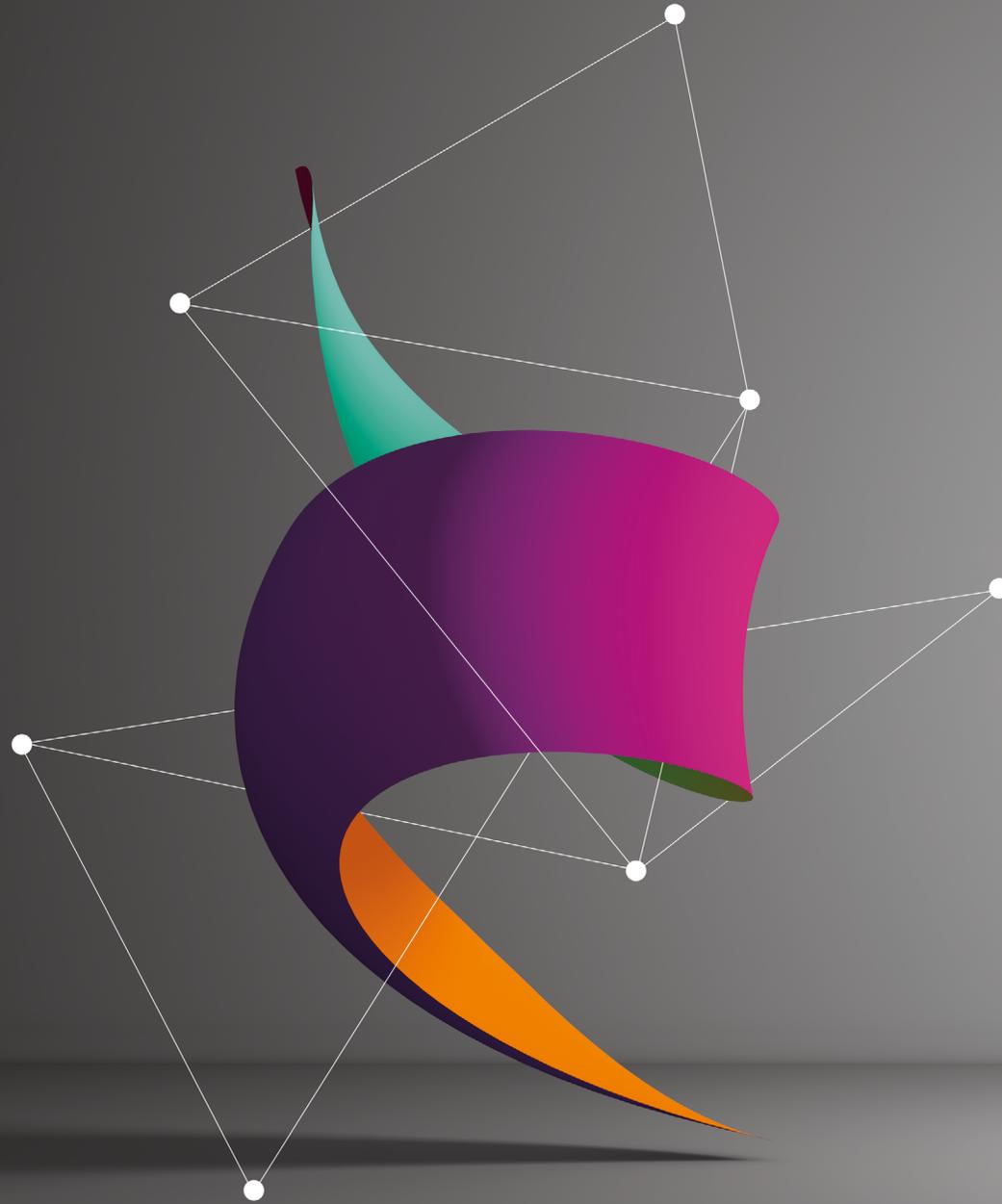


7IM: Assessment of Value

March 2023



Succeeding together

7IM

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For funds with an accounting period ending of 30 November 2022.

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An introduction from our CEO

It's become a bit of a cliché to say that things move fast in financial services. However, you only have to look at recent events such as the collapse of Silicon Valley Bank and the takeover of Credit Suisse by its rival UBS to see just how quickly the financial services landscape can evolve (and subsequently how quickly investor confidence can be shaken).

But as the financial services industry continues to evolve, so too does the regulatory landscape in which we operate. In particular, the recent introduction of the FCA's Consumer Duty, a new set of principles that requires all firms to demonstrate how they act to deliver good outcomes for retail customers, represents a significant move forward in the way that all financial service firms must approach their obligations to clients.

Against this backdrop, reassuring investors of the value of quality investment management, demonstrating good value and supporting good outcomes has never been more important.

In today's fast-moving landscape, where investors are more discerning than ever, it is vital that fund managers, like 7IM, provide clear, concise and meaningful information on the performance and value of their funds so investors can effectively scrutinise their fund managers and the funds in which they invest.

That's why we have taken the opportunity to review and enhance the presentation of our Assessment of Value report to ensure it achieves exactly that.

Our new and improved report is designed to help provide you with a comprehensive yet easy to understand assessment of the value delivered by each fund. By assessing key factors such as performance, costs, risks, and the quality of service provided, we hope that we provide the insights that you need to make better informed decisions about whether the investments you entrust us with deliver value. After all, we believe that if we can demonstrate good value through transparent reporting and be honest enough to recognise where we are falling short and outline remedial actions accordingly, we as fund managers can build trust, foster loyalty, and ultimately, deliver better outcomes for our clients.

While we hope this report will reassure you that we are delivering value, we, as ever, do not 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 get in touch on information@7im.co.uk



Dean M. Proctor, Chief Executive Officer, 7IM

A word from our CIO

We have long argued that we are likely to be in a protracted period where markets move “sideways with volatility”, and as I survey the events of recent weeks and how markets have reacted, that certainly seems to be the environment we find ourselves in.

As was the case in 2022, our senses continue to be assaulted by wave after wave of negative news, whether that’s inflation remaining stubbornly high in the UK, which in turn continues to put pressure on the Bank of England to hike rates – or whether that’s events occurring further afield such as the untimely demise of Silicon Valley Bank and the rescue of Credit Suisse.

Although the world we’ve moved into is far from straightforward, it is a world where I believe that our unshakeable investment identity and philosophy, alongside our resolute focus on risk management can help deliver genuine value to investors in an extremely challenging and volatile environment.

Our highly diversified investment approach, which is underpinned by our demonstrably successful long – term Strategic Asset Allocation framework and is supplemented by thoughtful Tactical Asset Allocation decisions, has once again proven its value and helped us successfully navigate the trials of 2022.

And while 2023 will undoubtedly continue to see financial markets trend sideways with volatility, you can trust us to remain true to our investment approach, irrespective of what the rest of this year may bring. After all, it’s the consistent application of this approach that has carried us since our inception, seeing us through the Global Financial Crisis, through the pandemic, and we are confident it will carry us through this current period of volatility.

To conclude then, there’s perhaps more than usual to contend with in financial markets at present. However, in the frequently used words of President Abraham Lincoln, “this too shall pass”, however unlikely that might seem today. Our strategy will always be to be sensibly diversified, highly selective, scrutinise every investment we hold and be faithful to a process which has delivered consistently well for our clients.



Martyn Surguy, Chief Investment Officer, 7IM



Although the world we’ve moved into is far from straightforward, it is a world where I believe that our unshakeable investment identity and philosophy, alongside our resolute focus on risk management can help deliver genuine value to investors in an extremely challenging and volatile environment."

A closer look at the Assessment of Value report

What is the Assessment of Value?

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 part of these rules, all authorised fund managers (AFMs) such as 7IM are required to carry out an annual assessment across their funds to determine whether they are delivering value for money to investors.

What is 7IM's approach to the Assessment of Value?

7IM's annual Assessment of Value is conducted by our Client Experience & Transformation Team, with significant input from our Risk, Finance, Compliance, Legal and Operations teams to ensure that the conclusions we make are fair and impartial.

The findings of our assessment are presented to our Authorised Fund Manager Board, who review and validate the conclusions drawn. The Board includes two Independent Non-Executive Directors who bring an external perspective and undertake a key role in providing independent oversight and challenging our approach to the Assessment.

The seven 'pillars' of the Assessment of Value

The FCA has asked us to consider seven specific areas, or 'pillars' of the Assessment, when reviewing our funds for the value they provide. They are as follows:



1. Quality of service

Does the service we provide to investors in the fund meet expectations?



2. Performance

How is the fund performing in relation to its investment objectives and versus any stated benchmark?



3. AFM costs

Are the fees charged to the fund fair and proportionate to the benefits received by the investor?



4. Economies of scale

Are we able to use our size and expertise to achieve additional cost savings in the fund, for the benefit of the investor?



5. Comparable market rates

How does the fund compare with our competitors in the marketplace?



6. Comparable services

How does the fund's fees compare with other similar funds we manage?



7. Classes of units

Are investors in the appropriate share class for the fund they hold?

Within this report, you will find a section on each of the seven pillars in which we explain our approach to assessing our funds in this area, along with our broad findings. Our conclusions on each fund are then set out in the individual summary for each fund.

A closer look at the Assessment of Value report

Continued

To provide some colour to the assessment, we use a traffic light system whereby we award each fund a green, amber or red rating for each of the seven 'pillars'.



Based on our assessment of the requirements of this pillar, we believe that the fund offers good value to investors.



Based on our assessment of the requirements of this pillar, further discussion was required with the AFM Board before forming an overall conclusion on the fund's value.



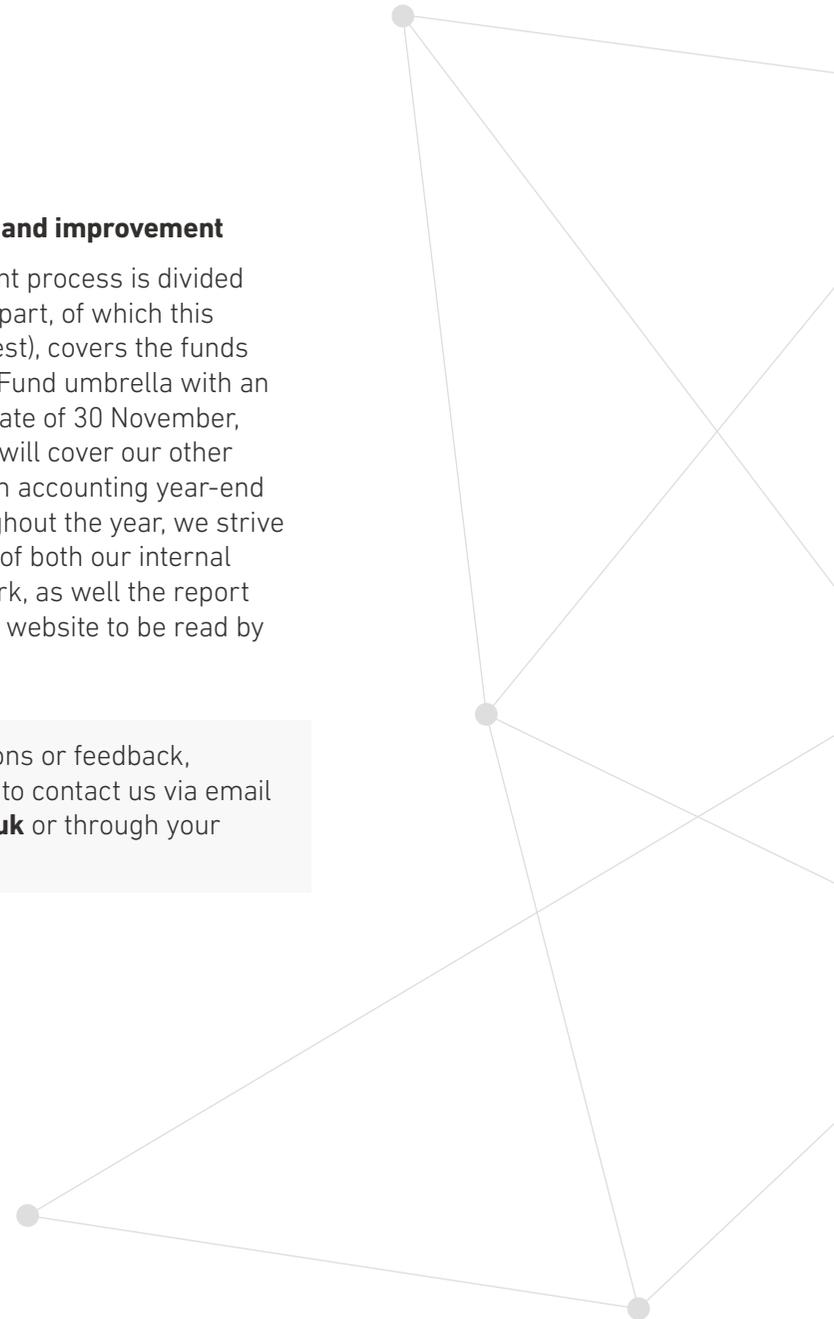
Based on our assessment of the requirements of this pillar, the fund offers poor value to investors, and we have identified specific, remedial action that needs to be taken (details which are included in the fund summary pages later in this report).

These ratings help us to propose an overall conclusion on the fund's value.

Continuous evolution and improvement

Our annual Assessment process is divided in two parts. The first part, of which this Assessment is the latest), covers the funds in the 7IM Investment Fund umbrella with an accounting year-end date of 30 November, while the second part will cover our other fund umbrellas with an accounting year-end date of 31 May. Throughout the year, we strive to improve the quality of both our internal Assessment framework, as well the report that we publish on our website to be read by our investors.

If you have any questions or feedback, please do not hesitate to contact us via email information@7im.co.uk or through your financial adviser.



Actions we have taken since our last report

In last year's report we identified a number of actions we could take which we felt may help to enhance the value we offer to our investors.



We put our clients first

Carry out periodic private client and adviser surveys with third party

At 7IM we have always prided ourselves on putting our clients first. After all we wouldn't be where we are today without our clients and our success has been and always will be dependent on yours. To ensure we continue to deliver the quality of service our clients have come to expect of us we continue to use specialist third party research companies to conduct periodic private client and adviser surveys to help us better understand the level of service we are providing our clients. We then use this information to further enhance the quality of service and interaction that we provide to our clients.



We succeed together

Review / retender of third-party contracts

From its earliest days 7IM has worked in close partnership with third party suppliers, all of whom are critical in helping us run the business and supporting the delivery of an unrivalled experience to our clients. We continue to review our contracts with our third-party suppliers to ensure they are meeting the standards we expect from them and that we have the right level of engagement with them



We demand excellence

Review competitor funds that we are comparing ourselves to when looking at 'Comparable market rates'

For our investors to be able to effectively decide whether the total Ongoing Charges Figure (OCF) for our funds offer value we need to ensure we regularly review which funds we are comparing our OCFs against to ensure a fair comparison. We continue to review the funds being used for the 'Comparable market rates' pillar to ensure the most appropriate selections have been made.

Where we identified fund-specific actions, we have outlined the remedial action we have taken within the individual fund pages of this report.

Quality of service

Does the service we provide to investors in the fund meet expectations?

Our approach

In reviewing the 'Quality of service' pillar of the Assessment of Value, we consider several elements which contribute to the overall service that we provide to investors.

We begin with a look at the quality of our investment process, and whether our approach is consistent with:

- The **objectives** we set ourselves for our investors
- Our **identity** – what our investors should expect from us
- Our **philosophy** – how we think about managing our investors' money
- Our **process** – how we execute our investment process

We consider the structure of our Investment Management team and its decision-making structure, ultimately to conclude whether we believe the team is likely to deliver on the funds' objectives for our investors.

Risk management is a crucial facet of our investment process, so we also consider the role of our Investment Risk team, which functions independently from the Investment Management team and monitors our funds for their expected volatility and liquidity, as well as conducts rigorous stress testing and attribution analysis.

Alongside a focus on the Investment and Risk Management teams and their processes, we also look at various other aspects of the delivery of our service that can have an impact on our investors, such as:

- Our efforts to incorporate **ESG considerations** into both our investment process and how we operate as a corporate identity
- The service we receive from **third-party suppliers** to the funds such as our administrators, depository and auditors
- Our levels of **client engagement** – how we communicate with investors and also learn how we can improve the service we provide to them through survey feedback
- Understanding **complaints** – in an ideal world, we do not wish for investors to have any cause for complaint about the service they receive from us, but if they do, are there any recurring, thematic themes coming through which give us reason to review and improve aspects of the service we provide? Any complaints that are upheld are used as a detractor in our assessment of the service we provide, and if we have received a very high number (more than 20) which are upheld, during the period under review, significant action is required.

The nature of our fund business, which consists of a number of ranges of multi-asset funds managed by a single investment team across different risk profiles, means that the service received by investors is generally the same across the board. However, if there are any service issues relating to specific funds, we won't hesitate to highlight these in our assessment.



Quality of service Continued

Our conclusion

In conducting our 'Quality of service' assessment, we concluded that through all areas, we provide good value to investors across all our funds.

Quality of Fund Management – over the last 12 months, our Investment Management team has delivered fund performance exactly as we would wish to: in line with our unashamedly conservative investment identity, and during a challenging period for investors.

More fund-level information is outlined within the individual fund pages of this report.

Client Engagement – our annual client survey gave us some vital feedback on the importance to investors of understanding the 'who' of the companies whose services they employ, and we are looking to build on this area through our 'Inside 7IM' initiative. Here we are reviewing how we communicate to our customers about important aspects of our identity such as our origins and purpose, our people, our efforts to reduce our carbon footprint, our diversity and inclusion initiatives as well as how we give back through the work of our Charity Committee.

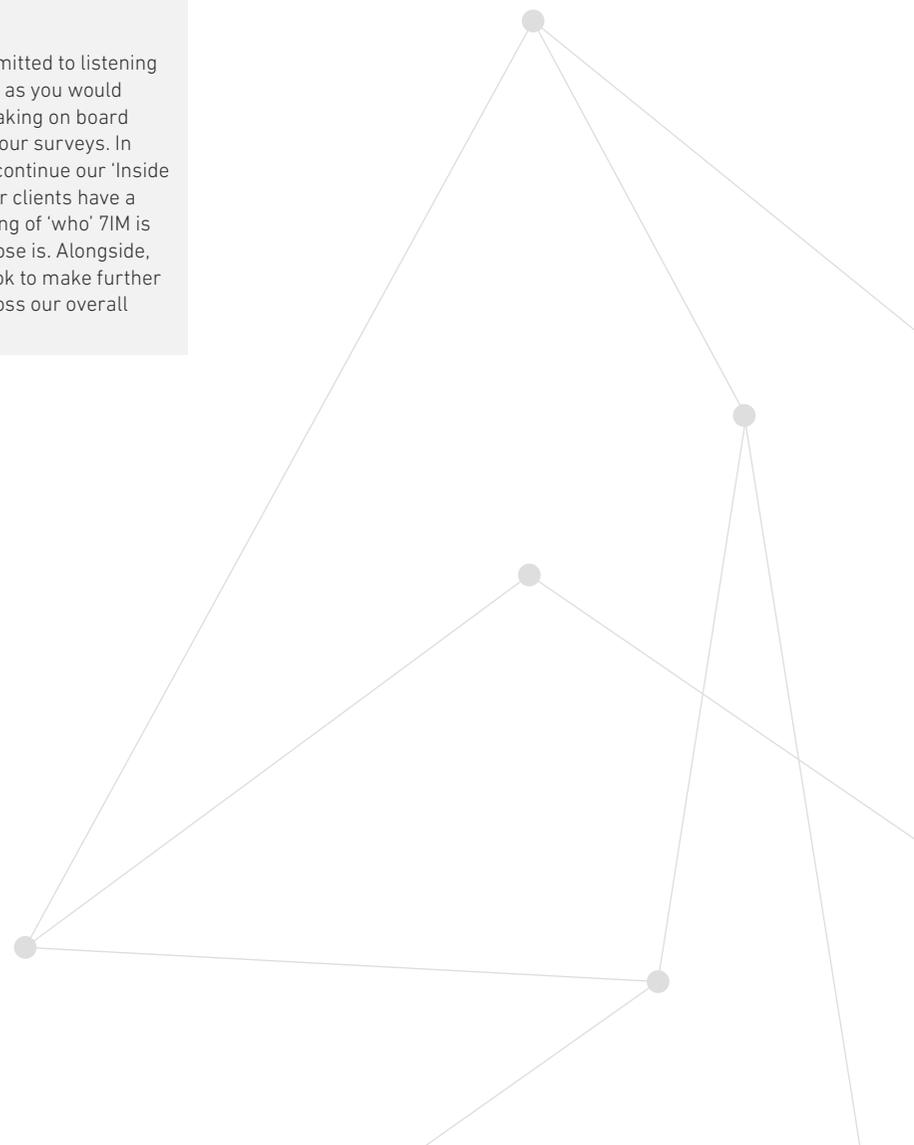
Complaints – we have further developed our Risk & Compliance framework, introducing tools to improve our incident management processes, using data analytics and visualisation tools to provide enhanced management information on complaints and errors – all with the fundamental purpose of continually improving the experience enjoyed by investors. We have considered the complaints we have received, which were upheld, as a detractor from our conclusions on our client engagement.

Vendor Management – having conducted a review of our third-party supplier relationships, we found no areas of concern.

Environmental, Social & Governance – we made further advancements to our focus on ESG matters, both through our investment process and as a corporate citizen. We have continued on our path to decarbonising our Strategic Asset Allocation, in 2022 focusing on our corporate bond allocation, and have continued to enhance our due diligence process to understand the sustainability and ESG credentials of third-party funds. For the second year we were accepted as a signatory of the Financial Reporting Council's UK Stewardship Code for 2021.

Next steps

At 7IM we are committed to listening and responding, so as you would expect we will be taking on board the feedback from our surveys. In particular, we will continue our 'Inside 7IM' initiative so our clients have a better understanding of 'who' 7IM is and what our purpose is. Alongside, this we will also look to make further improvements across our overall client experience.



Performance

How is the fund performing in relation to its investment objectives and versus any stated benchmark?

Our approach

We always look at the performance of the funds net of fees in total return terms using the primary clean C share class, which the vast majority of our investors hold. We assess performance firstly by looking at the five-year returns versus the performance comparator benchmark as stated in the Factsheet, Key Investor Information Document (KIID) and Prospectus. We chose five years because this is the minimum recommending holding period for our funds, and due to the diverse nature of multi-asset funds we believe that it is hard to have confidence in a performance assessment over a shorter period. The performance comparator benchmarks are based on peer funds which have broadly similar risk and return objectives so provide a reasonable starting point for evaluation of our risk adjusted returns.

Where performance is close to the comparator over five years, we will also factor in 10-year performance. For funds with less than five years of returns, we will take the longest period possible but factoring in that we can have less confidence in our assessment at that stage.

The next step is to incorporate any fund-specific characteristics and objectives such as an income requirement.

Finally, we will sense check our five-year risk-adjusted returns versus some well-known and widely accessible equity and bond market indices, before concluding on our final assessment ratings.

Our conclusion

Our review concluded that nine funds have demonstrated good value when it comes to investment performance, while two funds required further discussion with our AFM Board before forming an overall conclusion on their value.

The last three years have been turbulent for markets with the 2020 Covid market crash, 2021 vaccine rally, and 2022 inflation and interest rate rises. Our well-diversified strategic asset allocation which sits at the foundation of our funds, performed well over the period versus the performance comparator benchmarks, particularly via replacing some bonds with alternatives, and its US dollar exposure which acted as a haven in stress. Tactical Asset Allocation also added value, firstly by moving equity and bond exposure at the right times, and secondly by allocating to areas such as healthcare stocks versus technology stocks which have been much less volatile while also delivering strong returns.

For the funds that also select specialist active managers, value added here has been more mixed net of fees with some performing well and others less well over the period. Against major equity and bond market indices, the funds delivered returns with low volatility and drawdown, partly through regional and asset class diversification by limiting exposure to the severe US equity and Gilt market sell offs in 2022.

More information on fund-level performance is outlined within the individual fund pages of this report.



AFM costs

Are the fees charged to the fund fair and proportionate to the benefits received by the investor?

Our approach

For this pillar we review every cost component of the Ongoing Charges Figure (OCF) across all our funds including our Annual Management Charge ('AMC') and all other expenses.

We complete a detailed assessment of our costs including direct costs and allocated costs for support functions such as Compliance, Legal, Finance, IT, Investment Management, Investment Risk and Client Experience. We then compare these costs against what we charge investors and analyse the results as follows:

1. We compare the 7IM Fund Business against a competitive benchmark and compare the 7IM Fund Business to other competitors where information is publicly available
2. We analyse whether our annual management charges are appropriate and justified whilst allowing 7IM to remain a well-capitalised business, continue to operate safely during stressed scenarios and have the ability to withstand cost inflation
3. We consider whether the costs of our investment building blocks demonstrate good value across our product range
4. We review all other costs applied to our funds

We do this to ensure all fees charged to the fund are fair and proportionate to the benefits received by our investors.

Our conclusion

Overall, our assessment found that our AFM Costs are reasonable and justified within the context of the analysis we have completed. Two funds were flagged for further discussion with the AFM Board, which were the 7IM Balanced Fund and 7IM Moderately Adventurous Fund. This discussion concluded that the charges for these sub-funds are reasonable and appropriate within the context of the full range of Multi-Manager risk rated funds available.

Economies of scale

Are we able to use our size and expertise to achieve additional cost savings in the fund, for the benefit of the investor?

Our approach

For this pillar of the Assessment of Value, we begin by comparing the latest total Ongoing Charge Figures (OCFs) of the funds with those from last year. There are a number of potential contributors to a change in a fund's OCF; for example, a change in fund size, the general premise being that if a fund increases in size, the fixed additional expenses paid to third-party service providers to the funds reduce in percentage terms (and the opposite if a fund reduces in size).

Economies of scale can also be achieved through the rigorous and disciplined work carried out by our Investment Management team in scanning the investment universe for the best value securities and themes to bring into the funds, as well as using our size and scale to negotiate access to institutional share classes or rebate terms with third-party fund managers.

We also appreciate that small funds can experience 'dis-economies of scale', where the fixed additional expenses referred to above can inflate some fund OCFs more than in others.

Our conclusion

Of the 11 funds in this assessment, only one has seen an increase in OCF year on year, while five have stayed the same and five have been reduced. This is despite all funds falling in size over the year, due to a combination of market movement and net outflows from funds.

The ongoing efforts of the 7IM Investment Management team to manage costs within the funds, which have resulted in their OCFs in almost all cases remaining the same or falling, indicating the successful application of economies of scale. We have also taken the opportunity to analyse the impact of the team using their bargaining power to negotiate access to institutional share classes or rebate terms in respect of the third-party funds we are holding; for example, the 7IM Balanced fund's latest OCF is 1.36% (for the 'C' share class) of which the weighted cost of the underlying holdings is 0.43% 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 0.69% per annum for the underlying holdings – meaning a 0.26% cost saving for investors through the 7IM fund.

Across the 7IM AAP funds, the Investment Management team employs sophisticated yet cost-effective methods to gain access to certain asset classes, such as futures. These help to control the overall cost of holding one of these funds as no fees are payable to third-party managers.

Two funds, the 7IM Cautious and 7IM AAP Income funds, are priced higher than the rest of the funds in our AAP range. This is due to the two funds being significantly smaller in assets under management, compared with the other funds, meaning that certain fixed costs paid to third-party service providers have the effect of inflating the overall ongoing costs of those funds in percentage terms. To address this, we shall apply a cap on these costs, bringing the funds' overall ongoing charge figures in line with the others in the range until such point that this cap is no longer required, as soon as practicable.



Comparable market rates

How does the fund compare with our competitors in the marketplace?

Our approach

For the 'Comparable market rates' pillar of the Assessment of Value, we compare the total Ongoing Charges Figure (OCF) of each of our funds against their broad peer group, the Investment Association (IA) sector which also serves as their performance comparator benchmark. Investors have access to a broad array of options when it comes to finding 'multi-asset' investment funds; from actively managed, diversified portfolios of active funds selected from third-party managers to relatively low-cost portfolios that blend growth and defensive asset classes, populated using the fund manager's in-house products and passively managed to a long-term static asset allocation. Therefore, we believe it is useful to understand where our fund ranges sit within this arena, in terms of total cost of investing.

Secondly, for each of our funds we restrict the peer group to a more specific handful of funds with a similar risk profile, which we believe follow a similar investment approach to our own. We use the Defaqto Engage research tool to assist us in this process. We assess the OCF of our funds against this group to understand how they are priced versus this more targeted peer group.

For both parts of the analysis, we compare the 'C' share class, the primary, most expensive clean share class which is held by the vast majority of investors across all of our funds, with the equivalent share class of all other funds in the peer groups.

Our conclusion

In assessing the 7IM funds' OCFs across the different IA sectors, home to a broad array of multi-asset funds, we have concluded that our Asset Allocated Passive (AAP) funds, which use a blend of active and passive instruments, are generally priced below the median for each sector, while the Multi-Manager funds, which make use almost solely of active instruments, are priced above the median.

Looking at each of the funds against their two peer groups, four of them are rated as providing good value for Comparable market rates while the other seven required further discussion with the AFM Board before an overall conclusion was made on the funds' value.

Comparable services

Are we able to use our size and expertise to achieve additional cost savings in the fund, for the benefit of the investor?

Our approach

While we do not run segregated mandates for any specific, e.g. 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.

For this pillar of the Assessment, we compare the three ranges based on 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).

All 7IM funds use our longstanding, proprietary Strategic Asset Allocation (SAA), a process which has been constantly evolving over the last 20 years and is based on market leading academic research, including factor-based risk allocations.

The 7IM Pathbuilder funds are the lowest cost way to access our SAA. These are not included in this Assessment of Value and will be reviewed later this year.

The 7IM AAP funds use a wider range of asset classes, including Alternatives, than the Pathbuilder funds as well as a forward looking, shorter-term TAA overlay, which seeks to take advantage of opportunities in markets to add additional outperformance versus the SAA. Implementation is largely through passive securities such as tracker funds, ETFs and futures.

The 7IM Multi-Manager funds offer more potential to add value over the AAP funds through the selection of best-of-breed third-party active managers, which requires rigorous research and risk oversight.

The 7IM Sustainable Balance fund only invests in shares and bonds that meet certain criteria in relation to Environmental, Social and Governance (ESG) themes. 7IM pays a proportion of the annual management charge (AMC) to Sarasin & Partners in their capacity as 'sub-investment manager' to the fund; Sarasin manage the equity portfolio of the fund while 7IM look after the overall asset allocation, the bond component and third-party manager selection. This requires additional specific research which results in a slightly higher AMC than for the Multi-Manager funds.

Our conclusion

Against this pillar, the Board has concluded that our funds demonstrate good value. The difference in the charges across the 7IM fund ranges is justified and proportionate based on which of the building blocks of the 7IM investment process they use.

Classes of units

Are investors in the appropriate share class for the fund they hold?

Our approach

7IM operates a number of different share classes for each fund, some clean (no rebate to platforms) and some bundled (charge includes a rebate to platforms).

- **A class:** bundled, institutional share class, originally used almost completely via the 7IM Discretionary Service but also via some wrap platforms. Now contains only nominal assets.
- **B class (Multi-Manager funds only):** bundled, institutional share class, originally distributed solely through Zurich life & pension products. Not available to new investors.
- **C class:** clean share class, originally institutional, used almost completely via the 7IM Discretionary Service but became 7IM's primary retail share class following the Retail Distribution Review (RDR) in 2013.
- **D class:** bundled, retail share class, primarily used on fund supermarkets/platforms pre-RDR and still used for some retail business where the distributor has confirmed the 7IM that they can continue to accept rebates.
- **S class:** clean, institutional share class, offered solely via the 7IM Platform. There are circumstances in which certain investors away from the 7IM Platform have access to the 'S' class, which the ACD has deemed to be appropriate.
- **X class (Multi-Manager funds only):** clean, institutional share class, launched solely to accept equivalently priced 7IM Dublin funds as part of their merger into the UK funds in 2020. Not available to new investors.

In last year's Assessment of Value, we analysed the holdings across all share classes of our funds to identify any that were eligible to be converted to our primary 'C' share class, where it would be in the investor's best interests. We found approximately £6 million in assets under management that met this criteria and, having updated all of our Prospectuses to give us the discretion to carry out 'mandatory share class conversions' and then written out to the relevant investors giving them two months to respond, we converted these holdings to the 'C' share class in March 2022.

Our conclusion

Following the mandatory share class conversion carried out in March 2022, the vast majority of our fund assets now sit in either the 'C' share class, or the 'S' share class on the 7IM Platform.

For the remaining holdings in other share classes, we'll write to the platforms to whom we continue to pay rebates and ask them to confirm that these are being passed directly onto investors in the form of additional units in their fund. If they are unable to provide the necessary confirmation, 7IM will consider steps to convert these holdings to the 'C' share class.

How to read our fund summaries

Contents page

If you click this icon, you will be taken to the 7IM Assessment of Value contents page.

Fund reports

View up to date investment objective and performance data via Fund Documentation and Performance on the **7IM Website**.

Overall conclusion

For each fund summary, we have provided separate conclusions. We assess each of the seven pillars, taking into account both qualitative and quantitative data, to arrive at an overall assessment on whether we have provided value to our clients.

Seven pillars

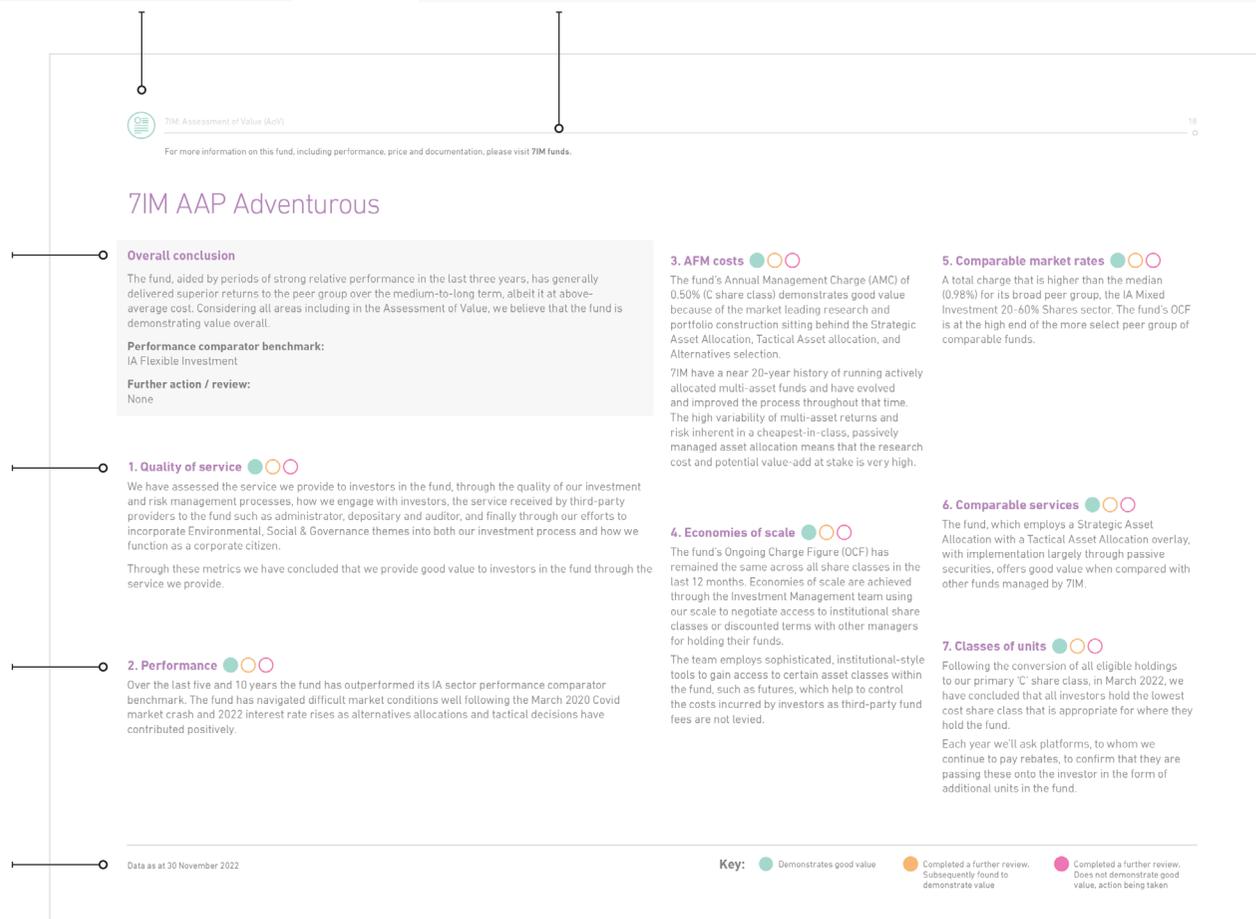
We have assessed our funds against seven assessment criteria pillars, and shown our analysis in each of these numbered sections.

Performance data

We are basing our assessment of the performance data on the fund data as at 30 November 2022. To view the latest performance data, please visit Fund Documentation and Performance on the **7IM Website**.

Assessment period

Our assessment was based on fund data as at 30 November 2022.



Fund summaries

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For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM AAP Adventurous

Overall conclusion

The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, at below-average cost. Considering all areas including in the Assessment of Value, we believe that the fund is demonstrating value overall.

Performance comparator benchmark:

IA Flexible Investment

Further action / review:

None

1. Quality of service

We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance

Over the last five and 10 years the fund has outperformed its IA sector performance comparator benchmark. The fund has navigated difficult market conditions well following the March 2020 Covid market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively.

3. AFM costs

The fund's Annual Management Charge (AMC) of 0.50% (C share class) demonstrates good value because of the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, Tactical Asset Allocation, and Alternatives selection.

7IM have a near 20-year history of running actively allocated multi-asset funds and have evolved and improved the process throughout that time. The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake is very high.

4. Economies of scale

The fund's Ongoing Charge Figure (OCF) has remained the same across all share classes in the last 12 months. Economies of scale are achieved through the Investment Management team using our scale to negotiate access to institutional share classes or discounted terms with other managers for holding their funds.

The team employs sophisticated, institutional-style tools to gain access to certain asset classes within the fund, such as futures, which help to control the costs incurred by investors as third-party fund fees are not levied.

5. Comparable market rates

The fund has a total charge (C share class OCF of 0.68%) that is lower than the median (0.98%) for its broad peer group, the IA Mixed Investment 20-60% Shares sector. The fund's OCF is towards the lower end of the more select peer group of comparable funds.

6. Comparable services

The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through passive securities, offers good value when compared with other funds managed by 7IM.

7. Classes of units

Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM AAP Moderately Adventurous

Overall conclusion

The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, at below-average cost. Considering all areas including in the Assessment of Value, we believe that the fund is demonstrating value overall.

Performance comparator benchmark:

IA Mixed Investment 40-85% Shares

Further action / review:

None

1. Quality of service

We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance

Over the last five and 10 years the fund has outperformed its IA sector performance comparator benchmark. The fund has navigated difficult market conditions well following the March 2020 Covid market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively.

3. AFM costs

The fund's Annual Management Charge (AMC) of 0.50% (C share class) demonstrates good value because of the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, Tactical Asset Allocation, and Alternatives selection.

7IM have a near 20-year history of running actively allocated multi-asset funds and have evolved and improved the process throughout that time. The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake is very high.

4. Economies of scale

The fund's Ongoing Charge Figure (OCF) has remained the same across all share classes in the last 12 months. Economies of scale are achieved through the Investment Management team using our scale to negotiate access to institutional share classes or discounted terms with other managers for holding their funds.

The team employs sophisticated, institutional-style tools to gain access to certain asset classes within the fund, such as futures, which help to control the costs incurred by investors as third-party fund fees are not levied.

5. Comparable market rates

The fund has a total charge (C share class OCF of 0.68%) that is lower than the median (1.08%) for its broad peer group, the IA Mixed Investment 40-85% Shares sector. The fund's OCF is towards the lower end of the more select peer group of comparable funds.

6. Comparable services

The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through passive securities, offers good value when compared with other funds managed by 7IM.

7. Classes of units

Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM AAP Balanced

Overall conclusion

The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, at below-average cost. Considering all areas including in the Assessment of Value, we believe that the fund is demonstrating value overall.

Performance comparator benchmark:

IA Mixed Investment 20-60% Shares

Further action / review:

None

1. Quality of service



We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance



Over the last five and 10 years the fund has outperformed its IA sector performance comparator benchmark. The fund has navigated difficult market conditions well following the March 2020 Covid market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively.

3. AFM costs



The fund's Annual Management Charge (AMC) of 0.50% (C share class) demonstrates good value because of the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, Tactical Asset Allocation, and Alternatives selection.

7IM have a near 20-year history of running actively allocated multi-asset funds and have evolved and improved the process throughout that time. The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake is very high.

4. Economies of scale



The fund's Ongoing Charge Figure (OCF) has reduced by 0.05% across all share classes in the last 12 months. Economies of scale are achieved through the Investment Management team using our scale to negotiate access to institutional share classes or discounted terms with other managers for holding their funds.

The team employs sophisticated, institutional-style tools to gain access to certain asset classes within the fund, such as futures, which help to control the costs incurred by investors as third-party fund fees are not levied.

5. Comparable market rates



The fund has a total charge (C share class OCF of 0.68%) that is lower than the median (0.98%) for its broad peer group, the IA Mixed Investment 20-60% Shares sector. The fund's OCF is towards the lower end of the more select peer group of comparable funds.

6. Comparable services



The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through passive securities, offers good value when compared with other funds managed by 7IM.

7. Classes of units



Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM AAP Moderately Cautious

Overall conclusion

The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, at below-average cost. Considering all areas including in the Assessment of Value, we believe that the fund is demonstrating value overall.

Performance comparator benchmark:

IA Mixed Investment 0-35% Shares sector until 16 August 2022 /
IA Mixed Investment 20-60% Shares from 17 August 2022

Further action / review:

None

1. Quality of service

We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance

Over the last five and 10 years the fund has outperformed its IA sector performance comparator benchmark. The fund has navigated difficult market conditions well following the March 2020 Covid market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively.

In August 2022, the Investment Association, at 7IM's request, moved the fund from the IA Mixed Investment 0-35% Shares sector to the IA Mixed Investment 20-60% Shares sector. This did not result from a fundamental change to the fund's risk profile but afforded the Investment Team some more flexibility to manage the portfolio within its sector parameters. 7IM altered the fund's performance comparator benchmark to reflect this change.

3. AFM costs

The fund's Annual Management Charge (AMC) of 0.50% (C share class) demonstrates good value because of the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, Tactical Asset Allocation, and Alternatives selection.

7IM have a near 20-year history of running actively allocated multi-asset funds and have evolved and improved the process throughout that time. The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake is very high.

4. Economies of scale

The fund's Ongoing Charge Figure (OCF) has reduced by 0.03% across all share classes in the last 12 months. Economies of scale are achieved through the Investment team using our scale to negotiate access to institutional share classes or discounted terms with other managers for holding their funds.

The team employs sophisticated, institutional-style tools to gain access to certain asset classes within the fund, such as futures, which help to control the costs incurred by investors as third-party fund fees are not levied.

5. Comparable market rates

The fund has a total charge (C share class OCF of 0.70%) that is lower than the median (0.98%) for its broad peer group, the IA Mixed Investment 20-60% Shares sector. The fund's OCF is towards the lower end of the more select peer group of comparable funds.

6. Comparable services

The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through passive securities, offers good value when compared with other funds managed by 7IM.

7. Classes of units

Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM Cautious

Overall conclusion

The fund has generally performed in line with the peer group over the medium-to-long term and has delivered superior returns on a risk-adjusted basis due to its defensive positioning, at below-average cost. However, considering all areas included in the Assessment of Value, we recognise that the fund is not demonstrating value consistently.

Performance comparator benchmark:

IA Mixed Investment 0-35% Shares

Further action / review:

We shall cap the additional expenses of the fund to bring its Ongoing Charge Figure (OCF) more in line with the other funds in the AAP range.

1. Quality of service



We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance



Over the last five years the fund has very slightly underperformed the IA sector performance comparator, but with less risk (approximately 10% less in equity on average). Three-year performance has also been positive as the fund has navigated difficult market conditions well following the March 2020 Covid market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. On a risk-adjusted basis, the fund has performed ahead of the IA sector performance comparator over the last five years.

3. AFM costs



The fund's Annual Management Charge (AMC) of 0.50% (C share class) demonstrates good value because of the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, Tactical Asset Allocation, and Alternatives selection.

7IM have a near 20-year history of running actively allocated multi-asset funds and have evolved and improved the process throughout that time. The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake is very high.

4. Economies of scale



The fund's Ongoing Charge Figure (OCF) has reduced by 0.04% across all share classes in the last 12 months. Economies of scale are achieved through the Investment Management team using our scale to negotiate access to institutional share classes or discounted terms with other managers for holding their funds.

The team employs sophisticated, institutional-style tools to gain access to certain asset classes within the fund, such as futures, which help to control the costs incurred by investors as third-party fund fees are not levied.

The fund's small size relative to others in the AAP range is causing the fixed monetary fees paid to third parties to be inflated in percentage terms. 7IM intends to cap these fees until such point that the fund's overall OCF is in line with other funds in the range.

5. Comparable market rates



The fund has a marginally higher total charge (C share class OCF of 0.89%) than the median (0.85%) for its broad peer group, the IA Mixed Investment 0-35% Shares sector. The fund's OCF is at the higher end of the more select peer group of comparable funds, principally due to its relatively small size causing fixed costs paid to third parties to be higher than in other funds in the 7IM AAP range.

The fund was flagged for additional review against this pillar before an overall conclusion was made on value.

6. Comparable services



The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through passive securities, offers good value when compared with other funds managed by 7IM.

7. Classes of units



This fund only has two share classes, both of which are 'clean', i.e., with no rebates paid to platforms, namely the primary 'C' share class and the 'S' share class for investors on the 7IM Platform.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM AAP Income

Overall conclusion

The fund has slightly underperformed the peer group on a total return basis but has delivered a higher level of income as intended, at above-average cost. However, considering all areas included in the Assessment of Value, we recognise that the fund is not demonstrating value consistently.

Performance comparator benchmark:

IA Mixed Investment 0-35% Shares

Further action / review:

We shall cap the additional expenses of the fund to bring its Ongoing Charge Figure (OCF) more in line with the other funds in the AAP range.

1. Quality of service



We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance



Over the last five and 10 years the fund has slightly underperformed the IA sector performance comparator in total return terms, but has delivered higher income as intended. The underperformance is mainly due to income strategies in general struggling due to having less exposure to US equities and technology companies which pay low dividends but have outperformed the market significantly.

Against other more specific income funds, performance has been more neutral but still slightly negative. The exposure to emerging market debt has been a drag on the performance of the fund in recent years, partly due to an exceptionally strong US dollar, but the yields on offer and diversified nature of the asset class continue to look attractive moving forward.

3. AFM costs



The fund's Annual Management Charge (AMC) of 0.50% (C share class) demonstrates good value because of the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, Tactical Asset Allocation, and Alternatives selection.

7IM have a near 20-year history of running actively allocated multi-asset funds and have evolved and improved the process throughout that time. The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake is very high.

4. Economies of scale



The fund's Ongoing Charge Figure (OCF) has remained the same across all share classes in the last 12 months. Economies of scale are achieved through the Investment Management team using our scale to negotiate access to institutional share classes or discounted terms with other managers for holding their funds.

The team employs sophisticated, institutional-style tools to gain access to certain asset classes within the fund, such as futures, which help to control the costs incurred by investors as third-party fund fees are not levied.

The fund's small size relative to others in the AAP range is causing the fixed monetary fees paid to third parties to be inflated in percentage terms. 7IM intends to cap these fees until such point that the fund's overall OCF is in line with other funds in the range.

5. Comparable market rates



The fund has a marginally higher total charge (C share class OCF of 0.92%) than the median (0.85%) for its broad peer group, the IA Mixed Investment 0-35% Shares sector. The fund's OCF is at the higher end of the more select peer group of comparable funds, principally due to its relatively small size causing fixed costs paid to third parties to be higher than in other funds in the 7IM AAP range.

The fund was flagged for additional review against this pillar before an overall conclusion was made on value.

6. Comparable services



The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through passive securities, offers good value when compared with other funds managed by 7IM.

7. Classes of units



Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM Adventurous

Overall conclusion

The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, albeit at above-average cost. Considering all areas including in the Assessment of Value, we believe that the fund is demonstrating value overall.

Performance comparator benchmark:

IA Flexible Investment

Further action / review:

None

1. Quality of service



We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and our organization. The remediation programme to compensate investors in the fund following the independent ruling of an illiquid asset as ineligible for inclusion in a UCITS fund was completed in early 2022.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance



Over the last five years the fund has slightly underperformed the IA sector performance comparator but has outperformed over 10 years. Three-year performance has also been very positive as the fund has navigated difficult market conditions well following the March 2020 Covid market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively.

3. AFM costs



The fund's Annual Management Charge (AMC) of 0.90% (C share class) demonstrates good value due to the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, plus the Tactical Asset Allocation, Alternatives selection and 'best-in-class' active managers.

The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake in this fund is very high.

4. Economies of scale



The fund's Ongoing Charge Figure (OCF) has reduced by 0.01% across all share classes in the last 12 months. Economies of scale are achieved through the Investment Management team using our scale to negotiate discounts with other managers for holding their funds.

Over the last year, the team has negotiated access to a number of new third-party funds across the range with discounted terms, such as the Schroder UK Prime Equity and Fidelity UK Select funds. These are passed directly onto the investor through lower OCFs.

5. Comparable market rates



The fund has a total charge (C share class OCF of 1.43%) that is higher than the median (1.08%) for its broad peer group, the IA Flexible Investment sector. The fund's OCF is towards the higher end of the more select peer group of comparable funds.

The fund was flagged for additional review against this pillar before an overall conclusion was made on value.

6. Comparable services



The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through best of breed third-party funds, offers good value when compared with other funds managed by 7IM.

7. Classes of units



Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM Moderately Adventurous

Overall conclusion

The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, albeit at above-average cost. Considering all areas including in the Assessment of Value, we believe that the fund is demonstrating value overall.

Performance comparator benchmark:

IA Mixed Investment 40-85% Shares

Further action / review:

None

1. Quality of service



We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance



Over the last five years the fund has slightly underperformed the IA sector performance comparator but has outperformed over 10 years. Three-year performance has also been very positive as the fund has navigated difficult market conditions well following the March 2020 Covid market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively.

3. AFM costs



The fund's Annual Management Charge (AMC) of 0.90% (C share class) demonstrates good value due to the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, plus the Tactical Asset Allocation, Alternatives selection and 'best-in-class' active managers.

The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake in this fund is very high.

The fund was flagged for additional review against this pillar before an overall conclusion was made on value.

4. Economies of scale



The fund's Ongoing Charge Figure (OCF) has increased by 0.01% across all share classes in the last 12 months. However, economies of scale are achieved through the Investment Management team using our scale to negotiate discounts with other managers for holding their funds.

Over the last year, the team has negotiated access to a number of new third-party funds across the range with discounted terms, such as the Schroder UK Prime Equity and Fidelity UK Select funds. These are passed directly onto the investor through lower OCFs.

5. Comparable market rates



The fund has a total charge (C share class OCF of 1.40%) that is higher than the median (0.95%) for its broad peer group, the IA Mixed Investment 40-85% Shares sector. The fund's OCF is towards the higher end of the more select peer group of comparable funds

The fund was flagged for additional review against this pillar before an overall conclusion was made on value.

6. Comparable services



The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through best of breed third-party funds, offers good value when compared with other funds managed by 7IM.

7. Classes of units



Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM Balanced

Overall conclusion

The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, albeit at above-average cost. Considering all areas including in the Assessment of Value, we believe that the fund is demonstrating value overall.

Performance comparator benchmark:

IA Mixed Investment 20-60% Shares

Further action / review:

None

1. Quality of service



We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance



Over the last five and 10 years the fund has outperformed its IA sector performance comparator benchmark. The fund has navigated difficult market conditions well following the March 2020 Covid market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively.

3. AFM costs



The fund's Annual Management Charge (AMC) of 0.90% (C share class) demonstrates good value due to the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, plus the Tactical Asset Allocation, Alternatives selection and 'best-in-class' active managers.

The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake in this fund is very high.

The fund was flagged for additional review against this pillar before an overall conclusion was made on value.

4. Economies of scale



The fund's Ongoing Charge Figure (OCF) has reduced by 0.02% across all share classes in the last 12 months. Economies of scale are achieved through the Investment Management team using our scale to negotiate discounts with other managers for holding their funds.

Over the last year, the team has negotiated access to a number of new third-party funds across the range with discounted terms, such as the Schroder UK Prime Equity and Fidelity UK Select funds. These are passed directly onto the investor through lower OCFs.

5. Comparable market rates



The fund has a total charge (C share class OCF of 1.36%) that is higher than the median (0.98%) for its broad peer group, the IA Mixed Investment 20-60% Shares sector. The fund's OCF is towards the higher end of the more select peer group of comparable funds.

The fund was flagged for additional review against this pillar before an overall conclusion was made on value.

6. Comparable services



The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through best of breed third-party funds, offers good value when compared with other funds managed by 7IM.

7. Classes of units



Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM Moderately Cautious

Overall conclusion

The fund has slightly underperformed the peer group over the medium-to-long term, at above-average cost. However, the fund's performance, aided by periods of strong relative performance, is on an upward trajectory. Considering all areas including in the Assessment of Value, we believe that the fund is demonstrating value overall.

Performance comparator benchmark:

IA Mixed Investment 0-35% Shares sector until 16 August 2022 /
IA Mixed Investment 20-60% Shares from 17 August 2022

Further action / review:

None

1. Quality of service



We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance



Over the last five and 10 years the fund has very slightly underperformed the IA sector performance comparator. Three-year performance has been very positive however, as the fund has navigated difficult market conditions well following the March 2020 Covid market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. In August 2022, the Investment Association, at 7IM's request, moved the fund from the IA Mixed Investment 0-35% Shares sector to the IA Mixed Investment 20-60% Shares sector. This did not result from a fundamental change to the fund's risk profile but afforded the Investment Management Team some more flexibility to manage the portfolio within sector parameters. 7IM altered the fund's performance comparator benchmark to reflect this change.

3. AFM costs



The fund's Annual Management Charge (AMC) of 0.90% (C share class) demonstrates good value due to the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, plus the Tactical Asset Allocation, Alternatives selection and 'best-in-class' active managers.

The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake in this fund is very high.

4. Economies of scale



The fund's Ongoing Charge Figure (OCF) has remained the same across all share classes in the last 12 months. Economies of scale are achieved through the Investment Management team using our scale to negotiate discounts with other managers for holding their funds.

Over the last year, the team has negotiated access to a number of new third-party funds across the range with discounted terms, such as the Schroder UK Prime Equity and Fidelity UK Select funds. These are passed directly onto the investor through lower OCFs.

5. Comparable market rates



The fund has a total charge (C share class OCF of 1.38) that is higher than the median (0.98%) for its broad peer group, the IA Mixed Investment 20-60% Shares sector. The fund's OCF is at the high end of the more select peer group of comparable funds

The fund was flagged for additional review against this pillar before an overall conclusion was made on value.

6. Comparable services



The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with implementation largely through best of breed third-party funds, offers good value when compared with other funds managed by 7IM.

7. Classes of units



Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.

For more information on this fund, including performance, price and documentation, please visit [7IM funds](#).

7IM Sustainable Balance

Overall conclusion

The fund, despite some headwinds for sustainable strategies in 2022, has outperformed its peer group over the medium-to-long term while meeting its ethical screening criteria, albeit at higher-than-average cost. Considering all areas including in the Assessment of Value, we believe that the fund is demonstrating value overall.

Performance comparator benchmark:

IA Mixed Investment 20-60% Shares

Further action / review:

None

1. Quality of service



We have assessed the service we provide to investors in the fund, through the quality of our investment and risk management processes, how we engage with investors, the service received by third-party providers to the fund such as administrator, depositary and auditor, and finally through our efforts to incorporate Environmental, Social & Governance themes into both our investment process and how we function as a corporate citizen.

Through these metrics we have concluded that we provide good value to investors in the fund through the service we provide.

2. Performance



Over the last five and 10 years the fund has outperformed its IA sector performance comparator benchmark, while meeting its ethical screens in the prospectus and investing in lower carbon emitting companies than the broader market. The fund has benefitted from 7IM's well-diversified strategic asset allocation, along with positive returns from more sustainable investments. 2022 was a more difficult year for sustainable strategies in general due partly to the price inflation of fossil fuels, but the fund still performed well against more specific peers.

3. AFM costs



The fund's Annual Management Charge (AMC) of 1.00% (C share class) demonstrates good value due to the market leading research and portfolio construction sitting behind the Strategic Asset Allocation, plus the Tactical Asset Allocation, and additional research into ESG-related themes and manager selection.

The high variability of multi-asset returns and risk inherent in a cheapest-in-class, passively managed asset allocation means that the research cost and potential value-add at stake in this fund is very high.

4. Economies of scale



The fund's Ongoing Charge Figure (OCF) has remained the same across all share classes in the last 12 months. Economies of scale are achieved through the Investment Management team using our scale to negotiate discounts with other managers for holding their funds. Over the last year, the team has negotiated access to a number of new third-party funds across the range with discounted terms, such as the Schroder Global Sustainable Value fund, whose launch we seeded via a discounted share class, and the Amundi Emerging Market Green Bond. These are passed directly onto the investor through lower OCFs. The size of the Sustainable Balance fund not only gives us access to preferential fee terms but also gives us much better access to the Lead Portfolio Managers. This is extremely beneficial when evaluating a new investment and monitoring an existing investment.

5. Comparable market rates



The fund has a total charge (C share class OCF – 1.27%) that is higher than the median (0.98%) for its broad peer group, the IA Mixed Investment 20-60% Shares sector. The fund's OCF is at the high end of the more select peer group of comparable funds.

The fund was flagged for additional review against this pillar before an overall conclusion was made on value.

6. Comparable services



The fund, which employs a Strategic Asset Allocation with a Tactical Asset Allocation overlay, with dedicated research into ESG themes and with additional expertise provided by Sarasin & Partners, to whom 7IM pay a proportion of the management fee, offers good value when compared with other funds managed by 7IM.

7. Classes of units



Following the conversion of all eligible holdings to our primary 'C' share class, in March 2022, we have concluded that all investors hold the lowest cost share class that is appropriate for where they hold the fund.

Each year we'll ask platforms, to whom we continue to pay rebates, to confirm that they are passing these onto the investor in the form of additional units in the fund.



Summary of Assessment of Value

Fund	Assessment summary	Recommendation	
AAP	7IM AAP Adventurous	The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, at below-average cost.	Good value
	7IM AAP Moderately Adventurous	The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, at below-average cost.	Good value
	7IM AAP Balanced	The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, at below-average cost.	Good value
	7IM AAP Moderately Cautious	The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, at below-average cost.	Good value
	7IM Cautious	The fund has generally performed in line with the peer group over the medium-to-long term, and has delivered superior returns on a risk-adjusted basis due to its defensive positioning, at below-average cost. Due to its small size, the fund's OCF is higher than others in the same range of funds managed by 7IM.	Action required
	7IM AAP Income	The fund has slightly underperformed the peer group on a total return basis, but has delivered a higher level of income as intended, at above-average cost. Due to its small size, the fund's OCF is higher than others in the same range of funds managed by 7IM.	Action required
	Multi Manager	7IM Adventurous	The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, albeit at above-average cost.
7IM Moderately Adventurous		The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, albeit at above-average cost.	Good value
7IM Balanced		The fund, aided by periods of strong relative performance in the last three years, has generally delivered superior returns to the peer group over the medium-to-long term, albeit at above-average cost.	Good value
7IM Moderately Cautious		The fund, despite being aided by periods of strong relative performance in the last three years, has slightly underperformed the peer group over the medium-to-long term, at above-average cost. However, the fund's performance is on an improving trajectory.	Good value
7IM Sustainable Balance		The fund, despite some headwinds for sustainable strategies in 2022, has outperformed its peer group over the medium-to-long term while meeting its ethical screening criteria, albeit at higher-than-average cost.	Good value



Glossary of terms

ACD (Authorised Corporate Director)

Seven Investment Management LLP is the authorised corporate director of the Company.

Actively allocated multi asset

An investment approach used when managing multi asset funds (definition below) whereby an investment manager changes the amount invested into various asset classes over time. These decisions will be dependent on factors such as growth rates, inflation rates and will be relative to a strategic asset allocation (definition below).

Alternatives

An investment outside of the traditional asset classes of equities, bonds and cash. Alternative investments include property, hedge funds, commodities, private equity, and infrastructure.

Annual Management Charge (AMC)

Is the payment made to the ACD for carrying out its duties and responsibilities.

Assessment of Value

The FCA now requires managers of UK funds to publish an annual report demonstrating how they are providing value to investors in their funds.

Asset Class

Broad groups of different types of investments. The main traditional investment asset classes are equities, bonds and cash. Non-traditional asset classes are known as alternative investments.

Authorised Fund Manager (AFM)

The AFM is responsible for the overall management of the fund and invests money on behalf of clients. An authorised investment fund is one that is authorised and regulated by the UK financial regulator, the FCA. Please also see FCA definition.

Benchmark

A standard (usually an index or a market average) against which an investment fund's performance is compared to.

Bond

A way for governments and companies (the issuers of the bond) to borrow money for a certain amount of time. A typical arrangement would be in exchange for an upfront payment from an investor, the issuer will make periodic interest payments to the investor and then repay the initial investment amount at the end of the bond's term (its maturity).

Clean Share Class

A class of share that does not pay a rebate to Platforms. Please see Platform and Rebate definitions.

Comparable Market Rates

Indication of how the fund's fees compare with our competitors in the marketplace.

Comparable Services

Indication of how the fund services compare with our competitors in the marketplace.

Conservative identity

Definition of our investment style.

Glossary of terms

Continued

Economies of Scale

When a firm can use its size and experience to achieve additional cost savings in the fund for the benefit of the investor.

Emerging Market

Countries that have rapidly growing economies and may be going through the process of industrialisation. This is compared to developed markets which have already undergone this process and are considered to be already economically advanced.

Equities

Also known as shares or stocks, this represents a share in the ownership of a company.

ESG (Environmental, Social and Governance)

ESG is the consideration of environmental, social and governance factors alongside financial ones in the investment decision-making process. E, S, and G are the three key factors in assessing whether an investment is sustainable in the long run.

Exchange Traded Funds (ETF)

ETFs usually track an underlying index and trade just as a normal stock would on an exchange. ETFs can track stocks in a single industry or an entire index of equities.

Financial Conduct Authority (FCA)

The conduct regulator for financial services firms and financial markets in the UK. It aims to make financial markets honest, competitive and fair.

Futures

A future is a legal agreement to buy or sell a particular asset at a predetermined price at a specified time in the future. Futures are often used to hedge the price movement of the underlying asset to help prevent losses from unfavourable price changes.

IA Sector

As published by the Investment Association, the IA sectors divide the fund universe to reflect the asset type, industry sector, or geographic regions funds are invested in. There are over 35 IA sectors. These are there to help navigate the large universe of funds in the UK and include some offshore (EU) funds. The sectors divide up the funds into smaller groups, to allow like-for-like comparisons between funds in one or more sectors, for instance to look at performance and fund charges.

Inflation (cost, price)

A measure of the increase in prices of goods and services over time.

KIID (Key Investor Information Document)

A two-page document that summarises a fund's investment objective, key risks, ongoing charges figure (please see OCF definition) and past performance. It is designed to allow comparability across funds.

Glossary of terms

Continued

Multi-asset funds

Funds that invest across a range of asset classes.

OCF (Ongoing Charge Figure)

This is the current annualised total charge to cover the cost of running the fund. It includes directly attributable costs such as Transfer Agency costs, Fund Accounting fees and allocated costs to support functions such as Finance, Tax, Risk, Legal and Compliance. It also includes the Annual Management Charge which is sometimes quoted separately.

Passively Managed asset allocation

A style of investment management that aims to replicate the performance of a set benchmark.

Peer Group

A group of funds that may be compared with one another, often for performance purposes. A peer group will usually be based on the fund's investment scope.

Platforms

Investment platforms that allow investors and/or advisers to buy funds from different fund providers within one consolidated account.

Rebates

Sum of money paid out of annual management charge by fund managers to Platforms or other fund managers for holding their share classes for the benefit of the investor. Not all share classes pay a rebate.

Share class

This is a way to differentiate between different types of shares. Within a fund, the different share classes may represent different ways of paying the investor the income from the fund, different fees and expenses or different base currencies. For example, a fund will often have an "accumulation" share class and an "income" share class. With the former, any income produced will be automatically reinvested back into the fund. With the income share class, income can either be received as a regular payment or reinvested. A fund may also have a 'clean' share class meaning no rebates are paid to Platforms.

Strategic Asset Allocation (SAA)

A strategy by which investors set target allocations for a broad range of asset classes in a portfolio and rebalance portfolios periodically back to the targets.

Tactical Asset Allocation (TAA)

An investment strategy that involves making shorter-term or tactical adjustments to a portfolio to maximise returns or hedge against risks.

Important notice

Capital at risk

Past performance is not a guide to future performance. The value of investments may go up as well as down.
Any reference to specific instruments within this document does not constitute an investment recommendation

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Registered office: 1 Angel Court, London EC2R 7HJ. Registered in England and Wales number OC378740.

06.23

