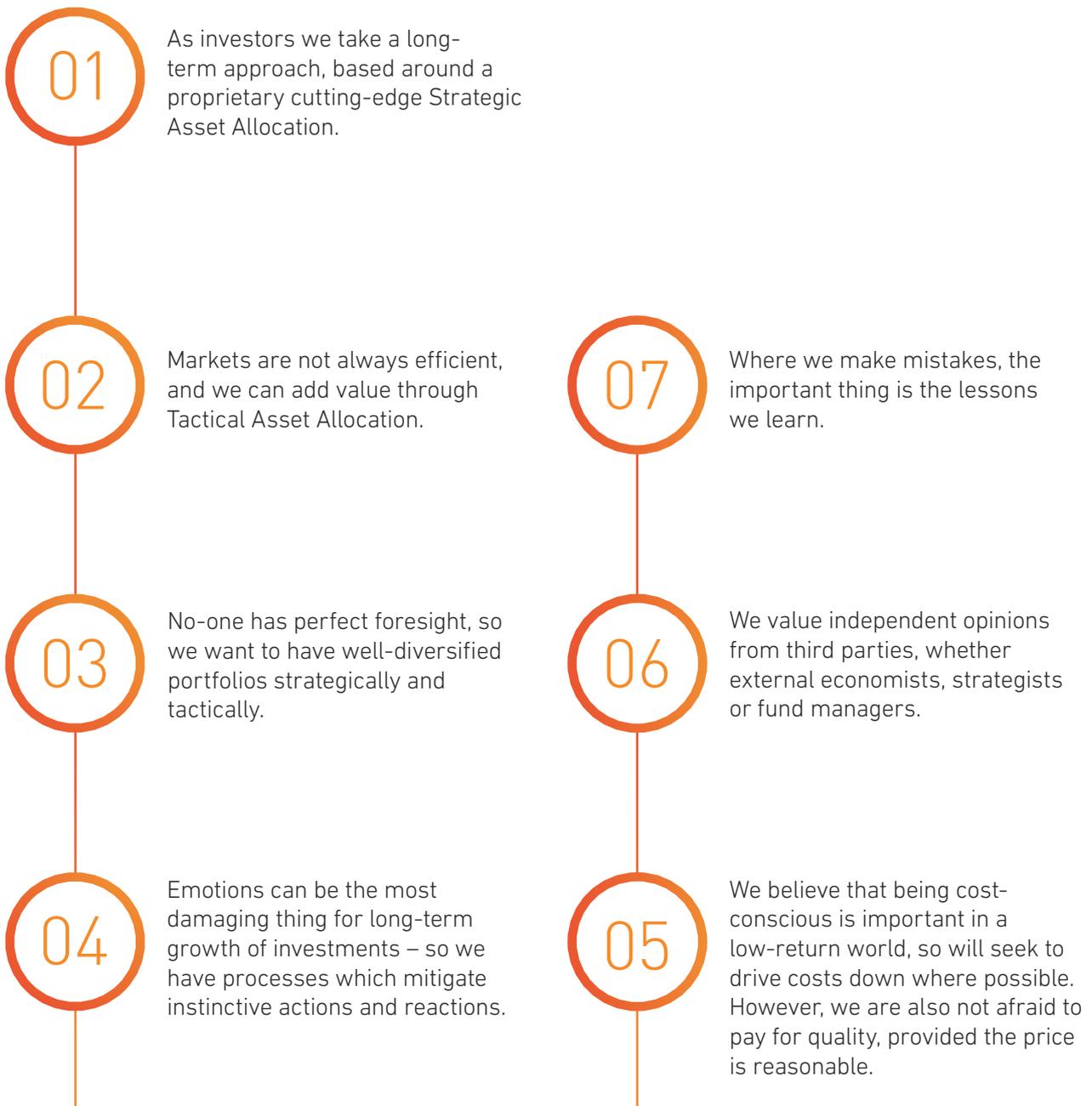
##### *Anti-fashion*

- We will tactically lean against prevailing trends when they are at extremes.
- We will look for opportunities where others won't go; in unfashionable areas, over unfashionably long-time horizons.
- We won't chase high-risk, expensive trends for short-term gain.



## Philosophy – how we think about managing our clients' money

7IM has always been clear about its investment philosophy, which is based on a number of key tenets:



## Quality of service

### Continued

#### **Process – How we execute our investment approach**

The framework for the funds is the Strategic Asset Allocation (SAA). This process sets the long-term structure for each fund and risk profile, in order to maximise returns for a given level of diversified risk. We review this framework every year, using cutting-edge statistical tools and academic research.

In accordance with our beliefs, we take tactical positions away from the SAA, in order to try to exploit market inefficiencies. We use a number of quantitative models and qualitative overlays, drawing on the various groups and specialisations within the team – depending on the nature of the tactical position.

Each fund has specific tracking error guidelines ensuring it cannot deviate too far from the neutral benchmark and remains within its risk parameters, and is overseen by both the Investment Team, and the independent Risk Management Team.

#### **Quality of risk management**

At 7IM, we have always believed that the management of risk comes equal first. The Investment Risk Team plays a crucial role, working alongside the Investment Management Team albeit in an independent capacity, monitoring the funds for their volatility, liquidity and attribution, as well as carrying out a series of stress tests to understand how they could perform in extreme market conditions.

Over the past 12 months, the 7IM Investment Risk Team and their rigorous processes have been instrumental in managing the risks within our portfolios, helping to insulate our clients from recent market turbulence.

#### **Liquidity**

Over the last 12 months, we have been managing some liquidity issues in a small number of our funds as a result of exposure to two illiquid securities. One of these funds that has exposure to these two illiquid securities is the 7IM Adventurous Fund.

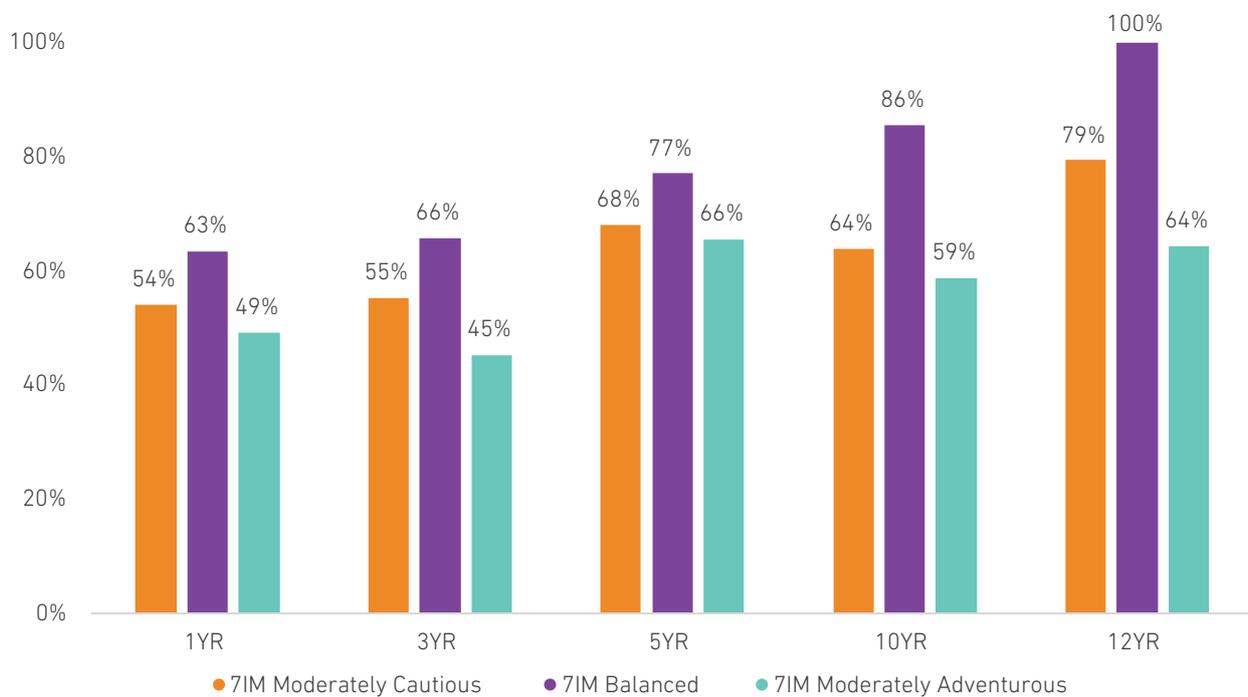
In March 2021 we conducted a review to assess all possible actions to protect the interest of investors in the fund, including suspending the fund. However, as the fund has immaterial exposure to these illiquid securities and a low likelihood of large redemptions due to its broadly diversified investor base, we have been able to continue to manage the fund as normal.

## Validation of our quality of fund and risk management

At 7IM we continue to take a long-term approach to investing to deliver steady returns, and our investment and risk management processes are centred around this philosophy. We believe that our approach to investment and risk management continues to deliver value.

The chart below uses our longest standing funds, to illustrate how we have consistently outperformed the relevant IA sector over the long term:

### What percentage of historical year periods (to month end) have the 7IM Portfolios outperformed the relevant IA Sector?



Source: Bloomberg Finance L.P. / FE / 7IM 2021. Return of C-Share Class as at 31 December 2021.

Please be aware that this is for illustrative purposes only and the investment may go up and down more than expected and you may receive back less than you invested originally. Past performance is not a reliable indicator of future results.

## Quality of service

### Continued

#### Broader investor experience:

In looking at the broader investor experience we deliver, we have looked at three key criteria:

#### Third Parties

Over the past few years, we have established and refined a framework of our third-party suppliers which documents who (within 7IM) is responsible for managing our relationship with them, whether they are meeting their key performance indicators/ service level agreements, and if not, what actions we are taking to address them.

Our review this year showed that we are satisfied with the relationships with almost all our third-party suppliers and they are meeting the standards expected of them and that. The only exception is one third party, where we continue to experience some issues in terms of their turnaround time for responding to requests and other queries, but none of which affect investors in the funds.

#### Client Engagement

As we have done in previous years, we once again sought feedback from our clients and the financial advisers we partner with regarding the quality of service we provide.

To determine the quality of service we provide our clients, 7IM participated in the 2021 UK Client Experience Benchmark study, conducted by Aon. This included a survey conducted online for 7IM between November and December 2021, with a total of 201 client respondents completing the survey.

The key findings showed that:

- Overall, there was a significant increase in client satisfaction

- There are clear indications that our quality of service and approach to communication have helped to drive client satisfaction.
- Areas for improvement centred around issues we're already aware of and are addressing including our digital offering which is currently undergoing enhancements and a shortfall in our ESG offering which has been addressed with a recent product launch.

In assessing the quality of service we provide financial advisers, we commissioned Research in Finance to undertake a telephone survey in October 2021 in order to better understand how we are viewed, across brand, proposition, service and communications, by those currently using 7IM products and services.

The key findings from our financial adviser survey showed that:

- Overall, there was a material increase in adviser satisfaction
- A key area for improvement was that advisers would like more information about 7IM for their own benefit but also for their clients
- This feedback has shaped our marketing activities and caused us to focus more communications efforts on our corporate activities, particularly from a sustainability and diversity and inclusion point of view, as well as better explain our investment identity.

In our previous assessment of value reports, one area that was identified by our clients that could be improved was our website. In response to this feedback, we launched a new and improved website in December 2020 which included a dedicated 'Fund Centre' powered by FE Fundinfo. In January 2021, we made further improvements and, working with FE FundInfo again, launched the 7IM fund documentation service.

By producing our fund KIIDs and factsheets through the fund documentation service, we have streamlined production to ensure the timely and accurate publication of these documents to be accessed by investors via the Fund Centre on the 7IM website.

### Complaints

Due to the nature of 7IM's fund business, where the majority of assets are held on third party platforms, we rarely receive more than a handful of complaints every year in relation to our funds, from customers whose investment is held directly with us through our fund administrators, Northern Trust.

In the last year to the end of November 2021, 7IM received ten complaints in this area, of which only four were upheld.

Following an internal thematic review carried out as part of 7IM's compliance monitoring, the decision was made to move the complaint handling function back to the Compliance team from Client Experience (CX) in September 2021. This would allow for oversight to be provided by a centralised and independent complaints function, whilst aiming to maintain the improvement in complaints response times put in place by the CX team since early 2020.

Since the process has moved to the Compliance team, there have further been developments to our complaints management system to allow for better root cause analysis to be conducted and shared with Senior Management. In addition, there was a circa 6% decrease in complaints upheld in 2021, when compared to 2020.

Finally, we have analysed regulatory breach statistics for the last 12 months, which are collated by our Compliance team and regularly reported to the ACD; the majority were administrative in nature, and none resulted in financial losses or gains for investors.

### A focus on Environmental Social and Governance (ESG) considerations:

As a business we have, for some time now, recognised that clients have been increasingly focussed on sustainability and ESG issues. With this in mind, we have been reviewing what we do both as an investor and as a business through this lens.

In 2019, 7IM signed up to the UN Principles for Responsible Investment (PRI), instilling in the business a firm commitment to incorporate ESG issues into how we manage our customers' money, as well as into our ownership policies and practices as a corporate citizen. For us as investors, the crucial PRI principles are the first two:

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices. As signatories of the UNPRI we are required to report on the PRI principles, and this will form part of our assessment of progress and success in incorporating ESG into our investment process. We view the PRI requirements as complementing the UK Stewardship Code.

In last year's assessment of value, we resolved to carry out several actions in relation to ESG, which would reinforce our commitment to adhering with the PRI, and in particular Principles 1 and 2.

As a result, we have continued our drive to place ESG matters at the heart of how we manage our clients' money, as well as how we operate as a corporate entity.

## Quality of service

### Continued

In terms of our integrating ESG into how we manage our clients' money, in 2021 we commenced with our intended plan to de-carbonise Strategic Asset Allocation (SAA). Our first step concentrated on equity and reducing the carbon exposure in the US equity portion of the SAA. Furthermore, we introduced a framework for measuring the emissions for our Government Bond holdings and Alternatives and our next step will focus on other equity regions and credit markets.

We have also enhanced the fund due diligence process by sending every third-party fund manager a questionnaire which asks questions about the sustainability and ESG credentials of the manager, of the specific fund and how the manager addresses its Stewardship responsibilities through engaging with the underlying companies on ESG issues and how they vote. Each manager is scored on their responses giving us more insight into the manager and whether we feel they have appropriate ESG criteria in pace.

As a corporate, we have taken a number of steps to incorporate ESG issues into our policies and practices. The 7IM Culture & Sustainability Committee has been established and is working on implementing our commitments to ESG.

In the second half of 2021, we defined our vision and commitments, based on delivering an unrivalled experience for our clients, employees

and society in general, as well as creating positive impact through a number of focused ESG-related goals to be achieved by 2026 including:

- **Cleaner investments** – 30% reduction in CO2 in our SAA
- **Sustainable choices** – 20% reduction in scope 1, 2 & 3 CO2 emissions and carbon neutral from 2021
- **Inclusive team** – Achieve a diverse and equitable employee base
- **Giving back** – Support charities aiming to reduce inequalities

#### Conclusion:

Providing a superior service has always been at the core of how 7IM operates. Our board of directors concluded that overall, 7IM provide a good quality of service in the four key areas we have assessed.

In particular, we have made significant progress in incorporating ESG matters into how we manage our clients' money and how we operate as a corporate entity

However, we do not wish to be complacent, so the Client Experience Team will continue to review all aspects of the service we provide to our customers, identifying further areas for improvement.

Quality of service: 7IM Adventurous  Value for money but action may be required

Quality of service: All other funds  Good value for money



# Assessment of Funds

## Performance, AFM Costs and Comparable Market Rates

### How are 7IM assessing each of the funds?

In this section of the report, we shall consider each fund in turn against the following three pillars of the assessment of value:

#### **Performance**

The regulator has asked 7IM to compare the performance of our funds against their stated objectives over an appropriate timescale. In reviewing the performance, we have assessed each fund against their investment objective, policy and strategy and any named benchmarks to determine whether they have performed in line with them.

The vast majority of our fund investors hold our standard clean 'C' share class, so we have used this for the purposes of the performance assessment. Past performance on all 7IM funds and share classes is available in our Fund Centre at [www.7im.co.uk/our-funds/fund-centre](http://www.7im.co.uk/our-funds/fund-centre)

7IM's investment philosophy and process is focused on long-term performance and the careful management of risks. It is guided by seven overarching principles as outlined in the quality of fund management section on page 15.

We therefore believe that it is also important that 7IM's investment philosophy is taken into account when assessing value in relation to performance.

#### **AFM costs**

The FCA has asked Authorised Fund Managers (AFMs) to compare the charges they levy against the cost of providing their services. In other words, we need to demonstrate that the charges paid by our investors are reasonable in comparison to the cost of the service they are receiving.

In addition, we have also reviewed all the underlying costs incurred in running the funds, including those provided by third parties. For example, authorised corporate director and depositary or trustee charges, audit fees, custody costs. We will also need to demonstrate that we are delivering value against these. In reviewing the additional costs incurred by the funds, the board of directors were satisfied that these were equal to the amounts actually paid.

#### **Comparable Market Rates**

In determining whether 7IM offers value in relation to comparable market rates, we must assess the value of our charges objectively versus the wider peer group as well as against a select range of comparable funds with similar objectives.

Our findings for each fund are detailed below:

### 7IM AAP Adventurous

#### The fund's objective:

The fund aims to provide capital growth. Performance may be compared to the IA Flexible Investment sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

#### Snapshot of assessment:

Performance		Good value for money
AFM costs		Good value for money
Comparable market rates		Value for money but action may be required

#### Performance assessment:

Over the last 10 years, the fund has outperformed the IA benchmark. In the last 5 years, the fund's rolling 5-year relative return has mostly been positive, although it has been negative more recently. The relative return of the fund significantly improved following the March 2020 COVID market crash as tactical decisions contributed positively.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

#### AFM costs assessment:

We have reviewed all costs incurred by the fund, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

#### Comparable market rates assessment:

##### Ongoing charges figure (OCF):

0.68% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is better than the sector median and in the first quartile. Therefore, purely on up-front costs, the fund represents good value for money.

Relative to the narrower peer group, the fund is priced at the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

### 7IM AAP Moderately Adventurous

#### The fund's objective:

The fund aims to provide a return primarily by way of capital growth with some income. Performance may be compared to the IA Mixed Investment 40-85% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

## Assessment of Funds

### Continued

#### Snapshot of assessment:

Performance	 Value for money but action may be required
AFM costs	 Good value for money
Comparable market rates	 Value for money but action may be required

#### Performance assessment:

Over the last 10 years, the fund has underperformed the IA benchmark. In the last five years, the Fund's rolling 5-year relative return has been positive roughly half of the time, although it has been negative more recently. The relative return of the Fund significantly improved following the March 2020 COVID market crash as tactical decisions contributed positively. However, this component of the investment process gave up some gains in 2021.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus and are comfortable that the fund is being managed in accordance with these.

#### AFM costs assessment:

We have reviewed all costs incurred by the fund, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

#### Comparable market rates assessment:

##### Ongoing charges figure (OCF):

0.68% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is better than the sector median and in the first quartile. Therefore, purely on up-front costs, the fund represents good value for money.

Relative to the narrower peer group, the fund is priced at the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

#### 7IM AAP Balanced

##### The fund's objective:

The fund aims to provide a balance of income and capital growth. Performance may be compared to the IA Mixed Investment 20-60% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

#### Snapshot of assessment:

Performance	 Good value for money
AFM costs	 Good value for money
Comparable market rates	 Value for money but action may be required

**Performance assessment:**

Over the last 10 years, the fund has outperformed the IA benchmark. In the last 5 years, the Fund's rolling 5-year relative return has been positive roughly half of the time. The relative return of the Fund significantly improved following the March 2020 COVID market crash as tactical decisions contributed positively.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

**AFM costs assessment:**

We have reviewed all costs incurred by the fund, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

**Comparable market rates assessment:****Ongoing charges figure (OCF):**

0.73% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is better than the sector median and in the first quartile. Therefore, purely on up-front costs, the fund represents good value for money.

Relative to the narrower peer group, the fund is priced at the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

**7IM AAP Moderately Cautious****The fund's objective:**

The fund aims to provide a return by way of income with some capital growth. Performance may be compared to the IA Mixed Investment 0-35% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

**Snapshot of assessment:**

Performance  Value for money but action may be required

AFM costs  Good value for money

Comparable market rates  Value for money but action may be required

**Performance assessment:**

Over the last 10 years, the fund has slightly underperformed the IA benchmark. In the last 5 years, the fund's rolling 5-year relative return has mostly been negative although it significantly improved following the March 2020 Covid market crash as tactical decisions contributed positively.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

## Assessment of Funds

### Continued

#### AFM costs assessment:

We have reviewed all costs incurred by the fund, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

#### Comparable market rates assessment:

##### Ongoing charges figure (OCF):

0.73% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is better than the sector median and in the first quartile. Therefore, purely on up-front costs, the fund represents good value for money.

Relative to the narrower peer group, the fund is priced at the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

### 7IM Cautious

#### The fund's objective:

The fund aims to provide a return by way of income with some capital growth. Performance may be compared to the IA Mixed Investment 0-35% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

#### Snapshot of assessment:

Performance	● Value for money but action may be required
AFM costs	● Good value for money
Comparable market rates	● Value for money but action may be required

#### Performance assessment:

Since its launch in 2015, the fund has underperformed the IA benchmark largely due to having a significantly lower equity allocation in a rising market environment. Ever since the fund has had a 5-year track record in 2020, its rolling 5-year relative return has been negative for the same reason. On a risk-adjusted basis, as measured by the Sharpe ratio, the Fund has performed in line with the IA benchmark over the last 5 years.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance during periods of market volatility, most notably in March 2020, continue to give us optimism about the fund's future performance.

In last year's report, we noted an action to review the appropriateness of the IA 0-35% Shares sector as a performance comparator benchmark for the fund. We have determined that while the fund is likely to underperform the sector in a rising market environment due to its lower equity allocation, it continues to be a suitable benchmark.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

**AFM costs assessment:**

We have reviewed all costs incurred by the fund, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

**Comparable market rates assessment:****Ongoing charges figure (OCF):**

0.93% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is better than the sector median and in the second quartile. Therefore, purely on up-front costs, the fund represents good value for money.

Relative to the narrower peer group, the fund is priced towards the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

**7IM AAP Income****The fund's objective:**

The fund aims to provide income, while seeking to maintain capital over the long term (five years or more). Performance may be compared to the IA Mixed Investment 0-35% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

**Snapshot of assessment:**

Performance	● Value for money but action may be required
AFM costs	● Good value for money
Comparable market rates	● Value for money but action may be required

**Performance assessment:**

Over the last 10 years, the fund has slightly underperformed the IA benchmark. In the last 5 years, the fund's rolling 5-year relative return has mostly been positive, although it has been negative more recently as Income mandates particularly struggled in the March 2020 COVID market crash. Thereafter the relative return of the fund significantly improved as tactical decisions contributed positively. However, this component of the investment process gave up some gains in 2021.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

In June 2021, the liquid holdings in the 7IM Income Portfolio fund, which had been suspended by the ACD earlier in the year due to the presence of two illiquid securities, were merged into the 7IM AAP Income fund. As well as providing investors in the merging fund with a route out of suspension, we expect the merger to benefit existing investors in the AAP Income fund as fixed costs will be spread across a larger client base.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

## Assessment of Funds

### Continued

#### AFM costs assessment:

We have reviewed all costs incurred by the fund, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

#### Comparable market rates assessment:

##### Ongoing charges figure (OCF):

0.92% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is better than the sector median and in the second quartile. Therefore, purely on up-front costs, the fund represents good value for money.

Relative to the narrower peer group, the fund is priced towards the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

### 7IM Adventurous

#### The fund's objective:

The fund aims to provide capital growth. Performance may be compared to the IA Flexible Investment sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

#### Snapshot of assessment:

Performance	 Good value for money
AFM costs	 Good value for money
Comparable market rates	 Value for money but action may be required

#### Performance assessment:

Over the last 10 years, the fund has outperformed the IA benchmark. In the last 5 years, the fund's rolling 5-year relative return has mostly been positive, although it has been negative more recently. The relative return of the fund significantly improved following the March 2020 Covid market crash as tactical and investment selection decisions contributed positively.

In March 2021, the ACD conducted a review of the fund to determine whether trading should be suspended due to the continued presence of two illiquid securities as underlying holdings to protect investors. The decision was made not to suspend the fund due to the relatively small exposure to the assets, as well as the low likelihood of large redemptions due to its diversified investor profile.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

**AFM costs assessment:**

We have reviewed all costs incurred by the funds, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

**Comparable market rates****Ongoing charges figure (OCF):**

1.43% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is higher than the sector median and in the third quartile.

Relative to the narrower peer group, the fund is priced at the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

**7IM Moderately Adventurous****The fund's objective:**

The fund aims to provide a return primarily by way of capital growth, with some income. Performance may be compared to the IA Mixed Investment 40-85% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

**Snapshot of assessment:**

Performance	● Value for money but action may be required
AFM costs	● Good value for money
Comparable market rates	● Value for money but action may be required

**Performance assessment:**

Over the last 10 years, the fund has underperformed the IA benchmark. In the last 5 years, the fund's rolling 5-year relative return has mostly been negative although it significantly improved following the March 2020 COVID market crash as tactical and investment selection decisions contributed positively. However, these components of the investment process gave up some gains in 2021.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

**AFM costs assessment:**

We have reviewed all costs incurred by the funds, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

## Assessment of Funds

### Continued

#### Comparable market rates assessment:

##### Ongoing charges figure (OCF):

1.39% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is higher than the sector median and in just the fourth quartile.

Relative to the narrower peer group, the fund is priced at the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

#### 7IM Balanced

##### The fund's objective:

The fund aims to provide a balance of income and capital growth. Performance may be compared to the IA Mixed Investment 20-60% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

##### Snapshot of assessment:

Performance		Good value for money
AFM costs		Good value for money
Comparable market rates		Value for money but action may be required

#### Performance assessment:

Over the last 10 years, the fund has outperformed the IA benchmark. In the last 5 years, the fund's rolling 5-year relative return has been positive roughly half of the time. The relative return of the fund significantly improved following the March 2020 COVID market crash as tactical and investment selection decisions contributed positively.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

#### AFM costs assessment:

We have reviewed all costs incurred by the funds, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

#### Comparable market rates assessment:

##### Ongoing charges figure:

1.38% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is slightly higher than the sector median and just in the fourth quartile.

Relative to the narrower peer group, the fund is priced at the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

## 7IM Moderately Cautious

### The fund's objective:

The fund aims to provide a return by way of income with some capital growth. Performance may be compared to the IA Mixed Investment 0-35% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

### Snapshot of assessment:

Performance		Value for money but action may be required
AFM costs		Good value for money
Comparable market rates		Poor value for money, action required

### Performance assessment:

Over the last 10 years, the fund has slightly underperformed the IA benchmark. In the last 5 years, the fund's rolling 5-year relative return has mostly been negative although it significantly improved following the March 2020 COVID market crash as tactical and investment selection decisions contributed positively.

The excellent long-term track record of the Strategic Asset Allocation (SAA) and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

### AFM costs assessment:

We have reviewed all costs incurred by the funds, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

### Comparable market rates assessment:

#### Ongoing charges figure:

1.38% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is slightly higher than the sector median and firmly in the fourth quartile.

The fund's OCF is exactly the same as last year; the fact that it has moved deep into the fourth quartile tells us that the OCFs of the other funds in the sector in general have fallen. The sector hosts funds with anything between 0 and 35% in equities; the 7IM Moderately Cautious fund is at the upper end of this range which goes some way to explaining the higher charges but we shall review the appropriateness of the sector as a benchmark for assessing fund charges ahead of next year's report.

Relative to the narrower peer group, the fund is priced at the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

## Assessment of Funds

### Continued

#### 7IM Sustainable Balance

##### The fund's objective:

The fund aims to provide a balance of income and capital growth. Performance may be compared to the IA Mixed Investment 20-60% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

##### Snapshot of assessment:

Performance		Good value for money
AFM costs		Good value for money
Comparable market rates		Value for money but action may be required

##### Performance assessment:

Over the last 10 years, the fund has significantly outperformed the IA benchmark. Additionally, in the last 5 years, the fund's rolling 5-year relative return has always been positive partly due to the strong performance of the Strategic Asset Allocation (SAA) and specific stock selection decisions.

The excellent long-term track record of the SAA and the recent periods of outperformance of the Tactical Asset Allocation (TAA) continue to give us optimism about the fund's future performance.

We have considered the Investment Objective, Policy and Strategy, contained in the Prospectus, and are comfortable that the fund is being managed in accordance with these.

Following the FCA's recent 'Dear AFM chair' letter and subsequent 'Guiding Principles for fund managers on the design, delivery and disclosure of ESG-focused funds, we shall review all aspects of the fund including its name, Investment Objective, Policy and Strategy, to ensure that they are in accordance with the Principles as they become regulation in the 12-18 months.

##### AFM costs assessments:

We have reviewed all costs incurred by the funds, all of which are noted in the 'Quality of Service' section under 'Third parties' and can confirm that all charges to scheme property were equal to the amounts paid.

##### Comparable market rates assessment:

##### Ongoing charges figure (OCF):

1.27% (C share class)

Using the above-mentioned 'C' share class, relative to all active funds in the sector the fund has an OCF that is higher than the sector median and in the third quartile.

Relative to the narrower peer group, the fund is priced at the bottom end of the range and on this measure alone, indicating that action may be required to maintain value for money against the more refined group.

**Conclusion on Assessment of Funds – Performance, AFM costs and comparable market rates:**

Overall, our board of directors concluded that our funds have performed broadly in line with their objectives and peer groups over the medium-to-long term, net of charges. Our Strategic Asset Allocation, the bedrock of our investment process, continues to deliver strong returns, while our Tactical Asset Allocation and selection decisions have also added value at times.

The board acknowledged that, whilst cost control is a key consideration in how 7IM manages our investors' money, we firmly believe that being the cheapest does not necessarily mean that you are delivering value. Earlier in this report we talked about the service we provide to investors through our fund management process; this is constantly evolving although we stay true to our longstanding investment philosophy and beliefs. We apply an institutional approach to investing, many aspects of which make us quite different to many of our peers; for example, we firmly believe that alternative strategies can play a crucial role in a well-diversified portfolio – these can be expensive to invest in relative to other asset classes such as bonds, but we believe that these will add additional value as we potentially move into a world of rising interest rates.

We shall review the peer groups and benchmarks that we use when analysing our funds' performance, costs and charges, to ensure that the comparisons being made to assess their value are as appropriate as possible.

# Economies of scale

## How are 7IM assessing value in relation to economies of scale?

As the number of investors or assets under management grow within a fund, we may be able to achieve economies of scale. We look at whether the savings achieved by the economies of scale have been passed on to investors.

### Economies of scale assessment:

We continue to feel strongly that 7IM uses economies of scale in the construction and management of our funds. Treating all of the funds as a single portfolio of assets gives the Investment Team more time to carry out investment research and analysis, with less operational portfolio management at a fund-by-fund level, which we believe adds value over time to our investors.

Furthermore, the Investment Team uses our size and scale to negotiate, with third party fund managers, access either to institutional share classes or rebate terms in respect of their funds that we are looking to use in our own. We have analysed the effect of this on our fund charges by looking, for example, at the underlying holdings in the 7IM Balanced fund. The fund's latest Ongoing Charge Figure (OCF) is 1.38% (for the 'C' share class) of which the weighted cost of the underlying holdings is 0.45% per annum. We have deduced that a single retail investor, replicating the underlying holdings in the 7IM Balanced fund but purchasing their standard retail share class, would be paying circa 0.70% per annum for the underlying holdings – meaning a 0.25% cost saving for investors through the 7IM fund.

The OCFs of the 7IM AAP funds have increased slightly in the last twelve months. Whilst cost management is always at the forefront of the Investment Team's mind in managing the AAP range, this must be balanced with the desire to pursue particular portfolio themes which are not always the lowest cost.

The Investment Team will take an 'active' position where they believe this is the best way to capture a theme, or if an appropriate 'passive' solution is unavailable in that asset class.

For example, in the last year we added the Ninety One Global Environment fund to the AAP range, representing a key theme at 7IM as we grow ever more aware of ESG considerations in our portfolios. We have also increased our weighting to Alternatives, two holdings in which are more expensive active managers, AQR and Blackrock. Again, this is a key theme as we continue to look to allocate away from sovereign and investment grade bonds. Furthermore, our tactical view on Value companies that best capture our anticipated uptick in global growth led to us taking an allocation to the xTrackers MSCI World Value ETF, which has higher charges than more vanilla regional passive fund options.

As a result, and in summary, in looking to position our funds for a very different next ten years to the last ten, we have needed to use a little more cost budget to construct what we believe is an optimal portfolio.

### Conclusion:

Our board of directors have concluded that we continue to apply economies of scale for the benefit of our investors.

Economies of scale



Good value for money

# Comparable services

## How are 7IM assessing value in relation to comparable services?

In this section, we consider the charges our investors pay when compared with other investors in similar or comparable funds.

As part of our comparison the regulator expects us to compare how our charges compare to investors in institutional mandates.

### Comparable services assessment:

While we do not run segregated mandates for institutional investors, for this pillar of the assessment we are asked to consider the charges of our funds with others 'of a comparable size and having similar investment objectives and policies'.

At 7IM we manage three main ranges of multi-asset funds – the 7IM Multi-Manager and AAP fund ranges, which are included in this assessment, and the 7IM Pathbuilder range, the funds of which have a different annual accounting period and will be assessed later this year.

We have compared these three ranges using representative funds from each respective range that have similar objectives and policies, as well as risk profiles. Where they differ is in terms of which of the 'building blocks' of the 7IM investment process they employ – Strategic Asset Allocation (SAA), Tactical Asset Allocation (TAA) and Implementation (i.e. whether they hold actively or passively managed underlying instruments).

We believe that the charges associated with the three ranges in relation to each other are appropriate, given the additional amount of resource that is required to execute the different 'building blocks' of the 7IM investment process within each of the ranges.

### Conclusion:

Our board of directors have concluded that our investors receive good value when assessed against comparable services.

Comparable services  Good value for money

# Classes of units

## How are 7IM assessing value in relation to classes of units?

7IM offers different share classes so we need to appraise the relative expense of the share classes that investors hold as some may be more expensive than others. As such, we need to determine whether investors are in the most suitable share class given their investment objective.

### Classes of unit assessment:

In last year's assessment, we outlined our intention to identify legacy holdings in bundled share classes of our funds, on which no rebate was being paid to a platform and therefore it was in those investors' best interests for us to convert these holdings to the clean 'C' share class of the relevant 7IM fund.

In order to proceed with this, we were required to insert new wording into our fund Prospectuses stating that the ACD has the discretion to conduct 'mandatory share class conversions' on holdings without the investor's express instruction. We wrote out to all investors in 7IM funds informing them of this in December 2021, and then in January 2022 we wrote again to investors whose holdings we had identified as suitable to be converted, confirming that unless they told us otherwise, we would convert their holding by the end of March 2022.

We have also written to all platforms to whom we continue to pay rebates and received confirmation that they are passing them onto the underlying investor, as required by the FCA as a condition for rebates on legacy holdings to continue.

### Conclusion:

Overall, the board of directors concluded that vast majority of our investors are in the appropriate share class, and that appropriate steps have been taken to move investors in more expensive share classes to the cheaper alternatives where possible.

Classes of units

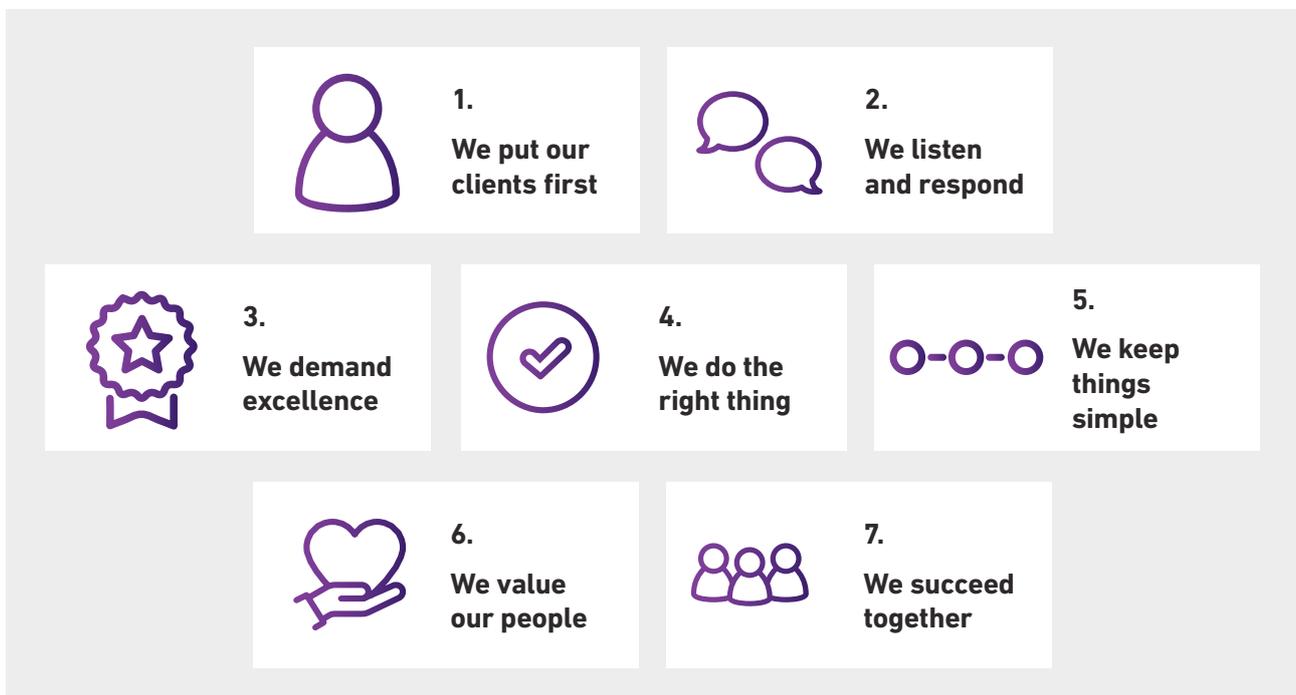


Good value for money

# Summary of the value assessment

In assessing value against the FCA's seven pillars, our board of directors' overall conclusion was that 7IM provides good or reasonable value to investors in the 11 funds that are covered in the report.

However, in the spirit of 7IM's vision, which is to deliver an unrivalled experience, we as always, do not wish to be complacent and believe that we should always operate around the following seven core values:



With this in mind, we recognise that there is more that we could do for our investors and we will be taking the remedial actions outlined in the report so that we can look to deliver even better value to our investors.

## Summary of the value assessment

### Continued

Fund	Assessment summary	Overall assessment
7IM AAP Adventurous	The fund, aided by periods of strong relative performance in the last two years, has generally delivered returns in line with the peer group over the medium-to-long term, at below average cost.	
7IM AAP Moderately Adventurous	The fund, despite some improvements in the last two years, has generally underperformed the peer group over the medium-to-long term, albeit at below average cost.	
7IM AAP Balanced	The fund, aided by periods of strong relative performance in the last two years, has generally delivered returns in line with the peer group over the medium-to-long term, at below average cost.	
<b>AAP</b> 7IM AAP Moderately Cautious	The fund, despite some improvements in the last two years, has generally underperformed the peer group over the medium-to-long term, albeit at below average cost.	
7IM Cautious	The fund has underperformed the sector since launch in 2015 due to it structurally holding lower than average equity exposure during a sustained period of market growth (although it was aided by periods of strong performance during periods of market volatility in 2020, relative to the peer group), at around average cost.	
7IM AAP Income	The fund has generally delivered returns in line with the peer group over the medium-to-long term, although it has underperformed in recent times due to its income-focused mandate as companies' ability to pay dividends was impaired during the early stages of the COVID-19 crisis, at around average cost.	
7IM Adventurous	The fund, aided by periods of strong relative performance in the last two years, has generally delivered returns in line with the peer group over the medium-to-long term, albeit it at higher than average cost.	
<b>Multi Manager</b> 7IM Moderately Adventurous	The fund, despite some improvements in the last two years, has generally underperformed the peer group over the medium-to-long term, at higher than average cost.	
7IM Balanced	The fund, aided by periods of strong relative performance in the last two years, has generally delivered returns in line with the peer group over the medium-to-long term, albeit it at higher than average cost.	
7IM Moderately Cautious	The fund, despite some improvements in the last two years, has generally underperformed the peer group over the medium-to-long term, at higher than average cost.	
7IM Sustainable Balance	The fund has consistently delivered superior returns to the peer group, albeit it at higher than average cost.	

**Key:**  Offers good value for money  Offers reasonable value but action may be required  Offers poor value and action required

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