

7IM INVESTMENT FUNDS

Annual Report and Audited Financial Statements
for the year ended 30 November 2022

7IM Cautious Fund

7IM Moderately Cautious Fund

7IM Balanced Fund

7IM Moderately Adventurous Fund

7IM Adventurous Fund

7IM Sustainable Balance Fund

7IM AAP Income Fund

7IM AAP Moderately Cautious Fund

7IM AAP Balanced Fund

7IM AAP Moderately Adventurous Fund

7IM AAP Adventurous Fund

7iM

7IM INVESTMENT FUNDS

DIRECTORY

Authorised Corporate Director ('ACD')

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(Authorised and regulated by the Financial Conduct Authority)

Address for correspondence:

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Members of the Board of Seven Investment Management LLP

A. Grace (Non-executive Chair)
J. Lander (Non-executive)
T. Leader (Non-executive)
D. Proctor (Executive)
D. Walker (Executive)
D. Young (Non-executive)

Sub-Investment Manager

Sarasin & Partners LLP is the sub-investment manager providing investment advisory services for the 7IM Sustainable Balance Fund.

Depository

Northern Trust Investor Services Limited
50 Bank Street
Canary Wharf
London E14 5NT
(Authorised and regulated by the Financial Conduct Authority)

Registrar & Administrator

Northern Trust Global Services SE (UK Branch)
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E14 5NT
(principal place of business)

Independent Auditor

BDO LLP
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7IM INVESTMENT FUNDS

AUTHORISED STATUS

7IM Investment Funds ('the Company') is an Open-Ended Investment Company with variable capital ("ICVC") incorporated in England and Wales under registered number IC000278 and authorised by the Financial Conduct Authority with effect from 28 November 2003. The Company has an unlimited duration.

It is a 'UCITS Scheme' and the currency of the Company is Pounds Sterling.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The financial statements for the 7IM Investment Funds has been produced on a going concern basis.

REMUNERATION DISCLOSURE

The provisions of the Undertaking in Collective Investments Schemes Directive ("UCITS V") took effect on 18 March 2016. That legislation requires the Authorised Corporate Director ('ACD'), Seven Investment Management LLP, to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management.

The ACD's remuneration policies are the responsibility of a Remuneration Committee which includes the Non-Executive Chairman and all Non-Executives. The Remuneration Committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration are calculated primarily by reference to the performance of each individual. The policies are designed to reward high performance, to directly link to the ACD's profitability, and to form part of overall compensation in relation to market competitors.

All staff are employed by the ACD with none employed directly by the UCITS scheme.

The total remuneration of those individuals who are fully or partly involved in the activities of the UCITS scheme for the financial year ending 31 December 2021, which is the latest audited figures available, is analysed below:

Fixed Remuneration	£2,343,000
Variable Remuneration	£700,000
Total	£3,043,000
FTE Number of staff:	28

Two of the staff members included in the total remuneration figures above are considered to be senior management whilst there are eleven staff members whose actions are considered to have a material impact on the risk profile of the Company. The table below provides an alternative analysis of the remuneration data.

Aggregate remuneration of:

Senior management	£771,000
Staff whose actions may have a material impact on the funds	£1,508,000
Other	£764,000
Total	£3,043,000

The staff members included in the above analysis support all the UCITS funds managed by the ACD. It is not considered feasible or useful to attempt to apportion these figures to individual funds.

The management has reviewed the general principles of the Remuneration Policy and its application in the last year which has resulted in no material changes to the Policy.

SUB-FUND CROSS-HOLDINGS

No Sub-fund held shares in any other Sub-fund within the Company during the current or prior year.

7IM INVESTMENT FUNDS

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.



D. Walker
On behalf of Seven Investment Management LLP
ACD of 7IM Investment Funds
14 March 2023

7IM INVESTMENT FUNDS

STATEMENT OF ACD'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Collective Investment Schemes sourcebook published by the FCA ('the COLL Rules') requires the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net income and net gains or losses on the property of the Company for the period.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice, as issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

7IM INVESTMENT FUNDS

STATEMENT OF THE DEPOSITORY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITORY TO THE SHAREHOLDERS OF THE 7IM INVESTMENT FUNDS ("THE COMPANY") FOR THE YEAR ENDED 30 NOVEMBER 2022

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, ("the Sourcebook"), the Alternative Investment Fund Managers Directive ("AIFMD"), (together "the Regulations"), and the Company's Articles of Association.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of the assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the assets under management and the net asset value per share of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

REPORT OF THE DEPOSITORY

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Articles of Association documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM has been managed in accordance with the rules in the Sourcebook, the Articles of Association of the Company and as required by the AIFMD.

Northern Trust Investor Services Limited
UK Trustee and Depositary Services
14 March 2023

7IM INVESTMENT FUNDS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 7IM INVESTMENT FUNDS ('THE COMPANY')

Opinion

In our opinion, the financial statements:

- give a true and fair view of the financial position of the sub-funds as at 30 November 2022 and of the net revenue and the net capital gains or losses on the scheme property attributable to each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association ("IMA") in May 2014 (the "IMA SORP 2014") and amended in June 2017, and the Collective Investment Schemes Sourcebook ("the COLL Rules").

We have audited the financial statements of 7IM Investment Funds (the "Company") and its sub-funds for the year ended 30 November 2022 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Distribution Tables and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice, the COLL Rules and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and its sub-funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or its sub-funds' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Corporate Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Authorised Corporate Director ("ACD") is responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the COLL Rules

In our opinion based on the work undertaken in the course of the audit the information given in the ACD's report for which the financial statements are prepared is consistent with the financial statements.

7IM INVESTMENT FUNDS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 7IM INVESTMENT FUNDS ('THE COMPANY') (continued)

We have nothing to report in respect of the following matters where the COLL Rules requires us to report to you if, in our opinion:

- proper accounting records have not been kept; or
- we have not received all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit; or
- the financial statements are not in agreement with the accounting records.

Responsibilities of Authorised Corporate Director ("ACD")

As explained more fully in the Statement of ACD's Responsibilities in relation to the financial statements, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, they are responsible for assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We considered the significant laws and regulations and industry practice represented the SORP for Authorised Funds, the collective investment schemes sourcebook and the UK accounting standards.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- enquiries of management of the ACD and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- agreement of the financial statement disclosures to underlying supporting documentation;
- review of minutes of board meetings throughout the period; and
- review of correspondence with the regulator.

We assessed the susceptibility of the financial statements to material misstatements, including fraud and the risk of management override of internal controls. Our audit work focused on the valuation of investments, where the risk of material misstatement due to fraud is the most significant. In addition we:

- recalculated revenue on a sample basis; and
- obtained independent confirmation of investment held and cash and cash equivalents.

In addressing the risk of management override of internal controls, we tested non-standard journals and evaluated whether there was evidence of bias by the Authorised Corporate Director that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

7IM INVESTMENT FUNDS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 7IM INVESTMENT FUNDS ('THE COMPANY') (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12R of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


Elizabeth Hooper

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BDO LLP, Statutory Auditor
London, United Kingdom
14 March 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1. Statement of Compliance

The financial statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (“IMA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017, the Collective Investment Schemes Sourcebook (“the COLL Rules”) and the Instrument of Incorporation.

Due to recent events in Eastern Europe, increased volatility in the markets occurred throughout 2022. Whilst the sub-funds hold no direct investments in the Ukraine or Russian markets, there is a risk of an indirect exposure through collective investment schemes invested in by the sub-funds. An assessment performed by the ACD expects this exposure to be immaterial. The ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the sub-funds.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The Company has adopted FRS 102 and the IMA SORP 2014, as amended in June 2017. The principal accounting policies that have been applied consistently during the accounting year are set out below.

(b) Functional and Presentation Currency

The functional and presentation currency of the Company is Pounds Sterling.

(c) Recognition of revenue

Dividends on quoted equities and preference shares which are deemed as equity instruments are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Reportable income from funds with ‘Reporting Fund’ status for UK tax purposes is recognised when the information is made available by the reporting fund.

Revenue from unquoted equity investments is recognised when the dividend is declared.

Revenue on debt securities is accounted for on an effective interest basis.

The treatment of the returns from derivatives depends upon the nature of the transaction. Both motive and circumstances are used to determine whether returns should be treated as capital or revenue.

Rebates of annual management charges (AMC rebates) from underlying investments are accounted for on an accruals basis and are recognised as revenue or capital in line with the allocation of the annual management charge between the capital and revenue of the underlying investments.

Revenue from stock lending is accounted for net of associated costs and is recognised on an accruals basis.

Interest on bank and other cash deposits is recognised on an accruals basis.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits. All expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax, are charged initially against revenue.

(d) Treatment of stock and special dividends

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the sub-fund.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

2. Summary of Significant Accounting Policies (continued)

(e) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax, are charged initially against revenue for UK Corporation tax purposes, on an accruals basis.

Expenses incurred by tax transparent funds are recognised when the information is made available by the reporting fund.

(f) Capped expenses

Other expenses (excluding the ACD's periodic charge and collective scheme costs) payable out of the property of the sub-funds, which exceed 0.20% of the AAP Moderately Cautious Sub-fund, the AAP Balanced Sub-fund, the AAP Moderately Adventurous Sub-fund and the AAP Adventurous Sub-fund are met by the ACD.

(g) Allocation of revenue and expenses to multiple share classes

Any revenue or expense not directly attributable to a particular share class will normally be allocated pro-rata to the net assets of the relevant share classes unless a different allocation method is more appropriate.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

(h) Taxation

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to corporation tax at 20% and any resulting tax is charged against capital.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

(i) Basis of valuation of investments

All investments are valued at their fair value as at the closing valuation point on 30 November 2022, being the last business day of the financial year. The fair value for non-derivative securities is bid market price. The fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

Quoted investments are valued at fair value which generally is the bid price, excluding any accrued interest in the case of debt securities. Accrued interest on debt securities is included in revenue.

Collective investment schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting year.

Open forward currency contracts are valued based on the difference between the contract value and the market value adjusted by the prevailing spot rate and swap curve.

Structured products are valued at the fair value, where a price can only be obtained from the issuer the value is confirmed by an independent price provider by reference to the terms as defined in the term sheet of the structured product.

The market value of over the counter (OTC) derivatives is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions.

For investments for which there is no quoted price or for which the quoted price is unreliable, fair value is determined by the ACD, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the Company and other relevant factors.

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

2. Summary of Significant Accounting Policies (continued)

(j) *Exchange rates*

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into sterling at 12.00pm UK time on 30 November 2022, being the last business day of the financial year.

(k) *Dilution levy*

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property of a sub-fund is in continual decline; where a sub-fund is experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the relevant sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

(l) *Stock lending*

The sub-funds are permitted to enter into stock lending transactions for the purpose of the generation of additional revenue for that sub-fund. The specific method of stock lending permitted is of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. There is a 25% limit on the value of the scheme property of a sub-fund which may be the subject of stock lending transactions.

Collateral must be obtained by the Depositary in a form which is acceptable to the Depositary, adequate and sufficiently immediate; the collateral must at all times be at least equal to the value of the securities transferred by the Depositary under the stock lending agreement. Collateral provided in respect of stock lending activity is held by an independent collateral custodian.

The sub-funds maintain the beneficial entitlement to any security on loan and therefore will receive a manufactured dividend, equal to the on loan position, from the borrower for any dividends declared by the security during the on loan period.

On 25 May 2022, the sub-funds suspended their securities lending programme.

(m) *Cash and cash equivalents*

Cash and cash equivalents are measured at amortised cost and comprises cash in hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This includes JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund, Morgan Stanley Liquidity Funds - Sterling Liquidity Fund, Deutsche Global Liquidity Managed Sterling Fund and Northern Trust Global Sterling Fund.

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

3. Distribution Policy

For the purpose of calculating the distribution, the ACD's periodic charge and investment advisory fees are deducted from the sub-funds in the following proportions:

	ACD's Periodic Charge		Investment Advisory Fee	
	Capital %	Revenue %	Capital %	Revenue %
7IM Cautious Fund	100	-	-	100
7IM Moderately Cautious Fund	100	-	100	-
7IM Balanced Fund	50	50	50	50
7IM Moderately Adventurous Fund	-	100	-	100
7IM Adventurous Fund	-	100	-	100
7IM Sustainable Balance Fund	100	-	n/a	n/a
7IM AAP Income Fund	100	-	n/a	n/a
7IM AAP Moderately Cautious Fund	100	-	100	-
7IM AAP Balanced Fund	50	50	50	50
7IM AAP Moderately Adventurous Fund	-	100	-	100
7IM AAP Adventurous Fund	-	100	-	100

Where expenses are charged against revenue, this will decrease the amount of revenue available for distribution. For all sub-funds except the 7IM AAP Income Fund, the other expenses are charged against revenue with the exception of costs associated with the purchase and sales of investments and stamp duty reserve tax. All other expenses of the 7IM AAP Income Fund are charged against capital.

Where charges are transferred to capital, this will increase the amount of revenue available for distribution; however, will erode capital and constrain capital growth.

Interim distributions may be made at the ACD's discretion. Final distributions are made in accordance with the COLL Sourcebook.

If at the end of the accounting year any share class within a sub-fund is in deficit, then funds will be transferred to cover the shortfall from capital.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the sub-fund.

4. Risk Management Policies

In pursuing the investment objective, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for investment, efficient portfolio management and hedging purposes.

The main risks from the sub-funds' holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has put in place a Risk Management Process document ('RMP') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMP sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the sub-fund.

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

4. Risk Management Policies (continued)

(a) Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in counterparty's credit quality.

Certain transactions in securities that the sub-funds enter into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-funds have fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

The bond investments held are exposed to credit risk which reflects the ability of the issuer to meet its obligations. All bonds in which the sub-funds invest are investment grade listed bonds or government securities which are generally lower risk. The sub-funds may be indirectly exposed to interest rate risk in respect of their investments in other collective investment schemes.

A sub-fund's maximum exposure to credit risk, not taking account of the value of any collateral or other securities held, in the event that counterparties fail to perform their obligations as at the year end in relation to each class of recognised financial assets, is the carrying amount of these assets.

(b) Liquidity risk

Liquidity risk is the risk that a sub-fund will be unable to meet its obligations as they fall due. The main liability of the sub-funds' is the cancellation of any shares that investors want to sell. Investments may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the sub-funds' assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

(c) Market risk

Market risk is the risk that fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates or market prices.

The sub-funds can be exposed to market risks by virtue of the financial instruments that the sub-funds invest in. The Investment Manager monitors the investments on a continuing basis on behalf of the sub-funds by adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

Investment in collective investment schemes exposes the sub-fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The level of risk a sub-fund is exposed to is monitored on an ongoing basis. The risk function monitors a series of risk metrics including but not limited to: duration, key rate duration, sensitivity analysis and stress tests. This ensures the sub-fund is exposed to risks which are consistent with its mandate set out in the Prospectus.

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

4. Risk Management Policies (continued)

(e) *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

(f) *Other price risk*

Other price risk is the risk that the price of a financial instrument will fluctuate due to changes in market conditions influencing, directly or indirectly, the value of the instrument.

The sub-funds' investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk.

(g) *Derivatives*

The Investment Manager may employ more sophisticated derivatives longer term in the pursuit of the investment objectives of a sub-fund and in accordance with its risk management policy. This means that the net asset value of a sub-fund may at times be highly volatile (in the absence of compensating investment techniques). However, it is the Investment Manager's intention that the sub-fund owing to its portfolio composition, or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of their underlying investments. The risk profile of a sub-fund may be higher than it would otherwise have been as a consequence of the use of derivatives as described above.

The Investment Manager may also employ derivatives for the purposes of hedging with the aim of reducing the risk profile of a sub-fund, or reducing costs, or generating additional capital or revenue, in accordance with Efficient Portfolio Management ('EPM').

To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to a sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

7IM CAUTIOUS FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM Cautious Fund (the 'Sub-fund') aims to provide a return by way of income with some capital growth.

The Sub-fund invests, directly and indirectly, to achieve exposure of at least 80% to fixed interest and equity instruments. This exposure is, for the most part, obtained through passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes) but may also be achieved through the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments).

The Sub-fund will also invest in other asset classes such as property, commodities and private equity indirectly through holdings in equities including investment trusts, exchange traded funds or other funds.

The asset allocation for the entire portfolio will be actively managed.

The other 20% of the Sub-Fund will be invested in assets such as cash and deposits and may also include the use of money market funds and money market instruments for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

In extraordinary market conditions (such as political unrest, economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), it may not be appropriate for the Sub-fund to be invested in funds and other assets as noted above and the Sub-fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments. Examples of extraordinary market conditions include periods of heightened volatility caused by a sudden economic downturn or events such as political unrest, war or bankruptcy of large financial institutions.

While the Sub-fund's investments will be more focused on bonds, cash and near cash and other income generating assets, the investments may also include assets with scope for capital growth in real terms, and assets with scope for greater volatility.

The Sub-fund is likely to invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (8.67)¹.

Comparator Benchmark

Over the last 5 years the Sub-fund has very slightly underperformed the IA sector performance comparator (IA Mixed Investment 0-35% Shares), but with less risk (approximately 10% less in equity on average). 3 year performance has also been positive as the Sub-fund has navigated difficult market conditions well following the March 2020 COVID-19 market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. On a risk adjusted basis, the Sub-fund has performed ahead of the IA sector performance comparator over the last 5 years. The 1 year and 5 year relative performance to the benchmark was 0.80% and (0.06)% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthier markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

¹Calculated using 7IM Cautious Fund C Acc shares, published prices. Source: NTRS.

7IM CAUTIOUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader emerging markets equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. Emerging markets valuations and emerging markets currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In March 2022, we took some profits from our Berkshire Hathaway position which had outperformed the US market very well since we added the position in July 2020. The cash freed up went into a neutral equity allocation.

7IM CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

We also removed our mid-cap specific exposure in March 2022. We made the allocation with the view that a global growth boom would support more cyclical, smaller businesses – especially outside of the US. Typically, following recessions, mid-caps do well once growth becomes embedded. However, with the global growth picture more muted by the events in Ukraine in the short-term this position is no longer appropriate, especially given its large weight to Europe. We return to our strategic asset allocation (SAA) – as we would tend to do when faced with an increase in uncertainty.

In April 2022, we added an index arbitrage strategy into our alternatives basket. The growth of index investing has meant that stocks typically experience a change in price when entering or leaving an index, this fund aims to profit from that. The strategy is largely market neutral and further diversifies our alternatives allocation.

In June 2022, we removed our FTSE 250 allocation in the Sub-fund and replaced it with FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

Along with this change, we also moved duration to neutral from underweight in June 2022. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure.

In August 2022, we refreshed our SAA in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

In October, we also removed our RMBS position. The original bull case for the position has played out and we took profits on the position. The US housing market stayed strong and mortgage prepayments meant the trade performed well. With employment potentially less certain than it has been and changing forces in housing markets, we do not think the trade is as attractive as it was.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

7IM CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Outlook (continued)

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP
Investment Manager
January 2023

7IM CAUTIOUS FUND

FUND INFORMATION

The Comparative Tables on pages 22 to 25 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	106.03	105.50	102.04
Return before operating charges*	(8.31)	2.58	5.82
Operating charges (calculated on average price)	(0.89)	(0.99)	(0.92)
Return after operating charges*	(9.20)	1.59	4.90
Distributions on income shares	(0.87)	(1.06)	(1.44)
Closing net asset value per share	95.96	106.03	105.50
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.68)%	1.51%	4.80%
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Other Information

Closing net asset value (£'000)	9,142	13,154	14,216
Closing number of shares	9,526,934	12,405,921	13,474,842
Operating charges ³	0.89%	0.93%	0.89%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	107.04	107.79	106.48
Lowest share price	92.11	104.43	94.10

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 26.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	115.74	114.02	108.77
Return before operating charges*	(9.09)	2.79	6.23
Operating charges (calculated on average price)	(0.97)	(1.07)	(0.98)
Return after operating charges*	(10.06)	1.72	5.25
Distributions	(0.95)	(1.15)	(1.54)
Retained distributions on accumulation shares	0.95	1.15	1.54
Closing net asset value per share	105.68	115.74	114.02
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.69)%	1.51%	4.83%
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Other Information

Closing net asset value (£'000)	13,788	16,967	19,744
Closing number of shares	13,046,317	14,659,722	17,316,497
Operating charges ³	0.89%	0.93%	0.89%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	116.81	117.02	114.18
Lowest share price	100.77	112.85	100.31

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 26.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	107.51	106.76	103.04
Return before operating charges*	(8.48)	2.55	5.84
Operating charges (calculated on average price)	(0.65)	(0.73)	(0.67)
Return after operating charges*	(9.13)	1.82	5.17
Distributions on income shares	(0.89)	(1.07)	(1.45)
Closing net asset value per share	97.49	107.51	106.76
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.49)%	1.70%	5.02%
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Other Information

Closing net asset value (£'000)	363	284	151
Closing number of shares	372,160	263,850	141,220
Operating charges ³	0.64%	0.68%	0.64%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	108.53	109.24	107.75
Lowest share price	93.56	105.72	95.09

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 26.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	117.16	115.19	109.67
Return before operating charges*	(9.25)	2.76	6.23
Operating charges (calculated on average price)	(0.71)	(0.79)	(0.71)
Return after operating charges*	(9.96)	1.97	5.52
Distributions	(0.96)	(1.16)	(1.55)
Retained distributions on accumulation shares	0.96	1.16	1.55
Closing net asset value per share	107.20	117.16	115.19
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.50)%	1.71%	5.03%
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Other Information

Closing net asset value (£'000)	2,487	4,268	6,032
Closing number of shares	2,320,122	3,642,770	5,236,855
Operating charges ³	0.64%	0.68%	0.64%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	118.25	118.41	115.36
Lowest share price	102.19	114.07	101.20

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 26.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class C	Class S
ACD's periodic charge	0.50%	0.25%
Other expenses	0.24%	0.24%
	0.74%	0.49%
Collective investment scheme costs	0.15%	0.15%
Ongoing Charges Figure	0.89%	0.64%

As at 30 November 2021

	Class C	Class S
ACD's periodic charge	0.50%	0.25%
Other expenses	0.23%	0.23%
	0.73%	0.48%
Collective investment scheme costs	0.20%	0.20%
Ongoing Charges Figure	0.93%	0.68%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards

Typically higher rewards

Lower risk

Higher risk



This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was three.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM Cautious Fund ¹	(8.67)	(2.89)	1.59

¹ Source: Bloomberg.

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 44 and 45.

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	ALTERNATIVES 7.69% (12.66%)¹		
	Alternative Strategies 7.69% (11.69%)¹		
930,000	JP Morgan Structured Products 0.00% 10/09/2024 ²	787,298	3.05
570,000	JP Morgan Structured Products 0.00% 2025 ²	470,721	1.83
868,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	723,899	2.81
		1,981,918	7.69
	Real Estate 0.00% (0.97%)¹		
	DEBT SECURITIES 7.99% (25.65%)¹		
	Gilts 0.00% (5.83%)¹		
	Global High Yield Bonds 0.00% (11.28%)¹		
	Global Inflation Linked Bonds 0.00% (0.51%)¹		
	Short Term Sterling Bonds 7.99% (8.03%)¹		
£500,000	Bank of Montreal FRN 2023	500,031	1.94
£200,000	Commonwealth Bank of Australia FRN 2025	199,934	0.78
£360,000	Rabobank Nederland 4.875% 2023	360,176	1.40
£250,000	Royal Bank of Canada FRN 2025	249,567	0.97
£300,000	Skipton Building Society FRN 2023	300,105	1.16
£450,000	Westpac Banking FRN 2023	449,991	1.74
		2,059,804	7.99
	EQUITY 7.04% (4.20%)¹		
	North America 1.68% (1.04%)¹		
1,646	Berkshire Hathaway	431,707	1.68
	United Kingdom 5.36% (3.16%)¹		
957	Goldman Sachs International 2024	648,777	2.52
8,540	UBS AG London 2027	732,274	2.84
		1,381,051	5.36
	FUTURES CONTRACTS 0.35% (-0.26%)¹		
	Germany 0.14% (-0.01%)¹		
25	MSCI Europe ex-UK Index Futures December 2022	36,217	0.14
	Japan 0.09% (-0.15%)¹		
5	TOPIX Index Futures December 2022	24,313	0.09
	United Kingdom 0.17% (-0.07%)¹		
17	FTSE 100 Index Futures December 2022	53,434	0.21
14	MSCI World Health Care Index Futures December 2022	(10,879)	(0.04)
		42,555	0.17

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
FUTURES CONTRACTS 0.35% (-0.26%)¹ (continued)			
United States -0.05% (-0.03%)¹			
13	MSCI Emerging Markets Index Futures December 2022	173	–
6	US Ultra CBT Futures March 2023	(11,903)	(0.05)
		(11,730)	(0.05)
FORWARD CURRENCY CONTRACTS -0.03% (-1.19%)¹			
€200,000	Vs £(178,052) Expiry 21.04.2023	(4,406)	(0.02)
€350,000	Vs £(311,591) Expiry 21.04.2023	(7,710)	(0.03)
€400,000	Vs £(356,105) Expiry 21.04.2023	(8,812)	(0.03)
€(274,887)	Vs £244,721 Expiry 21.04.2023	6,055	0.02
US\$(13,000,000)	Vs £10,873,975 Expiry 13.01.2023	67,795	0.26
¥122,000,000	Vs £(742,906) Expiry 26.05.2023	4,335	0.02
US\$1,200,000	Vs £(1,002,505) Expiry 13.01.2023	(3,421)	(0.01)
US\$2,000,000	Vs £(1,725,816) Expiry 13.01.2023	(63,327)	(0.24)
		(9,491)	(0.03)
COLLECTIVE INVESTMENT SCHEMES 69.51% (40.35%)¹			
Ireland 34.43% (18.10%)¹			
548,945	HSBC Global Funds ICAV - Global Government Bond Index Fund	4,278,303	16.60
63,857	Invesco AT1 Capital Bond UCITS ETF	2,213,284	8.59
131,191	iShares Global Inflation-Linked Bond Index	1,512,445	5.87
424,020	Legal & General Emerging Markets Government Bond USD Index Fund	389,378	1.51
5,533	WisdomTree AT1 CoCo Bond UCITS ETF	480,596	1.86
		8,874,006	34.43
Luxembourg 17.90% (13.32%)¹			
7,707	BlackRock Strategic Funds - Global Event Driven Fund	886,674	3.44
342	Candriam Absolute Return Equity Market Neutral	515,915	2.00
6,472	Fulcrum Equity Dispersion Fund	787,324	3.05
22,025	Lyxor Core UK Government Bond (DR) UCITS ETF	2,426,274	9.41
		4,616,187	17.90
United Kingdom 17.18% (8.93%)¹			
2,312,606	iShares ESG Overseas Corporate Bond Index Fund (UK)	2,423,313	9.40
	Legal & General Emerging Markets Government Bond Local Currency		
688,726	Index Fund Acc	428,250	1.66
2,366,916	Legal & General Short Dated Sterling Corporate Bond Index Fund	1,308,668	5.07
178,020	Ninety One Funds Series III - Global Environment Fund	271,266	1.05
		4,431,497	17.18
Portfolio of investment			
		23,858,034	92.55
Net other assets ³			
		1,921,721	7.45
Net assets			
		25,779,755	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

² Structured product.

³ Includes shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £700,000 and shares in the Northern Trust Global Sterling Fund to the value of £503,678 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	7.99	14.37
Non-rated debt securities	7.69	11.69
Other investments	76.87	55.35
Net other assets	7.45	18.59
	100.00	100.00

7IM CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes		30.11.22		30.11.21
		£	£	£	£
Income					
Net capital (losses)/gains	4		(2,936,304)		357,401
Revenue	5	374,058		531,402	
Expenses	6	(205,572)		(250,724)	
Interest payable and similar charges	8	(753)		(736)	
Net revenue before taxation for the year		167,733		279,942	
Taxation	7	(34,428)		(54,276)	
Net revenue after taxation for the year			133,305		225,666
Total return before distributions			(2,802,999)		583,067
Distributions	8		(248,538)		(368,107)
Change in net assets attributable to shareholders from investment activities			(3,051,537)		214,960

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Opening net assets attributable to shareholders		34,672,621		40,142,992
Amounts received on creation of shares ¹	3,516,374		7,037,247	
Amounts paid on cancellation of shares ¹	(9,506,310)		(12,944,295)	
		(5,989,936)		(5,907,048)
Change in net assets attributable to shareholders from investment activities		(3,051,537)		214,960
Retained distribution on accumulation shares		148,607		221,717
Closing net assets attributable to shareholders		25,779,755		34,672,621

¹ Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 33 to 43 are an integral part of these financial statements.

7IM CAUTIOUS FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		23,968,492	28,856,084
Current assets:			
Debtors	9	940,356	121,874
Cash and bank balances	10	1,289,359	360,028
Cash equivalents	10	1,203,678	6,534,000
Total assets		27,401,885	35,871,986
LIABILITIES			
Investment liabilities		(110,458)	(628,381)
Creditors:			
Bank overdrafts	10	(267,258)	(273,845)
Distribution payable		(63,255)	(72,254)
Other creditors	11	(1,181,159)	(224,885)
Total liabilities		(1,622,130)	(1,199,365)
Net assets attributable to shareholders		25,779,755	34,672,621

The notes on pages 33 to 43 are an integral part of these financial statements.

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(1,168,495)	(665,291)
Derivative contracts	(355,177)	876,476
Forward currency contracts	(1,267,978)	79,550
Currency (losses)/gains	(157,704)	65,806
CSDR penalty reimbursement	167	–
Transaction charges	(5,192)	(11,628)
AMC rebates from underlying investments	18,075	12,488
Net capital (losses)/gains	<u>(2,936,304)</u>	<u>357,401</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	13,670	21,049
Taxable dividends	351,006	469,976
Unfranked interest	(13,813)	30,782
AMC rebates from underlying investments	20,539	7,751
Bank interest	2,571	1,235
Stock lending revenue ¹	85	609
Total revenue	<u>374,058</u>	<u>531,402</u>

¹ Stock lending revenue is disclosed net of the security agent's share of income. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	139,512	174,934
Other expenses	4,507	6,299
	<hr/>	<hr/>
	144,019	181,233
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	5,329	6,781
Safe custody and other bank charges	13,303	14,791
	<hr/>	<hr/>
	18,632	21,572
Other Expenses:		
Audit fee ¹	12,007	9,695
Dealing and exchange fees	5,452	6,169
FCA and other regulatory fees	161	41
Legal and professional fees	514	1,523
Market data fees	3,604	6,978
Printing, postage and distribution costs	13,114	15,548
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	42,921	47,919
	<hr/>	<hr/>
	205,572	250,724

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7 Taxation

	30.11.22 £	30.11.21 £
a) Analysis of charge for the year		
Corporation tax at 20%	34,428	54,276
	<hr/>	<hr/>
Current tax charge (note 7b)	34,428	54,276
	<hr/>	<hr/>
Total taxation	34,428	54,276
b) Factors affecting current tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	167,733	279,942
Corporation tax at 20%	33,547	55,988
Effects of:		
AMC rebates taken to capital	3,615	2,498
Non-taxable dividends	(2,734)	(4,210)
Current tax charge (note 7a)	<hr/>	<hr/>
	34,428	54,276
c) Deferred tax		
There is no deferred tax provision in the current year (2021: none).		

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	67,329	171,315
Final ²	170,841	185,758
	<hr/>	<hr/>
Add: Revenue deducted on cancellation of shares	18,233	23,266
Deduct: Revenue received on issue of shares	(7,865)	(12,232)
	<hr/>	<hr/>
Net distributions for the year	248,538	368,107
Interest payable and similar charges	753	736
Total distribution	<hr/>	<hr/>
	249,291	368,843

Details of the distributions per share are set out in the table on pages 44 and 45.

Distributions represented by:

Net revenue after taxation	133,305	225,666
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	115,225	142,445
Net movement in revenue account	8	(4)
Net distributions for the year	<hr/>	<hr/>
	248,538	368,107

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Distribution payable at the year end of £63,255 (2021: £72,254) are disclosed in the Balance Sheet on page 32.

9 Debtors

	30.11.22 £	30.11.21 £
Amounts receivable for issue of shares	30,430	6,282
Sales awaiting settlement	853,629	—
Accrued revenue	28,062	65,908
AMC rebates from underlying investments	24,847	49,684
Currency deals awaiting settlement	3,388	—
Total debtors	<hr/>	<hr/>
	940,356	121,874

10 Cash and bank balances

	30.11.22 £	30.11.21 £
Cash and bank balances	1,028,760	237,430
Cash held at clearing houses	260,599	122,598
Cash equivalents	1,203,678	6,534,000
Total cash and bank balances	<hr/>	<hr/>
	2,493,037	6,894,028
Bank overdrafts	(202,693)	(237,078)
Cash overdraft at clearing houses	(64,565)	(36,767)
Total bank overdrafts	<hr/>	<hr/>
	(267,258)	(273,845)

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

11 Other Creditors

	30.11.22 £	30.11.21 £
Amounts payable for cancellation of shares	293,488	119,282
Purchases awaiting settlement	811,426	14,564
Accrued expenses	41,817	36,763
Corporation tax payable	34,428	54,276
Total other creditors	<hr/> 1,181,159	<hr/> 224,885

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £10,118 (2021: £13,602).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 31.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date, the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Liverpool Victoria Friendly Society Limited	28.89% (2021: 29.67%)
Pershing Nominees Limited	32.38% (2021: 35.84%)

The net value of creations and cancellations for Liverpool Victoria Friendly Society Limited during the year totalled (£2,744,429) (2021: (£881,553)). The distributions paid to Liverpool Victoria Friend Society Limited during the year totalled £67,295.

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£4,188,847) (2021: (£1,924,541)). The distributions paid to Pershing Nominees Limited during the year totalled £5,689.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has two share classes: 'C' and 'S'. The annual management charge on each class are as follows:

Class C	0.50%
Class S	0.25%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class C Income	12,405,921	663,254	(3,542,241)	–	9,526,934
Class C Accumulation	14,659,722	2,419,999	(4,033,404)	–	13,046,317
Class S Income	263,850	139,405	(31,095)	–	372,160
Class S Accumulation	3,642,770	68,451	(1,391,099)	–	2,320,122

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below:

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
Euro	1,850	–	861,036	862,886
Japanese yen	807	–	771,553	772,360
US dollar	200,035	2,714,193	9,387,523	12,301,751
Pound sterling	3,989,973	360,176	23,389,800	27,739,949
	4,192,665	3,074,369	34,409,912	41,676,946

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
Euro	(1,901)	–	(238,666)	(240,567)
Japanese yen	(830)	–	–	(830)
US dollar	(264,526)	–	(10,828,962)	(11,093,488)
Pound sterling	(1)	–	(4,562,305)	(4,562,306)
	(267,258)	–	(15,629,933)	(15,897,191)

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	26,375	—	—	26,375
Japanese yen	1,157	—	185,953	187,110
US dollar	127,411	4,233,484	9,118,758	13,479,653
Pound sterling	8,445,434	3,098,762	24,942,790	36,486,986
	8,600,377	7,332,246	34,247,501	50,180,124

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(1,825)	—	(420,775)	(422,600)
Japanese yen	(892)	—	(53,849)	(54,741)
US dollar	(164,177)	—	(12,824,807)	(12,988,984)
Pound sterling	(106,951)	—	(1,934,227)	(2,041,178)
	(273,845)	—	(15,233,658)	(15,507,503)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.22	30.11.21	30.11.22	30.11.21
Pound sterling	4.21	0.75	—	11
US dollar	(0.38)	(2.20)	2	4

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the weighted average effective duration was 4.33 years (30 November 2021: 4.45 years).

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	(51)	622,370	622,319
Japanese yen	(23)	771,553	771,530
US dollar	789,138	419,125	1,208,263
	789,064	1,813,048	2,602,112
Pound sterling	1,132,657	22,044,986	23,177,643
Net assets	1,921,721	23,858,034	25,779,755

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	24,550	(420,775)	(396,225)
Japanese yen	265	132,104	132,369
US dollar	(36,766)	527,436	490,670
	(11,951)	238,765	226,814
Pound sterling	6,456,869	27,988,938	34,445,807
Net assets	6,444,918	28,227,703	34,672,621

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 73%, 201% and 92% respectively (30 November 2021: 6%, 146% and 63% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = 0.3*VaR(MAC303XL) + 0.7*\text{MAX}[VaR(MAC303XL), VaR(MAC303 51d HL)]$.

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

The types of derivatives held at the balance sheet date were forward foreign currency contracts, futures contracts and structured products. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

	30.11.22	30.11.21
Counterparty	£	£
Futures Contracts		
Chicago Board of Trade	(8,937)	66,534
Eurex Deutschland	35,337	(1,882)
London International Financial Futures Exchange	37,207	(24,433)
New York Coffee, Sugar & Cocoa	(7,374)	(75,464)
Tokyo Stock Exchange	22,407	(53,849)
Forward Currency Contracts		
Northern Trust	(9,491)	(413,710)
Total net exposure¹	69,149	(502,804)

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value (continued)

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	1,973,536	2,068,186	—	4,041,722
Collective Investment Schemes	17,921,690	—	—	17,921,690
Derivatives	114,137	78,185	—	192,322
Equities	431,707	1,381,051	—	1,812,758
Total	20,441,070	3,527,422	—	23,968,492

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Liabilities				
Derivatives	(22,782)	(87,676)	—	(110,458)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	2,199,077	6,839,519	—	9,038,596
Collective Investment Schemes	8,345,513	9,892,977	—	18,238,490
Derivatives	69,180	56,397	—	125,577
Equities	1,453,421	—	—	1,453,421
Total	12,067,191	16,788,893	—	28,856,084

	Level 1 £	Level 2 £	Level 3 £	Total £
Liabilities				
Derivatives	(158,274)	(470,107)	—	(628,381)

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 21.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	4,106	—	—	—	—	—
Collective Investment Schemes	22,813	—	—	—	—	—
Derivatives	1,022	—	—	—	—	—
Equities	5,776	—	—	—	—	—
Total	33,717	—	—	—	—	—
Sales						
Bonds	7,825	—	—	—	—	—
Collective Investment Schemes	28,993	—	—	—	—	—
Derivatives	1,471	—	—	—	—	—
Equities	3,899	—	—	—	—	—
Total	42,188	—	—	—	—	—
Total as a percentage of the average NAV		0.00%		0.00%		0.00%

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	4,447	—	—	—	—	—
Collective Investment Schemes	4,552	—	—	—	—	—
Equities	3,416	—	—	—	—	—
Total	12,415	—	—	—	—	—
Sales						
Bonds	2,275	—	—	—	—	—
Collective Investment Schemes	14,914	—	—	—	—	—
Derivatives	213	—	—	—	—	—
Equities	1,791	—	—	—	—	—
Total	19,193	—	—	—	—	—
Total as a percentage of the average NAV		0.00%		0.00%		0.00%

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.16% (2021: 0.18%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 105.70p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 105.76p. This represents an increase of 0.06% from the year end value.

7IM CAUTIOUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class C Income				
Group 1	0.2278	–	0.2278	0.4889
Group 2	0.0758	0.1520	0.2278	0.4889

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class C Accumulation				
Group 1	0.2485	–	0.2485	0.5280
Group 2	0.1027	0.1458	0.2485	0.5280

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class S Income				
Group 1	0.2366	–	0.2366	0.4950
Group 2	0.1298	0.1068	0.2366	0.4950

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class S Accumulation				
Group 1	0.2495	–	0.2495	0.5342
Group 2	0.1200	0.1295	0.2495	0.5342

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2022

Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	0.6386	–	0.6386	0.5701
Group 2	0.3235	0.3151	0.6386	0.5701

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class C Accumulation				
Group 1	0.6987	–	0.6987	0.6189
Group 2	0.3666	0.3321	0.6987	0.6189

7IM CAUTIOUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class S Income				
Group 1	0.6492	—	0.6492	0.5790
Group 2	0.4360	0.2132	0.6492	0.5790
Class S Accumulation				
Group 1	0.7082	—	0.7082	0.6252
Group 2	0.4102	0.2980	0.7082	0.6252

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM MODERATELY CAUTIOUS FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM Moderately Cautious Fund (the 'Sub-fund') aims to provide a return by way of income with some capital growth.

The Sub-fund invests at least 80% of its assets in other funds managed both by the Manager and by selected third party managers, including open-ended and closed-ended funds and exchange traded funds (ETFs), and other transferable securities, including fixed income, equities and structured products. This exposure may also be achieved through the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments).

Up to 20% of the Sub-Fund will be invested in assets such as cash, and deposits, and may also include the use of money market funds and money market instruments, for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

Investment will be more focused on income generating assets such as corporate debt securities but there will be an allocation to growth generating assets such as global equities.

The Sub-fund will invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

In extraordinary market conditions (such as political unrest, economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), it may not be appropriate for the Sub-fund to be invested in funds and other assets as noted above and the Sub-fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments. Examples of extraordinary market conditions include periods of heightened volatility caused by a sudden economic downturn or events such as political unrest, war or bankruptcy of large financial institutions.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (8.59)%¹.

Comparator Benchmark

Over the last 5 and 10 years the Sub-fund has very slightly underperformed the IA sector performance comparator (IA Mixed Investment 0-35% Shares sector until 16 August 2022 and then from 17 August 2022 to the IA Mixed Investment 20-60% Shares sector.). 3 year performance has been very positive however as the Sub-fund has navigated difficult market conditions well following the March 2020 COVID-19 market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. The 1 year, 5 year and 10 year relative performance to the benchmark was 0.90%, (0.21)% and (0.03)% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

¹ Calculated using 7IM Moderately Cautious Fund C Acc shares, published prices. Source: NTRS.

7IM MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets help up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader emerging markets equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. Emerging markets valuations and emerging markets currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In March 2022, we took some profits from our Berkshire Hathaway position which had outperformed the US market very well since we added the position in July 2020. The cash freed up went into a neutral equity allocation.

In April 2022, we added an index arbitrage strategy into our alternatives basket. The growth of index investing has meant that stocks typically experience a change in price when entering or leaving an index, this fund aims to profit from that. The strategy is largely market neutral and further diversifies our alternatives allocation.

In June 2022 we moved our duration position from underweight to neutral. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure.

7IM MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

In August 2022, we refreshed our strategic asset allocation (SAA) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value tilt. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

In October, we also removed our RMBS position. The original bull case for the position has played out and we took profits on the position. The US housing market stayed strong and mortgage prepayments meant the trade performed well. With employment potentially less certain than it has been and changing forces in housing markets, we do not think the trade is as attractive as it was.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP
Investment Manager
January 2023

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION

The Comparative Tables on pages 50 to 59 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.22 ¹ (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	138.92	137.54	132.73
Return before operating charges*	(5.17)	6.20	9.72
Operating charges (calculated on average price)	(0.27)	(2.65)	(2.50)
Return after operating charges*	(5.44)	3.55	7.22
Distributions on income shares	–	(2.17)	(2.41)
Last quoted share price	133.48	–	–
Closing net asset value per share	–	138.92	137.54
* After direct transaction costs of: ²	0.00	0.00	0.00

Performance

Return after charges ³	(3.92)%	2.58%	5.44%
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Other Information

Closing net asset value (£'000)	–	47	46
Closing number of shares	–	33,873	33,873
Operating charges ⁴	1.88%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	141.15	143.77	139.29
Lowest share price	130.96	137.44	118.06

¹ Share class became inactive on 28 March 2022.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	197.66	192.63	182.60
Return before operating charges*	(13.66)	8.72	13.47
Operating charges (calculated on average price)	(3.52)	(3.69)	(3.44)
Return after operating charges*	(17.18)	5.03	10.03
Distributions	(2.85)	(3.08)	(3.28)
Retained distributions on accumulation shares	2.85	3.08	3.28
Closing net asset value per share	180.48	197.66	192.63
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.69)%	2.61%	5.49%
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Other Information

Closing net asset value (£'000)	80	137	642
Closing number of shares	44,039	69,084	333,236
Operating charges ³	1.88%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	200.71	202.16	192.70
Lowest share price	171.53	192.60	162.42

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	205.35	199.76	189.04
Return before operating charges*	(14.42)	8.93	13.82
Operating charges (calculated on average price)	(3.15)	(3.34)	(3.10)
Return after operating charges*	(17.57)	5.59	10.72
Distributions	(2.95)	(3.17)	(3.45)
Retained distributions on accumulation shares	2.95	3.17	3.45
Closing net asset value per share	187.78	205.35	199.76
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.56)%	2.80%	5.67%
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Other Information

Closing net asset value (£'000)	23,643	29,059	32,578
Closing number of shares	12,591,073	14,150,830	16,308,285
Operating charges ³	1.63%	1.63%	1.63%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	208.54	210.15	199.93
Lowest share price	178.48	199.74	168.28

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	151.87	149.75	143.97
Return before operating charges*	(10.73)	6.62	10.40
Operating charges (calculated on average price)	(1.98)	(2.12)	(1.99)
Return after operating charges*	(12.71)	4.50	8.41
Distributions on income shares	(2.18)	(2.38)	(2.63)
Closing net asset value per share	136.98	151.87	149.75
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.37)%	3.01%	5.84%
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Other Information

Closing net asset value (£'000)	30,768	38,758	40,892
Closing number of shares	22,462,495	25,521,246	27,306,217
Operating charges ³	1.38%	1.38%	1.38%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	154.33	157.13	151.80
Lowest share price	132.02	149.65	128.25

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	213.26	207.05	195.55
Return before operating charges*	(15.09)	9.15	14.22
Operating charges (calculated on average price)	(2.77)	(2.94)	(2.72)
Return after operating charges*	(17.86)	6.21	11.50
Distributions	(3.07)	(3.30)	(3.78)
Retained distributions on accumulation shares	3.07	3.30	3.78
Closing net asset value per share	195.40	213.26	207.05
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.37)%	3.00%	5.88%
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Other Information

Closing net asset value (£'000)	105,504	120,600	128,375
Closing number of shares	53,994,155	56,549,978	62,001,246
Operating charges ³	1.38%	1.38%	1.38%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	216.59	218.23	207.29
Lowest share price	185.67	207.03	174.20

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	141.32	139.91	134.93
Return before operating charges*	(9.91)	6.31	9.94
Operating charges (calculated on average price)	(2.52)	(2.69)	(2.54)
Return after operating charges*	(12.43)	3.62	7.40
Distributions on income shares	(1.93)	(2.21)	(2.42)
Closing net asset value per share	126.96	141.32	139.91
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.80)%	2.59%	5.48%
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Other Information

Closing net asset value (£'000)	33	127	136
Closing number of shares	26,304	89,750	97,328
Operating charges ³	1.88%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	143.59	146.24	141.66
Lowest share price	122.46	139.81	120.02

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	197.23	192.25	182.28
Return before operating charges*	(13.74)	8.69	13.41
Operating charges (calculated on average price)	(3.49)	(3.71)	(3.44)
Return after operating charges*	(17.23)	4.98	9.97
Distributions	(2.83)	(3.05)	(3.32)
Retained distributions on accumulation shares	2.83	3.05	3.32
Closing net asset value per share	180.00	197.23	192.25
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.74)%	2.59%	5.47%
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Other Information

Closing net asset value (£'000)	7,155	8,848	9,460
Closing number of shares	3,974,724	4,486,168	4,920,785
Operating charges ³	1.88%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	200.28	201.86	192.32
Lowest share price	171.13	192.22	162.14

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	112.07	110.29	105.81
Return before operating charges*	(8.04)	4.81	7.61
Operating charges (calculated on average price)	(1.19)	(1.28)	(1.20)
Return after operating charges*	(9.23)	3.53	6.41
Distributions on income shares	(1.56)	(1.75)	(1.93)
Closing net asset value per share	101.28	112.07	110.29
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.24)%	3.20%	6.06%
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Other Information

Closing net asset value (£'000)	1,858	3,504	3,025
Closing number of shares	1,834,591	3,127,023	2,742,797
Operating charges ³	1.13%	1.13%	1.13%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	113.89	115.92	111.79
Lowest share price	97.59	110.22	94.32

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	129.71	125.68	118.47
Return before operating charges*	(9.25)	5.49	8.56
Operating charges (calculated on average price)	(1.38)	(1.46)	(1.35)
Return after operating charges*	(10.63)	4.03	7.21
Distributions	(1.87)	(2.00)	(2.17)
Retained distributions on accumulation shares	1.87	2.00	2.17
Closing net asset value per share	119.08	129.71	125.68
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.20)%	3.21%	6.09%
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Other Information

Closing net asset value (£'000)	11,880	15,293	17,507
Closing number of shares	9,976,471	11,789,747	13,929,248
Operating charges ³	1.13%	1.13%	1.13%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	131.74	132.69	125.82
Lowest share price	113.13	125.67	105.60

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Accumulation

	30.11.22 ² (pence per share)	30.11.21 (pence per share)	30.11.20 ¹ (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	116.54	112.56	112.26
Return before operating charges*	7.67	4.83	0.32
Operating charges (calculated on average price)	(0.06)	(0.85)	(0.02)
Return after operating charges*	7.61	3.98	0.30
Distributions	–	(1.80)	(0.94)
Retained distributions on accumulation shares	–	1.80	0.94
Last quoted share price	124.15	–	–
Closing net asset value per share	–	116.54	112.56
* After direct transaction costs of: ³	0.00	0.00	0.00

Performance

Return after charges ⁴	6.53%	3.54%	0.27%
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Other Information

Closing net asset value (£'000)	–	395	382
Closing number of shares	–	339,331	339,331
Operating charges ⁵	0.73%	0.73%	0.73%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	126.24	119.13	112.68
Lowest share price	111.65	112.55	112.26

¹ The share class launched on 20 November 2020.

² Share class became inactive on 7 March 2022.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁵ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 60.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class B	Class C	Class D	Class S	Class X
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
Collective investment scheme costs	1.47%	1.22%	0.97%	1.47%	0.72%	0.32%
Ongoing Charges Figure	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%
	1.88%	1.63%	1.38%	1.88%	1.13%	0.73%

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S	Class X
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
Collective investment scheme costs	1.47%	1.22%	0.97%	1.47%	0.72%	0.32%
Ongoing Charges Figure	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%
	1.88%	1.63%	1.38%	1.88%	1.13%	0.73%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards

Typically higher rewards

Lower risk

Higher risk



This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was four.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM Moderately Cautious Fund ¹	(8.59)	(0.19)	1.13

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the period are shown in the Distribution Tables on pages 77 to 79.

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
ALTERNATIVES 4.19% (7.99%)¹			
Alternative Strategies 4.19% (7.99%)¹			
5,050,000	JP Morgan Structured Products 0.00% 10/09/2024 ²	4,275,114	2.36
3,974,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	3,314,258	1.83
		7,589,372	4.19
DEBT SECURITIES 0.28% (0.73%)¹			
Short Term Sterling Bonds 0.28% (0.73%)¹			
£500,000	Barclays Bank UK FRN 2023	500,050	0.28
EQUITY 7.77% (6.18%)¹			
North America 2.21% (2.82%)¹			
15,270	Berkshire Hathaway	4,004,958	2.21
United Kingdom 5.56% (3.36%)¹			
9,843	Goldman Sachs International 2024	6,672,842	3.69
39,500	UBS AG London 2027	3,386,983	1.87
		10,059,825	5.56
FUTURES CONTRACTS -0.06% (0.21%)¹			
Germany 0.00% (0.04%)¹			
United States -0.06% (0.17%)¹			
56	US Ultra CBT Futures March 2023	(111,096)	(0.06)
FORWARD CURRENCY CONTRACTS -0.19% (-0.85%)¹			
€2,700,000	Vs £(2,403,705) Expiry 21.04.2023	(59,479)	(0.03)
€(1,153,393)	Vs £1,026,821 Expiry 21.04.2023	25,409	0.01
US\$(53,973,000)	Vs £45,146,234 Expiry 13.01.2023	281,468	0.15
¥733,177,000	Vs £(4,464,602) Expiry 26.05.2023	26,049	0.01
US\$9,250,000	Vs £(7,981,900) Expiry 13.01.2023	(292,887)	(0.16)
US\$6,000,000	Vs £(5,302,695) Expiry 13.01.2023	(315,228)	(0.17)
		(334,668)	(0.19)
COLLECTIVE INVESTMENT SCHEMES 82.02% (71.77%)¹			
Ireland 14.49% (18.11%)¹			
108,216	Barings Emerging Markets Debt Blended Total Return	10,902,653	6.03
946,792	HSBC Global Funds ICAV - Global Government Bond Index Fund	7,379,004	4.08
486,851	iShares Global Inflation-Linked Bond Index	5,612,704	3.10
235,184	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund	2,315,199	1.28
		26,209,560	14.49
Luxembourg 42.91% (33.29%)¹			
39,161	AB SICAV I - International Health Care Portfolio	5,976,790	3.31
28,517	AQR - Managed Futures UCITS Fund	3,104,527	1.72
46,074	BlackRock Strategic Funds - Global Event Driven Fund	5,300,830	2.93
196,734	BlueBay Financial Capital Bond	18,892,326	10.44
3,168	Candriam Absolute Return Equity Market Neutral	4,778,513	2.64
39,329	Fulcrum Equity Dispersion Fund	4,783,995	2.64
25,700	Lyxor Core UK Government Bond (DR) UCITS ETF	2,831,112	1.56
247,164	Robeco Global Credits Acc	25,853,331	14.29

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
COLLECTIVE INVESTMENT SCHEMES 82.02% (71.77%)¹ (continued)			
Luxembourg 42.91% (33.29%)¹ (continued)			
14,972	RWC Global Emerging Markets	3,047,696	1.68
124,456	Schroder ISF Asian Opportunities	3,072,908	1.70
		77,642,028	42.91
United Kingdom 24.62% (20.37%)¹			
3,361,892	Fidelity Investment Funds ICVC - UK Select Fund	3,627,481	2.01
2,556,804	iShares Global Property Securities Index	5,781,699	3.20
648,622	LF Brook Absolute Return Fund Sterling	3,283,323	1.81
2,311,374	LF Lightman European Fund I Accumulation	3,254,415	1.80
1,711,560	Man GLG Income Fund	5,584,819	3.09
2,294,630	Ninety One Funds Series III - Global Environment Fund	3,496,558	1.93
104,691	PFS TwentyFour Dynamic Bond	9,711,128	5.37
1,179,712	Premier Miton European Opportunities	3,112,080	1.72
5,972,045	Schroder Prime UK Equity Fund	3,140,698	1.74
348,700	T. Rowe Price Funds Japanese Equity	3,526,367	1.95
		44,518,568	24.62
Portfolio of investment			
Net other assets ³			
		170,078,597	94.01
Net assets			
		180,920,985	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

² Structured product.

³ Includes shares in the Northern Trust Global Sterling Fund to the value of £3,533,311 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	0.28	0.73
Non-rated debt securities	4.19	7.99
Other investments	89.54	77.31
Net other assets	5.99	13.97
	100.00	100.00

7IM MODERATELY CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes	£	30.11.22	£	30.11.21	£
Income						
Net capital (losses)/gains	4		(19,450,354)			5,022,081
Revenue	5	3,671,566			4,232,139	
Expenses	6	(1,977,289)			(2,242,713)	
Interest payable and similar charges	8	(2,341)			(9,081)	
Net revenue before taxation for the year		1,691,936			1,980,345	
Taxation	7	(242,504)			(252,763)	
Net revenue after taxation for the year			1,449,432			1,727,582
Total return before distributions			(18,000,922)			6,749,663
Distributions	8		(2,958,793)			(3,427,815)
Change in net assets attributable to shareholders from investment activities			(20,959,715)			3,321,848

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

	£	£	30.11.22	£	£	30.11.21
Opening net assets attributable to shareholders		216,768,236				233,043,275
Amounts received on creation of shares ¹	28,347,062			39,610,787		
Amounts paid on cancellation of shares ¹	(45,580,447)			(61,925,694)		
			(17,233,385)			(22,314,907)
Change in net assets attributable to shareholders from investment activities			(20,959,715)			3,321,848
Retained distribution on accumulation shares			2,345,849			2,718,020
Closing net assets attributable to shareholders		180,920,985				216,768,236

¹Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 66 to 76 are an integral part of these financial statements.

7IM MODERATELY CAUTIOUS FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		170,857,287	189,004,185
Current assets:			
Debtors	9	464,854	928,109
Cash and bank balances	10	10,423,295	1,929,053
Cash equivalents	10	3,533,311	30,520,000
Total assets		185,278,747	222,381,347
LIABILITIES			
Investment liabilities		(778,690)	(2,526,771)
Creditors:			
Bank overdrafts	10	(1,972,843)	(1,652,164)
Distribution payable		(467,815)	(470,024)
Other creditors	11	(1,138,414)	(964,152)
Total liabilities		(4,357,762)	(5,613,111)
Net assets attributable to shareholders		180,920,985	216,768,236

The notes on pages 66 to 76 are an integral part of these financial statements.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(10,618,119)	4,609,647
Derivative contracts	(2,063,571)	311,145
Forward currency contracts	(6,475,006)	(342,360)
Currency (losses)/gains	(443,704)	385,852
Transaction charges	(6,170)	(14,335)
AMC rebates from underlying investments	154,718	72,132
CSDR penalty	1,498	—
Net capital (losses)/gains	<u>(19,450,354)</u>	<u>5,022,081</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	622,729	784,138
Taxable dividends	3,180,736	3,487,771
Unfranked interest	(250,480)	(80,514)
AMC rebates from underlying investments	102,284	37,072
Bank interest	16,266	2,887
Stock lending revenue ¹	31	785
Total revenue	<u>3,671,566</u>	<u>4,232,139</u>

¹ Stock lending revenue is disclosed net of the security agent's share of income. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,848,152	2,107,197
Other expenses	8,051	11,146
	<hr/>	<hr/>
	1,856,203	2,118,343
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	32,389	31,196
Market risk fees	3,604	6,978
Safe custody and other bank charges	27,169	23,023
	<hr/>	<hr/>
	63,162	61,197
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	13,021	14,900
FCA and other regulatory fees	80	41
Legal and professional fees	514	1,515
Printing, postage and distribution costs	24,232	29,057
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	57,924	63,173
	<hr/>	<hr/>
	1,977,289	2,242,713

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	244,785	253,668
Overseas tax	(2,281)	(905)
	<hr/>	<hr/>
Current tax charge (note 7b)	242,504	252,763
	<hr/>	<hr/>
Total taxation	242,504	252,763
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	1,691,936	1,980,345
Corporation tax at 20%	338,387	396,069
Effects of:		
AMC rebates taken to capital	30,944	14,427
Non-taxable dividends	(124,546)	(156,828)
Overseas tax	(2,281)	(905)
Current tax charge (note 7a)	<hr/>	<hr/>
	242,504	252,763
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2021: none).		

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	307,129	1,011,432
Final ³	2,561,495	2,378,984
	<hr/>	<hr/>
Add: Revenue deducted on cancellation of shares	163,025	113,437
Deduct: Revenue received on issue of shares	(72,856)	(76,038)
Net distributions for the year	2,958,793	3,427,815
Interest payable and similar charges	2,341	9,081
Total distribution	<hr/>	<hr/>
	2,961,134	3,436,896

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 77 to 79.

Distributions represented by:

Net revenue after taxation	1,449,432	1,727,582
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	1,509,466	1,700,184
Equalisation on conversions ²	2	(1)
Net movement in revenue account	(107)	50
Net distributions for the year	2,958,793	3,427,815

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £467,815 (2021: £470,024) are disclosed in the Balance Sheet on page 65.

9 Debtors

	30.11.22	30.11.21
	£	£
Amounts receivable for issue of shares	108,208	569,424
Accrued revenue	221,317	218,272
Income tax recoverable	27,852	32,460
AMC rebates from underlying investments	107,342	107,820
Withholding tax recoverable	135	133
Total debtors	<u>464,854</u>	<u>928,109</u>

10 Cash and bank balances

	30.11.22	30.11.21
	£	£
Cash and bank balances	9,390,548	1,651,873
Cash held at clearing houses	1,032,747	277,180
Cash equivalents	3,533,311	30,520,000
Total cash and bank balances	<u>13,956,606</u>	<u>32,449,053</u>
Bank overdrafts	(1,370,929)	(1,651,426)
Cash overdraft at clearing houses	(601,914)	(738)
Total bank overdrafts	<u>(1,972,843)</u>	<u>(1,652,164)</u>

11 Other creditors

	30.11.22	30.11.21
	£	£
Amounts payable for cancellation of shares	761,606	722,775
Purchases awaiting settlement	23,299	21,217
Accrued expenses	205,184	206,492
Corporation tax payable	148,325	13,668
Total other creditors	<u>1,138,414</u>	<u>964,152</u>

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £ 138,582 (2021: £169,052).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 64.

7IM and its associates (including other authorised investment funds managed by 7IM) had no shareholdings in the Sub-fund (2021: none).

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date, the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited	37.40% (2021: 41.85%)
---------------------------	-----------------------

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£24,071,210) (2021: £10,038,736). The distributions paid to Pershing Nominees Limited during the year totalled £93,961.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has six share classes: 'A', 'B', 'C', 'D', 'S' and 'X'. The annual management charge on each class are as follows:

Class A	1.40%
Class B	1.15%
Class C	0.90%
Class D	1.40%
Class S	0.65%
Class X	0.25%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	33,873	–	–	(33,873)	–
Class A Accumulation	69,084	–	(7,815)	(17,230)	44,039
Class B Accumulation	14,150,830	617,775	(2,151,809)	(25,723)	12,591,073
Class C Income	25,521,246	547,994	(3,665,245)	58,500	22,462,495
Class C Accumulation	56,549,978	11,936,493	(14,619,536)	127,220	53,994,155
Class D Income	89,750	285	(34,106)	(29,625)	26,304
Class D Accumulation	4,486,168	548,340	(962,413)	(97,371)	3,974,724
Class S Income	3,127,023	207,467	(1,499,899)	–	1,834,591
Class S Accumulation	11,789,747	706,062	(2,524,936)	5,598	9,976,471
Class X Accumulation	339,331	–	(339,331)	–	–

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	267,717	–	2,344,361	2,612,078
Swiss franc	14,874	–	–	14,874
Japanese yen	–	–	4,490,652	4,490,652
US dollar	1,088,386	10,976,355	53,426,076	65,490,817
Pound sterling	13,085,679	–	164,936,133	178,021,812
	14,456,656	10,976,355	225,197,222	250,630,233

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(267,669)	–	(1,001,412)	(1,269,081)
Swiss franc	(14,874)	–	–	(14,874)
US dollar	(1,690,300)	–	(44,975,862)	(46,666,162)
Pound sterling	–	–	(21,759,131)	(21,759,131)
	(1,972,843)	–	(67,736,405)	(69,709,248)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	264,031	–	133	264,164
Japanese yen	–	–	1,282,924	1,282,924
Swiss franc	13,840	–	–	13,840
US dollar	893,397	17,325,666	67,008,570	85,227,633
Pound sterling	31,779,381	1,087,308	186,382,474	219,249,163
	32,950,649	18,412,974	254,674,101	306,037,724

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(264,763)	–	(1,041,687)	(1,306,450)
Swiss franc	(13,840)	–	–	(13,840)
US dollar	(893,398)	–	(68,431,391)	(69,324,789)
Pound sterling	(480,163)	–	(18,144,246)	(18,624,409)
	(1,652,164)	–	(87,617,324)	(89,269,488)

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.22 %	30.11.21 %	30.11.22 Years	30.11.21 Years
Pound sterling	—	0.44	—	1
US dollar	(0.62)	(2.64)	1	2

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the weighted average effective duration was 2.89 years (30 November 2021: 3.02 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure	Non-Monetary Exposure	Total
	£	£	£
Euro	183	1,342,814	1,342,997
Japanese yen	—	4,490,652	4,490,652
US dollar	(601,914)	19,426,569	18,824,655
	(601,731)	25,260,035	24,658,304
Pound sterling	11,444,119	144,818,562	156,262,681
Net assets	10,842,388	170,078,597	180,920,985

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure	Non-Monetary Exposure	Total
	£	£	£
Euro	(599)	(1,041,687)	(1,042,286)
Japanese yen	—	1,282,924	1,282,924
US dollar	(1)	15,902,845	15,902,844
	(600)	16,144,082	16,143,482
Pound sterling	30,291,422	170,333,332	200,624,754
Net assets	30,290,822	186,477,414	216,768,236

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional amounts) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 39%, 129% and 53% respectively (30 November 2021: 30%, 94% and 42% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = 0.3*VaR(MAC303XL) + 0.7*\max[VaR(MAC303XL), VaR(MAC303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

The types of derivatives held at the balance sheet date were forward foreign currency contracts, futures contracts and structured products. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

	30.11.22	30.11.21
Counterparty	£	£
Futures Contracts		
Chicago Board of Trade	(111,096)	378,729
Eurex USA	–	93,808
Forward Currency Contracts		
Northern Trust	<u>(334,668)</u>	<u>(1,851,440)</u>
Total net exposure¹	<u>(445,764)</u>	<u>(1,378,903)</u>

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	3,814,308	4,275,114	—	8,089,422
Collective Investment Schemes	148,370,156	—	—	148,370,156
Derivatives	—	332,926	—	332,926
Equities	10,677,800	3,386,983	—	14,064,783
Total	162,862,264	7,995,023	—	170,857,287
Liabilities				
Derivatives	(111,096)	(667,594)	—	(778,690)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	—	18,914,570	—	18,914,570
Collective Investment Schemes	74,070,303	81,487,534	—	155,557,837
Derivatives	472,537	675,331	—	1,147,868
Equities	13,383,910	—	—	13,383,910
Total	87,926,750	101,077,435	—	189,004,185
Liabilities				
Derivatives	—	(2,526,771)	—	(2,526,771)

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 49.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	18,134	—	—	—	—	—
Collective Investment Schemes	134,350	—	—	—	—	—
Derivatives	8,970	—	—	—	—	—
Equities	6,051	—	—	—	—	—
Total	167,505	—	—	—	—	—
Sales						
Bonds	25,884	—	—	—	—	—
Collective Investment Schemes	160,472	—	—	—	—	—
Derivatives	9,534	—	—	—	—	—
Equities	6,329	(1)	—	(1)	0.02	—
Total	202,219	(1)	—	(1)	0.02	—
Total as a percentage of the average NAV		0.00%		0.00%		0.00%

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	19,810	—	—	—	—	—
Collective Investment Schemes	63,075	—	—	—	—	—
Equities	1,392	—	—	—	—	—
Total	84,277	—	—	—	—	—
Sales						
Bonds	13,229	—	—	—	—	—
Collective Investment Schemes	105,248	—	—	—	—	—
Derivatives	499	—	—	—	—	—
Equities	12,795	(2)	—	(2)	0.01	—
Total	131,771	(2)	—	(2)	0.01	—
Total as a percentage of the average NAV		0.00%		0.00%		0.00%

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.07% (2021: 0.19%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 195.36p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 199.41p. This represents an increase of 2.07% from the year end value.

7IM MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Paid 31.07.22 ¹	Paid 31.07.21
Class A Income				
Group 1	–	–	–	0.6375
Group 2	–	–	–	0.6375

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class A Accumulation				
Group 1	0.2870	–	0.2870	0.8922
Group 2	0.2870	–	0.2870	0.8922

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class B Accumulation				
Group 1	0.2967	–	0.2967	0.9266
Group 2	0.0973	0.1994	0.2967	0.9266

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class C Income				
Group 1	0.2182	–	0.2182	0.6941
Group 2	0.0886	0.1296	0.2182	0.6941

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class C Accumulation				
Group 1	0.3120	–	0.3120	0.9600
Group 2	0.1133	0.1987	0.3120	0.9600

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class D Income				
Group 1	0.1013	–	0.1013	0.6494
Group 2	0.0972	0.0041	0.1013	0.6494

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class D Accumulation				
Group 1	0.2858	–	0.2858	0.8899
Group 2	0.0453	0.2405	0.2858	0.8899

7IM MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class S Income				
Group 1	0.1123	—	0.1123	0.5107
Group 2	0.0496	0.0627	0.1123	0.5107

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class S Accumulation				
Group 1	0.1867	—	0.1867	0.5806
Group 2	0.0716	0.1151	0.1867	0.5806

	Net Revenue	Equalisation	Allocated 31.07.22 ¹	Allocated 31.07.21
Class X Accumulation				
Group 1	—	—	—	0.5210
Group 2	—	—	—	0.5210

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2022

Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23 ¹	Paid 31.01.22
Class A Income				
Group 1	—	—	—	1.5359
Group 2	—	—	—	1.5359

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class A Accumulation				
Group 1	2.5633	—	2.5633	2.1850
Group 2	2.5633	—	2.5633	2.1850

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class B Accumulation				
Group 1	2.6522	—	2.6522	2.2463
Group 2	1.4839	1.1683	2.6522	2.2463

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	1.9621	—	1.9621	1.6820
Group 2	0.8698	1.0923	1.9621	1.6820

7IM MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class C Accumulation				
Group 1	2.7593	—	2.7593	2.3358
Group 2	1.5798	1.1795	2.7593	2.3358
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class D Income				
Group 1	1.8269	—	1.8269	1.5619
Group 2	1.0964	0.7305	1.8269	1.5619
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class D Accumulation				
Group 1	2.5417	—	2.5417	2.1561
Group 2	1.1381	1.4036	2.5417	2.1561
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class S Income				
Group 1	1.4498	—	1.4498	1.2419
Group 2	0.8210	0.6288	1.4498	1.2419
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class S Accumulation				
Group 1	1.6812	—	1.6812	1.4218
Group 2	0.7457	0.9355	1.6812	1.4218
	Net Revenue	Equalisation	Allocated 31.01.23 ¹	Allocated 31.01.22
Class X Accumulation				
Group 1	—	—	—	1.2769
Group 2	—	—	—	1.2769

¹ Share class became inactive on 28 March 2022 and 7 March 2022, respectively.

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM BALANCED FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM Balanced Fund (the 'Sub-fund') aims to provide a balance of income and capital growth.

The Sub-fund invests at least 80% of its assets in other funds managed both by the Manager and by selected third party managers, including open-ended and closed-ended funds and exchange traded funds (ETFs), and other transferable securities including fixed income, equities and structured products. This exposure may also be achieved through the use of futures contracts which require cover to be held typically in the form of money market funds and money market instruments).

Up to 20% of the Sub-fund will be invested in assets such as cash, deposits, money market funds and money market instruments for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

Investment will comprise a mixture of income generating assets such as corporate debt securities and growth generating assets such as global equities.

The Sub-fund will invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

In extraordinary market conditions (such as political unrest, economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), the Sub-fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (5.72)%¹.

Comparator Benchmark

Over the last 5 and 10 years the Sub-fund has outperformed its IA sector performance comparator benchmark (IA Mixed Investment 20-60% Shares). The Sub-fund has navigated difficult market conditions well following the March 2020 COVID-19 market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. The 1 year, 5 year and 10 year relative performance to the benchmark was 1.70%, 0.30% and 0.43% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

¹ Calculated using 7IM Balanced Fund C Acc shares, published prices. Source: NTRS.

7IM BALANCED FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader Emerging Markets equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. Emerging Markets valuations and Emerging Markets currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In March 2022, we took some profits from our Berkshire Hathaway position which had outperformed the US market very well since we added the position in July 2020. The cash freed up went into a neutral equity allocation.

In April 2022, we added an index arbitrage strategy into our alternatives basket. The growth of index investing has meant that stocks typically experience a change in price when entering or leaving an index, this fund aims to profit from that. The strategy is largely market neutral and further diversifies our alternatives allocation.

In June 2022 we moved our duration position from underweight to neutral. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure.

In August 2022, we refreshed our strategic asset allocation (SAA) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

7IM BALANCED FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value tilt. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

In October, we also removed our RMBS position. The original bull case for the position has played out and we took profits on the position. The US housing market stayed strong and mortgage prepayments meant the trade performed well. With employment potentially less certain than it has been and changing forces in housing markets, we do not think the trade is as attractive as it was.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP
Investment Manager
January 2023

7IM BALANCED FUND

FUND INFORMATION

The Comparative Tables on pages 84 to 94 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the Sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.20 ¹ (pence per share)
Change in Net Asset Value Per Share	
Opening net asset value per share	175.49
Return before operating charges*	(11.27)
Operating charges (calculated on average price)	(3.25)
Return after operating charges*	(14.52)
Distributions on income shares	—
Last quoted share price	160.97
Closing net asset value per share	—
* After direct transaction costs of: ²	0.00

Performance

Return after charges ³	(8.27)%
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Other Information

Closing net asset value (£'000)	—
Closing number of shares	—
Operating charges ⁴	1.88%
Direct transaction costs	0.00%

Prices

Highest share price	179.98
Lowest share price	147.96

¹ As at the year end date, there are no shares in issue. Share class performance provided is as at 12 May 2020 being the last quoted price date before shares were reduced to zero.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 95.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	239.28	226.15	211.69
Return before operating charges*	(9.09)	17.60	18.44
Operating charges (calculated on average price)	(4.26)	(4.47)	(3.98)
Return after operating charges*	(13.35)	13.13	14.46
Distributions	(2.56)	(2.20)	(1.91)
Retained distributions on accumulation shares	2.56	2.20	1.91
Closing net asset value per share	225.93	239.28	226.15
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(5.58)%	5.81%	6.83%
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Other Information

Closing net asset value (£'000)	3,865	4,896	4,665
Closing number of shares	1,710,776	2,046,175	2,062,750
Operating charges ³	1.86%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	244.78	246.45	226.37
Lowest share price	213.23	226.34	178.47

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

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7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	249.41	235.22	219.74
Return before operating charges*	(9.62)	18.22	19.06
Operating charges (calculated on average price)	(3.84)	(4.03)	(3.58)
Return after operating charges*	(13.46)	14.19	15.48
Distributions	(2.82)	(2.43)	(2.21)
Retained distributions on accumulation shares	2.82	2.43	2.21
Closing net asset value per share	235.95	249.41	235.22
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(5.40)%	6.03%	7.04%
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Other Information

Closing net asset value (£'000)	54,994	64,694	69,683
Closing number of shares	23,307,319	25,938,726	29,624,529
Operating charges ³	1.61%	1.63%	1.63%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	255.16	256.84	235.54
Lowest share price	222.72	235.42	185.40

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

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7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	204.14	194.18	182.94
Return before operating charges*	(7.97)	14.94	15.78
Operating charges (calculated on average price)	(2.66)	(2.82)	(2.52)
Return after operating charges*	(10.63)	12.12	13.26
Distributions on income shares	(2.50)	(2.16)	(2.02)
Closing net asset value per share	191.01	204.14	194.18
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(5.21)%	6.24%	7.25%
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Other Information

Closing net asset value (£'000)	56,836	69,177	77,876
Closing number of shares	29,755,848	33,888,123	40,105,747
Operating charges ³	1.36%	1.38%	1.38%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	208.85	212.07	196.12
Lowest share price	182.61	194.24	154.48

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

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7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	259.96	244.69	228.13
Return before operating charges*	(10.15)	18.83	19.71
Operating charges (calculated on average price)	(3.39)	(3.56)	(3.15)
Return after operating charges*	(13.54)	15.27	16.56
Distributions	(3.19)	(2.73)	(2.52)
Retained distributions on accumulation shares	3.19	2.73	2.52
Closing net asset value per share	246.42	259.96	244.69
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(5.21)%	6.24%	7.26%
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Other Information

Closing net asset value (£'000)	435,335	522,466	560,516
Closing number of shares	176,665,351	200,980,320	229,072,311
Operating charges ³	1.36%	1.38%	1.38%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	265.98	267.69	245.02
Lowest share price	232.63	244.90	192.63

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7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	195.70	186.72	176.27
Return before operating charges*	(7.44)	14.75	15.34
Operating charges (calculated on average price)	(3.48)	(3.68)	(3.30)
Return after operating charges*	(10.92)	11.07	12.04
Distributions on income shares	(2.08)	(2.09)	(1.59)
Closing net asset value per share	182.70	195.70	186.72
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(5.58)%	5.93%	6.83%
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Other Information

Closing net asset value (£'000)	130	169	272
Closing number of shares	71,093	86,208	145,850
Operating charges ³	1.86%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	200.19	203.40	188.35
Lowest share price	174.39	186.78	148.61

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² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

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7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	239.35	226.23	211.76
Return before operating charges*	(9.12)	17.59	18.45
Operating charges (calculated on average price)	(4.25)	(4.47)	(3.98)
Return after operating charges*	(13.37)	13.12	14.47
Distributions	(2.54)	(2.17)	(1.91)
Retained distributions on accumulation shares	2.54	2.17	1.91
Closing net asset value per share	225.98	239.35	226.23
* After direct transaction costs of: ¹	0.00	0.00	0.00
Performance			
Return after charges ²	(5.59)%	5.80%	6.83%
Other Information			
Closing net asset value (£'000)	14,323	16,090	14,756
Closing number of shares	6,338,244	6,722,220	6,522,681
Operating charges ³	1.86%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	244.86	246.54	226.46
Lowest share price	213.30	226.42	178.53

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

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7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	130.14	123.68	116.40
Return before operating charges*	(5.08)	9.44	10.00
Operating charges (calculated on average price)	(1.39)	(1.47)	(1.32)
Return after operating charges*	(6.47)	7.97	8.68
Distributions on income shares	(1.76)	(1.51)	(1.40)
Closing net asset value per share	121.91	130.14	123.68
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(4.97)%	6.44%	7.46%
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Other Information

Closing net asset value (£'000)	1,319	4,824	5,321
Closing number of shares	1,081,792	3,706,351	4,302,496
Operating charges ³	1.11%	1.13%	1.13%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	133.16	135.25	124.97
Lowest share price	116.58	123.72	98.37

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

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7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	145.85	137.01	127.48
Return before operating charges*	(5.77)	10.47	10.97
Operating charges (calculated on average price)	(1.55)	(1.63)	(1.44)
Return after operating charges*	(7.32)	8.84	9.53
Distributions	(1.93)	(1.68)	(1.54)
Retained distributions on accumulation shares	1.93	1.68	1.54
Closing net asset value per share	138.53	145.85	137.01
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(5.02)%	6.45%	7.48%
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Other Information

Closing net asset value (£'000)	36,423	45,686	52,642
Closing number of shares	26,293,064	31,325,170	38,423,099
Operating charges ³	1.11%	1.13%	1.13%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	149.23	150.18	137.18
Lowest share price	130.75	137.12	107.73

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

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7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 ¹ (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	149.04	141.41	141.50
Return before operating charges*	(6.02)	10.69	0.70
Operating charges (calculated on average price)	(1.01)	(1.09)	(0.03)
Return after operating charges*	(7.03)	9.60	0.67
Distributions on income shares	(2.20)	(1.97)	(0.76)
Closing net asset value per share	139.81	149.04	141.41
* After direct transaction costs of: ²	0.00	0.00	0.00

Performance

Return after charges ³	(4.72)%	6.79%	0.47%
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Other Information

Closing net asset value (£'000)	389	415	394
Closing number of shares	278,508	278,508	278,508
Operating charges ⁴	0.71%	0.73%	0.73%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	152.51	155.05	142.35
Lowest share price	133.70	141.46	141.50

¹ The share class launched on 20 November 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 95.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 ¹ (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	227.23	212.78	211.78
Return before operating charges*	(9.17)	16.09	1.04
Operating charges (calculated on average price)	(1.55)	(1.64)	(0.04)
Return after operating charges*	(10.72)	14.45	1.00
Distributions	(3.38)	(2.96)	(1.13)
Retained distributions on accumulation shares	3.38	2.96	1.13
Closing net asset value per share	216.51	227.23	212.78
* After direct transaction costs of: ²	0.00	0.00	0.00

Performance

Return after charges ³	(4.72)%	6.79%	0.47%
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Other Information

Closing net asset value (£'000)	2,987	4,124	3,885
Closing number of shares	1,379,734	1,814,772	1,825,798
Operating charges ⁴	0.71%	0.73%	0.73%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	232.53	234.06	213.05
Lowest share price	204.27	212.97	211.78

¹ The share class launched on 20 November 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 95.

7IM BALANCED FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class B	Class C	Class D	Class S	Class X
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Collective investment scheme costs	1.43%	1.18%	0.93%	1.43%	0.68%	0.28%
Ongoing Charges Figure	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
	1.86%	1.61%	1.36%	1.86%	1.11%	0.71%

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S	Class X
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Collective investment scheme costs	1.43%	1.18%	0.93%	1.43%	0.68%	0.28%
Ongoing Charges Figure	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
	1.88%	1.63%	1.38%	1.88%	1.13%	0.73%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM BALANCED FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards



Lower risk

Typically higher rewards



Higher risk

1

2

3

4

5

6

7

This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was four.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM Balanced Fund ¹	(5.72)	7.88	10.37

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the period are shown in the Distribution Tables on pages 113 to 115.

7IM BALANCED FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	ALTERNATIVES 3.73% (6.90%)¹		
	Alternative Strategies 3.73% (6.90%)¹		
16,870,000	JP Morgan Structured Products 0.00% 10/09/2024 ²	14,281,421	2.35
10,069,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	8,397,400	1.38
		22,678,821	3.73
	EQUITY 10.08% (7.56%)¹		
	North America 3.33% (4.28%)¹		
76,852	Berkshire Hathaway	20,156,453	3.33
	United Kingdom 6.75% (3.28%)¹		
35,195	Goldman Sachs International 2024	23,859,665	3.93
6,897	UBS AG London 2024	5,804,826	0.96
131,710	UBS AG London 2027	11,293,658	1.86
		40,958,149	6.75
	FUTURES CONTRACTS -0.15% (0.28%)¹		
	Germany -0.11% (0.18%)¹		
638	MSCI USA ESG Screened Index Futures December 2022	(656,186)	(0.11)
	United States -0.04% (0.10%)¹		
119	US Ultra CBT Futures March 2023	(236,079)	(0.04)
	FORWARD CURRENCY CONTRACTS -0.20% (-0.58%)¹		
€(1,754,177)	Vs £1,561,676 Expiry 21.04.2023	38,643	0.01
US\$(120,689,000)	Vs £100,951,473 Expiry 13.01.2023	629,391	0.10
¥3,462,180,000	Vs £(21,082,572) Expiry 26.05.2023	123,009	0.02
US\$30,000,000	Vs £(25,887,242) Expiry 13.01.2023	(949,903)	(0.16)
US\$20,000,000	Vs £(17,675,652) Expiry 13.01.2023	(1,050,759)	(0.17)
		(1,209,619)	(0.20)
	COLLECTIVE INVESTMENT SCHEMES 77.88% (75.59%)¹		
	Ireland 10.55% (13.74%)¹		
345,461	Barings Emerging Markets Debt Blended Total Return	34,804,946	5.74
2,167,800	HSBC Global Funds ICAV - Global Government Bond Index Fund	16,895,155	2.78
1,254,264	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund	12,347,224	2.03
		64,047,325	10.55
	Luxembourg 33.55% (35.76%)¹		
208,146	AB SICAV I - International Health Care Portfolio	31,767,292	5.24
95,112	AQR - Managed Futures UCITS Fund	10,354,567	1.71
165,443	BlackRock Strategic Funds - Global Event Driven Fund	19,034,189	3.14
656,757	BlueBay Financial Capital Bond	63,068,338	10.40
8,554	Candriam Absolute Return Equity Market Neutral	12,901,987	2.13
135,679	Fulcrum Equity Dispersion Fund	16,504,213	2.72
57,153	Lyxor Core UK Government Bond (DR) UCITS ETF	6,295,974	1.04
206,605	Robeco Global Credits Acc	21,610,844	3.56
54,244	RWC Global Emerging Markets	11,042,062	1.82
438,695	Schroder ISF Asian Opportunities	10,831,680	1.79
		203,411,146	33.55

7IM BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
COLLECTIVE INVESTMENT SCHEMES 77.88% (75.59%)¹ (continued)			
United Kingdom 33.78% (26.09%)¹			
29,591,158	Fidelity Investment Funds ICVC - UK Select Fund	31,928,859	5.26
9,194,790	iShares Global Property Securities Index	20,792,170	3.43
3,020,039	LF Brook Absolute Return Fund Sterling	15,287,439	2.52
9,852,980	LF Lightman European Fund I Accumulation	13,872,995	2.29
11,833,287	Man GLG Income Fund	38,612,017	6.36
12,408,396	Ninety One Funds Series III - Global Environment Fund	18,907,914	3.12
132,976	PFS TwentyFour Dynamic Bond	12,334,859	2.03
5,539,853	Premier Miton European Opportunities	14,614,132	2.41
47,468,817	Schroder Prime UK Equity Fund	24,963,851	4.12
1,343,567	T. Rowe Price Funds Japanese Equity	13,587,360	2.24
		204,901,596	33.78
Portfolio of investment			
Net other assets ³			
		554,051,606	91.34
Net assets			
		606,601,588	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

² Structured product.

³ Includes shares in the Northern Trust Global Sterling Fund to the value of £27,955,153 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	—	—
Non-rated debt securities	3.73	6.90
Other investments	87.61	82.85
Net other assets	8.66	10.25
	100.00	100.00

7IM BALANCED FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes		30.11.22		30.11.21
		£	£	£	£
Income					
Net capital (losses)/gains	4		(43,215,832)		42,693,882
Revenue	5	12,301,294		12,514,569	
Expenses	6	(6,239,940)		(7,293,934)	
Interest payable and similar charges	8	(9,071)		(25,034)	
Net revenue before taxation for the year		6,052,283		5,195,601	
Taxation	7	(453,756)		(225,528)	
Net revenue after taxation for the year			5,598,527		4,970,073
Total return before distributions			(37,617,305)		47,663,955
Distributions	8		(8,131,475)		(7,862,747)
Change in net assets attributable to shareholders from investment activities			(45,748,780)		39,801,208

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Opening net assets attributable to shareholders		732,540,788		790,010,107
Amounts received on creation of shares ¹	44,887,662		81,495,968	
Amounts paid on cancellation of shares ¹	(132,147,301)		(185,706,167)	
		(87,259,639)		(104,210,199)
Change in net assets attributable to shareholders from investment activities		(45,748,780)		39,801,208
Retained distribution on accumulation shares		7,069,219		6,939,672
Closing net assets attributable to shareholders		606,601,588		732,540,788

¹ Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 101 to 112 are an integral part of these financial statements.

7IM BALANCED FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		556,944,533	664,636,387
Current assets:			
Debtors	9	2,047,017	2,405,923
Cash and bank balances	10	29,095,250	4,820,304
Cash equivalents	10	27,955,153	74,214,000
Total assets		616,041,953	746,076,614
LIABILITIES			
Investment liabilities		(2,892,927)	(7,207,544)
Creditors:			
Bank overdrafts	10	(3,726,823)	(3,470,176)
Distribution payable		(745,150)	(667,881)
Other creditors	11	(2,075,465)	(2,190,225)
Total liabilities		(9,440,365)	(13,535,826)
Net assets attributable to shareholders		606,601,588	732,540,788

The notes on pages 101 to 112 are an integral part of these financial statements.

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(18,687,487)	40,000,383
Derivative contracts	(12,599,751)	1,847,882
Forward currency contracts	(12,170,304)	(207,898)
Currency (losses)/gains	(321,966)	740,636
Transaction charges	(5,996)	(15,429)
AMC rebates from underlying investments	569,672	328,308
Net capital (losses)/gains	<u>(43,215,832)</u>	<u>42,693,882</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	4,314,469	4,423,549
Taxable dividends	8,476,396	8,706,809
Unfranked interest	(778,960)	(755,304)
AMC rebates from underlying investments	231,608	118,904
Bank interest	57,781	20,611
Total revenue	<u>12,301,294</u>	<u>12,514,569</u>

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	6,046,052	7,067,063
Other expenses	10,209	13,234
	<hr/>	<hr/>
	6,056,261	7,080,297
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	85,871	98,846
Safe custody and other bank charges	24,820	27,602
	<hr/>	<hr/>
	110,691	126,448
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	19,189	21,072
FCA and other Regulatory fees	161	41
Legal and professional fees	514	1,717
Market data fees	3,604	6,978
Printing, postage and distribution costs	29,443	39,721
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	72,988	87,189
	<hr/>	<hr/>
	6,239,940	7,293,934

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	461,497	220,072
Overseas tax	(7,741)	5,456
	<hr/>	<hr/>
Current tax charge (note 7b)	453,756	225,528
	<hr/>	<hr/>
Total taxation	453,756	225,528
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	6,052,283	5,195,601
Corporation tax at 20%	1,210,457	1,039,120
Effects of:		
AMC rebates taken to capital	113,934	65,662
Non-taxable dividends	(862,894)	(884,710)
Overseas tax	(7,741)	5,456
	<hr/>	<hr/>
Current tax charge (note 7a)	453,756	225,528
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2021: none).		

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	276,112	1,257,656
Final ³	7,567,064	6,492,359
	<hr/>	<hr/>
7,843,176	7,750,015	
Add: Revenue deducted on cancellation of shares	389,914	160,194
Deduct: Revenue received on issue of shares	(101,615)	(47,462)
Net distributions for the year	8,131,475	7,862,747
Interest payable and similar charges	9,071	25,034
Total distribution	8,140,546	7,887,781

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 113 to 115.

Distributions represented by:

	30.11.22	30.11.21
	£	£
Net revenue after taxation	5,598,527	4,970,073
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	2,532,356	2,892,487
Equalisation on conversions ²	544	136
Net movement in revenue account	48	51
Net distributions for the year	<u>8,131,475</u>	<u>7,862,747</u>

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £745,150 (2021: £667,881) are disclosed in the Balance Sheet on page 100.

9 Debtors

	30.11.22	30.11.21
	£	£
Amounts receivable for issue of shares	1,361,225	390,437
Sales awaiting settlement	–	36,871
Accrued revenue	252,297	1,143,596
Income tax recoverable	98,259	108,671
AMC rebates from underlying investments	332,897	435,612
Prepayment corporate tax	–	287,928
Withholding tax recoverable	2,339	2,808
Total debtors	<u>2,047,017</u>	<u>2,405,923</u>

10 Cash and bank balances

	30.11.22	30.11.21
	£	£
Cash and bank balances	24,191,029	3,462,715
Cash held at clearing houses	4,904,221	1,357,589
Cash equivalents	27,955,153	74,214,000
Total cash and bank balances	<u>57,050,403</u>	<u>79,034,304</u>
Bank overdrafts	(2,447,755)	(3,461,733)
Cash overdraft at clearing houses	(1,279,068)	(8,443)
Total bank overdrafts	<u>(3,726,823)</u>	<u>(3,470,176)</u>

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

11 Other Creditors

	30.11.22 £	30.11.21 £
Amounts payable for cancellation of shares	1,284,656	1,557,386
Purchases awaiting settlement	188,284	–
Accrued expenses	565,627	632,839
Corporation tax payable	36,898	–
Total other creditors	<hr/> 2,075,465	<hr/> 2,190,225

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £453,970 (2021: £567,327).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 99.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date, the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited 68.36% (2021: 69.01%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£94,354,577) (2021: (£39,524,350)). The distributions paid to Pershing Nominees Limited during the year totalled £300,296.

Where the Sub-fund invests in another Sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has six share classes: 'A', 'B', 'C', 'D', 'S' and 'X'. The annual management charge on each class are as follows:

Class A	1.40%
Class B	1.15%
Class C	0.90%
Class D	1.40%
Class S	0.65%
Class X	0.25%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Accumulation	2,046,175	130,145	(285,480)	(180,064)	1,710,776
Class B Accumulation	25,938,726	887,931	(3,503,665)	(15,673)	23,307,319
Class C Income	33,888,123	2,194,573	(6,152,676)	(174,172)	29,755,848
Class C Accumulation	200,980,320	13,573,767	(38,232,601)	343,865	176,665,351
Class D Income	86,208	1,152	(4,975)	(11,292)	71,093
Class D Accumulation	6,722,220	1,127,531	(1,239,926)	(271,581)	6,338,244
Class S Income	3,706,351	16,586	(2,786,693)	145,548	1,081,792
Class S Accumulation	31,325,170	1,231,364	(6,546,284)	282,814	26,293,064
Class X Income	278,508	25,031	(25,031)	–	278,508
Class X Accumulation	1,814,772	21,624	(456,662)	–	1,379,734

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
Danish krone	4	—	—	4
Euro	704,846	—	1,910	706,756
Japanese yen	—	—	21,205,582	21,205,582
Swedish krona	—	—	322	322
Swiss franc	54,348	—	—	54,348
US dollar	1,688,569	33,972,479	140,494,371	176,155,419
Pound sterling	54,602,636	—	527,891,211	582,493,847
	57,050,403	33,972,479	689,593,396	780,616,278

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
Euro	(704,838)	—	(1,523,032)	(2,227,870)
Swiss franc	(54,348)	—	—	(54,348)
US dollar	(2,967,637)	—	(101,298,753)	(104,266,390)
Pound sterling	—	—	(67,466,082)	(67,466,082)
	(3,726,823)	—	(170,287,867)	(174,014,690)

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	4	—	—	4
Euro	695,140	—	1,884	697,024
Japanese yen	—	—	4,397,657	4,397,657
Swedish krona	—	—	338	338
Swiss franc	50,571	—	—	50,571
US dollar	1,430,722	50,471,790	242,415,363	294,317,875
Pound sterling	76,857,867	—	631,944,537	708,802,404
	79,034,304	50,471,790	878,759,779	1,008,265,873

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(703,574)	—	(1,584,285)	(2,287,859)
Swiss franc	(50,571)	—	—	(50,571)
US dollar	(1,430,722)	—	(195,198,684)	(196,629,406)
Pound sterling	(1,285,308)	—	(75,471,941)	(76,757,249)
	(3,470,175)	—	(272,254,910)	(275,725,085)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate 30.11.22 %	30.11.21 %	Weighted average period for which rate is fixed	
			30.11.22 Years	30.11.21 Years
US dollar	(0.67)	(2.71)	2	3

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the average weighted effective duration was 1.64 years (30 November 2021: 1.77 years).

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure	Non-Monetary Exposure	Total
	£	£	£
Danish krone	4	–	4
Euro	1,918	(1,523,032)	(1,521,114)
Japanese yen	–	21,205,582	21,205,582
Swedish krona	322	–	322
US dollar	(1,278,961)	73,167,990	71,889,029
	(1,276,717)	92,850,540	91,573,823
Pound sterling	53,826,698	461,201,067	515,027,765
Net assets	52,549,981	554,051,607	606,601,588

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure	Non-Monetary Exposure	Total
	£	£	£
Danish krone	4	–	4
Euro	(6,550)	(1,584,285)	(1,590,835)
Japanese yen	–	4,397,657	4,397,657
Swedish krona	338	–	338
US dollar	97	97,688,372	97,688,469
	(6,111)	100,501,744	100,495,633
Pound sterling	75,118,056	556,927,099	632,045,155
Net assets	75,111,945	657,428,843	732,540,788

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional amounts) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 34%, 85% and 42% respectively (30 November 2021: 26%, 80% and 44% respectively).

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = 0.3*VaR(MAC303XL) + 0.7*\max[VaR(MAC303XL), VaR(MAC303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

The types of derivatives held at the balance sheet date were forward foreign currency contracts, futures contracts and structured products. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	30.11.22 £	30.11.21 £
Futures Contracts		
Chicago Board of Trade	(236,079)	706,278
Eurex USA	(656,186)	1,329,867
Forward Currency Contracts		
Northern Trust	(1,209,619)	(4,275,040)
Total net exposure¹	(2,101,884)	(2,238,895)

¹Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value (continued)

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	8,397,400	14,281,421	—	22,678,821
Collective Investment Schemes	472,360,067	—	—	472,360,067
Derivatives	—	791,043	—	791,043
Equities	20,156,453	40,958,149	—	61,114,602
Total	500,913,920	56,030,613	—	556,944,533
Liabilities				
Derivatives	(892,265)	(2,000,662)	—	(2,892,927)
30 November 2021				
Assets				
Bonds	—	50,471,790	—	50,471,790
Collective Investment Schemes	298,033,870	255,717,547	—	553,751,417
Derivatives	2,036,145	2,932,504	—	4,968,649
Equities	55,444,531	—	—	55,444,531
Total	355,514,546	309,121,841	—	664,636,387
Liabilities				
Derivatives	—	(7,207,544)	—	(7,207,544)

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 83.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	56,748	—	—	—	—	—
Collective Investment Schemes	240,754	—	—	—	—	—
Derivatives	31,243	—	—	—	—	—
Equities	15,212	—	—	—	—	—
Total	343,957	—	—	—	—	—
Sales						
Bonds	76,662	—	—	—	—	—
Collective Investment Schemes	307,970	—	—	—	—	—
Derivatives	24,429	—	—	—	—	—
Equities	26,536	(3)	—	(3)	0.01	—
Total	435,597	(3)	—	(3)	0.01	—
Total as a percentage of the average NAV			0.00%	0.00%	0.00%	

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	64,118	—	—	—	—	—
Collective Investment Schemes	499,929	—	—	—	—	—
Equities	11,480	2	—	2	0.02	—
Total	575,527	2	—	2	0.02	—
Sales						
Bonds	40,817	—	—	—	—	—
Collective Investment Schemes	505,760	—	—	—	—	—
Derivatives	2,491	—	—	—	—	—
Equities	113,084	(5)	—	(5)	—	—
Total	662,152	(5)	—	(5)	—	—
Total as a percentage of the average NAV			0.03%	0.00%	0.00%	

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.18% (2021: 0.29%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 246.23p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 253.82p. This represents an increase of 3.08% from the year end value.

7IM BALANCED FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Allocated 31.07.22 ¹	Allocated 31.07.21
Class A Accumulation				
Group 1	–	–	–	0.1202
Group 2	–	–	–	0.1202
Class B Accumulation				
Group 1	–	–	–	0.2556
Group 2	–	–	–	0.2556
Class C Income				
Group 1	0.0812	–	0.0812	0.3420
Group 2	0.0220	0.0592	0.0812	0.3420
Class C Accumulation				
Group 1	0.1049	–	0.1049	0.4313
Group 2	0.0040	0.1009	0.1049	0.4313
Class D Income				
Group 1	–	–	–	0.0861
Group 2	–	–	–	0.0861
Class D Accumulation				
Group 1	–	–	–	0.1033
Group 2	–	–	–	0.1033
Class S Income				
Group 1	0.1422	–	0.1422	0.2984
Group 2	0.1422	–	0.1422	0.2984

7IM BALANCED FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2022

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class S Accumulation				
Group 1	0.1465	—	0.1465	0.3319
Group 2	0.0325	0.1140	0.1465	0.3319
	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class X Income				
Group 1	0.2980	—	0.2980	0.4806
Group 2	0.2980	—	0.2980	0.4806
	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class X Accumulation				
Group 1	0.4536	—	0.4536	0.7224
Group 2	0.4536	—	0.4536	0.7224
Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2022				
Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022				
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class A Accumulation				
Group 1	2.5582	—	2.5582	2.0755
Group 2	1.0077	1.5505	2.5582	2.0755
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class B Accumulation				
Group 1	2.8150	—	2.8150	2.1765
Group 2	1.5744	1.2406	2.8150	2.1765
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	2.4228	—	2.4228	1.8211
Group 2	0.9650	1.4578	2.4228	1.8211
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class C Accumulation				
Group 1	3.0854	—	3.0854	2.2969
Group 2	1.6355	1.4499	3.0854	2.2969

7IM BALANCED FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class D Income				
Group 1	2.0798	—	2.0798	1.9996
Group 2	1.1474	0.9324	2.0798	1.9996
Class D Accumulation				
Group 1	2.5351	—	2.5351	2.0663
Group 2	1.4013	1.1338	2.5351	2.0663
Class S Income				
Group 1	1.6128	—	1.6128	1.2110
Group 2	0.8458	0.7670	1.6128	1.2110
Class S Accumulation				
Group 1	1.7884	—	1.7884	1.3457
Group 2	1.1519	0.6365	1.7884	1.3457
Class X Income				
Group 1	1.9028	—	1.9028	1.4853
Group 2	0.7084	1.1944	1.9028	1.4853
Class X Accumulation				
Group 1	2.9215	—	2.9215	2.2423
Group 2	1.0822	1.8393	2.9215	2.2423

¹ Expenses exceeded revenue during the period, as a result no distributions were paid and allocated.

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM MODERATELY ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM Moderately Adventurous Fund (the 'Sub-fund') aims to provide a return primarily by way of capital growth, with some income.

The Sub-fund invests at least 80% of its assets in other funds managed both by the Manager and by selected third party managers, including open-ended and closed-ended funds and exchange traded funds (ETFs), and other transferable securities including fixed income, equities and structured products. This exposure may also be achieved through the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments).

Up to 20% of the Sub-fund will be invested in assets such as cash, and deposits, and may also include the use of money market funds and money market instruments, for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

Investment will focus on assets with scope for capital growth, such as equities, although the Sub-fund may also invest in income generating assets such as corporate debt securities.

The Sub-fund will invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

In extraordinary market conditions (such as political unrest, economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), the Sub-fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (4.16)%¹.

Comparator Benchmark

Over the last 5 years the Sub-fund has slightly underperformed the IA sector performance comparator (IA Mixed Investment 40-85% Shares) but has outperformed over 10 years. 3 year performance has also been very positive as the Sub-fund has navigated difficult market conditions well following the March 2020 COVID-19 market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. The 1 year, 5 year and 10 year relative performance to the benchmark was 3.30%, (0.33)%, 0.16% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

¹ Calculated using 7IM Moderately Adventurous Fund C Acc shares, published prices. Source: NTRS.

7IM MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader emerging market equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. Emerging market valuations and emerging market currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In January 2022, we added a healthcare innovations position to higher risk profiles. We see this as a higher risk, higher reward subsector of healthcare that is in a structurally good place and enhances our healthcare allocation in portfolios where there is more scope to take risk.

In March 2022, we took some profits from our Berkshire Hathaway position which had outperformed the US market very well since we added the position in July 2020. The cash freed up went into a neutral equity allocation.

In April 2022, we added an index arbitrage strategy into our alternatives basket. The growth of index investing has meant that stocks typically experience a change in price when entering or leaving an index, this fund aims to profit from that. The strategy is largely market neutral and further diversifies our alternatives allocation.

In August 2022, we refreshed our strategic asset allocation (SAA) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

7IM MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value tilt. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

Lastly, in October, we increased our allocation to AT1 bonds with the outlook for equity uncertain, we see AT1 bonds as a very attractive asset to own. They are yielding well over 10%, and we still do not see significant default or extension risk in the bonds.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP
Investment Manager
January 2023

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 120 to 130 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	270.24	249.81	234.69
Return before operating charges*	(4.99)	25.57	19.90
Operating charges (calculated on average price)	(5.05)	(5.06)	(4.42)
Return after operating charges*	(10.04)	20.51	15.48
Distributions on income shares	–	(0.08)	(0.36)
Closing net asset value per share	260.20	270.24	249.81
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.72)%	8.21%	6.60%
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Other Information

Closing net asset value (£'000)	1	6	5
Closing number of shares	248	1,901	2,148
Operating charges ³	1.90%	1.89%	1.92%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	278.25	280.76	250.24
Lowest share price	244.42	249.87	185.99

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	284.35	262.75	246.47
Return before operating charges*	(5.61)	26.92	20.92
Operating charges (calculated on average price)	(5.23)	(5.32)	(4.64)
Return after operating charges*	(10.84)	21.60	16.28
Distributions	–	(0.09)	(0.24)
Retained distributions on accumulation shares	–	0.09	0.24
Closing net asset value per share	273.51	284.35	262.75
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.81)%	8.22%	6.61%
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Other Information

Closing net asset value (£'000)	387	759	850
Closing number of shares	141,549	266,851	323,630
Operating charges ³	1.90%	1.89%	1.92%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	292.70	295.33	262.84
Lowest share price	257.14	263.00	195.34

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	297.24	273.98	256.50
Return before operating charges*	(5.87)	28.08	21.68
Operating charges (calculated on average price)	(4.73)	(4.82)	(4.20)
Return after operating charges*	(10.60)	23.26	17.48
Distributions	(0.48)	(0.96)	(0.83)
Retained distributions on accumulation shares	0.48	0.96	0.83
Closing net asset value per share	286.64	297.24	273.98
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.57)%	8.49%	6.81%
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Other Information

Closing net asset value (£'000)	13,792	15,387	16,229
Closing number of shares	4,811,862	5,176,827	5,923,597
Operating charges ³	1.65%	1.64%	1.67%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	305.98	308.69	274.07
Lowest share price	269.40	274.24	203.44

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	272.58	252.10	236.76
Return before operating charges*	(5.39)	25.85	19.95
Operating charges (calculated on average price)	(3.68)	(3.77)	(3.31)
Return after operating charges*	(9.07)	22.08	16.64
Distributions on income shares	(1.12)	(1.60)	(1.30)
Closing net asset value per share	262.39	272.58	252.10
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.33)%	8.76%	7.03%
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Other Information

Closing net asset value (£'000)	35,915	40,057	40,875
Closing number of shares	13,687,649	14,695,859	16,213,802
Operating charges ³	1.40%	1.39%	1.42%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	280.84	284.63	253.48
Lowest share price	247.59	252.18	187.93

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	310.51	285.50	266.77
Return before operating charges*	(6.14)	29.28	22.46
Operating charges (calculated on average price)	(4.19)	(4.27)	(3.73)
Return after operating charges*	(10.33)	25.01	18.73
Distributions	(1.28)	(1.83)	(1.48)
Retained distributions on accumulation shares	1.28	1.83	1.48
Closing net asset value per share	300.18	310.51	285.50
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.33)%	8.76%	7.02%
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Other Information

Closing net asset value (£'000)	283,652	325,252	328,777
Closing number of shares	94,492,834	104,746,904	115,156,744
Operating charges ³	1.40%	1.39%	1.42%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	319.67	322.45	285.60
Lowest share price	282.04	285.78	211.75

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	270.82	250.30	235.06
Return before operating charges*	(5.35)	25.63	19.96
Operating charges (calculated on average price)	(4.95)	(5.06)	(4.43)
Return after operating charges*	(10.30)	20.57	15.53
Distributions on income shares	–	(0.05)	(0.29)
Closing net asset value per share	260.52	270.82	250.30
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.80)%	8.22%	6.61%
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Other Information

Closing net asset value (£'000)	224	231	300
Closing number of shares	86,061	85,320	119,702
Operating charges ³	1.90%	1.89%	1.92%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	278.83	281.33	250.68
Lowest share price	244.93	250.38	186.29

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	284.53	262.92	246.64
Return before operating charges*	(5.61)	26.94	20.93
Operating charges (calculated on average price)	(5.20)	(5.33)	(4.65)
Return after operating charges*	(10.81)	21.61	16.28
Distributions	–	(0.31)	(0.34)
Retained distributions on accumulation shares	–	0.31	0.34
Closing net asset value per share	273.72	284.53	262.92
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.80)%	8.22%	6.60%
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Other Information

Closing net asset value (£'000)	9,297	9,375	8,381
Closing number of shares	3,396,754	3,294,796	3,187,651
Operating charges ³	1.90%	1.89%	1.92%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	292.89	295.53	263.01
Lowest share price	257.33	263.17	195.47

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	147.42	136.36	128.04
Return before operating charges*	(2.90)	13.98	10.74
Operating charges (calculated on average price)	(1.64)	(1.66)	(1.48)
Return after operating charges*	(4.54)	12.32	9.26
Distributions on income shares	(0.97)	(1.26)	(0.94)
Closing net asset value per share	141.91	147.42	136.36
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(3.08)%	9.03%	7.23%
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Other Information

Closing net asset value (£'000)	915	903	1,604
Closing number of shares	644,520	612,419	1,176,185
Operating charges ³	1.15%	1.14%	1.17%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	151.91	154.11	137.23
Lowest share price	134.14	136.40	101.71

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	160.11	146.85	136.93
Return before operating charges*	(3.16)	15.06	11.50
Operating charges (calculated on average price)	(1.78)	(1.80)	(1.58)
Return after operating charges*	(4.94)	13.26	9.92
Distributions	(1.05)	(1.33)	(1.01)
Retained distributions on accumulation shares	1.05	1.33	1.01
Closing net asset value per share	155.17	160.11	146.85
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(3.09)%	9.03%	7.24%
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Other Information

Closing net asset value (£'000)	30,138	39,254	43,652
Closing number of shares	19,422,933	24,517,256	29,726,496
Operating charges ³	1.15%	1.14%	1.17%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	164.85	166.24	146.89
Lowest share price	145.74	146.99	108.77

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 ¹ (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	230.11	212.87	212.44
Return before operating charges*	(4.63)	21.71	1.63
Operating charges (calculated on average price)	(1.67)	(1.70)	(0.05)
Return after operating charges*	(6.30)	20.01	1.58
Distributions on income shares	(2.31)	(2.77)	(1.15)
Closing net asset value per share	221.50	230.11	212.87
* After direct transaction costs of: ²	0.00	0.00	0.01

Performance

Return after charges ³	(2.74)%	9.40%	0.74%
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Other Information

Closing net asset value (£'000)	7,438	7,883	7,313
Closing number of shares	3,357,866	3,425,853	3,435,499
Operating charges ⁴	0.75%	0.74%	0.77%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	237.24	241.04	214.11
Lowest share price	209.69	212.92	212.44

¹ The share class launched on 20 November 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 ¹ (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	263.18	240.56	238.75
Return before operating charges*	(5.32)	24.54	1.86
Operating charges (calculated on average price)	(1.91)	(1.92)	(0.05)
Return after operating charges*	(7.23)	22.62	1.81
Distributions	(2.68)	(3.08)	(1.34)
Retained distributions on accumulation shares	2.68	3.08	1.34
Closing net asset value per share	255.95	263.18	240.56
* After direct transaction costs of: ²	0.00	0.00	0.01

Performance

Return after charges ³	(2.75)%	9.40%	0.76%
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Other Information

Closing net asset value (£'000)	1,856	2,319	2,238
Closing number of shares	725,232	881,300	930,315
Operating charges ⁴	0.75%	0.74%	0.77%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	271.08	273.39	240.64
Lowest share price	240.38	240.80	238.75

¹ The share class launched on 20 November 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 131.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class B	Class C	Class D	Class S	Class X
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
	1.44%	1.19%	0.94%	1.44%	0.69%	0.29%
Collective investment scheme costs	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%
Ongoing Charges Figure	1.90%	1.65%	1.40%	1.90%	1.15%	0.75%

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S	Class X
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
	1.44%	1.19%	0.94%	1.44%	0.69%	0.29%
Collective investment scheme costs	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
Ongoing Charges Figure	1.89%	1.64%	1.39%	1.89%	1.14%	0.74%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards



Lower risk

Typically higher rewards



Higher risk



This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was five. The indicator has changed from four to five this year.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM Moderately Adventurous Fund ¹	(4.16)	12.50	15.55

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 149 to 152.

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
ALTERNATIVES 4.29% (6.43%)¹			
Alternative Strategies 4.29% (6.43%)¹			
10,660,000	JP Morgan Structured Products 0.00% 10/09/2024 ²	9,024,300	2.35
8,932,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	7,449,158	1.94
		16,473,458	4.29
EQUITY 12.11% (9.79%)¹			
North America 4.38% (5.56%)¹			
64,127	Berkshire Hathaway	16,818,988	4.38
United Kingdom 7.73% (4.23%)¹			
22,309	Goldman Sachs International 2024	15,123,889	3.94
8,746	UBS AG London 2024	7,361,028	1.92
83,330	UBS AG London 2027	7,145,247	1.87
		29,630,164	7.73
FUTURES CONTRACTS -0.12% (0.17%)¹			
Germany -0.12% (0.17%)¹			
372	MSCI EUX Futures December 2022	(460,703)	(0.12)
FORWARD CURRENCY CONTRACTS -0.20% (-0.52%)¹			
€(153,975)	Vs £137,078 Expiry 21.04.2023	3,392	—
¥(641,600,000)	Vs £3,906,954 Expiry 26.05.2023	(22,796)	(0.01)
US\$(71,509,000)	Vs £59,814,389 Expiry 13.01.2023	372,918	0.10
¥2,750,000,000	Vs £(16,745,829) Expiry 26.05.2023	97,706	0.03
US\$17,750,000	Vs £(15,316,618) Expiry 13.01.2023	(562,026)	(0.15)
US\$12,500,000	Vs £(11,047,282) Expiry 13.01.2023	(656,725)	(0.17)
		(767,531)	(0.20)
COLLECTIVE INVESTMENT SCHEMES 79.91% (76.94%)¹			
Ireland 11.05% (8.37%)¹			
922,689	Baillie Gifford Worldwide Health Innovation Fund	8,212,767	2.14
199,381	Barings Emerging Markets Debt Blended Total Return	20,087,457	5.24
1,430,365	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund	14,080,796	3.67
		42,381,020	11.05
Luxembourg 28.33% (29.83%)¹			
125,710	AB SICAV I - International Health Care Portfolio	19,185,868	5.00
60,095	AQR - Managed Futures UCITS Fund	6,542,398	1.71
101,140	BlackRock Strategic Funds - Global Event Driven Fund	11,636,165	3.03
346,487	BlueBay Financial Capital Bond	33,273,112	8.67
3,928	Candriam Absolute Return Equity Market Neutral	5,925,357	1.54
50,930	Fulcrum Equity Dispersion Fund	6,195,226	1.62
63,777	RWC Global Emerging Markets	12,982,585	3.38
525,238	Schroder ISF Asian Opportunities	12,968,487	3.38
		108,709,198	28.33
United Kingdom 40.53% (38.74%)¹			
20,559,559	Fidelity Investment Funds ICVC - UK Select Fund	22,183,764	5.78
4,573,978	iShares Global Property Securities Index	10,343,131	2.70
1,684,064	LF Brook Absolute Return Fund Sterling	8,524,732	2.22

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
COLLECTIVE INVESTMENT SCHEMES 79.91% (76.94%)¹ (continued)			
United Kingdom 40.53% (38.74%)¹ (continued)			
11,846,595	LF Lightman European Fund I Accumulation	16,680,005	4.35
9,888,406	Man GLG Income Fund	32,265,870	8.41
9,544,945	Ninety One Funds Series III - Global Environment Fund	14,544,588	3.79
6,235,385	Premier Miton European Opportunities	16,448,946	4.29
37,891,928	Schroder Prime UK Equity Fund	19,927,365	5.20
1,436,717	T. Rowe Price Funds Japanese Equity	14,529,375	3.79
		155,447,776	40.53
Portfolio of investment			
Net other assets ³			
		15,382,728	4.01
Net assets			
		383,615,098	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

² Structured product.

³ Includes shares in the Northern Trust Global Sterling Fund to the value of £14,000,000 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.22 %	30.11.21 %
Non-rated debt securities	4.29	6.43
Other investments	91.70	86.38
Net other assets	4.01	7.19
	100.00	100.00

7IM MODERATELY ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes	£	30.11.22	£	30.11.21
Income					
Net capital (losses)/gains	4		(16,391,732)		36,109,512
Revenue	5	5,419,899		6,965,013	
Expenses	6	(3,720,853)		(4,208,726)	
Interest payable and similar charges	8	(3,058)		(21,182)	
Net revenue before taxation for the year		1,695,988		2,735,105	
Taxation	7	(34,731)		(61,243)	
Net revenue after taxation for the year			1,661,257		2,673,862
Total return before distributions			(14,730,475)		38,783,374
Distributions	8		(1,728,342)		(2,701,361)
Change in net assets attributable to shareholders from investment activities			(16,458,817)		36,082,013

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

		£	30.11.22	£	30.11.21
Opening net assets attributable to shareholders			441,426,447		450,224,299
Amounts received on creation of shares ¹		23,762,917		48,428,257	
Amounts paid on cancellation of shares ¹		(66,574,353)		(95,650,448)	
			(42,811,436)		(47,222,191)
Change in net assets attributable to shareholders from investment activities			(16,458,817)		36,082,013
Retained distribution on accumulation shares			1,458,904		2,342,326
Closing net assets attributable to shareholders			383,615,098		441,426,447

¹ Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 137 to 148 are an integral part of these financial statements.

7IM MODERATELY ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		369,934,620	413,233,069
Current assets:			
Debtors	9	904,685	1,913,147
Cash and bank balances	10	4,995,348	3,701,836
Cash equivalents	10	14,000,000	31,294,000
Total assets		389,834,653	450,142,052
LIABILITIES			
Investment liabilities		(1,702,250)	(3,557,730)
Creditors:			
Bank overdrafts	10	(2,386,231)	(3,158,493)
Distribution payable		(219,534)	(293,976)
Other creditors	11	(1,911,540)	(1,705,406)
Total liabilities		(6,219,555)	(8,715,605)
Net assets attributable to shareholders		383,615,098	441,426,447

The notes on pages 137 to 148 are an integral part of these financial statements.

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(7,849,066)	34,204,739
Derivative contracts	(3,737,574)	1,042,814
Forward currency contracts	(5,065,833)	241,238
Currency (losses)/gains	(35,781)	499,121
Transaction charges	(5,819)	(12,108)
CSDR penalty	1,540	–
AMC rebates from underlying investments	300,801	133,708
Net capital (losses)/gains	<u>(16,391,732)</u>	<u>36,109,512</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	3,383,992	4,214,578
Taxable dividends	2,264,170	2,860,379
Unfranked interest	(400,963)	(234,447)
AMC rebates from underlying investments	145,322	88,042
Bank interest	27,378	36,461
Total revenue	<u>5,419,899</u>	<u>6,965,013</u>

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,573,948	4,044,588
Other expenses	8,031	11,089
	<hr/>	<hr/>
	3,581,979	4,055,677
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	54,165	61,110
Safe custody and other bank charges	22,129	20,855
	<hr/>	<hr/>
	76,294	81,965
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	15,002	16,548
FCA and other regulatory fees	161	41
Legal and professional fees	490	1,870
Market data fees	3,604	6,978
Printing, postage and distribution costs	23,246	27,987
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	62,580	71,084
	<hr/>	<hr/>
	3,720,853	4,208,726

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Overseas tax	(5,928)	8,241
Irrecoverable CIS income tax	40,659	53,002
Current tax charge (note 7b)	<hr/> 34,731	<hr/> 61,243
Total taxation	<hr/> 34,731	<hr/> 61,243

b) *Factors affecting current tax charge for the year*

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.

Net revenue before taxation	1,695,988	2,735,105
Corporation tax at 20%	339,198	547,021
Effects of:		
AMC rebates taken to capital	60,160	26,742
Irrecoverable CIS income tax w/off	40,659	53,002
Non-taxable dividends	(680,739)	(842,916)
Overseas tax	(5,928)	8,241
Unutilised excess management expenses	281,381	269,153
Current tax charge (note 7a)	<hr/> 34,731	<hr/> 61,243

c) *Deferred tax*

There is no deferred tax provision in the current year (2021: none).

At the year end, there is a potential deferred tax asset of £550,534 (2021: £269,153) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	35,439	249,667
Final ³	1,661,522	2,432,208
	<hr/>	<hr/>
1,696,961	2,681,875	
Add: Revenue deducted on cancellation of shares	40,852	26,187
Deduct: Revenue received on issue of shares	(9,471)	(6,701)
	<hr/>	<hr/>
Net distributions for the year	1,728,342	2,701,361
Interest payable and similar charges	3,058	21,182
	<hr/>	<hr/>
Total distribution	1,731,400	2,722,543

Details of the distributions per share are set out in the table on pages 149 to 152.

Distributions represented by:

Net revenue after taxation	1,661,257	2,673,862
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	60,160	26,742
Equalisation on conversions ²	97	708
Income deficit	6,857	–
Net movement in revenue account	(29)	49
	<hr/>	<hr/>
Net distributions for the year	1,728,342	2,701,361

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £219,534 (2021: £293,976) are disclosed in the Balance Sheet on page 136.

9 Debtors

	30.11.22 £	30.11.21 £
Amounts receivable for issue of shares	252,777	320,197
Sales awaiting settlement	–	60,005
Accrued revenue	138,305	952,710
Income tax recoverable	25,218	46,637
AMC rebates from underlying investments	204,896	296,435
Withholding tax recoverable	2,864	3,271
Corporation tax overpayment recoverable	280,625	233,892
	<hr/>	<hr/>
Total debtors	904,685	1,913,147

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

10 Cash and bank balances

	30.11.22	30.11.21
	£	£
Cash and bank balances	3,337,804	3,154,775
Cash held at clearing houses	1,657,544	547,061
Cash equivalents	<u>14,000,000</u>	<u>31,294,000</u>
Total cash and bank balances	<u>18,995,348</u>	<u>34,995,836</u>
Bank overdrafts	(2,386,231)	(3,153,621)
Cash overdraft at clearing houses	–	(4,872)
Total bank overdrafts	<u>(2,386,231)</u>	<u>(3,158,493)</u>

11 Other Creditors

	30.11.22	30.11.21
	£	£
Amounts payable for cancellation of shares	1,090,454	1,198,298
Purchases awaiting settlement	461,720	127,295
Accrued expenses	359,366	379,813
Total other creditors	<u>1,911,540</u>	<u>1,705,406</u>

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £277,716 (2021: £330,749).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 135.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date, the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited	69.11% (2021: 69.14%)
---------------------------	-----------------------

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£44,582,902) (2021: £2,837,816). The distributions paid to Pershing Nominees Limited during the year totalled £166,243.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has six share classes: 'A', 'B', 'C', 'D', 'S' and 'X'. The annual management charge on each class are as follows:

Class A	1.40%
Class B	1.15%
Class C	0.90%
Class D	1.40%
Class S	0.65%
Class X	0.25%

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

13 Classes of Shares (continued)

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	1,901	–	–	(1,653)	248
Class A Accumulation	266,851	–	(1,067)	(124,235)	141,549
Class B Accumulation	5,176,827	576,348	(895,498)	(45,815)	4,811,862
Class C Income	14,695,859	1,059,111	(2,396,112)	328,791	13,687,649
Class C Accumulation	104,746,904	5,860,131	(15,946,219)	(167,982)	94,492,834
Class D Income	85,320	741	–	–	86,061
Class D Accumulation	3,294,796	510,269	(406,965)	(1,346)	3,396,754
Class S Income	612,419	2,435	(18,014)	47,680	644,520
Class S Accumulation	24,517,256	241,206	(5,368,174)	32,645	19,422,933
Class X Income	3,425,853	–	(67,987)	–	3,357,866
Class X Accumulation	881,300	–	(156,068)	–	725,232

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
Euro	726,200	–	2,600	728,800
Swedish krona	–	–	264	264
Swiss franc	33,997	–	–	33,997
US dollar	459,059	23,618,706	79,376,262	103,454,027
Pound sterling	17,776,092	–	267,841,472	285,617,564
	18,995,348	23,618,706	347,220,598	389,834,652

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
Euro	(726,200)	–	–	(726,200)
Swiss franc	(33,997)	–	–	(33,997)
US dollar	(459,059)	–	(1,702,249)	(2,161,308)
Pound sterling	(1,166,975)	–	(2,131,074)	(3,298,049)
	(2,386,231)	–	(3,833,323)	(6,219,554)

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	716,201	—	2,564	718,765
Swedish krona	—	—	277	277
Swiss franc	31,634	—	—	31,634
US dollar	413,278	28,398,867	133,175,235	161,987,380
Pound sterling	33,834,723	—	379,567,229	413,401,952
	34,995,836	28,398,867	512,745,305	576,140,008

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(720,881)	—	(139,062)	(859,943)
Japanese yen	—	—	(4,260,982)	(4,260,982)
Swiss franc	(31,634)	—	—	(31,634)
US dollar	(413,471)	—	(93,472,399)	(93,885,870)
Pound sterling	(1,992,507)	—	(33,682,625)	(35,675,132)
	(3,158,493)	—	(131,555,068)	(134,713,561)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.22 %	30.11.21 %	30.11.22 Years	30.11.21 Years
US dollar	(0.60)	(2.00)	1	2

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the average weighted effective duration was 0.63 years (30 November 2021: 0.56 years).

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency

Euro

Swedish krona

US dollar

Pound sterling

Net assets

Foreign currency risk exposure as at 30 November 2021

Monetary Exposure	Non-Monetary Exposure	Total
£	£	£

2,600 – 2,600

264 – 264

– 101,292,719 101,292,719

2,864 101,292,719 101,295,583

15,379,864 266,939,651 282,319,515

15,382,728 368,232,370 383,615,098

Monetary Exposure	Non-Monetary Exposure	Total
£	£	£

(2,116) (139,062) (141,178)

– (4,260,982) (4,260,982)

277 – 277

(193) 68,101,703 68,101,510

(2,032) 63,701,659 63,699,627

31,753,140 345,973,680 377,726,820

31,751,108 409,675,339 441,426,447

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional amounts) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 32%, 76% and 39% respectively (30 November 2021: 19%, 62% and 35% respectively).

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $\text{VaR} = 0.3 * \text{VaR}(\text{MAC303XL}) + 0.7 * \text{MAX}[\text{VaR}(\text{MAC303XL}), \text{VaR}(\text{MAC303 51d HL})]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

The types of derivatives held at the balance sheet date were forward foreign currency contracts, futures contracts and structured products. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	30.11.22 £	30.11.21 £
Futures Contracts		
Eurex USA	(460,703)	754,143
Forward Currency Contracts		
Northern Trust	(767,531)	(2,288,254)
Total net exposure¹	(1,228,234)	(1,534,111)

¹Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	7,449,158	9,024,300	–	16,473,458
Collective Investment Schemes	306,537,994	–	–	306,537,994
Derivatives	–	474,016	–	474,016
Equities	16,818,988	29,630,164	–	46,449,152
Total	330,806,140	39,128,480	–	369,934,620
Liabilities				
Derivatives	(460,703)	(1,241,547)	–	(1,702,250)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	–	28,398,867	–	28,398,867
Collective Investment Schemes	233,749,733	105,873,176	–	339,622,909
Derivatives	754,143	1,269,476	–	2,023,619
Equities	43,187,674	–	–	43,187,674
Total	277,691,550	135,541,519	–	413,233,069
Liabilities				
Derivatives	–	(3,557,730)	–	(3,557,730)

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 119.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	29,152	—	—	—	—	—
Collective Investment Schemes	229,878	—	—	—	—	—
Derivatives	24,762	—	—	—	—	—
Equities	2,130	—	—	—	—	—
Total	285,922	—	—	—	—	—
Sales						
Bonds	36,009	—	—	—	—	—
Collective Investment Schemes	269,006	—	—	—	—	—
Derivatives	20,014	—	—	—	—	—
Equities	16,026	(2)	—	(2)	0.01	—
Total	341,055	(2)	—	(2)	0.01	—
Total as a percentage of the average NAV			0.00%	0.00%	0.00%	

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	40,287	—	—	—	—	—
Collective Investment Schemes	284,720	—	—	—	—	—
Equities	7,663	1	—	1	0.01	—
Total	332,670	1	—	1	0.01	—
Sales						
Bonds	8,066	—	—	—	—	—
Collective Investment Schemes	300,346	—	—	—	—	—
Derivatives	1,993	—	—	—	—	—
Equities	74,611	—	—	—	—	—
Total	385,016	—	—	—	—	—
Total as a percentage of the average NAV			0.00%	0.00%	0.00%	

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.15% (2021: 0.16%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 300.17p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 312.90p. This represents an increase of 4.24% from the year end value.

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Paid 31.07.22 ¹	Paid 30.07.21 ¹
Class A Income				
Group 1	—	—	—	—
Group 2	—	—	—	—

	Net Revenue	Equalisation	Allocated 31.07.22 ¹	Allocated 30.07.21 ¹
Class A Accumulation				
Group 1	—	—	—	—
Group 2	—	—	—	—

	Net Revenue	Equalisation	Allocated 31.07.22 ¹	Allocated 30.07.21 ¹
Class B Accumulation				
Group 1	—	—	—	—
Group 2	—	—	—	—

	Net Revenue	Equalisation	Paid 31.07.22 ¹	Paid 30.07.21
Class C Income				
Group 1	—	—	—	0.0864
Group 2	—	—	—	0.0864

	Net Revenue	Equalisation	Allocated 31.07.22 ¹	Allocated 30.07.21
Class C Accumulation				
Group 1	—	—	—	0.1180
Group 2	—	—	—	0.1180

	Net Revenue	Equalisation	Paid 31.07.22 ¹	Paid 30.07.21 ¹
Class D Income				
Group 1	—	—	—	—
Group 2	—	—	—	—

	Net Revenue	Equalisation	Allocated 31.07.22 ¹	Allocated 30.07.21 ¹
Class D Accumulation				
Group 1	—	—	—	—
Group 2	—	—	—	—

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

Interim - in pence per share (continued)

	Net Revenue	Equalisation	Paid 31.07.22	Paid 30.07.21
Class S Income				
Group 1	0.0587	–	0.0587	0.2477
Group 2	–	0.0587	0.0587	0.2477

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 30.07.21
Class S Accumulation				
Group 1	0.0543	–	0.0543	0.2450
Group 2	–	0.0543	0.0543	0.2450

	Net Revenue	Equalisation	Paid 31.07.22	Paid 30.07.21
Class X Income				
Group 1	0.5341	–	0.5341	0.8620
Group 2	0.5341	–	0.5341	0.8620

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 30.07.21
Class X Accumulation				
Group 1	0.6193	–	0.6193	0.9194
Group 2	0.6193	–	0.6193	0.9194

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2022

Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23 ¹	Paid 31.01.22
Class A Income				
Group 1	–	–	–	0.0789
Group 2	–	–	–	0.0789

	Net Revenue	Equalisation	Allocated 31.01.23 ¹	Allocated 31.01.22
Class A Accumulation				
Group 1	–	–	–	0.0867
Group 2	–	–	–	0.0867

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class B Accumulation				
Group 1	0.4791	–	0.4791	0.9623
Group 2	0.4791	–	0.4791	0.9623

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

Final - in pence per share (continued)

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	1.1241	–	1.1241	1.5143
Group 2	0.8919	0.2322	1.1241	1.5143
Class C Accumulation				
Group 1	1.2820	–	1.2820	1.7116
Group 2	1.0103	0.2717	1.2820	1.7116
Class D Income				
Group 1	–	–	–	0.0526
Group 2	–	–	–	0.0526
Class D Accumulation				
Group 1	–	–	–	0.3064
Group 2	–	–	–	0.3064
Class S Income				
Group 1	0.9125	–	0.9125	1.0084
Group 2	0.6137	0.2988	0.9125	1.0084
Class S Accumulation				
Group 1	0.9917	–	0.9917	1.0858
Group 2	0.5625	0.4292	0.9917	1.0858
Class X Income				
Group 1	1.7806	–	1.7806	1.9036
Group 2	1.7806	–	1.7806	1.9036

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

Final - in pence per share (continued)

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class X Accumulation				
Group 1	2.0571	–	2.0571	2.1596
Group 2	2.0571	–	2.0571	2.1596

¹ Expenses exceeded revenue during the period, as a result no distributions were paid and allocated.

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM Adventurous Fund (the 'Sub-fund') aims to provide capital growth.

The Sub-Fund invests at least 80% of its assets in other funds managed both by the Manager and by selected third party managers, including open-ended and closed-ended funds and exchange traded funds (ETFs), and other transferable securities including fixed income, equities, warrants and structured products. This exposure may also be achieved through the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments).

Up to 20% of the Sub-Fund will be invested in assets such as cash, and deposits, and may also include the use of money market funds and money market instruments, for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

Investment will be more focused on growth generating assets such as equities.

The Sub-fund will invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

In extraordinary market conditions (such as political unrest, economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), the Sub-fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (4.29)%¹.

Comparator Benchmark

Over the last 5 years the Sub-fund has slightly underperformed the IA sector performance comparator (IA Flexible Investment Shares) but has outperformed over 10 years. 3 year performance has also been very positive as the Sub-fund has navigated difficult market conditions well following the March 2020 COVID-19 market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. The 1 year, 5 year and 10 year relative performance to the benchmark was 2.40%, (0.34)% and 0.92% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

¹ Calculated using 7IM Adventurous Fund C Acc shares, published prices. Source: NTRS.

7IM ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader emerging markets equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. Emerging markets valuations and emerging markets currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In January 2022, we added a healthcare innovations position to higher risk profiles. We see this as a higher risk, higher reward subsector of healthcare that is in a structurally good place and enhances our healthcare allocation in portfolios where there is more scope to take risk.

In March 2022, we took some profits from our Berkshire Hathaway position which had outperformed the US market very well since we added the position in July 2020. The cash freed up went into a neutral equity allocation.

In April 2022, we added an index arbitrage strategy into our alternatives basket. The growth of index investing has meant that stocks typically experience a change in price when entering or leaving an index, this fund aims to profit from that. The strategy is largely market neutral and further diversifies our alternatives allocation.

In August 2022, we refreshed our strategic asset allocation (SAA) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

7IM ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value tilt. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

Lastly, in October, we increased our allocation to AT1 bonds with the outlook for equity uncertain, we see AT1 bonds as a very attractive asset to own. They are yielding well over 10%, and we still do not see significant default or extension risk in the bonds.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP
Investment Manager
January 2023

7IM ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 157 to 164 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	292.65	265.33	249.29
Return before operating charges*	(5.97)	32.84	20.80
Operating charges (calculated on average price)	(5.41)	(5.52)	(4.76)
Return after operating charges*	(11.38)	27.32	16.04
Distributions	—	—	(0.50)
Retained distributions on accumulation shares	—	—	0.50
Closing net asset value per share	281.27	292.65	265.33
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.89)%	10.30%	6.43%
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Other Information

Closing net asset value (£'000)	17	21	30
Closing number of shares	6,001	7,103	11,339
Operating charges ³	1.92%	1.93%	1.97%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	302.38	304.67	257.67
Lowest share price	262.58	265.95	191.31

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 165.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	305.71	276.67	259.29
Return before operating charges*	(6.01)	34.08	21.72
Operating charges (calculated on average price)	(4.92)	(5.04)	(4.34)
Return after operating charges*	(10.93)	29.04	17.38
Distributions	–	(0.22)	(0.48)
Retained distributions on accumulation shares	–	0.22	0.48
Closing net asset value per share	294.78	305.71	276.67
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.58)%	10.50%	6.70%
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Other Information

Closing net asset value (£'000)	2,949	3,289	3,788
Closing number of shares	1,000,497	1,075,772	1,369,042
Operating charges ³	1.67%	1.68%	1.72%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	316.14	318.49	268.12
Lowest share price	274.89	277.32	199.15

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 165.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	295.97	267.82	251.83
Return before operating charges*	(6.05)	33.21	21.14
Operating charges (calculated on average price)	(4.05)	(4.15)	(3.61)
Return after operating charges*	(10.10)	29.06	17.53
Distributions on income shares	(0.48)	(0.91)	(1.54)
Closing net asset value per share	285.39	295.97	267.82
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.41)%	10.85%	6.96%
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Other Information

Closing net asset value (£'000)	11,967	14,771	15,093
Closing number of shares	4,193,357	4,990,684	5,635,680
Operating charges ³	1.42%	1.43%	1.47%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	306.12	332.93	260.42
Lowest share price	266.28	289.21	193.57

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 165.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	319.85	288.53	269.72
Return before operating charges*	(6.54)	35.80	22.67
Operating charges (calculated on average price)	(4.38)	(4.48)	(3.86)
Return after operating charges*	(10.92)	31.32	18.81
Distributions	(0.50)	(0.96)	(1.62)
Retained distributions on accumulation shares	0.50	0.96	1.62
Closing net asset value per share	308.93	319.85	288.53
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.41)%	10.86%	6.97%
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Other Information

Closing net asset value (£'000)	81,348	97,456	102,610
Closing number of shares	26,331,976	30,469,593	35,563,604
Operating charges ³	1.42%	1.43%	1.47%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	330.52	332.93	279.00
Lowest share price	287.77	289.21	207.32

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 165.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 ¹ (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	283.74	257.10	241.51
Return before operating charges*	12.99	32.02	20.16
Operating charges (calculated on average price)	–	(5.38)	(4.57)
Return after operating charges*	12.99	26.64	15.59
Distributions on income shares	–	–	–
Last quoted share price	296.73	–	–
Closing net asset value per share	–	283.74	257.10
* After direct transaction costs of: ²	0.00	0.00	0.01

Performance

Return after charges ³	4.58%	10.36%	6.46%
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Other Information

Closing net asset value (£'000)	–	4	4
Closing number of shares	–	1,488	1,560
Operating charges ⁴	1.92%	1.93%	1.97%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	302.17	295.38	249.59
Lowest share price	283.94	257.65	185.36

¹ Share class became inactive on 22 December 2021.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 165.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	292.46	265.13	249.09
Return before operating charges*	(6.00)	32.88	20.81
Operating charges (calculated on average price)	(5.39)	(5.55)	(4.77)
Return after operating charges*	(11.39)	27.33	16.04
Distributions	—	—	(0.33)
Retained distributions on accumulation shares	—	—	0.33
Closing net asset value per share	281.07	292.46	265.13
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(3.89)%	10.31%	6.44%
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Other Information

Closing net asset value (£'000)	14,676	14,921	12,840
Closing number of shares	5,221,282	5,102,093	4,842,923
Operating charges ³	1.92%	1.93%	1.97%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	302.17	304.48	257.48
Lowest share price	262.41	265.75	191.17

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 165.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	160.16	144.97	136.63
Return before operating charges*	(3.26)	17.96	11.45
Operating charges (calculated on average price)	(1.81)	(1.86)	(1.61)
Return after operating charges*	(5.07)	16.10	9.84
Distributions on income shares	(0.66)	(0.91)	(1.50)
Closing net asset value per share	154.43	160.16	144.97
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(3.17)%	11.11%	7.20%
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Other Information

Closing net asset value (£'000)	21	23	15
Closing number of shares	13,330	14,059	10,275
Operating charges ³	1.17%	1.18%	1.22%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	165.67	167.11	141.34
Lowest share price	144.20	145.13	105.10

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 165.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	170.97	153.84	143.46
Return before operating charges*	(3.49)	19.10	12.09
Operating charges (calculated on average price)	(1.93)	(1.97)	(1.71)
Return after operating charges*	(5.42)	17.13	10.38
Distributions	(0.70)	(0.93)	(1.22)
Retained distributions on accumulation shares	0.70	0.93	1.22
Closing net asset value per share	165.55	170.97	153.84
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(3.17)%	11.13%	7.24%
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Other Information

Closing net asset value (£'000)	9,181	10,416	14,578
Closing number of shares	5,546,122	6,092,446	9,475,885
Operating charges ³	1.17%	1.18%	1.22%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	176.68	177.94	148.44
Lowest share price	154.04	154.21	110.35

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 165.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.08%	0.08%	0.08%	0.08%	0.08%
Collective investment scheme costs	1.48%	1.23%	0.98%	1.48%	0.73%
Ongoing Charges Figure	0.44%	0.44%	0.44%	0.44%	0.44%
	1.92%	1.67%	1.42%	1.92%	1.17%

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.08%	0.08%	0.08%	0.08%	0.08%
Collective investment scheme costs	1.48%	1.23%	0.98%	1.48%	0.73%
Ongoing Charges Figure	0.45%	0.45%	0.45%	0.45%	0.45%
	1.93%	1.68%	1.43%	1.93%	1.18%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards



Lower risk

Typically higher rewards



Higher risk



This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was five.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM Adventurous Fund	(4.29)	14.46	17.30

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 183 to 185.

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	ALTERNATIVES 3.24% (4.05%)¹		
	Alternative Strategies 3.24% (3.29%)¹		
2,020,000	JP Morgan Structured Products 0.00% 10/09/2024 ²	1,710,046	1.42
2,617,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	2,182,540	1.82
		3,892,586	3.24
	Real Estate 0.00% (0.76%)¹		
	EQUITY 12.41% (12.44%)¹		
	North America 5.43% (7.28%)¹		
24,888	Berkshire Hathaway	6,527,531	5.43
	United Kingdom 6.98% (5.16%)¹		
6,606	Goldman Sachs International 2024	4,478,390	3.73
2,688	UBS AG London 2024	2,262,342	1.88
19,210	UBS AG London 2027	1,647,188	1.37
		8,387,920	6.98
	FUTURES CONTRACTS -0.10% (0.18%)¹		
	Germany -0.10% (0.18%)¹		
97	MSCI EUX Futures December 2022	(120,130)	(0.10)
	FORWARD CURRENCY CONTRACTS 0.06% (-0.21%)¹		
€(872,838)	Vs £777,053 Expiry 21.04.2023	19,228	0.02
¥(138,000,000)	Vs £840,336 Expiry 26.05.2023	(4,903)	–
US\$(4,838,000)	Vs £4,046,792 Expiry 13.01.2023	25,230	0.02
¥780,000,000	Vs £(4,749,726) Expiry 26.05.2023	27,713	0.02
		67,268	0.06
	COLLECTIVE INVESTMENT SCHEMES 79.69% (76.91%)¹		
	Ireland 8.52% (5.96%)¹		
577,883	Baillie Gifford Worldwide Health Innovation Fund	5,143,680	4.28
517,468	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund	5,094,054	4.24
		10,237,734	8.52
	Luxembourg 23.89% (28.98%)¹		
35,216	AB SICAV I - International Health Care Portfolio	5,374,698	4.48
13,907	AQR - Managed Futures UCITS Fund	1,513,957	1.26
20,021	BlackRock Strategic Funds - Global Event Driven Fund	2,303,365	1.92
57,515	BlueBay Financial Capital Bond	5,523,179	4.60
764	Candriam Absolute Return Equity Market Neutral	1,152,411	0.96
10,686	Fulcrum Equity Dispersion Fund	1,299,839	1.08
30,059	RWC Global Emerging Markets	6,118,947	5.09
218,982	Schroder ISF Asian Opportunities	5,406,822	4.50
		28,693,218	23.89
	United Kingdom 47.28% (41.97%)¹		
8,122,735	Fidelity Investment Funds ICVC - UK Select Fund	8,764,431	7.29
2,330,168	iShares Global Property Securities Index	5,269,206	4.38
379,043	LF Brook Absolute Return Fund Sterling	1,918,717	1.60
3,918,644	LF Lightman European Fund I Accumulation	5,517,450	4.59

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
COLLECTIVE INVESTMENT SCHEMES 79.69% (76.91%)¹ (continued)			
United Kingdom 47.28% (41.97%)¹ (continued)			
2,875,949	Man GLG Income Fund	9,384,223	7.81
3,841,002	Ninety One Funds Series III - Global Environment Fund	5,852,920	4.87
1,999,208	Premier Miton European Opportunities	5,273,911	4.39
14,461,429	Schroder Prime UK Equity Fund	7,605,265	6.33
582,617	T. Rowe Price Funds Japanese Equity	5,891,945	4.90
34,990	Xenfin Securitised Debt ³	1,352,507	1.12
		56,830,575	47.28
Portfolio of investment			
Net other assets ⁴			
		5,642,083	4.70
Net assets			
		120,158,785	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

² Structured product.

³ The security is currently suspended and liquidating. The valuation for this security has been determined by the 7IM Fair Value Pricing Panel based on latest available information.

⁴ Includes shares in the Northern Trust Global Sterling Fund to the value of £687,385 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	—	—
Non-rated debt securities	3.24	3.29
Other investments	92.06	90.08
Net other assets	4.70	6.63
	100.00	100.00

7IM ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes		30.11.22	30.11.21
		£	£	£
Income				
Net capital (losses)/gains	4		(4,879,222)	15,414,177
Revenue	5	1,434,382		1,931,263
Expenses	6	(1,299,094)		(1,519,089)
Interest payable and similar charges	8	(3,156)		(158)
Net revenue before taxation for the year		132,132		412,016
Taxation	7	(10,001)		(15,292)
Net revenue after taxation for the year			122,131	396,724
Total return before distributions			(4,757,091)	15,810,901
Distributions	8		(194,260)	(435,169)
Change in net assets attributable to shareholders from investment activities			(4,951,351)	15,375,732

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

		30.11.22	30.11.21
	£	£	£
Opening net assets attributable to shareholders		140,900,820	148,958,325
Amounts received on creation of shares ¹	12,625,399		21,098,278
Amounts paid on cancellation of shares ¹	(28,588,131)		(44,920,021)
		(15,962,732)	(23,821,743)
Change in net assets attributable to shareholders from investment activities		(4,951,351)	15,375,732
Retained distribution on accumulation shares		172,048	388,506
Closing net assets attributable to shareholders		120,158,785	140,900,820

¹Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 171 to 182 are an integral part of these financial statements.

7IM ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		114,641,735	131,968,412
Current assets:			
Debtors	9	1,370,490	1,869,888
Cash and bank balances	10	4,555,245	978,793
Cash equivalents	10	687,385	8,199,000
Total assets		121,254,855	143,016,093
LIABILITIES			
Investment liabilities		(125,033)	(413,711)
Creditors:			
Bank overdrafts	10	(511,705)	(794,797)
Distribution payable		(20,156)	(16,535)
Other creditors	11	(439,176)	(890,230)
Total liabilities		(1,096,070)	(2,115,273)
Net assets attributable to shareholders		120,158,785	140,900,820

The notes on pages 171 to 182 are an integral part of these financial statements.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(3,383,692)	13,234,187
Derivative contracts	(1,395,949)	689,629
Forward currency contracts	23,662	253,999
Currency (losses)/gains	(70,947)	3,591
Transaction charges	(5,590)	(8,141)
CSDR penalty	520	–
Provision for remediation	(151,327)	1,173,287
AMC rebates from underlying investments	104,101	67,625
Net capital (losses)/gains	<u>(4,879,222)</u>	<u>15,414,177</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	1,291,596	1,781,593
Taxable dividends	170,982	179,238
Unfranked interest	(81,029)	(54,079)
AMC rebates from underlying investments	41,363	24,450
Bank interest	11,470	61
Total revenue	<u>1,434,382</u>	<u>1,931,263</u>

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,208,324	1,411,867
Other expenses	5,736	8,350
	<hr/>	<hr/>
	1,214,060	1,420,217
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	17,600	27,153
Safe custody and other bank charges	16,943	13,872
	<hr/>	<hr/>
	34,543	41,025
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	9,020	10,250
FCA and other regulatory fees	162	39
Legal and professional fees	514	1,870
Market data fees	3,604	6,978
Printing, postage and distribution costs	17,114	21,050
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	50,491	57,847
	<hr/>	<hr/>
	1,299,094	1,519,089

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Overseas tax	(2,339)	3,818
Irrecoverable CIS income tax	12,340	11,474
Current tax charge (note 7b)	<hr/> 10,001	<hr/> 15,292
Total taxation	<hr/> 10,001	<hr/> 15,292
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	132,132	412,016
Corporation tax at 20%	26,426	82,403
Effects of:		
AMC rebates taken to capital	20,820	13,525
Excess non trade loan deficits	6,206	10,772
Franked CIS revenue	–	(169,521)
Irrecoverable CIS income tax w/off	12,340	11,474
Offshore CIS revenue	(259,299)	(186,798)
Overseas tax	(2,339)	3,818
Unutilised excess management expenses	205,847	249,619
Current tax charge (note 7a)	<hr/> 10,001	<hr/> 15,292
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2021: none).		

At the year end there is a potential deferred tax asset of £963,306 (2021: £757,459) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	8,073	290,659
Final ³	184,148	144,843
	<hr/> 192,221	<hr/> 435,502
Add: Revenue deducted on cancellation of shares	6,675	1,449
Deduct: Revenue received on issue of shares	(4,636)	(1,782)
	<hr/> 194,260	<hr/> 435,169
Net distributions for the year	3,156	158
Interest payable and similar charges	<hr/> 197,416	<hr/> 435,327
Total distribution		

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 183 to 185.

	30.11.22	30.11.21
	£	£
Distributions represented by:		
Net revenue after taxation	122,131	396,724
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	20,820	13,525
Equalisation on conversions ²	8	(9)
Income deficit	51,311	24,926
Net movement in revenue account	(10)	3
Net distributions for the year	<u>194,260</u>	<u>435,169</u>

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £20,156 (2021: £16,535) are disclosed in the Balance Sheet on page 170.

9 Debtors

	30.11.22	30.11.21
	£	£
Amounts receivable for issue of shares	189,491	143,617
Sales awaiting settlement	–	46,269
Accrued revenue	49,914	381,833
Income tax recoverable	26,202	14,877
AMC rebates from underlying investments	82,365	109,106
Withholding tax recoverable	558	899
Amount receivable from the ACD ¹	1,021,960	1,173,287
Total debtors	<u>1,370,490</u>	<u>1,869,888</u>

¹ Seven Investment Management LLP (7IM LLP) have embarked on a remediation programme in respect of the Xenfin Securitised Debt Fund ('XSDF') held as an investment by the 7IM Adventurous Fund (the 'Sub-fund'). The redress due to the Sub-fund is payable upon the final liquidation payment of XSDF to the Sub-fund and is measurable via an accrual marked to market daily. 7IM LLP has made a commitment to pay the accrual value with GBP cash when due.

10 Cash and bank balances

	30.11.22	30.11.21
	£	£
Cash and bank balances	4,123,181	793,140
Cash held at clearing houses	432,064	185,653
Cash equivalents	687,385	8,199,000
Total cash and bank balances	<u>5,242,630</u>	<u>9,177,793</u>
Bank overdrafts	(511,705)	(793,084)
Cash overdraft at clearing houses	–	(1,713)
Total bank overdrafts	<u>(511,705)</u>	<u>(794,797)</u>

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

11 Other Creditors

	30.11.22	30.11.21
	£	£
Amounts payable for cancellation of shares	126,549	688,141
Purchases awaiting settlement	172,298	54,596
Accrued expenses	140,329	147,493
Total other creditors	<hr/> 439,176	<hr/> 890,230

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £92,595 (2021: £113,343).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 169.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited	54.55% (2021: 56.85%)
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The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£15,527,798) (2021: (£9,051,648)). The distributions paid to Pershing Nominees Limited during the year totalled £1,150.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has five share classes: 'A', 'B', 'C', 'D' and 'S'. The annual management charge on each class are as follows:

Class A	1.40%
Class B	1.15%
Class C	0.90%
Class D	1.40%
Class S	0.65%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Accumulation	7,103	–	–	(1,102)	6,001
Class B Accumulation	1,075,772	3,263	(74,529)	(4,009)	1,000,497
Class C Income	4,990,684	161,318	(958,645)	–	4,193,357
Class C Accumulation	30,469,593	3,132,418	(7,318,360)	48,325	26,331,976
Class D Income	1,488	–	(1,488)	–	–
Class D Accumulation	5,102,093	792,612	(662,691)	(10,732)	5,221,282
Class S Income	14,059	3,838	(4,567)	–	13,330
Class S Accumulation	6,092,446	158,747	(642,058)	(63,013)	5,546,122

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below:

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	149,250	—	558	149,808
Japanese yen	—	—	4,777,439	4,777,439
Swiss franc	15,368	—	—	15,368
US dollar	4,404	5,539,774	20,189,042	25,733,220
Pound sterling	5,073,608	—	95,874,860	100,948,468
	5,242,630	5,539,774	120,841,899	131,624,303

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(149,249)	—	(757,826)	(907,075)
Japanese yen	—	—	(845,239)	(845,239)
Swiss franc	(15,368)	—	—	(15,368)
US dollar	(4,404)	—	(4,141,690)	(4,146,094)
Pound sterling	(342,684)	—	(5,209,058)	(5,551,742)
	(511,705)	—	(10,953,813)	(11,465,518)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	147,194	—	663	147,857
Swiss franc	14,300	—	—	14,300
US dollar	21,307	4,636,188	31,865,856	36,523,351
Pound sterling	8,994,992	—	112,166,117	121,161,109
	9,177,793	4,636,188	144,032,636	157,846,617

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(148,907)	–	(788,304)	(937,211)
Japanese yen	–	–	(916,483)	(916,483)
Swiss franc	(14,300)	–	–	(14,300)
US dollar	(3,965)	–	(10,475,943)	(10,479,908)
Pound sterling	(627,625)	–	(3,970,270)	(4,597,895)
	(794,797)	–	(16,151,000)	(16,945,797)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.22 %	30.11.21 %	30.11.22 Years	30.11.21 Years
US dollar	(0.52)	(5.56)	1	3

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the weighted average effective duration was 0.19 years (30 November 2021: 0.11 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	559	(757,826)	(757,267)
Japanese yen	–	3,932,200	3,932,200
US dollar	–	21,587,126	21,587,126
	559	24,761,500	24,762,059
Pound sterling	5,641,524	89,755,202	95,396,726
Net assets	5,642,083	114,516,702	120,158,785

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	(1,050)	(788,304)	(789,354)
Japanese yen	–	(916,483)	(916,483)
US dollar	17,342	26,026,102	26,043,444
	16,292	24,321,315	24,337,607
Pound sterling	9,329,827	107,233,386	116,563,213
Net assets	9,346,119	131,554,701	140,900,820

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional amounts) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 20%, 36% and 21% respectively (30 November 2021: 7%, 49% and 25% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = 0.3*VaR(MAC303XL) + 0.7*MAX[VaR(MAC303XL), VaR(MAC303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The types of derivatives held at the balance sheet date were forward foreign currency contracts, futures contracts and structured products. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

	30.11.22 £	30.11.21 £
Counterparty		
Futures Contracts		
Eurex USA	(120,129)	256,592
Forward Currency Contracts		
Northern Trust	67,268	(293,820)
Total net exposure¹	<hr/> <hr/> (52,861)	<hr/> <hr/> (37,228)

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3

Valuation techniques using unobservable inputs (see Note 2(i)) for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

One holding within the Sub-fund were held at a Level 3 valuation throughout the period:

Xenfin Securitised Debt Fund

The Xenfin Securitised Debt Fund was suspended from trading in June 2019 and then began implementing a voluntary windup with a liquidator being appointed in December 2019.

The following metrics were used to calculate the Fair Value Price throughout the period:

- The last observable published price was in June 2019, throughout 2020, 2021 and 2022 the fund made five distributions returning approximately 50% of the June 2019 value to investors. The Fair Value Price was adjusted accordingly to take account of these distributions.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value (continued)

b. A sum of the parts approach to valuation, there is reliance on unobservable inputs and there has been application of judgement. Examples include: (i) expectation for a mortgage to be repaid following development and sale of a property asset with a sale price estimated at \$21m by an expert third party independent valuer, the valuation assessment is based on comparable transactions, the opinion of market value is completed based on the hypothetical condition that the proposed improvements are completed in accordance with plans and specifications as of the appraisal date; (ii) there is reliance on unobservable inputs and the application of significant judgement in relation to the expected value to be realised from property assets.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	2,182,540	1,710,046	–	3,892,586
Collective Investment Schemes	94,409,020	–	1,352,507	95,761,527
Derivatives	–	72,171	–	72,171
Equities	6,527,531	8,387,920	–	14,915,451
Total	103,119,091	10,170,137	1,352,507	114,641,735
Liabilities				
Derivatives	(120,130)	(4,903)	–	(125,033)
30 November 2021	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	4,636,188	–	4,636,188
Collective Investment Schemes	85,007,751	21,466,645	1,892,623	108,367,019
Derivatives	256,592	119,890	–	376,482
Equities	18,588,723	–	–	18,588,723
Total	103,853,066	26,222,723	1,892,623	131,968,412
Liabilities				
Derivatives	–	(413,711)	–	(413,711)

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 156.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	13,459	—	—	—	—	—
Collective Investment Schemes	85,146	—	—	—	—	—
Derivatives	7,563	—	—	—	—	—
Equities	602	—	—	—	—	—
Total	106,770	—	—	—	—	—
Sales						
Bonds	12,803	—	—	—	—	—
Collective Investment Schemes	100,113	—	—	—	—	—
Derivatives	7,789	—	—	—	—	—
Equities	7,974	(2)	—	(2)	(0.03)	—
Total	128,679	(2)	—	(2)	(0.03)	—
Total as a percentage of the average NAV		0.00%		0.00%		0.00%

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	12,045	—	—	—	—	—
Collective Investment Schemes	46,921	—	—	—	—	—
Equities	2,955	—	—	—	—	—
Total	61,921	—	—	—	—	—
Sales						
Collective Investment Schemes	62,228	—	—	—	—	—
Derivatives	1,398	—	—	—	—	—
Equities	28,290	—	—	—	—	—
Total	91,916	—	—	—	—	—
Total as a percentage of the average NAV		0.00%		0.00%		0.00%

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.13% (2021: 0.03%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 308.90p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 323.09p. This represents an increase of 4.59% from the year end value.

7IM ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Allocated 30.07.22	Allocated 30.07.21
Class A Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
	Net Revenue	Equalisation	Allocated 30.07.22 ¹	Allocated 30.07.21
Class B Accumulation				
Group 1	—	—	—	0.2246
Group 2	—	—	—	0.2246
	Net Revenue	Equalisation	Paid 30.07.22 ¹	Paid 30.07.21
Class C Income				
Group 1	—	—	—	0.5785
Group 2	—	—	—	0.5785
	Net Revenue	Equalisation	Allocated 30.07.22 ¹	Allocated 30.07.21
Class C Accumulation				
Group 1	—	—	—	0.6196
Group 2	—	—	—	0.6196
	Net Revenue	Equalisation	Paid 30.07.22 ²	Paid 30.07.21
Class D Income¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
	Net Revenue	Equalisation	Allocated 30.07.22	Allocated 30.07.21
Class D Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
	Net Revenue	Equalisation	Paid 30.07.22	Paid 30.07.21
Class S Income				
Group 1	0.1349	—	0.1349	0.5111
Group 2	—	0.1349	0.1349	0.5111

7IM ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Allocated 30.07.22	Allocated 30.07.21
Class S Accumulation				
Group 1	0.1386	—	0.1386	0.5428
Group 2	0.0265	0.1121	0.1386	0.5428
Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2022				
Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022				
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class A Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class B Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	0.4790	—	0.4790	0.3302
Group 2	0.4311	0.0479	0.4790	0.3302
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class C Accumulation				
Group 1	0.5049	—	0.5049	0.3433
Group 2	0.3423	0.1626	0.5049	0.3433
	Net Revenue	Equalisation	Paid 31.01.23 ²	Paid 31.01.22
Class D Income¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class D Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—

7IM ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class S Income				
Group 1	0.5251	—	0.5251	0.3986
Group 2	0.4144	0.1107	0.5251	0.3986
Class S Accumulation				
Group 1	0.5597	—	0.5597	0.3891
Group 2	0.4661	0.0936	0.5597	0.3891

¹ Expenses exceeded revenue during the period, as a result no distributions were paid and allocated.

² Share class became inactive on 22 December 2021.

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM Sustainable Balance Fund (the 'Sub-fund') aims to provide a balance of income and capital growth.

The Sub-fund invests at least 80% of its assets in a range of shares and corporate bonds and other funds managed by selected fund managers.

Up to 20% of the Sub-fund will be invested in liquid assets such as cash, deposits, money market funds and money market instruments, as well as warrants.

The Sub-fund will only invest in individual shares and corporate bonds where the restrictions set out below are applied, as part of a two stage process.

1) Investment Restrictions

Companies from certain industries or with significant exposure to certain activities, taken to be more than 10% of revenues, are precluded from investment at the outset. These include:

- Adult entertainment
- Alcohol
- Armaments
- Gambling
- Genetically modified organisms ('GMOs') in agriculture
- Nuclear power generation
- Tobacco

2) Ethical Conduct Screening

Having screened out individual securities with significant exposure to industries which are unacceptable, in accordance with the above criteria, the screening process set out in the Sub-fund's Screening Process Document (which is available on the Manager's website or which may be obtained from the Manager) is then applied. This screening process includes firstly screening the remaining investment universe to identify securities in those companies which, although in acceptable industries, nonetheless exhibit unacceptable conduct, which may include corruption or poor labour or environmental practices. Positive screening is then applied to identify those securities in companies which exhibit positive ethical conduct (such as sustainable environmental practices and conscientiousness with regard to human rights).

Other funds (which includes exchange traded funds and open or closed ended funds) are selected for the Sub-Fund's portfolio on the basis that they track recognised ethical or socially responsible indices or are managed in accordance with the Manager's judgemental screening which is applied as described in the Screening Document.

An assessment of Environmental, Social and Governance (ESG) issues is integrated into the investment process as part of the assessment and valuation work conducted to be made for the Sub-fund by the Manager.

The Sub-fund will comprise a mixture of income-generating assets and assets with scope for capital growth.

The Sub-fund has flexibility to invest in different asset classes depending on market conditions, with most investment in equities and fixed interest securities but with no long term bias to either class.

The Sub-fund will invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

In extraordinary market conditions (such as political unrest, economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), the Sub-fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments.

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (9.94%)¹.

Comparator Benchmark

Over the last 5 and 10 years the Sub-fund has outperformed its IA sector performance comparator benchmark (IA Mixed Investment 20-60% Shares), while meeting its ethical screens in the prospectus and investing in lower carbon emitting companies than the broader market. The Sub-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 Sub-fund still performed well against more specific peers. The 1 year, 5 year and 10 year relative performance to the benchmark was (2.50)%, 0.56% and 0.80% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

¹ Calculated using 7IM Sustainable Balance Fund C Acc shares, published prices. Source: NTRS.

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In February, we restructured the infrastructure holdings in the Sub-fund. Instead of picking individual names, we moved to an approach of equally weighting the largest names in a universe of closed ended property and infrastructure funds that had strong ESG characteristics and abided by the investment restrictions outlined in the prospectus.

In March we added a sustainable value manager to the Sub-fund. Funds that aim to meet sustainable objectives tend to be more growthy as they allocate to sectors such as renewable energy and IT over more value sectors such as materials, energy and defence. This manager will give us exposure to value stocks with a high ESG rating and will complement other parts of the Sustainable Balance fund.

In June 2022, we went from underweight to neutral duration. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure.

In August 2022, we refreshed our strategic asset allocation (SAA) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This years' process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During October 2022, we unwound our tactical emerging market equity overweight. We invest in Emerging Market equities that have a high ESG rating however, our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode. We still hold a neutral weight to emerging market equities relative to our SAA and continue to believe that emerging market companies are key to drive forward global energy transition.

Over the review period we monitored the Sub-fund in line with the prospectus and the Screening Process Document. The Sub-fund has not held shares or corporate bonds that have more than 10% revenue exposure to the activities listed in the prospectus. We have also assessed the investments in shares and corporate bonds against environmental, social and governance factors using external data providers and inhouse ESG rating methodologies.

Collective investments have been held in accordance with the Screening Process Document. The exposure to the activities outlined in the Screening Process Document were well below the 1% limit cited in the Screening Process Document as at the end of the review period.

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP
Investment Manager
January 2023

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION

The Comparative Tables on pages 191 to 199 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	133.73	130.36	123.13
Return before operating charges*	(11.23)	8.20	11.32
Operating charges (calculated on average price)	(2.54)	(2.71)	(2.48)
Return after operating charges*	(13.77)	5.49	8.84
Distributions on income shares	(2.21)	(2.12)	(1.61)
Closing net asset value per share	117.75	133.73	130.36
* After direct transaction costs of: ¹	0.03	0.02	0.14

Performance

Return after charges ²	(10.30)%	4.21%	7.18%
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Other Information

Closing net asset value (£'000)	45	83	83
Closing number of shares	38,418	62,171	63,620
Operating charges ³	2.02%	2.02%	2.00%
Direct transaction costs	0.03%	0.02%	0.11%

Prices

Highest share price	136.90	138.43	130.99
Lowest share price	111.90	129.57	106.16

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 200.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	180.15	172.85	161.18
Return before operating charges*	(15.22)	10.91	14.96
Operating charges (calculated on average price)	(3.40)	(3.61)	(3.29)
Return after operating charges*	(18.62)	7.30	11.67
Distributions	(2.98)	(2.82)	(2.40)
Retained distributions on accumulation shares	2.98	2.82	2.40
Closing net asset value per share	161.53	180.15	172.85
* After direct transaction costs of: ¹	0.04	0.03	0.18

Performance

Return after charges ²	(10.34)%	4.22%	7.24%
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Other Information

Closing net asset value (£'000)	313	358	331
Closing number of shares	193,886	198,332	191,749
Operating charges ³	2.02%	2.02%	2.00%
Direct transaction costs	0.03%	0.02%	0.11%

Prices

Highest share price	184.42	185.44	172.95
Lowest share price	152.07	171.80	139.01

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 200.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.22 ¹ (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	182.83	175.29	163.29
Return before operating charges*	1.01	11.02	15.14
Operating charges (calculated on average price)	–	(3.48)	(3.14)
Return after operating charges*	1.01	7.54	12.00
Distributions	–	(2.84)	(2.17)
Retained distributions on accumulation shares	–	2.84	2.17
Last quoted share price	183.84	–	–
Closing net asset value per share	–	182.83	175.29
* After direct transaction costs of: ²	0.00	0.03	0.18

Performance

Return after charges ³	0.55%	4.30%	7.35%
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Other Information

Closing net asset value (£'000)	–	4	4
Closing number of shares	–	2,426	2,426
Operating charges ⁴	0.27%	1.92%	1.90%
Direct transaction costs	0.00%	0.02%	0.11%

Prices

Highest share price	187.16	188.19	175.37
Lowest share price	181.68	174.25	140.87

¹ The share class became inactive on 10 December 2021.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 200.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	142.54	137.91	129.71
Return before operating charges*	(12.02)	8.69	11.68
Operating charges (calculated on average price)	(1.69)	(1.81)	(1.64)
Return after operating charges*	(13.71)	6.88	10.04
Distributions on income shares	(2.38)	(2.25)	(1.84)
Closing net asset value per share	126.45	142.54	137.91
* After direct transaction costs of: ¹	0.04	0.02	0.14

Performance

Return after charges ²	(9.62)%	4.99%	7.74%
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Other Information

Closing net asset value (£'000)	25,831	30,177	28,692
Closing number of shares	20,427,584	21,171,437	20,805,315
Operating charges ³	1.27%	1.27%	1.25%
Direct transaction costs	0.03%	0.02%	0.11%

Prices

Highest share price	145.95	147.45	138.67
Lowest share price	120.07	137.35	112.04

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 200.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	194.91	185.62	172.19
Return before operating charges*	(16.49)	11.74	15.62
Operating charges (calculated on average price)	(2.32)	(2.45)	(2.19)
Return after operating charges*	(18.81)	9.29	13.43
Distributions	(3.27)	(3.05)	(2.50)
Retained distributions on accumulation shares	3.27	3.05	2.50
Closing net asset value per share	176.10	194.91	185.62
* After direct transaction costs of: ¹	0.05	0.03	0.19

Performance

Return after charges ²	(9.65)%	5.00%	7.80%
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Other Information

Closing net asset value (£'000)	123,257	145,617	106,546
Closing number of shares	69,993,124	74,707,961	57,401,022
Operating charges ³	1.27%	1.27%	1.25%
Direct transaction costs	0.03%	0.02%	0.11%

Prices

Highest share price	199.57	200.57	185.67
Lowest share price	165.61	184.86	148.73

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 200.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	131.15	127.97	121.04
Return before operating charges*	(11.04)	8.05	11.13
Operating charges (calculated on average price)	(2.58)	(2.79)	(2.57)
Return after operating charges*	(13.62)	5.26	8.56
Distributions on income shares	(2.16)	(2.08)	(1.63)
Closing net asset value per share	115.37	131.15	127.97
* After direct transaction costs of: ¹	0.03	0.02	0.13

Performance

Return after charges ²	(10.39)%	4.11%	7.07%
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Other Information

Closing net asset value (£'000)	40	44	42
Closing number of shares	34,671	33,865	32,784
Operating charges ³	2.12%	2.12%	2.10%
Direct transaction costs	0.03%	0.02%	0.11%

Prices

Highest share price	134.26	135.76	128.64
Lowest share price	109.65	127.16	104.35

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 200.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	177.50	170.48	159.14
Return before operating charges*	(14.97)	10.76	14.72
Operating charges (calculated on average price)	(3.51)	(3.74)	(3.38)
Return after operating charges*	(18.48)	7.02	11.34
Distributions	(2.95)	(2.78)	(2.01)
Retained distributions on accumulation shares	2.95	2.78	2.01
Closing net asset value per share	159.02	177.50	170.48
* After direct transaction costs of: ¹	0.04	0.03	0.18

Performance

Return after charges ²	(10.41)%	4.12%	7.13%
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Other Information

Closing net asset value (£'000)	122	155	93
Closing number of shares	76,603	87,048	54,748
Operating charges ³	2.12%	2.12%	2.10%
Direct transaction costs	0.03%	0.02%	0.11%

Prices

Highest share price	181.70	182.72	170.58
Lowest share price	149.72	169.39	137.20

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 200.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	138.98	134.14	125.91
Return before operating charges*	(11.72)	8.47	11.34
Operating charges (calculated on average price)	(1.33)	(1.41)	(1.27)
Return after operating charges*	(13.05)	7.06	10.07
Distributions on income shares	(2.38)	(2.22)	(1.84)
Closing net asset value per share	123.55	138.98	134.14
* After direct transaction costs of: ¹	0.03	0.02	0.14

Performance

Return after charges ²	(9.39)%	5.26%	8.00%
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Other Information

Closing net asset value (£'000)	347	546	470
Closing number of shares	281,134	393,086	350,092
Operating charges ³	1.02%	1.02%	1.00%
Direct transaction costs	0.03%	0.02%	0.11%

Prices

Highest share price	142.31	143.74	134.92
Lowest share price	117.32	133.70	108.84

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 200.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	160.72	152.68	141.28
Return before operating charges*	(13.60)	9.66	12.84
Operating charges (calculated on average price)	(1.54)	(1.62)	(1.44)
Return after operating charges*	(15.14)	8.04	11.40
Distributions	(2.78)	(2.54)	(2.11)
Retained distributions on accumulation shares	2.78	2.54	2.11
Closing net asset value per share	145.58	160.72	152.68
* After direct transaction costs of: ¹	0.04	0.03	0.16

Performance

Return after charges ²	(9.42)%	5.27%	8.07%
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Other Information

Closing net asset value (£'000)	22,574	23,071	15,334
Closing number of shares	15,506,506	14,354,451	10,043,312
Operating charges ³	1.02%	1.02%	1.00%
Direct transaction costs	0.03%	0.02%	0.11%

Prices

Highest share price	164.57	165.37	152.70
Lowest share price	136.87	152.15	122.13

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 200.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class B¹	Class C	Class D	Class S
ACD's periodic charge	1.75%	0.00%	1.00%	1.85%	0.75%
Other expenses	0.07%	0.07%	0.07%	0.07%	0.07%
Collective investment scheme costs	1.82%	0.07%	1.07%	1.92%	0.82%
Ongoing Charges Figure	0.20%	0.20%	0.20%	0.20%	0.20%
	2.02%	0.27%	1.27%	2.12%	1.02%

¹ The share class became inactive on 10 December 2021.

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.75%	1.65%	1.00%	1.85%	0.75%
Other expenses	0.07%	0.07%	0.07%	0.07%	0.07%
Collective investment scheme costs	1.82%	1.72%	1.07%	1.92%	0.82%
Ongoing Charges Figure	0.20%	0.20%	0.20%	0.20%	0.20%
	2.02%	1.92%	1.27%	2.12%	1.02%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards

Typically higher rewards

Lower risk

Higher risk



This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was four.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM Sustainable Balance Fund ¹	(9.94)	2.23	11.75

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 219 to 221.

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
ALTERNATIVES 4.91% (4.95%)¹			
Infrastructure 4.03% (4.08%)¹			
1,149,888	Greencoat UK Wind	1,759,329	1.02
1,092,565	HICL Infrastructure	1,780,881	1.03
1,072,394	International Public Partnerships	1,606,446	0.93
1,379,990	Renewables Infrastructure Group	1,805,027	1.05
		6,951,683	4.03
Real Estate 0.88% (0.87%)¹			
1,930,136	Target Healthcare REIT	1,520,947	0.88
DEBT SECURITIES 4.18% (8.08%)¹			
Global Corporate Bonds 0.00% (4.11%)¹			
Short Term Sterling Bonds 4.18% (3.97%)¹			
£1,000,000	African Development Bank FRN 2026	890,072	0.52
£850,000	Asian Development Bank FRN 2023	850,746	0.49
£1,000,000	Asian Development Bank FRN 2027	836,608	0.48
£1,000,000	European Investment Bank FRN 2025	1,003,472	0.58
£1,700,000	European Investment Bank FRN 2027	1,752,037	1.02
	International Bank for Reconstruction & Development 0.875%		
£2,000,000	13/12/2024	1,879,736	1.09
		7,212,671	4.18
EQUITY 38.70% (46.38%)¹			
Asia & Emerging Markets 1.75% (5.94%)¹			
21,751	HDFC Bank	1,253,159	0.73
468,900	Samsonite International	1,040,872	0.60
11,134	Taiwan Semiconductor Manufacturing ADR	735,561	0.42
		3,029,592	1.75
Europe (ex UK) 3.73% (4.77%)¹			
9,124	Air Liquide	1,094,851	0.63
42,347	Alstom	915,211	0.53
2,032	ASML Holding	994,506	0.58
9,094	Essilor International	1,390,141	0.81
7,387	Koninklijke DSM	777,541	0.45
10,957	Siemens	1,262,644	0.73
		6,434,894	3.73
Far East (ex Japan) 0.69% (0.45%)¹			
141,600	AIA	1,185,523	0.69
Japan 0.97% (4.52%)¹			
5,000	Daikin Industries	672,226	0.39
28,600	Shiseido	995,272	0.58
		1,667,498	0.97

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
EQUITY 38.70% (46.38%)¹ (continued)			
North America 15.67% (15.94%)¹			
16,086	Alphabet 'C'	1,277,800	0.74
13,811	Amazon.com	1,062,128	0.62
4,100	Amgen	962,549	0.56
45,072	Aramark	1,522,789	0.88
2,188	Charter Communications	701,832	0.41
8,031	CME	1,168,577	0.68
11,295	Colgate-Palmolive	714,131	0.41
2,005	Costco Wholesale	882,777	0.51
2,942	Deere & Co	1,079,827	0.63
1,777	Equinix	992,226	0.57
7,954	First Republic Bank	804,274	0.47
4,049	Illumina	703,072	0.41
11,908	International Flavors & Fragrances	1,015,119	0.59
4,401	Jack Henry & Associates	681,164	0.39
5,119	MasterCard	1,461,415	0.85
10,448	Merck & Co	946,679	0.55
6,944	Microsoft	1,389,089	0.80
7,603	Middleby	890,129	0.52
4,138	Moody's	996,482	0.58
15,847	Otis Worldwide	1,014,203	0.59
12,017	Paypal Holdings	776,888	0.45
24,490	Service International	1,439,509	0.83
2,889	ServiceNow	953,723	0.55
13,118	Splunk	829,281	0.48
2,291	SVB Financial Group	417,877	0.24
2,739	Thermo Fisher Scientific	1,229,506	0.71
14,187	Walt Disney	1,118,093	0.65
		27,031,139	15.67

United Kingdom 15.89% (14.76%)¹			
83,271	3i Group	1,111,668	0.64
25,215	AstraZeneca	2,799,874	1.62
183,281	B&M European Value Retail	759,150	0.44
149,364	Barratt Developments	597,605	0.35
69,706	Compass Group	1,301,411	0.75
20,465	Cranswick	634,006	0.37
265,271	DS Smith	804,302	0.47
56,544	GB Group	186,708	0.11
78,826	Genuit Group	249,878	0.15
15,369	Genus	444,779	0.26
57,518	GSK	815,260	0.47
291,951	Haleon	821,550	0.48
35,674	Halma	769,845	0.45
95,848	Howden Joinery Group	570,679	0.33
291,775	HSBC Holdings	1,484,843	0.86
49,158	IMI	667,566	0.39
15,341	InterContinental Hotels Group	741,124	0.43
16,865	Intertek Group	678,985	0.39
328,432	Legal & General Group	834,217	0.48
13,355	London Stock Exchange	1,090,035	0.63
16,559	Medtronic	1,054,256	0.61
73,807	Molten Ventures	292,719	0.17
52,242	Oxford BioMedica	197,997	0.11
15,447	Oxford Instruments	329,793	0.19

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
EQUITY 38.70% (46.38%)¹ (continued)			
United Kingdom 15.89% (14.76%)¹ (continued)			
88,092	Prudential	857,840	0.50
20,774	Reckitt Benckiser Group	1,241,039	0.72
58,631	RELX	1,360,825	0.79
53,958	RWS	180,436	0.10
69,406	Smith & Nephew	750,626	0.44
51,742	Softcat	669,541	0.39
196,265	SSP	419,222	0.24
46,961	Unilever	1,947,707	1.13
29,994	Unite Group	280,744	0.16
24,166	WH Smith	343,278	0.20
13,145	YouGov	120,934	0.07
		27,410,442	15.89
PROPERTY 0.78% (0.51%)¹			
2,232,695	Civitas Social Housing	1,339,617	0.78
FORWARD CURRENCY CONTRACTS 0.06% (-0.19%)¹			
€3,700,000	Vs £(3,293,966) Expiry 21.04.2023	(81,508)	(0.05)
€(2,175,482)	Vs £1,936,747 Expiry 21.04.2023	47,924	0.03
US\$(18,210,000)	Vs £15,231,929 Expiry 13.01.2023	94,965	0.05
¥1,386,900,000	Vs £(8,445,378) Expiry 26.05.2023	49,276	0.03
		110,657	0.06
COLLECTIVE INVESTMENT SCHEMES 47.43% (32.73%)¹			
Ireland 7.27% (2.12%)¹			
830,213	HSBC Global Funds ICAV - Global Government Bond Index Fund	6,470,424	3.75
291,003	iShares Global Inflation-Linked Bond Index	3,354,860	1.95
42,862	iShares MSCI Europe SRI UCITS ETF	2,107,096	1.22
40,005	UBS (Irl) MSCI United Kingdom IMI Socially Responsible	605,356	0.35
		12,537,736	7.27
Luxembourg 29.95% (22.29%)¹			
4,273	Amundi Funds Emerging Markets Green Bond	3,598,628	2.08
742,005	BlackRock Global ESG Emerging Markets Blended	6,930,325	4.02
95,198	BlueBay Financial Capital Bond	9,141,858	5.30
32,267	Bluebay Global High Yield Bond Fund	3,420,278	1.98
63,711	Lyxor Core UK Government Bond (DR) UCITS ETF	7,018,404	4.07
161,823	Robeco Capital Growth Funds - RobecoSAM Global SDG Credits	15,934,663	9.24
126,097	UBS MSCI Emerging Markets Socially Responsible UCITS ETF	1,289,342	0.75
249,151	UBS MSCI Japan Socially Responsible UCITS ETF	4,337,719	2.51
		51,671,217	29.95

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
COLLECTIVE INVESTMENT SCHEMES 47.43% (32.73%)¹ (continued)			
United Kingdom 10.21% (8.32%)¹			
2,786,885	Ninety One Funds Series III - Global Environment Fund	4,246,655	2.46
8,874,890	Schroder Global Sustainable Value Equity Fund	4,498,681	2.61
8,960,459	Threadneedle UK Social Bond	8,875,334	5.14
		17,620,670	10.21
Portfolio of investment			
Net other assets ²			
		165,724,286	96.06
		6,804,925	3.94
Net assets			
		172,529,211	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

² Includes shares in the Northern Trust Global Sterling Fund to the value of £2,564 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	4.18	3.97
Other investments	91.88	88.49
Net other assets	3.94	7.54
	100.00	100.00

7IM SUSTAINABLE BALANCE FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes	£	30.11.22	£	30.11.21	£
Income						
Net capital (losses)/gains	4		(21,229,318)			7,088,718
Revenue	5	3,839,647		3,423,592		
Expenses	6	(1,921,000)		(1,899,427)		
Interest payable and similar charges	8	(1,436)		(1,216)		
Net revenue before taxation for the year		1,917,211		1,522,949		
Taxation	7	(60,107)		(76,401)		
Net revenue after taxation for the year			1,857,104			1,446,548
Total return before distributions			(19,372,214)			8,535,266
Distributions	8		(3,320,707)			(2,925,925)
Change in net assets attributable to shareholders from investment activities			(22,692,921)			5,609,341

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

	£	30.11.22	£	30.11.21	£
Opening net assets attributable to shareholders		200,054,501		151,594,720	
Amounts received on creation of shares ¹	33,673,982		77,305,459		
Amounts paid on cancellation of shares ¹	(41,289,979)		(36,987,870)		
		(7,615,997)		40,317,589	
Change in net assets attributable to shareholders from investment activities		(22,692,921)		5,609,341	
Retained distribution on accumulation shares		2,783,628		2,532,851	
Closing net assets attributable to shareholders		172,529,211		200,054,501	

¹ Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 208 to 218 are an integral part of these financial statements.

7IM SUSTAINABLE BALANCE FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		165,805,794	186,238,981
Current assets:			
Debtors	9	1,264,216	1,212,452
Cash and bank balances	10	6,771,987	5,416,247
Cash equivalents	10	2,564	9,285,000
Total assets		173,844,561	202,152,680
LIABILITIES			
Investment liabilities		(81,508)	(1,270,949)
Creditors:			
Bank overdrafts	10	(137,789)	(154,380)
Distribution payable		(253,634)	(162,069)
Other creditors	11	(842,419)	(510,781)
Total liabilities		(1,315,350)	(2,098,179)
Net assets attributable to shareholders		172,529,211	200,054,501

The notes on pages 208 to 218 are an integral part of these financial statements.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(19,696,204)	6,483,740
Forward currency contracts	(1,517,895)	689,450
Currency losses	(10,761)	(72,393)
Transaction charges	(4,485)	(12,079)
CSDR Penalty	27	–
Net capital (losses)/gains	<u>(21,229,318)</u>	<u>7,088,718</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	2,028,284	1,818,990
Taxable dividends	1,709,742	1,598,068
Unfranked interest	84,694	3,243
AMC rebates from underlying investments	4,960	3,147
Bank interest	11,967	144
Total revenue	<u>3,839,647</u>	<u>3,423,592</u>

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,801,700	1,775,180
Other expenses	4,053	6,928
	<hr/>	<hr/>
	1,805,753	1,782,108
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	29,007	28,291
Safe custody and other bank charges	19,251	18,494
	<hr/>	<hr/>
	48,258	46,785
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	19,015	18,209
FCA and other regulatory fees	81	41
Legal and professional fees	461	1,523
Market data fees	3,604	6,978
Printing, postage and distribution costs	23,751	26,123
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	66,989	70,534
	<hr/>	<hr/>
	1,921,000	1,899,427

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Overseas tax	60,107	76,401
Current tax charge (note 7b)	60,107	76,401
Total taxation	60,107	76,401
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	1,917,211	1,522,949
Corporation tax at 20%	383,442	304,590
Effects of:		
Double taxation relief expensed	(524)	(426)
FX loss non taxable	(60)	93
Movement in revenue accruals	(2,199)	(866)
Non-taxable dividends	(405,597)	(303,171)
Offshore CIS revenue	–	(60,720)
Overseas tax	60,107	76,401
Unutilised excess management expenses	24,938	60,500
Current tax charge (note 7a)	60,107	76,401
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2021: none).		
At the year end there is a potential deferred tax asset of £757,154 (2021: £732,216) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.		

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	1,622,998	1,989,629
Final ³	1,663,574	1,043,847
	3,286,572	3,033,476
Add: Revenue deducted on cancellation of shares	165,601	94,274
Deduct: Revenue received on issue of shares	(131,466)	(201,825)
Net distributions for the year	3,320,707	2,925,925
Interest payable and similar charges	1,436	1,216
Total distribution	3,322,143	2,927,141

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 219 to 221.

	30.11.22 £	30.11.21 £
Distributions represented by:		
Net revenue after taxation	1,857,104	1,446,548
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	1,463,575	1,479,352
Equalisation on conversions ²	–	37
Net movement in revenue account	28	(12)
Net distributions for the year	<u>3,320,707</u>	<u>2,925,925</u>

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £253,634 (2021: £162,069) are disclosed in the Balance Sheet on page 207.

9 Debtors

	30.11.22 £	30.11.21 £
Amounts receivable for issue of shares	952,859	398,784
Sales awaiting settlement	50,604	608,554
Accrued revenue	237,071	188,755
AMC rebates from underlying investments	8,537	5,062
Withholding tax recoverable	15,145	11,297
Total debtors	<u>1,264,216</u>	<u>1,212,452</u>

10 Cash and bank balances

	30.11.22 £	30.11.21 £
Cash and bank balances	6,771,987	5,416,247
Cash equivalents	2,564	9,285,000
Total cash and bank balances	<u>6,774,551</u>	<u>14,701,247</u>
Bank overdrafts	(137,789)	(154,380)
Total bank overdrafts	<u>(137,789)</u>	<u>(154,380)</u>

11 Other Creditors

	30.11.22 £	30.11.21 £
Amounts payable for cancellation of shares	646,566	106,998
Purchases awaiting settlement	–	204,293
Accrued expenses	195,853	199,490
Total other creditors	<u>842,419</u>	<u>510,781</u>

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £136,120 (2021: £163,016).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 206.

7IM and its associates (including other authorised investment funds managed by 7IM) had no shareholdings in the Sub-fund (2021: none).

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited	57.24% (2021: 57.43%)
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The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£16,279,591) (2021: £29,277,722). The distributions paid to Pershing Nominees Limited during the year totalled £308,646.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has five share classes: 'A', 'B', 'C', 'D' and 'S'. The annual management charge on each class are as follows:

Class A	1.75%
Class C	1.00%
Class D	1.85%
Class S	0.75%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	62,171	–	(23,753)	–	38,418
Class A Accumulation	198,332	–	(4,446)	–	193,886
Class B Accumulation	2,426	–	–	(2,426)	–
Class C Income	21,171,437	939,867	(1,683,720)	–	20,427,584
Class C Accumulation	74,707,961	13,804,305	(18,545,111)	25,969	69,993,124
Class D Income	33,865	1,945	(1,139)	–	34,671
Class D Accumulation	87,048	22,088	(14,764)	(17,769)	76,603
Class S Income	393,086	15,773	(127,725)	–	281,134
Class S Accumulation	14,354,451	4,685,323	(3,524,127)	(9,141)	15,506,506

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown on the next page.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	20,582	—	9,662,496	9,683,078
Hong Kong dollar	—	—	2,226,395	2,226,395
Japanese yen	—	—	10,165,771	10,165,771
Swiss franc	84,461	—	—	84,461
US dollar	32,811	—	39,921,079	39,953,890
Pound sterling	10,242,952	3,606,416	126,565,222	140,414,590
	10,380,806	3,606,416	188,540,963	202,528,185

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(20,582)	—	(1,888,823)	(1,909,405)
Swiss franc	(84,461)	—	—	(84,461)
US dollar	(32,746)	—	(15,136,965)	(15,169,711)
Pound sterling	—	—	(12,835,397)	(12,835,397)
	(137,789)	—	(29,861,185)	(29,998,974)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	20,298	—	9,559,427	9,579,725
Hong Kong dollar	—	—	1,807,583	1,807,583
Japanese yen	—	—	4,450,950	4,450,950
Swiss franc	78,591	—	—	78,591
US dollar	55,490	—	64,275,654	64,331,144
Pound sterling	18,492,963	3,986,638	160,630,030	183,109,631
	18,647,342	3,986,638	240,723,644	263,357,624

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(20,298)	–	(1,964,787)	(1,985,085)
Swiss franc	(78,591)	–	–	(78,591)
US dollar	(55,490)	–	(34,420,526)	(34,476,016)
Pound sterling	–	–	(26,763,431)	(26,763,431)
	(154,379)	–	(63,148,744)	(63,303,123)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.22 %	30.11.21 %	30.11.22 Years	30.11.21 Years
Pound sterling	3.53	0.66	3	3

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the average weighted effective duration was 2.14 years (30 November 2021: 2.02 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	15,145	7,758,528	7,773,673
Hong Kong dollar	–	2,226,395	2,226,395
Japanese yen	3,619	10,162,152	10,165,771
US dollar	21,745	24,762,434	24,784,179
	40,509	44,909,509	44,950,018
Pound sterling	6,764,416	120,814,777	127,579,193
Net assets	6,804,925	165,724,286	172,529,211

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	11,297	7,583,343	7,594,640
Hong Kong dollar	–	1,807,583	1,807,583
Japanese yen	–	4,450,950	4,450,950
US dollar	–	29,855,128	29,855,128
	11,297	43,697,004	43,708,301
Pound sterling	15,075,172	141,271,028	156,346,200
Net assets	15,086,469	184,968,032	200,054,501

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 7%, 30% and 15% respectively (30 November 2021: 19%, 56% and 25% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = 0.3*VaR(MAC303XL) + 0.7*\text{MAX}[VaR(MAC303XL), VaR(MAC303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The types of derivatives held at the balance sheet date was forward foreign currency contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

	30.11.22 £	30.11.21 £
Counterparty		
Forward Currency Contracts		
Northern Trust	110,657	(369,896)
Total net exposure¹	110,657	(369,896)

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	–	7,212,671	–	7,212,671
Collective Investment Schemes	81,829,623	–	–	81,829,623
Derivatives	–	192,165	–	192,165
Equities	76,571,335	–	–	76,571,335
Total	158,400,958	7,404,836	–	165,805,794
Liabilities				
Derivatives	–	(81,508)	–	(81,508)

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value (continued)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	—	7,932,734	—	7,932,734
Collective Investment Schemes	31,795,219	61,222,099	—	93,017,318
Derivatives	—	901,053	—	901,053
Equities	84,387,876	—	—	84,387,876
Total	116,183,095	70,055,886	—	186,238,981
Liabilities				
Derivatives	—	(1,270,949)	—	(1,270,949)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 190.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal		Taxes % of principal
Purchases							
Bonds	922	—	—	—	—	—	—
Collective Investment Schemes	34,458	—	—	—	—	—	—
Equities	44,961	10	28	38	0.01	0.02	
Total	80,341	10	28	38	0.01	0.02	
Sales							
Bonds	311	—	—	—	—	—	—
Collective Investment Schemes	34,508	—	—	—	—	—	—
Equities	54,923	(10)	(1)	(11)	0.02	—	
Total	89,742	(10)	(1)	(1)	0.02	—	
Total as a percentage of the average NAV		0.01%		0.02%		0.03%	

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	7,925	—	—	—	—	—
Collective Investment Schemes	54,323	—	—	—	—	—
Equities	67,031	12	14	26	0.02	0.02
Total	129,279	12	14	26	0.02	0.02
 Sales						
Collective Investment Schemes	20,752	—	—	—	—	—
Equities	76,565	(6)	—	(6)	0.01	—
Total	97,317	(6)	—	(6)	0.01	—
Total as a percentage of the average NAV				0.01%	0.01%	0.02%

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.09% (2021: 0.11%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 176.17p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 181.04p. This represents an increase of 2.76% from the year end value.

7IM SUSTAINABLE BALANCE FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class A Income				
Group 1	1.0874	—	1.0874	1.3670
Group 2	1.0874	—	1.0874	1.3670

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class A Accumulation				
Group 1	1.4656	—	1.4656	1.8074
Group 2	1.4656	—	1.4656	1.8074

	Net Revenue	Equalisation	Allocated 31.07.22 ¹	Allocated 31.07.21
Class B Accumulation				
Group 1	—	—	—	1.9453
Group 2	—	—	—	1.9453

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class C Income				
Group 1	1.1625	—	1.1625	1.4988
Group 2	0.9153	0.2472	1.1625	1.4988

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class C Accumulation				
Group 1	1.5897	—	1.5897	2.0358
Group 2	1.0251	0.5646	1.5897	2.0358

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class D Income				
Group 1	1.0676	—	1.0676	1.3406
Group 2	0.5436	0.5240	1.0676	1.3406

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class D Accumulation				
Group 1	1.4436	—	1.4436	1.7865
Group 2	0.6708	0.7728	1.4436	1.7865

7IM SUSTAINABLE BALANCE FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class S Income				
Group 1	1.1342	–	1.1342	1.5076
Group 2	0.2841	0.8501	1.1342	1.5076
	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class S Accumulation				
Group 1	1.3116	–	1.3116	1.7117
Group 2	0.8920	0.4196	1.3116	1.7117
Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2022				
Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022				
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class A Income				
Group 1	1.1219	–	1.1219	0.7523
Group 2	1.1219	–	1.1219	0.7523
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class A Accumulation				
Group 1	1.5158	–	1.5158	1.0131
Group 2	1.5158	–	1.5158	1.0131
	Net Revenue	Equalisation	Allocated 31.01.23 ¹	Allocated 31.01.22
Class B Accumulation				
Group 1	–	–	–	0.8908
Group 2	–	–	–	0.8908
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	1.2205	–	1.2205	0.7488
Group 2	0.5316	0.6889	1.2205	0.7488
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class C Accumulation				
Group 1	1.6837	–	1.6837	1.0176
Group 2	0.7209	0.9628	1.6837	1.0176

7IM SUSTAINABLE BALANCE FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class D Income				
Group 1	1.0931	—	1.0931	0.7384
Group 2	0.7750	0.3181	1.0931	0.7384
Class D Accumulation				
Group 1	1.5081	—	1.5081	0.9940
Group 2	0.4765	1.0316	1.5081	0.9940
Class S Income				
Group 1	1.2468	—	1.2468	0.7172
Group 2	0.6894	0.5574	1.2468	0.7172
Class S Accumulation				
Group 1	1.4663	—	1.4663	0.8266
Group 2	0.8098	0.6565	1.4663	0.8266

¹ Share class became inactive on 10 December 2021.

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM AAP INCOME FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM AAP (Asset Allocated Passives) Income Fund (the 'Sub-fund') aims to provide income, while seeking to maintain capital over the long term (5 years or more).

The Sub-fund invests directly and indirectly to achieve exposure of at least 80% to fixed interest and equity instruments. This exposure is, for the most part, obtained through passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes) but may also be achieved through the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments). The Sub-fund will also invest in other asset classes such as property, commodities and private equity, indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

The other 20% of the Sub-fund will be invested in assets such as cash and deposits and may also include the use of money market funds and money market instruments for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

In extraordinary market conditions (such as political unrest economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), the Sub-fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments.

The Sub-fund's investments will be more focused on income generating assets such as corporate debt securities but there will be an allocation to growth generating assets such as global equities.

The Sub-fund is likely to invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (9.66)%¹.

Comparator Benchmark

Over the last 5 and 10 years the Sub-fund has slightly underperformed the IA sector performance comparator (IA Mixed Investment 0-35% Shares) 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 Sub-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. The 1 year, 5 year and 10 year relative performance to the benchmark was (0.20)%, (1.11)% and (0.27)% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

¹ Calculated using 7IM AAP Income Fund C Acc shares, published prices. Source: NTRS.

7IM AAP INCOME FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader emerging markets equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. Emerging markets valuations and emerging markets currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In February, we restructured the infrastructure holdings in the AAP income fund. Instead of picking individual names, we moved to an approach of equally weighting the largest names in the universe and periodically rebalancing this.

In June 2022, we removed our FTSE 250 allocation in AAP funds and replaced it with FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

7IM AAP INCOME FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

Along with this change, we also moved duration to neutral from underweight in June 2022. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure.

In August 2022, we refreshed our strategic asset allocation (SAA) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

In October, we also removed our RMBS position. The original bull case for the position has played out and we took profits on the position. The US housing market stayed strong and mortgage prepayments meant the trade performed well. With employment potentially less certain than it has been and changing forces in housing markets, we do not think the trade is as attractive as it was.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so Sideways with volatility is the most likely scenario for the next few months.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP
Investment Manager
January 2023

7IM AAP INCOME FUND

FUND INFORMATION

The Comparative Tables on pages 226 to 234 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	93.41	93.30	97.20
Return before operating charges*	(8.15)	4.29	0.56
Operating charges (calculated on average price)	(1.65)	(1.82)	(1.74)
Return after operating charges*	(9.80)	2.47	(1.18)
Distributions on income shares	(2.43)	(2.36)	(2.72)
Closing net asset value per share	81.18	93.41	93.30
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	(10.49)%	2.65%	(1.21)%
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Other Information

Closing net asset value (£'000)	730	896	549
Closing number of shares	899,608	959,333	588,074
Operating charges ³	1.92%	1.92%	1.88%
Direct transaction costs	0.02%	0.01%	0.01%

Prices

Highest share price	94.59	96.57	99.43
Lowest share price	77.56	92.93	80.91

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 235.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	170.30	165.90	167.83
Return before operating charges*	(14.97)	7.66	1.11
Operating charges (calculated on average price)	(3.04)	(3.26)	(3.04)
Return after operating charges*	(18.01)	4.40	(1.93)
Distributions	(4.47)	(4.22)	(4.76)
Retained distributions on accumulation shares	4.47	4.22	4.76
Closing net asset value per share	152.29	170.30	165.90
* After direct transaction costs of: ¹	0.03	0.01	0.01

Performance

Return after charges ²	(10.58)%	2.65%	(1.15)%
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Other Information

Closing net asset value (£'000)	454	523	284
Closing number of shares	298,002	307,378	171,408
Operating charges ³	1.92%	1.92%	1.88%
Direct transaction costs	0.02%	0.01%	0.01%

Prices

Highest share price	172.40	173.82	171.68
Lowest share price	144.65	165.81	140.62

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 235.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	175.00	170.27	172.05
Return before operating charges*	(22.80)	7.82	1.09
Operating charges (calculated on average price)	(2.95)	(3.09)	(2.87)
Return after operating charges*	(25.75)	4.73	(1.78)
Distributions	(4.60)	(4.33)	(4.88)
Retained distributions on accumulation shares	4.60	4.33	4.88
Closing net asset value per share	149.25	175.00	170.27
* After direct transaction costs of: ¹	0.03	0.01	0.01

Performance

Return after charges ²	(14.71)%	2.78%	(1.03)%
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Other Information

Closing net asset value (£'000)	52	2,846	3,453
Closing number of shares	34,698	1,626,321	2,027,680
Operating charges ³	1.77%	1.77%	1.73%
Direct transaction costs	0.02%	0.01%	0.01%

Prices

Highest share price	177.17	178.57	176.04
Lowest share price	148.80	170.24	144.21

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 235.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	104.37	103.40	106.86
Return before operating charges*	(9.32)	4.56	0.45
Operating charges (calculated on average price)	(0.89)	(0.97)	(0.90)
Return after operating charges*	(10.21)	3.59	(0.45)
Distributions on income shares	(2.72)	(2.62)	(3.01)
Closing net asset value per share	91.44	104.37	103.40
* After direct transaction costs of: ¹	0.02	0.01	0.01

Performance

Return after charges ²	(9.78)%	3.47%	(0.42)%
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Other Information

Closing net asset value (£'000)	24,180	35,671	27,742
Closing number of shares	26,445,151	34,176,264	26,830,145
Operating charges ³	0.92%	0.92%	0.88%
Direct transaction costs	0.02%	0.01%	0.01%

Prices

Highest share price	105.72	107.68	109.49
Lowest share price	87.28	103.27	89.19

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 235.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	189.94	183.57	184.23
Return before operating charges*	(17.06)	8.11	0.91
Operating charges (calculated on average price)	(1.63)	(1.74)	(1.57)
Return after operating charges*	(18.69)	6.37	(0.66)
Distributions	(5.01)	(4.69)	(5.24)
Retained distributions on accumulation shares	5.01	4.69	5.24
Closing net asset value per share	171.25	189.94	183.57
* After direct transaction costs of: ¹	0.03	0.01	0.01

Performance

Return after charges ²	(9.84)%	3.47%	(0.36)%
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Other Information

Closing net asset value (£'000)	10,774	11,391	14,982
Closing number of shares	6,291,799	5,996,832	8,161,771
Operating charges ³	0.92%	0.92%	0.88%
Direct transaction costs	0.02%	0.01%	0.01%

Prices

Highest share price	192.33	193.50	188.76
Lowest share price	162.49	183.89	154.74

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 235.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	93.62	93.52	97.47
Return before operating charges*	(8.16)	4.32	0.57
Operating charges (calculated on average price)	(1.70)	(1.87)	(1.79)
Return after operating charges*	(9.86)	2.45	(1.22)
Distributions on income shares	(2.43)	(2.35)	(2.73)
Closing net asset value per share	81.33	93.62	93.52
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	(10.53)%	2.62%	(1.25)%
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Other Information

Closing net asset value (£'000)	152	181	252
Closing number of shares	186,393	193,173	268,936
Operating charges ³	1.97%	1.97%	1.93%
Direct transaction costs	0.02%	0.01%	0.01%

Prices

Highest share price	94.80	96.78	99.70
Lowest share price	77.71	93.13	81.13

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 235.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	168.78	164.49	166.46
Return before operating charges*	(14.81)	7.61	1.12
Operating charges (calculated on average price)	(3.09)	(3.32)	(3.09)
Return after operating charges*	(17.90)	4.29	(1.97)
Distributions	(4.43)	(4.18)	(4.72)
Retained distributions on accumulation shares	4.43	4.18	4.72
Closing net asset value per share	150.88	168.78	164.49
* After direct transaction costs of: ¹	0.03	0.01	0.01

Performance

Return after charges ²	(10.61)%	2.61%	(1.18)%
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Other Information

Closing net asset value (£'000)	649	690	736
Closing number of shares	430,217	408,554	447,253
Operating charges ³	1.97%	1.97%	1.93%
Direct transaction costs	0.02%	0.01%	0.01%

Prices

Highest share price	170.87	172.29	170.28
Lowest share price	143.31	164.38	139.47

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 235.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	103.06	101.90	105.10
Return before operating charges*	(9.26)	4.44	0.39
Operating charges (calculated on average price)	(0.64)	(0.70)	(0.63)
Return after operating charges*	(9.90)	3.74	(0.24)
Distributions on income shares	(2.69)	(2.58)	(2.96)
Closing net asset value per share	90.47	103.06	101.90
* After direct transaction costs of: ¹	0.02	0.01	0.01

Performance

Return after charges ²	(9.61)%	3.67%	(0.23)%
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Other Information

Closing net asset value (£'000)	4,141	8,376	10,771
Closing number of shares	4,577,126	8,126,854	10,569,436
Operating charges ³	0.67%	0.67%	0.63%
Direct transaction costs	0.02%	0.01%	0.01%

Prices

Highest share price	104.40	106.28	107.73
Lowest share price	86.34	101.83	87.77

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 235.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	130.77	126.13	126.33
Return before operating charges*	(11.81)	5.51	0.57
Operating charges (calculated on average price)	(0.83)	(0.87)	(0.77)
Return after operating charges*	(12.64)	4.64	(0.20)
Distributions	(3.45)	(3.23)	(3.60)
Retained distributions on accumulation shares	3.45	3.23	3.60
Closing net asset value per share	118.13	130.77	126.13
* After direct transaction costs of: ¹	0.02	0.01	0.01

Performance

Return after charges ²	(9.67)%	3.68%	(0.16)%
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Other Information

Closing net asset value (£'000)	1,203	2,097	3,173
Closing number of shares	1,018,305	1,603,705	2,515,427
Operating charges ³	0.67%	0.67%	0.63%
Direct transaction costs	0.02%	0.01%	0.01%

Prices

Highest share price	132.43	133.16	129.49
Lowest share price	112.07	126.41	106.18

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 235.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.50%	1.35%	0.50%	1.55%	0.25%
Other expenses	0.16%	0.16%	0.16%	0.16%	0.16%
Collective investment scheme costs	1.66%	1.51%	0.66%	1.71%	0.41%
Ongoing Charges Figure	0.26%	0.26%	0.26%	0.26%	0.26%
	1.92%	1.77%	0.92%	1.97%	0.67%

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.50%	1.35%	0.50%	1.55%	0.25%
Other expenses	0.17%	0.17%	0.17%	0.17%	0.17%
Collective investment scheme costs	1.67%	1.52%	0.67%	1.72%	0.42%
Ongoing Charges Figure	0.25%	0.25%	0.25%	0.25%	0.25%
	1.92%	1.77%	0.92%	1.97%	0.67%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards



Lower risk

Typically higher rewards



Higher risk



This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was four.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM AAP Income Fund ¹	(9.66)	(7.17)	(3.59)

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 252 to 256.

7IM AAP INCOME FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	ALTERNATIVES 3.80% (10.80%)¹		
	Alternative Strategies 0.00% (6.27%) ¹		
	Infrastructure 3.80% (2.76%)¹		
209,603	Greencoat UK Winds	320,692	0.76
195,341	HICL Infrastructure	318,406	0.75
203,243	International Public Partnerships	304,458	0.72
253,174	Renewables Infrastructure	331,152	0.78
383,689	Sequoia Economic Infrastructure Income	335,728	0.79
		1,610,436	3.80
	Real Estate 0.00% (1.77%)¹		
	DEBT SECURITIES 0.00% (2.71%)¹		
	Global High Yield Bonds 0.00% (2.71%) ¹		
	EQUITY 0.00% (18.98%)¹		
	Asia & Emerging Markets 0.00% (5.45%) ¹		
	North America 0.00% (5.05%) ¹		
	United Kingdom 0.00% (8.48%) ¹		
	FORWARD CURRENCY CONTRACTS -0.34% (-0.63%)¹		
€1,727,035	Vs £(1,537,512) Expiry 21.04.2023	(38,045)	(0.09)
€(1,436,782)	Vs £1,279,111 Expiry 21.04.2023	31,651	0.08
US\$(6,948,000)	Vs £5,811,721 Expiry 13.01.2023	36,234	0.09
¥220,170,000	Vs £(1,340,701) Expiry 26.05.2023	7,823	0.02
US\$1,400,000	Vs £(1,247,866) Expiry 13.01.2023	(84,124)	(0.20)
US\$3,162,779	Vs £(2,729,188) Expiry 13.01.2023	(100,145)	(0.24)
		(146,606)	(0.34)
	COLLECTIVE INVESTMENT SCHEMES 95.22% (64.20%)¹		
	Ireland 36.89% (10.99%)¹		
1,387,329	BNY Mellon Efficient Global High Yield Beta Fund	1,191,855	2.81
242,823	HSBC Global Funds ICAV - Global Government Bond Index Fund	2,244,901	5.30
512,943	iShares Core FTSE 100 UCITS ETF	3,807,063	8.99
123,593	iShares MSCI USA ESG Screened UCITS ETF	746,744	1.76
417,832	iShares USD Treasury Bond 20+yr UCITS ETF	1,500,017	3.54
2,488,750	Legal & General Emerging Markets Government Bond USD Index Fund	2,285,419	5.40
243,658	Neuberger Berman US Equity Index Putwrite Fund	2,470,696	5.84
128,283	SPDR S&P Emerging Markets Dividend UCITS ETF	1,377,245	3.25
		15,623,940	36.89
	Jersey 0.77% (0.00%)¹		
100,165	3i Infrastructure	325,035	0.77

7IM AAP INCOME FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
COLLECTIVE INVESTMENT SCHEMES 95.22% (64.20%)¹ (continued)			
Luxembourg 29.12% (20.03%)¹			
45,176	BlueBay Financial Capital Bond	4,338,243	10.25
16,115	Lyxor Core UK Government Bond (DR) UCITS ETF	1,775,228	4.20
68,627	Robeco Global Credits Inc	6,212,113	14.67
		12,325,584	29.12
United Kingdom 28.44% (33.18%)¹			
993,561	Fidelity Investment Funds - Index Europe ex UK Fund P Income	1,545,683	3.65
1,538,922	iShares ESG Overseas Corporate Bond Index Fund (UK)	1,612,592	3.81
5,111,682	Legal & General Emerging Markets Government Bond Local Currency Index Fund Dist	2,235,338	5.28
1,764,658	Legal & General Global Health and Pharmaceuticals Index Trust	1,302,141	3.08
2,126,534	Legal & General Japan Index Trust	1,190,008	2.81
4,249,427	MI TwentyFour - Monument Bond Fund	4,151,814	9.81
		12,037,576	28.44
Portfolio of investment			
Net other assets			
Net assets			
		41,775,965	98.68
		559,482	1.32
		42,335,447	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	—	—
Non-rated debt securities	—	—
Other investments	98.68	96.06
Net other assets	1.32	3.94
	100.00	100.00

7IM AAP INCOME FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes		30.11.22		30.11.21
		£	£	£	£
Income					
Net capital (losses)/gains	4		(6,720,700)		743,597
Revenue	5	1,637,919		1,785,987	
Expenses	6	(355,332)		(411,817)	
Interest payable and similar charges	8	(16)		(862)	
Net revenue before taxation for the year		1,282,571		1,373,308	
Taxation	7	(157,890)		(167,471)	
Net revenue after taxation for the year			1,124,681		1,205,837
Total return before distributions			(5,596,019)		1,949,434
Distributions	8		(1,414,675)		(1,540,434)
Change in net assets attributable to shareholders from investment activities			(7,010,694)		409,000

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Opening net assets attributable to shareholders		62,670,591		61,941,801
Amounts received on creation of shares ¹	3,059,469		7,008,412	
Amounts receivable on in-specie transactions	–		16,967,217	
Amounts paid on cancellation of shares ¹	(16,792,312)		(24,108,655)	
		(13,732,843)		(133,026)
Change in net assets attributable to shareholders from investment activities		(7,010,694)		409,000
Retained distribution on accumulation shares		408,393		452,816
Closing net assets attributable to shareholders		42,335,447		62,670,591

¹ Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 241 to 251 are an integral part of these financial statements.

7IM AAP INCOME FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		41,998,279	60,606,417
Current assets:			
Debtors	9	193,907	2,881,295
Cash and bank balances	10	863,140	202,038
Cash equivalents	10	–	2,211,000
Total assets		43,055,326	65,900,750
LIABILITIES			
Investment liabilities		(222,314)	(405,280)
Creditors:			
Bank overdrafts	10	(140,005)	(201,549)
Distribution payable		(162,924)	(361,016)
Other creditors	11	(194,636)	(2,262,314)
Total liabilities		(719,879)	(3,230,159)
Net assets attributable to shareholders		42,335,447	62,670,591

The notes on pages 241 to 251 are an integral part of these financial statements.

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(5,846,232)	665,982
Derivative contracts	–	(128,239)
Forward currency contracts	(845,538)	106,453
Currency (losses)/gains	(53,282)	88,488
Transaction charges	(4,384)	(14,658)
AMC rebates from underlying investments	28,736	25,571
Net capital (losses)/gains	<u>(6,720,700)</u>	<u>743,597</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	521,856	543,585
Taxable dividends	1,061,158	1,221,525
AMC rebates from underlying investments	50,333	14,596
Bank interest	1,914	402
Stock lending revenue ¹	2,658	5,879
Total revenue	<u>1,637,919</u>	<u>1,785,987</u>

¹ Stock lending revenue is disclosed net of the security agent's share of income. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	277,441	323,201
Other expenses	6,047	7,720
	<hr/>	<hr/>
	283,488	330,921
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	9,029	10,701
Safe custody and other bank charges	16,165	16,462
Stock lending fees	797	1,763
	<hr/>	<hr/>
	25,991	28,926
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	6,714	7,252
FCA and other regulatory fees	161	41
Legal and professional fees	514	1,523
Market data fees	3,604	6,978
Printing, postage and distribution costs	14,783	18,516
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	45,853	51,970
	<hr/>	<hr/>
	355,332	411,817

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	157,890	171,059
Prior year adjustment	–	(3,588)
Current tax charge (note 7b)	<u>157,890</u>	<u>167,471</u>
Total taxation	<u>157,890</u>	<u>167,471</u>
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	1,282,571	1,373,308
Corporation tax at 20%	256,514	274,662
Effects of:		
AMC rebates taken to capital	5,747	5,114
Franked CIS revenue	–	(16,604)
Non-taxable dividends	(17,066)	(17,037)
Offshore CIS revenue	–	(75,076)
Tax on franked dividends	(87,305)	–
Prior year adjustment	–	(3,588)
Current tax charge (note 7a)	<u>157,890</u>	<u>167,471</u>
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2021: none).		

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
First Interim	343,945	190,282
Second Interim	196,961	307,866
Third Interim	587,345	530,373
Final ³	235,859	500,449
	<u>1,364,110</u>	<u>1,528,970</u>
Add: Revenue deducted on cancellation of shares	61,317	76,490
Deduct: Revenue received on issue of shares	(10,752)	(22,191)
Deduct: Revenue received on in-specie transactions	–	(42,835)
Net distributions for the year	<u>1,414,675</u>	<u>1,540,434</u>
Interest payable and similar charges	16	862
Total distribution	<u>1,414,691</u>	<u>1,541,296</u>

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 252 to 256.

	30.11.22 £	30.11.21 £
Distributions represented by:		
Net revenue after taxation	1,124,681	1,205,837
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	290,012	334,566
Equalisation on conversions ²	(17)	–
Net movement in revenue account	(1)	31
Net distributions for the year	<u>1,414,675</u>	<u>1,540,434</u>

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £162,924 (2021: £361,016) are disclosed in the Balance Sheet on page 240.

9 Debtors

	30.11.22 £	30.11.21 £
Amounts receivable for issue of shares	28,876	127,107
Sales awaiting settlement	–	2,205,653
Accrued revenue	125,771	187,593
Receivable from merger	–	272,439
Income tax recoverable	542	513
AMC rebates from underlying investments	38,372	87,274
Withholding tax recoverable	346	344
Currency deals awaiting settlement	–	372
Total debtors	<u>193,907</u>	<u>2,881,295</u>

10 Cash and bank balances

	30.11.22 £	30.11.21 £
Cash and bank balances	863,140	202,005
Cash held at clearing houses	–	33
Cash equivalents	–	2,211,000
Total cash and bank balances	<u>863,140</u>	<u>2,413,038</u>
Bank overdrafts	(140,005)	(201,515)
Cash overdraft at clearing houses	–	(34)
Total bank overdrafts	<u>(140,005)</u>	<u>(201,549)</u>

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

11 Other Creditors

	30.11.22	30.11.21
	£	£
Amounts payable for cancellation of shares	64,603	141,438
Purchases awaiting settlement	–	1,973,432
Accrued expenses	60,656	55,385
Corporation tax payable	69,377	92,059
Total other creditors	<hr/> 194,636	<hr/> 2,262,314

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £23,382 (2021: £27,972).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 239.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited 43.72% (2021: 51.99%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£13,384,086) (2021: £2,291,242). The distributions paid to Pershing Nominees Limited during the year totalled £617,365.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has five share classes: 'A', 'B', 'C', 'D' and 'S'. The annual management charge on each class are as follows:

Class A	1.50%
Class B	1.35%
Class C	0.50%
Class D	1.55%
Class S	0.25%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	959,333	62,469	(86,671)	(35,523)	899,608
Class A Accumulation	307,378	179	(7,526)	(2,029)	298,002
Class B Accumulation	1,626,321	22,493	(172,936)	(1,441,180)	34,698
Class C Income	34,176,264	2,201,465	(9,964,404)	31,826	26,445,151
Class C Accumulation	5,996,832	314,967	(1,343,279)	1,323,279	6,291,799
Class D Income	193,173	5,010	(11,661)	(129)	186,393
Class D Accumulation	408,554	56,734	(35,071)	–	430,217
Class S Income	8,126,854	189,811	(3,739,539)	–	4,577,126
Class S Accumulation	1,603,705	17,498	(602,898)	–	1,018,305

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	235	—	—	235
Danish krone	5	—	—	5
Euro	17,454	—	1,499,605	1,517,059
Japanese yen	—	—	1,348,524	1,348,524
Swiss franc	27,694	—	—	27,694
US dollar	94,626	—	5,916,775	6,011,401
Pound sterling	723,126	—	47,083,183	47,806,309
	863,140	—	55,848,087	56,711,227

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(235)	—	—	(235)
Danish krone	(5)	—	—	(5)
Euro	(17,448)	—	(1,247,460)	(1,264,908)
Swiss franc	(27,694)	—	—	(27,694)
US dollar	(94,623)	—	(5,775,488)	(5,870,111)
Pound sterling	—	—	(7,212,827)	(7,212,827)
	(140,005)	—	(14,235,775)	(14,375,780)

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	223	—	—	223
Danish krone	5	—	—	5
Euro	17,213	—	836,354	853,567
Japanese yen	—	—	399,600	399,600
Swiss franc	25,769	—	—	25,769
US dollar	85,189	—	7,631,426	7,716,615
Pound sterling	2,483,953	—	67,497,546	69,981,499
	2,612,352	—	76,364,926	78,977,278

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(223)	—	—	(223)
Danish krone	(5)	—	—	(5)
Euro	(17,208)	—	(2,193,429)	(2,210,637)
Swiss franc	(25,769)	—	—	(25,769)
US dollar	(85,220)	—	(10,970,232)	(11,055,452)
Pound sterling	—	—	(3,014,601)	(3,014,601)
	(128,425)	—	(16,178,262)	(16,306,687)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	144	252,007	252,151
Japanese yen	—	1,348,524	1,348,524
US dollar	3	141,287	141,290
	147	1,741,818	1,741,965
Pound sterling	559,335	40,034,147	40,593,482
Net assets	559,482	41,775,965	42,335,447

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	141	(1,357,211)	(1,357,070)
Japanese yen	–	399,600	399,600
US dollar	(31)	(3,338,806)	(3,338,837)
	110	(4,296,417)	(4,296,307)
Pound sterling	2,469,344	64,497,554	66,966,898
Net assets	2,469,454	60,201,137	62,670,591

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional amounts) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 18%, 71% and 31% respectively (30 November 2021: 22%, 86% and 34% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = 0.3*VaR(MAC303XL) + 0.7*MAX[VaR(MAC303XL), VaR(MAC303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The types of derivatives held at the balance sheet date was forward foreign currency contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

	30.11.22 £	30.11.21 £
Counterparty		
Forward Currency Contracts		
Northern Trust	(146,606)	(395,645)
Total net exposure¹	(146,606)	(395,645)

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Collective Investment Schemes	40,312,135	–	–	40,312,135
Derivatives	–	75,708	–	75,708
Equities	1,610,436	–	–	1,610,436
Total	41,922,571	75,708	–	41,998,279
Liabilities				
Derivatives	–	(222,314)	–	(222,314)

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value (continued)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Collective Investment Schemes	25,359,940	30,483,624	—	55,843,564
Derivatives	—	9,636	—	9,636
Equities	4,753,217	—	—	4,753,217
Total	30,113,157	30,493,260	—	60,606,417
Liabilities				
Derivatives	—	(405,280)	—	(405,280)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 225.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000		Commissions % of principal	Taxes % of principal
Purchases							
Collective Investment Schemes	26,481	—	—	—	—	—	—
Equities	7,591	2	4	6	0.03	0.03	0.05
Total	34,072	2	4	6	0.03	0.03	0.05
Sales							
Collective Investment Schemes	35,766	—	—	—	—	—	—
Equities	13,460	(3)	—	(3)	(0.02)	(0.02)	—
Total	49,226	(3)	—	(3)	(0.02)	(0.02)	—
Total as a percentage of the average NAV				0.01%	0.01%	0.02%	

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2021 :

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	23,606	—	—	—	—	—
Equities	13,753	1	—	1	0.01	—
Total	37,359	1	—	1	0.01	—
 Sales						
Collective Investment Schemes	22,092	—	—	—	—	—
Equities	17,576	(2)	—	(2)	0.01	—
Total	39,668	(2)	—	(2)	0.01	—
Total as a percentage of the average NAV				0.00%	0.00%	0.00%

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.09% (2021: 0.06%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 171.30p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 173.86p. This represents an increase of 1.49% from the year end value.

7IM AAP INCOME FUND

DISTRIBUTION TABLES

for the period ended 30 November 2022

First Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 28 February 2022

	Net Revenue	Equalisation	Paid 29.04.22	Paid 30.04.21
Class A Income				
Group 1	0.5501	—	0.5501	0.3436
Group 2	0.5501	—	0.5501	0.3436
	Net Revenue	Equalisation	Allocated 29.04.22	Allocated 30.04.21
Class A Accumulation				
Group 1	1.0036	—	1.0036	0.6108
Group 2	0.6111	0.3925	1.0036	0.6108
	Net Revenue	Equalisation	Allocated 29.04.22	Allocated 30.04.21
Class B Accumulation				
Group 1	1.0177	—	1.0177	0.6149
Group 2	1.0177	—	1.0177	0.6149
	Net Revenue	Equalisation	Paid 29.04.22	Paid 30.04.21
Class C Income				
Group 1	0.6061	—	0.6061	0.3432
Group 2	0.3114	0.2947	0.6061	0.3432
	Net Revenue	Equalisation	Allocated 29.04.22	Allocated 30.04.21
Class C Accumulation				
Group 1	1.1038	—	1.1038	0.6092
Group 2	0.3917	0.7121	1.1038	0.6092
	Net Revenue	Equalisation	Paid 29.04.22	Paid 30.04.21
Class D Income				
Group 1	0.5539	—	0.5539	0.3467
Group 2	0.2196	0.3343	0.5539	0.3467
	Net Revenue	Equalisation	Allocated 29.04.22	Allocated 30.04.21
Class D Accumulation				
Group 1	0.9997	—	0.9997	0.6098
Group 2	0.4568	0.5429	0.9997	0.6098

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the period ended 30 November 2022

	Net Revenue	Equalisation	Paid 29.04.22	Paid 30.04.21
Class S Income				
Group 1	0.5965	—	0.5965	0.3383
Group 2	0.4016	0.1949	0.5965	0.3383
	Net Revenue	Equalisation	Allocated 29.04.22	Allocated 30.04.21
Class S Accumulation				
Group 1	0.7604	—	0.7604	0.4192
Group 2	0.2699	0.4905	0.7604	0.4192
Second Interim - in pence per share				
Group 1 - Shares purchased prior to 1 March 2022				
Group 2 - Shares purchased on or after 1 March 2022 and on or before 31 May 2022				
	Net Revenue	Equalisation	Paid 29.07.22	Paid 31.07.21
Class A Income				
Group 1	0.3490	—	0.3490	0.5106
Group 2	0.0276	0.3214	0.3490	0.5106
	Net Revenue	Equalisation	Allocated 29.07.22	Allocated 31.07.21
Class A Accumulation				
Group 1	0.6400	—	0.6400	0.9115
Group 2	0.6400	—	0.6400	0.9115
	Net Revenue	Equalisation	Allocated 29.07.22	Allocated 31.07.21
Class B Accumulation				
Group 1	0.6457	—	0.6457	0.9363
Group 2	0.1284	0.5173	0.6457	0.9363
	Net Revenue	Equalisation	Paid 29.07.22	Paid 31.07.21
Class C Income				
Group 1	0.3842	—	0.3842	0.6020
Group 2	0.0667	0.3175	0.3842	0.6020
	Net Revenue	Equalisation	Allocated 29.07.22	Allocated 31.07.21
Class C Accumulation				
Group 1	0.7039	—	0.7039	1.0714
Group 2	0.2441	0.4598	0.7039	1.0714

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the period ended 30 November 2022

	Net Revenue	Equalisation	Paid 29.07.22	Paid 31.07.21
Class D Income				
Group 1	0.3517	—	0.3517	0.5139
Group 2	0.0552	0.2965	0.3517	0.5139
	Net Revenue	Equalisation	Allocated 29.07.22	Allocated 31.07.21
Class D Accumulation				
Group 1	0.6386	—	0.6386	0.9063
Group 2	0.2002	0.4384	0.6386	0.9063
	Net Revenue	Equalisation	Paid 29.07.22	Paid 31.07.21
Class S Income				
Group 1	0.3799	—	0.3799	0.5934
Group 2	0.1125	0.2674	0.3799	0.5934
	Net Revenue	Equalisation	Allocated 29.07.22	Allocated 31.07.21
Class S Accumulation				
Group 1	0.4839	—	0.4839	0.7357
Group 2	0.1275	0.3564	0.4839	0.7357
Third Interim - in pence per share				
Group 1 - Shares purchased prior to 1 June 2022				
Group 2 - Shares purchased on or after 1 June 2022 and on or before 31 August 2022				
	Net Revenue	Equalisation	Paid 31.10.22	Paid 31.10.21
Class A Income				
Group 1	1.0744	—	1.0744	0.7556
Group 2	1.0744	—	1.0744	0.7556
	Net Revenue	Equalisation	Allocated 31.10.22	Allocated 31.10.21
Class A Accumulation				
Group 1	1.9794	—	1.9794	1.3482
Group 2	1.9794	—	1.9794	1.3482
	Net Revenue	Equalisation	Allocated 31.10.22	Allocated 31.10.21
Class B Accumulation				
Group 1	2.0617	—	2.0617	1.3856
Group 2	2.0617	—	2.0617	1.3856
	Net Revenue	Equalisation	Paid 31.10.22	Paid 31.10.21
Class C Income				
Group 1	1.2224	—	1.2224	0.8365
Group 2	0.3401	0.8823	1.2224	0.8365

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued)

for the period ended 30 November 2022

	Net Revenue	Equalisation	Allocated 31.10.22	Allocated 31.10.21
Class C Accumulation				
Group 1	2.2469	–	2.2469	1.5014
Group 2	0.6934	1.5535	2.2469	1.5014
	Net Revenue	Equalisation	Paid 31.10.22	Paid 31.10.21
Class D Income				
Group 1	1.0722	–	1.0722	0.7341
Group 2	0.2838	0.7884	1.0722	0.7341
	Net Revenue	Equalisation	Allocated 31.10.22	Allocated 31.10.21
Class D Accumulation				
Group 1	1.9510	–	1.9510	1.3233
Group 2	0.8856	1.0654	1.9510	1.3233
	Net Revenue	Equalisation	Paid 31.10.22	Paid 31.10.21
Class S Income				
Group 1	1.2084	–	1.2084	0.8277
Group 2	0.2196	0.9888	1.2084	0.8277
	Net Revenue	Equalisation	Allocated 31.10.22	Allocated 31.10.21
Class S Accumulation				
Group 1	1.5486	–	1.5486	1.0330
Group 2	1.1953	0.3533	1.5486	1.0330
Final - in pence per share				
Group 1 - Shares purchased prior to 1 September 2022				
Group 2 - Shares purchased on or after 1 September 2022 and on or before 30 November 2022				
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class A Income				
Group 1	0.4537	–	0.4537	0.7512
Group 2	0.4537	–	0.4537	0.7512
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class A Accumulation				
Group 1	0.8474	–	0.8474	1.3542
Group 2	0.8474	–	0.8474	1.3542

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued)

for the period ended 30 November 2022

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class B Accumulation				
Group 1	0.8722	–	0.8722	1.3915
Group 2	0.8722	–	0.8722	1.3915
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	0.5108	–	0.5108	0.8349
Group 2	0.3673	0.1435	0.5108	0.8349
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class C Accumulation				
Group 1	0.9511	–	0.9511	1.5092
Group 2	0.6744	0.2767	0.9511	1.5092
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class D Income				
Group 1	0.4549	–	0.4549	0.7505
Group 2	0.0991	0.3558	0.4549	0.7505
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class D Accumulation				
Group 1	0.8400	–	0.8400	1.3429
Group 2	0.1643	0.6757	0.8400	1.3429
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class S Income				
Group 1	0.5006	–	0.5006	0.8247
Group 2	0.0935	0.4071	0.5006	0.8247
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class S Accumulation				
Group 1	0.6532	–	0.6532	1.0382
Group 2	0.1219	0.5313	0.6532	1.0382

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM AAP Moderately Cautious Fund (the 'Sub-fund') aims to provide a return by way of income with some capital growth.

The Sub-Fund invests, directly and indirectly, to achieve exposure of at least 80% to fixed interest and equity instruments. This exposure is, for the most part, obtained through passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes) but may also be achieved through the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments).

The Sub-Fund will also invest in other asset classes such as property, commodities and private equity indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

The other 20% of the Sub-Fund will be invested in assets such as cash and deposits and may also include the use of money market funds and money market instruments for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

In extraordinary market conditions (such as political unrest economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), the Sub-Fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments.

The Sub-Fund's investments will be more focussed on income generating assets such as corporate debt securities but there will be an allocation to growth generating assets such as global equities.

The Sub-Fund is likely to invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (7.77)%¹.

Comparator Benchmark

Over the last 5 and 10 years the Sub-fund has outperformed its IA sector performance comparator benchmark (IA Mixed Investment 0-35% Shares sector until 16 August 2022 and then from 17 August 2022 to the IA Mixed Investment 20- 60% Shares sector). The Sub-fund has navigated difficult market conditions well following the March 2020 COVID-19 market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. The 1 year, 5 year and 10 year relative performance to the benchmark was 1.70%, 0.07% and 0.05% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

¹ Calculated using 7IM AAP Moderately Cautious Fund C Acc shares, published prices. Source: NTRS.

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader EM equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. EM valuations and EM currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In March 2022, we took some profits from our Berkshire Hathaway position which had outperformed the US market very well since we added the position in July 2020. The cash freed up went into a neutral equity allocation.

We also removed our mid-cap specific exposure in March 2022. We made the allocation with the view that a global growth boom would support more cyclical, smaller businesses – especially outside of the US. Typically, following recessions, mid-caps do well once growth becomes embedded. However, with the global growth picture more muted by the events in Ukraine in the short-term this position is no longer appropriate, especially given its large weight to Europe. We return to our strategic asset allocation (SAA) – as we would tend to do when faced with an increase in uncertainty.

In April 2022, we added an index arbitrage strategy into our alternatives basket. The growth of index investing has meant that stocks typically experience a change in price when entering or leaving an index, this fund aims to profit from that. The strategy is largely market neutral and further diversifies our alternatives allocation.

In June 2022, we removed our FTSE 250 allocation in AAP funds and replaced it with FTSE 100. This change tilted our

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

Along with this change, we also moved duration to neutral from underweight in June 2022. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure.

In August 2022, we refreshed our SAA in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

In October, we also removed our RMBS position. The original bull case for the position has played out and we took profits on the position. The US housing market stayed strong and mortgage prepayments meant the trade performed well. With employment potentially less certain than it has been and changing forces in housing markets, we do not think the trade is as attractive as it was.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP
Investment Manager
January 2023

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION

The Comparative Tables on pages 261 to 268 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	120.89	118.96	115.24
Return before operating charges*	(8.37)	5.31	7.02
Operating charges (calculated on average price)	(1.37)	(1.50)	(1.38)
Return after operating charges*	(9.74)	3.81	5.64
Distributions on income shares	(1.44)	(1.88)	(1.92)
Closing net asset value per share	109.71	120.89	118.96
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(8.06)%	3.20%	4.89%
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Other Information

Closing net asset value (£'000)	47	79	87
Closing number of shares	42,676	65,414	73,011
Operating charges ³	1.20%	1.23%	1.20%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	122.55	124.04	120.31
Lowest share price	105.64	118.82	103.61

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 269.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	156.01	151.68	144.57
Return before operating charges*	(10.81)	6.24	8.86
Operating charges (calculated on average price)	(1.79)	(1.91)	(1.75)
Return after operating charges*	(12.60)	4.33	7.11
Distributions	(1.86)	(2.38)	(2.41)
Retained distributions on accumulation shares	1.86	2.38	2.41
Closing net asset value per share	143.41	156.01	151.68
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(8.08)%	2.85%	4.92%
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Other Information

Closing net asset value (£'000)	493	1,169	1,912
Closing number of shares	343,719	749,338	1,260,577
Operating charges ³	1.20%	1.23%	1.20%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	158.14	159.01	152.04
Lowest share price	136.81	151.52	129.98

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 269.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	128.81	126.24	121.81
Return before operating charges*	(9.05)	5.50	7.32
Operating charges (calculated on average price)	(0.85)	(0.94)	(0.86)
Return after operating charges*	(9.90)	4.56	6.46
Distributions on income shares	(1.54)	(1.99)	(2.03)
Closing net asset value per share	117.37	128.81	126.24
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(7.69)%	3.61%	5.30%
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Other Information

Closing net asset value (£'000)	16,760	21,996	24,660
Closing number of shares	14,279,067	17,076,089	19,533,109
Operating charges ³	0.70%	0.73%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	130.60	132.04	127.68
Lowest share price	112.97	126.23	109.65

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 269.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	165.29	160.07	151.97
Return before operating charges*	(11.62)	6.42	9.17
Operating charges (calculated on average price)	(1.10)	(1.20)	(1.07)
Return after operating charges*	(12.72)	5.22	8.10
Distributions	(1.98)	(2.52)	(2.54)
Retained distributions on accumulation shares	1.98	2.52	2.54
Closing net asset value per share	152.57	165.29	160.07
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(7.70)%	3.26%	5.33%
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Other Information

Closing net asset value (£'000)	317,011	358,649	398,824
Closing number of shares	207,779,810	216,976,868	249,151,233
Operating charges ³	0.70%	0.73%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	167.57	168.31	160.46
Lowest share price	145.47	160.06	136.79

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 269.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	115.55	114.07	110.87
Return before operating charges*	(7.89)	5.15	6.82
Operating charges (calculated on average price)	(1.75)	(1.90)	(1.78)
Return after operating charges*	(9.64)	3.25	5.04
Distributions on income shares	(1.37)	(1.77)	(1.84)
Closing net asset value per share	104.54	115.55	114.07
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(8.34)%	2.85%	4.55%
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Other Information

Closing net asset value (£'000)	222	372	320
Closing number of shares	212,429	321,901	280,275
Operating charges ³	1.60%	1.63%	1.60%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	117.13	118.63	115.37
Lowest share price	100.66	113.83	99.57

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 269.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	149.12	145.45	139.08
Return before operating charges*	(10.24)	6.10	8.61
Operating charges (calculated on average price)	(2.28)	(2.43)	(2.24)
Return after operating charges*	(12.52)	3.67	6.37
Distributions	(1.76)	(2.25)	(2.31)
Retained distributions on accumulation shares	1.76	2.25	2.31
Closing net asset value per share	136.60	149.12	145.45
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(8.40)%	2.52%	4.58%
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Other Information

Closing net asset value (£'000)	2,904	23,056	25,902
Closing number of shares	2,125,997	15,461,979	17,807,997
Operating charges ³	1.60%	1.63%	1.60%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	151.13	152.09	145.80
Lowest share price	130.41	145.14	124.92

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 269.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	116.14	113.59	109.39
Return before operating charges*	(8.22)	4.90	6.52
Operating charges (calculated on average price)	(0.50)	(0.56)	(0.50)
Return after operating charges*	(8.72)	4.34	6.02
Distributions on income shares	(1.38)	(1.79)	(1.82)
Closing net asset value per share	106.04	116.14	113.59
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	(7.51)%	3.82%	5.50%
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Other Information

Closing net asset value (£'000)	3,114	5,400	5,896
Closing number of shares	2,936,382	4,649,571	5,190,727
Operating charges ³	0.45%	0.48%	0.45%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	117.75	118.99	114.88
Lowest share price	102.03	113.64	98.53

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 269.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	131.21	126.82	120.15
Return before operating charges*	(9.29)	5.02	7.22
Operating charges (calculated on average price)	(0.56)	(0.63)	(0.55)
Return after operating charges*	(9.85)	4.39	6.67
Distributions	(1.57)	(2.00)	(2.02)
Retained distributions on accumulation shares	1.57	2.00	2.02
Closing net asset value per share	121.36	131.21	126.82
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(7.51)%	3.46%	5.55%
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Other Information

Closing net asset value (£'000)	44,538	59,727	70,638
Closing number of shares	36,699,423	45,518,399	55,701,058
Operating charges ³	0.45%	0.48%	0.45%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	133.03	133.55	127.12
Lowest share price	115.68	126.87	108.23

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 269.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%
Collective investment scheme costs	1.04%	0.54%	1.44%	0.29%
Ongoing Charges Figure	0.16%	0.16%	0.16%	0.16%
	1.20%	0.70%	1.60%	0.45%

As at 30 November 2021

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%
Collective investment scheme costs	1.04%	0.54%	1.44%	0.29%
Ongoing Charges Figure	0.19%	0.19%	0.19%	0.19%
	1.23%	0.73%	1.63%	0.48%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards



Lower risk

Typically higher rewards



Higher risk



This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was four. The indicator has changed from three to four this year.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM AAP Moderately Cautious Fund ¹	(7.77)	0.33	2.54

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 288 to 290.

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	ALTERNATIVES 6.47% (13.75%)¹		
14,469	Alternative Strategies 6.47% (11.73%)¹		
14,469	Dexion Equity Alternative ²	—	—
12,850,000	JP Morgan Structured Products 0.00% 10/09/2024 ³	10,878,261	2.83
8,350,000	JP Morgan Structured Products 0.00% 2025 ³	6,895,649	1.79
8,521,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ³	7,106,390	1.85
		24,880,300	6.47
	Real Estate 0.00% (2.02%)¹		
	DEBT SECURITIES 5.04% (23.22%)¹		
	Global High Yield Bonds 0.00% (11.98%)¹		
	Short Term Sterling Bonds 5.04% (11.24%)¹		
£3,000,000	Bank of Nova Scotia FRN 2023	2,999,916	0.78
£3,400,000	Barclays Bank UK FRN 2023	3,400,340	0.88
£1,930,000	Commonwealth Bank of Australia FRN 2025	1,929,367	0.50
£2,306,000	Municipality Finance 1.25% 2022	2,305,446	0.60
£1,700,000	Oversea-Chinese Banking FRN 2023	1,699,194	0.44
£200,000	Rabobank Nederland 4.875% 2023	200,098	0.05
£600,000	Royal Bank of Canada FRN 2025	598,960	0.16
£300,000	Skipton Building Society FRN 2023	300,105	0.08
£3,700,000	Toronto-Dominion Bank FRN 2023	3,699,852	0.96
£2,000,000	Westpac Banking 2.625% 2022	1,999,076	0.52
£280,000	Yorkshire Building Society FRN 2023	280,543	0.07
		19,412,897	5.04
	EQUITY 8.01% (6.72%)¹		
	North America 1.98% (3.44%)¹		
29,148	Berkshire Hathaway	7,644,828	1.98
	United Kingdom 6.03% (3.28%)¹		
21,044	Goldman Sachs International 2024	14,266,310	3.70
104,440	UBS AG London 2027	8,955,353	2.33
		23,221,663	6.03
	FUTURES CONTRACTS 0.46% (-0.52%)¹		
	Germany 0.18% (-0.01%)¹		
494	MSCI Europe ex-UK Index Futures December 2022	713,823	0.18
	Japan 0.15% (-0.20%)¹		
115	TOPIX Index Futures December 2022	561,476	0.15

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
FUTURES CONTRACTS 0.46% (-0.52%)¹ (continued)			
United Kingdom 0.16% (-0.09%)¹			
365	FTSE 100 Index Futures December 2022	849,056	0.22
298	MSCI World Health Care Index Futures December 2022	(231,557)	(0.06)
		617,499	0.16
United States -0.03% (-0.22%)¹			
332	MSCI Emerging Markets Index Futures December 2022	4,423	–
67	US Ultra CBT Futures March 2023	(132,919)	(0.03)
		(128,496)	(0.03)
FORWARD CURRENCY CONTRACTS -0.05% (-0.81%)¹			
€4,600,000	Vs £(4,095,201) Expiry 21.04.2023	(101,335)	(0.03)
€7,613,800	Vs £(6,778,269) Expiry 21.04.2023	(167,726)	(0.04)
US\$(121,500,000)	Vs £101,629,842 Expiry 13.01.2023	633,620	0.16
¥3,467,000,000	Vs £(21,111,923) Expiry 26.05.2023	123,181	0.03
US\$18,000,000	Vs £(15,037,581) Expiry 13.01.2023	(51,319)	(0.01)
US\$20,000,000	Vs £(17,258,161) Expiry 13.01.2023	(633,269)	(0.16)
		(196,848)	(0.05)
COLLECTIVE INVESTMENT SCHEMES 61.73% (38.81%)¹			
Ireland 25.02% (14.04%)¹			
1,117,524	HSBC Global Funds ICAV - Global Corporate Bond Index Fund	8,435,159	2.19
2,306,778	HSBC Global Funds ICAV - Global Government Bond Index Fund	17,978,311	4.67
975,872	Invesco AT1 Capital Bond UCITS ETF	33,823,724	8.78
1,032,130	iShares Global Inflation-Linked Bond Index	11,899,010	3.09
12,712,182	Legal & General Emerging Markets Government Bond USD Index Fund	11,673,597	3.03
66,245	Vanguard ESG Global Corporate Bond Index Fund	6,930,083	1.80
64,577	WisdomTree AT1 CoCo Bond UCITS ETF	5,609,158	1.46
		96,349,042	25.02
Luxembourg 9.59% (10.44%)¹			
136,444	BlackRock Strategic Funds - Global Event Driven Fund	15,697,918	4.08
5,013	Candriam Absolute Return Equity Market Neutral	7,562,069	1.96
63,035	Fulcrum Equity Dispersion Fund	7,667,666	1.99
54,681	Lyxor Core UK Government Bond (DR) UCITS ETF	6,023,659	1.56
		36,951,312	9.59

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
COLLECTIVE INVESTMENT SCHEMES 61.73% (38.81%)¹ (continued)			
United Kingdom 27.12% (14.33%)¹			
37,790,389	iShares ESG Overseas Corporate Bond Index Fund (UK)	39,599,453	10.28
5,420,247	iShares Global Property Securities Index	12,256,799	3.18
	Legal & General Emerging Markets Government Bond Local		
19,815,893	Currency Index Fund Acc	12,321,522	3.20
34,690,048	Legal & General Short Dated Sterling Corporate Bond Index Fund	19,180,128	4.98
4,814,587	Ninety One Funds Series III - Global Environment Fund	7,336,468	1.91
146,243	UBS Sterling Corporate Bond Indexed	13,731,033	3.57
		104,425,403	27.12
Portfolio of investment			
Net other assets ⁴			
		314,452,899	81.66
Net assets			
		385,089,457	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

² Delisted security.

³ Structured product.

⁴ Includes shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £9,300,000, shares in the Morgan Stanley Liquidity Funds - Sterling Liquidity Fund to the value of £10,000,000 and shares in the Northern Trust Global Sterling Fund to the value of £20,000,000 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	4.26	10.60
Non-rated debt securities	7.24	12.37
Other investments	70.16	58.20
Net other assets	18.34	18.83
	100.00	100.00

7IM AAP MODERATELY CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes		30.11.22		30.11.21
		£	£	£	£
Income					
Net capital (losses)/gains	4		(38,528,067)		12,565,172
Revenue	5	6,634,160		7,429,684	
Expenses	6	(2,300,592)		(2,727,066)	
Interest payable and similar charges	8	(10,989)		(23,018)	
Net revenue before taxation for the year		4,322,579		4,679,600	
Taxation	7	(834,499)		(881,659)	
Net revenue after taxation for the year			3,488,080		3,797,941
Total return before distributions			(35,039,987)		16,363,113
Distributions	8		(5,257,588)		(5,862,626)
Change in net assets attributable to shareholders from investment activities			(40,297,575)		10,500,487

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Opening net assets attributable to shareholders		470,447,869		528,238,513
Amounts received on creation of shares ¹	47,540,825		62,386,633	
Amounts paid on cancellation of shares ¹	(97,420,994)		(136,057,819)	
		(49,880,169)		(73,671,186)
Change in net assets attributable to shareholders from investment activities		(40,297,575)		10,500,487
Retained distribution on accumulation shares		4,819,332		5,380,055
Closing net assets attributable to shareholders		385,089,457		470,447,869

¹ Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 276 to 287 are an integral part of these financial statements.

7IM AAP MODERATELY CAUTIOUS FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		315,771,024	390,249,484
Current assets:			
Debtors	9	14,088,137	2,352,927
Cash and bank balances	10	34,297,368	10,673,884
Cash equivalents	10	39,300,000	80,939,000
Total assets		403,456,529	484,215,295
LIABILITIES			
Investment liabilities		(1,318,125)	(8,368,609)
Creditors:			
Bank overdrafts	10	(3,537,274)	(2,254,921)
Distribution payable		(189,874)	(186,239)
Other creditors	11	(13,321,799)	(2,957,657)
Total liabilities		(18,367,072)	(13,767,426)
Net assets attributable to shareholders		385,089,457	470,447,869

The notes on pages 276 to 287 are an integral part of these financial statements.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(16,843,416)	(4,525,204)
Derivative contracts	(7,242,688)	16,443,991
Forward currency contracts	(12,870,771)	(203,390)
Currency (losses)/gains	(1,864,482)	688,275
Transaction charges	(5,175)	(14,053)
AMC rebates from underlying investments	298,465	175,553
Net capital (losses)/gains	<u>(38,528,067)</u>	<u>12,565,172</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	404,486	448,850
Taxable dividends	6,118,911	6,725,277
Unfranked interest	(189,072)	173,307
AMC rebates from underlying investments	234,556	78,688
Bank interest	61,226	3,237
Stock lending revenue ¹	4,053	325
Total revenue	<u>6,634,160</u>	<u>7,429,684</u>

¹ Stock lending revenue is disclosed net of the security agent's share of income. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,128,215	2,536,921
Other expenses	5,956	8,081
	<hr/>	<hr/>
	2,134,171	2,545,002
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	57,715	65,164
Safe custody and other bank charges	26,040	24,849
	<hr/>	<hr/>
	83,755	90,013
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	25,623	27,445
FCA and other regulatory fees	80	41
Legal and professional fees	514	1,870
Market data fees	3,604	6,978
Printing, postage and distribution costs	32,768	38,057
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	82,666	92,051
	<hr/>	<hr/>
	2,300,592	2,727,066

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	843,312	881,260
Overseas tax	–	399
Prior year adjustment	(8,813)	–
	<hr/>	<hr/>
Current tax charge (note 7b)	834,499	881,659
Total taxation	834,499	881,659
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	4,322,579	4,679,600
Corporation tax at 20%	864,516	935,920
Effects of:		
AMC rebates taken to capital	59,693	35,110
Non-taxable dividends	(80,897)	(89,770)
Overseas tax	–	399
Prior year adjustment	(8,813)	–
Current tax charge (note 7a)	<hr/>	<hr/>
	834,499	881,659
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2021: none).		

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	1,491,107	2,598,680
Final ³	3,598,749	3,123,682
	<hr/>	<hr/>
Add: Revenue deducted on cancellation of shares	295,654	280,755
Deduct: Revenue received on issue of shares	(127,922)	(140,491)
	<hr/>	<hr/>
Net distributions for the year	5,257,588	5,862,626
Interest payable and similar charges	10,989	23,018
Total distribution	5,268,577	5,885,644

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 288 to 290.

	30.11.22 £	30.11.21 £
Distributions represented by:		
Net revenue after taxation	3,488,080	3,797,941
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	1,762,265	2,064,646
Equalisation on conversions ²	7,260	–
Net movement in revenue account	(17)	39
Net distributions for the year	<u>5,257,588</u>	<u>5,862,626</u>

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £189,874 (2021: £186,239) are disclosed in the Balance Sheet on page 275.

9 Debtors

	30.11.22 £	30.11.21 £
Amounts receivable for issue of shares	850,133	854,579
Sales awaiting settlement	12,372,975	–
Accrued revenue	422,080	932,004
Income tax recoverable	59,439	71,475
AMC rebates from underlying investments	351,829	490,549
Withholding tax recoverable	3,998	4,320
Currency deals awaiting settlement	27,683	–
Total debtors	<u>14,088,137</u>	<u>2,352,927</u>

10 Cash and bank balances

	30.11.22 £	30.11.21 £
Cash and bank balances	29,413,535	2,254,166
Cash held at clearing houses	4,883,833	8,419,718
Cash equivalents	39,300,000	80,939,000
Total cash and bank balances	<u>73,597,368</u>	<u>91,612,884</u>
Bank overdrafts	(2,817,126)	(2,253,734)
Cash overdraft at clearing houses	(720,148)	(1,187)
Total bank overdrafts	<u>(3,537,274)</u>	<u>(2,254,921)</u>

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

11 Other Creditors

	30.11.22	30.11.21
	£	£
Amounts payable for cancellation of shares	824,184	1,645,344
Purchases awaiting settlement	11,819,506	444,975
Accrued expenses	239,797	252,078
Corporation tax payable	438,312	615,260
Total other creditors	<hr/> 13,321,799	<hr/> 2,957,657

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £149,851 (2021: £200,354).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 274.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited 31.88% (2021: 34.90%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£39,861,999) (2021: (£22,545,770)). The distributions paid to Pershing Nominees Limited during the year totalled £79,360.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has four share classes: 'A', 'C', 'D', and 'S'. The annual management charge on each class are as follows:

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	65,414	–	(22,738)	–	42,676
Class A Accumulation	749,338	12,630	(43,444)	(374,805)	343,719
Class C Income	17,076,089	753,940	(3,571,831)	20,869	14,279,067
Class C Accumulation	216,976,868	26,847,381	(47,566,515)	11,522,076	207,779,810
Class D Income	321,901	2,529	(88,685)	(23,316)	212,429
Class D Accumulation	15,461,979	567,617	(1,172,018)	(12,731,581)	2,125,997
Class S Income	4,649,571	381,060	(2,096,182)	1,933	2,936,382
Class S Accumulation	45,518,399	2,501,391	(11,645,099)	324,732	36,699,423

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown on the next page.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	512,561	—	11,320,279	11,832,840
Hong Kong dollar	1	—	—	1
Japanese yen	13,598	—	21,796,580	21,810,178
Swiss franc	29,497	—	—	29,497
US dollar	2,293,693	33,835,654	96,234,884	132,364,231
Pound sterling	85,656,294	4,504,621	318,563,762	408,724,677
	88,505,644	38,340,275	447,915,505	574,761,424

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(480,338)	—	—	(480,338)
Hong Kong dollar	(1)	—	—	(1)
Japanese yen	(13,598)	—	—	(13,598)
Swiss franc	(29,497)	—	—	(29,497)
US dollar	(3,013,840)	—	(108,341,884)	(111,355,724)
Pound sterling	—	—	(77,792,809)	(77,792,809)
	(3,537,274)	—	(186,134,693)	(189,671,967)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	473,727	—	6,497,674	6,971,401
Hong Kong dollar	1	—	—	1
Japanese yen	17,064	—	8,480,789	8,497,853
Swiss franc	27,447	—	—	27,447
US dollar	1,110,093	55,207,847	113,582,453	169,900,393
Pound sterling	112,033,257	30,838,246	328,215,475	471,086,978
	113,661,589	86,046,093	456,776,391	656,484,073

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(474,910)	–	(26,636)	(501,547)
Hong Kong dollar	(1)	–	–	(1)
Japanese yen	(15,014)	–	(958,507)	(973,521)
Swiss franc	(27,447)	–	–	(27,447)
US dollar	(1,110,093)	–	(139,172,589)	(140,282,682)
Pound sterling	(627,456)	–	(43,623,551)	(44,251,007)
	(2,254,921)	–	(183,781,283)	(186,036,204)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.22 %	30.11.21 %	30.11.22 Years	30.11.21 Years
Pound sterling	3.09	0.36	–	–
US dollar	(0.39)	(2.28)	2	3

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the weighted average effective duration was 3.00 years (30 November 2021: 2.91 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	34,270	11,318,232	11,352,502
Japanese yen	–	21,796,580	21,796,580
US dollar	11,680,617	9,327,890	21,008,507
	11,714,887	42,442,702	54,157,589
Pound sterling	58,921,671	272,010,197	330,931,868
Net assets	70,636,558	314,452,899	385,089,457

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	835	6,469,019	6,469,854
Japanese yen	2,050	7,522,282	7,524,332
US dollar	95	29,617,616	29,617,711
	2,980	43,608,917	43,611,897
Pound sterling	88,564,014	338,271,958	426,835,972
Net assets	88,566,994	381,880,875	470,447,869

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 65%, 168% and 82% respectively (30 November 2021: 11%, 130% and 65% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = 0.3*VaR(MAC303XL) + 0.7*MAX[VaR(MAC303XL), VaR(MAC303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The types of derivatives held at the balance sheet date were forward foreign currency contracts, futures contracts and structured products. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	30.11.22 £	30.11.21 £
Futures Contracts		
Chicago Board of Trade	(132,919)	767,693
Eurex Deutschland	713,823	(26,636)
London International Financial Futures Exchange	617,499	(461,871)
New York Coffee, Sugar & Cocoa	4,423	(1,770,255)
Tokyo Stock Exchange	561,476	(958,507)
Forward Currency Contracts		
Northern Trust	(196,848)	(3,789,562)
Total net exposure¹	1,567,454	(6,239,138)

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	18,314,815	25,978,382	—	44,293,197
Collective Investment Schemes	230,795,674	6,930,083	—	237,725,757
Derivatives	2,128,778	756,801	—	2,885,579
Equities	7,644,828	23,221,663	—	30,866,491
Total	258,884,095	56,886,929	—	315,771,024
Liabilities				
Derivatives	(364,476)	(953,649)	—	(1,318,125)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	2,281,163	105,813,635	—	108,094,798
Collective Investment Schemes	159,672,100	95,280,785	—	254,952,885
Derivatives	848,585	1,280,886	—	2,129,471
Equities	25,072,330	—	—	25,072,330
Total	187,874,178	202,375,306	—	390,249,484
Liabilities				
Derivatives	(3,298,161)	(5,070,448)	—	(8,368,609)

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 260.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	56,670	—	—	—	—	—
Collective Investment Schemes	378,150	—	—	—	—	—
Derivatives	19,487	—	—	—	—	—
Equities	17,131	—	—	—	—	—
Total	471,438	—	—	—	—	—
Sales						
Bonds	80,650	—	—	—	—	—
Collective Investment Schemes	399,568	—	—	—	—	—
Derivatives	20,552	—	—	—	—	—
Equities	39,547	(1)	—	(1)	—	—
Total	540,317	(1)	—	(1)	—	—
Total as a percentage of the average NAV						
				0.00%	0.00%	0.00%

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	50,173	—	—	—	—	—
Equities	2,699	—	—	—	—	—
Total	52,872	—	—	—	—	—
Sales						
Bonds	12,182	—	—	—	—	—
Collective Investment Schemes	41,700	—	—	—	—	—
Derivatives	5,249	—	—	—	—	—
Equities	499	—	—	—	—	—
Total	59,630	—	—	—	—	—
Total as a percentage of the average NAV						
				0.00%	0.00%	0.00%

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.11% (2021: 0.17%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 152.57p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 154.83p. This represents an increase of 1.48% from the year end value.

7IM AAP MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class A Income				
Group 1	0.4091	—	0.4091	0.6483
Group 2	0.4091	—	0.4091	0.6483
Class A Accumulation				
Group 1	0.5188	—	0.5188	0.8232
Group 2	0.2485	0.2703	0.5188	0.8232
Class C Income				
Group 1	0.4294	—	0.4294	0.6840
Group 2	0.1365	0.2929	0.4294	0.6840
Class C Accumulation				
Group 1	0.5512	—	0.5512	0.8688
Group 2	0.2369	0.3143	0.5512	0.8688
Class D Income				
Group 1	0.4361	—	0.4361	0.6476
Group 2	0.2481	0.1880	0.4361	0.6476
Class D Accumulation				
Group 1	0.5626	—	0.5626	0.8242
Group 2	0.2313	0.3313	0.5626	0.8242
Class S Income				
Group 1	0.3817	—	0.3817	0.6187
Group 2	0.1898	0.1919	0.3817	0.6187

7IM AAP MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class S Accumulation				
Group 1	0.4375	—	0.4375	0.6795
Group 2	0.2503	0.1872	0.4375	0.6795
Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2022				
Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022				
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class A Income				
Group 1	1.0301	—	1.0301	0.8092
Group 2	1.0301	—	1.0301	0.8092
Class A Accumulation				
Group 1	1.3417	—	1.3417	1.0376
Group 2	0.4560	0.8857	1.3417	1.0376
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	1.1072	—	1.1072	0.8619
Group 2	0.6183	0.4889	1.1072	0.8619
Class C Accumulation				
Group 1	1.4259	—	1.4259	1.0987
Group 2	0.8408	0.5851	1.4259	1.0987
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class D Income				
Group 1	0.9300	—	0.9300	0.7496
Group 2	0.5947	0.3353	0.9300	0.7496
Class D Accumulation				
Group 1	1.1980	—	1.1980	0.9628
Group 2	0.6487	0.5493	1.1980	0.9628

7IM AAP MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class S Income				
Group 1	0.9999	—	0.9999	0.7768
Group 2	0.6255	0.3744	0.9999	0.7768
Class S Accumulation				
Group 1	1.1337	—	1.1337	0.8719
Group 2	0.6089	0.5248	1.1337	0.8719

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM AAP BALANCED FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM AAP (Asset Allocated Passives) Balanced Fund (the 'Sub-fund') aims to provide a balance of income and capital growth.

The Sub-Fund invests, directly and indirectly, to achieve exposure of at least 80% to fixed interest and equity instruments. This exposure is, for the most part, obtained through passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes) but may also be achieved through the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments).

The Sub-Fund will also invest in other asset classes such as property, commodities and private equity indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

The other 20% of the Sub-Fund will be invested in assets such as cash and deposits and may also include the use of money market funds and money market instruments for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

In extraordinary market conditions (such as political unrest economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), it may not be appropriate for the Sub-Fund to be invested in funds and other assets as noted above and the Sub-Fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments. Examples of extraordinary market conditions include periods of heightened volatility caused by a sudden economic downturn or events such as political unrest, war or bankruptcy of large financial institutions.

The Sub-Fund's investments will comprise a mixture of income generating assets such as corporate debt securities and growth generating assets such as global equities.

The Sub-Fund is likely to invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (4.75)%¹.

Comparator Benchmark

Over the last 5 and 10 years the Sub-fund has outperformed its IA sector performance comparator benchmark (IA Mixed Investment 20-60% Shares). The Sub-fund has navigated difficult market conditions well following the March 2020 COVID-19 market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. The 1 year, 5 year and 10 year relative performance to the benchmark was 2.70%, 0.39% and 0.43% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

¹ Calculated using 7IM AAP Balanced Fund C Acc shares, published prices. Source: NTRS.

7IM AAP BALANCED FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader emerging markets equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. Emerging markets valuations and emerging markets currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In March 2022, we took some profits from our Berkshire Hathaway position which had outperformed the US market very well since we added the position in July 2020. The cash freed up went into a neutral equity allocation.

We also removed our mid-cap specific exposure in March 2022. We made the allocation with the view that a global growth boom would support more cyclical, smaller businesses – especially outside of the US. Typically, following recessions, mid-caps do well once growth becomes embedded. However, with the global growth picture more muted by the events in Ukraine in the short-term this position is no longer appropriate, especially given its large weight to Europe. We return to our strategic asset allocation (SAA) – as we would tend to do when faced with an increase in uncertainty.

7IM AAP BALANCED FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

In April 2022, we added an index arbitrage strategy into our alternatives basket. The growth of index investing has meant that stocks typically experience a change in price when entering or leaving an index, this fund aims to profit from that. The strategy is largely market neutral and further diversifies our alternatives allocation.

In May 2022, we removed our mid-cap specific exposure. Mid-cap exposure tends to be heavily skewed towards to Europe, and these stocks have a high sensitivity to events in Ukraine. At this point, our preference was to reduce our exposure to the conflict as second guessing developments in conflict is difficult.

In June 2022, we removed our FTSE 250 allocation in AAP funds and replaced it with FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

Along with this change, we also moved duration to neutral from underweight in June 2022. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure.

In August 2022, we refreshed our SAA in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

In October, we also removed our RMBS position. The original bull case for the position has played out and we took profits on the position. The US housing market stayed strong and mortgage prepayments meant the trade performed well. With employment potentially less certain than it has been and changing forces in housing markets, we do not think the trade is as attractive as it was.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

7IM AAP BALANCED FUND

FUND INFORMATION

The Comparative Tables on pages 295 to 302 give the performance of each active share class in the Sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund's performance disclosed in the ACD's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	147.40	139.47	134.59
Return before operating charges*	(5.55)	10.80	7.79
Operating charges (calculated on average price)	(1.67)	(1.80)	(1.58)
Return after operating charges*	(7.22)	9.00	6.21
Distributions on income shares	(1.09)	(1.07)	(1.33)
Closing net asset value per share	139.09	147.40	139.47
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(4.90)%	6.45%	4.61%
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Other Information

Closing net asset value (£'000)	109	136	129
Closing number of shares	78,074	92,069	92,401
Operating charges ³	1.18%	1.23%	1.18%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	150.58	151.52	140.69
Lowest share price	133.46	140.25	114.56

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 303.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	179.19	168.32	160.87
Return before operating charges*	(6.75)	13.05	9.34
Operating charges (calculated on average price)	(2.05)	(2.18)	(1.89)
Return after operating charges*	(8.80)	10.87	7.45
Distributions	(1.33)	(1.29)	(1.59)
Retained distributions on accumulation shares	1.33	1.29	1.59
Closing net asset value per share	170.39	179.19	168.32
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(4.91)%	6.46%	4.63%
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Other Information

Closing net asset value (£'000)	1,600	3,280	2,991
Closing number of shares	938,835	1,830,531	1,777,194
Operating charges ³	1.18%	1.23%	1.18%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	183.04	183.49	168.93
Lowest share price	162.41	169.19	136.92

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 303.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	152.16	143.68	138.38
Return before operating charges*	(5.88)	10.98	7.88
Operating charges (calculated on average price)	(1.00)	(1.10)	(0.93)
Return after operating charges*	(6.88)	9.88	6.95
Distributions on income shares	(1.42)	(1.40)	(1.65)
Closing net asset value per share	143.86	152.16	143.68
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(4.52)%	6.88%	5.02%
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Other Information

Closing net asset value (£'000)	51,282	60,286	63,900
Closing number of shares	35,648,067	39,618,971	44,475,446
Operating charges ³	0.68%	0.73%	0.68%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	155.51	156.60	145.07
Lowest share price	138.13	144.49	117.92

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 303.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	189.83	177.60	169.06
Return before operating charges*	(7.35)	13.60	9.69
Operating charges (calculated on average price)	(1.24)	(1.37)	(1.15)
Return after operating charges*	(8.59)	12.23	8.54
Distributions	(1.78)	(1.73)	(2.01)
Retained distributions on accumulation shares	1.78	1.73	2.01
Closing net asset value per share	181.24	189.83	177.60
* After direct transaction costs of: ¹	0.00	0.00	0.01
Performance			
Return after charges ²	(4.53)%	6.89%	5.05%
Other Information			
Closing net asset value (£'000)	821,375	940,179	996,192
Closing number of shares	453,193,872	495,277,797	560,906,260
Operating charges ³	0.68%	0.73%	0.68%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	193.99	194.36	178.23
Lowest share price	172.66	178.53	144.07

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 303.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	143.43	136.02	131.48
Return before operating charges*	(5.28)	10.64	7.69
Operating charges (calculated on average price)	(2.18)	(2.33)	(2.06)
Return after operating charges*	(7.46)	8.31	5.63
Distributions on income shares	(0.87)	(0.90)	(1.09)
Closing net asset value per share	135.10	143.43	136.02
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(5.20)%	6.11%	4.28%
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Other Information

Closing net asset value (£'000)	777	854	802
Closing number of shares	574,996	595,695	589,540
Operating charges ³	1.58%	1.63%	1.58%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	146.48	147.39	137.10
Lowest share price	129.56	136.78	111.80

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 303.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	171.26	161.39	154.73
Return before operating charges*	(6.29)	12.63	9.09
Operating charges (calculated on average price)	(2.62)	(2.76)	(2.43)
Return after operating charges*	(8.91)	9.87	6.66
Distributions	(1.04)	(1.07)	(1.28)
Retained distributions on accumulation shares	1.04	1.07	1.28
Closing net asset value per share	162.35	171.26	161.39
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(5.20)%	6.12%	4.30%
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Other Information

Closing net asset value (£'000)	7,825	36,609	38,289
Closing number of shares	4,819,715	21,375,950	23,724,479
Operating charges ³	1.58%	1.63%	1.58%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	174.89	175.40	161.95
Lowest share price	154.79	162.22	131.57

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 303.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	130.14	122.76	118.11
Return before operating charges*	(5.09)	9.33	6.68
Operating charges (calculated on average price)	(0.54)	(0.62)	(0.50)
Return after operating charges*	(5.63)	8.71	6.18
Distributions on income shares	(1.34)	(1.33)	(1.53)
Closing net asset value per share	123.17	130.14	122.76
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(4.33)%	7.10%	5.23%
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Other Information

Closing net asset value (£'000)	8,189	14,162	14,616
Closing number of shares	6,648,435	10,881,898	11,906,442
Operating charges ³	0.43%	0.48%	0.43%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	133.02	133.99	124.01
Lowest share price	118.29	123.45	100.72

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 303.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	146.71	136.99	130.14
Return before operating charges*	(5.74)	10.41	7.41
Operating charges (calculated on average price)	(0.61)	(0.69)	(0.56)
Return after operating charges*	(6.35)	9.72	6.85
Distributions	(1.52)	(1.48)	(1.68)
Retained distributions on accumulation shares	1.52	1.48	1.68
Closing net asset value per share	140.36	146.71	136.99
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(4.33)%	7.10%	5.26%
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Other Information

Closing net asset value (£'000)	145,644	166,291	186,301
Closing number of shares	103,766,063	113,343,584	135,993,830
Operating charges ³	0.43%	0.48%	0.43%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	149.96	150.20	137.47
Lowest share price	133.68	137.70	110.97

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 303.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.03%	0.03%	0.03%	0.03%
Collective investment scheme costs	1.03%	0.53%	1.43%	0.28%
Ongoing Charges Figure	0.15%	0.15%	0.15%	0.15%
	1.18%	0.68%	1.58%	0.43%

As at 30 November 2021

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.03%	0.03%	0.03%	0.03%
Collective investment scheme costs	1.03%	0.53%	1.43%	0.28%
Ongoing Charges Figure	0.20%	0.20%	0.20%	0.20%
	1.23%	0.73%	1.63%	0.48%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards



Lower risk

Typically higher rewards



Higher risk



This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was four.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM AAP Balanced Fund ¹	(4.75)	7.03	10.82

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 322 to 324.

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
ALTERNATIVES 7.04% (13.34%)¹			
Alternative Strategies 7.04% (10.25%)¹			
1,781	Dexion Equity Alternative ²	—	—
34,460,000	JP Morgan Structured Products 0.00% 10/09/2024 ³	29,172,364	2.81
22,380,000	JP Morgan Structured Products 0.00% 2025 ³	18,481,992	1.78
30,464,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ³	25,406,533	2.45
		73,060,889	7.04
Real Estate 0.00% (3.09%)¹			
DEBT SECURITIES 9.89% (26.95%)¹			
Global High Yield Bonds 0.00% (13.19%)¹			
Short Term Sterling Bonds 9.89% (13.76%)¹			
£2,465,000	Bank of Montreal FRN 2023	2,465,153	0.24
£7,625,000	Bank of Nova Scotia FRN 2023	7,624,786	0.74
£4,300,000	Barclays Bank UK FRN 2023	4,300,430	0.42
£3,860,000	Commonwealth Bank of Australia FRN 2025	3,858,734	0.37
£5,000,000	Dexia Credit Local 1.375% 2022	4,998,500	0.48
£6,000,000	Kreditanstalt fuer Wiederaufbau 1.00% 2022	5,995,800	0.58
£5,000,000	Leeds Building Society FRN 2025	5,004,100	0.48
£5,632,000	Municipality Finance 1.25% 2022	5,630,648	0.54
£500,000	Oesterreichische 1.125% 2022	499,654	0.05
£8,000,000	Oversea-Chinese Banking FRN 2023	7,996,208	0.77
£7,400,000	Royal Bank of Canada FRN 2025	7,387,168	0.71
£6,700,000	Santander UK FRN 2024	6,723,169	0.65
£7,893,000	Skipton Building Society FRN 2023	7,895,763	0.76
£8,100,000	Toronto-Dominion Bank FRN 2023	8,099,676	0.78
£6,000,000	TSB Bank FRN 2024	6,030,216	0.58
£12,000,000	Westpac Banking FRN 2023	11,999,760	1.16
£5,990,000	Yorkshire Building Society FRN 2023	6,001,609	0.58
		102,511,374	9.89
EQUITY 10.51% (6.95%)¹			
North America 3.30% (3.66%)¹			
130,361	Berkshire Hathaway	34,190,592	3.30
United Kingdom 7.21% (3.29%)¹			
60,179	Goldman Sachs International 2024	40,797,011	3.93
11,820	UBS AG London 2024	9,948,245	0.96
280,050	UBS AG London 2027	24,013,278	2.32
		74,758,534	7.21
FUTURES CONTRACTS 0.63% (-0.75%)¹			
Germany 0.12% (0.11%)¹			
1,847	MSCI Europe ex-UK Index Futures December 2022	2,288,268	0.22
1,256	MSCI EUX Futures December 2022	(1,024,617)	(0.10)
		1,263,651	0.12

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
FUTURES CONTRACTS 0.63% (-0.75%)¹ (continued)			
Japan 0.18% (-0.28%)¹			
391	TOPIX Index Futures December 2022	1,887,995	0.18
United Kingdom 0.35% (-0.19%)¹			
2,182	FTSE 100 Index Futures December 2022	4,642,205	0.45
1,318	MSCI World Health Care Index Futures December 2022	(1,024,136)	(0.10)
		3,618,069	0.35
United States -0.02% (-0.39%)¹			
941	MSCI Emerging Markets Index Futures December 2022	12,535	—
135	US Ultra CBT Futures March 2023	(267,820)	(0.02)
		(255,285)	(0.02)
FORWARD CURRENCY CONTRACTS -0.06% (-0.17%)¹			
€7,500,000	Vs £(6,676,957) Expiry 21.04.2023	(165,219)	(0.02)
€12,300,000	Vs £(10,950,210) Expiry 21.04.2023	(270,960)	(0.03)
€24,000,000	Vs £(21,366,264) Expiry 21.04.2023	(528,702)	(0.05)
US\$(55,000,000)	Vs £46,005,278 Expiry 13.01.2023	286,824	0.03
¥13,100,000,000	Vs £(79,771,039) Expiry 26.05.2023	465,436	0.05
US\$11,500,000	Vs £(9,923,443) Expiry 13.01.2023	(364,130)	(0.04)
		(576,751)	(0.06)
COLLECTIVE INVESTMENT SCHEMES 41.97% (27.88%)¹			
Ireland 15.80% (4.90%)¹			
3,716,874	HSBC Global Funds ICAV - Global Government Bond Index Fund	28,968,157	2.79
2,476,490	Invesco AT1 Capital Bond UCITS ETF	85,835,143	8.28
35,004,758	Legal & General Emerging Markets Government Bond USD Index Fund	32,144,869	3.10
194,131	WisdomTree AT1 CoCo Bond UCITS ETF	16,862,219	1.63
		163,810,388	15.80
Luxembourg 8.06% (11.05%)¹			
359,501	BlackRock Strategic Funds - Global Event Driven Fund	41,360,540	3.99
13,441	Candriam Absolute Return Equity Market Neutral	20,273,185	1.96
91,241	Fulcrum Equity Dispersion Fund	11,098,678	1.07
97,642	Lyxor Core UK Government Bond (DR) UCITS ETF	10,756,243	1.04
		83,488,646	8.06

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
COLLECTIVE INVESTMENT SCHEMES 41.97% (27.88%)¹ (continued)			
United Kingdom 18.11% (11.93%)¹			
39,881,972	iShares ESG Overseas Corporate Bond Index Fund (UK)	41,791,161	4.03
15,449,447	iShares Global Property Securities Index	34,935,819	3.37
48,000,754	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc	29,846,869	2.88
93,056,879	Legal & General Short Dated Sterling Corporate Bond Index Fund	51,451,149	4.96
19,520,393	Ninety One Funds Series III - Global Environment Fund	29,745,175	2.87
		187,770,173	18.11
 Portfolio of investment			
Net other assets ⁴			
		725,528,275	69.98
 Net assets			
		311,272,952	30.02
		1,036,801,227	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

² Delisted security.

³ Structured product.

⁴ Includes shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £81,865,497, shares in the Morgan Stanley Liquidity Funds - Sterling Liquidity Fund to the value of £80,000,530 and shares in the Northern Trust Global Sterling Fund to the value of £70,558,296 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	9.15	13.76
Non-rated debt securities	7.78	10.25
Other investments	53.05	50.19
Net other assets	30.02	25.80
	100.00	100.00

7IM AAP BALANCED FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes		30.11.22		30.11.21
			£	£	£
Income					
Net capital (losses)/gains	4		(61,647,472)		76,818,715
Revenue	5	15,701,711		17,247,763	
Expenses	6	(5,707,415)		(6,579,538)	
Interest payable and similar charges	8	(42,947)		(90,231)	
Net revenue before taxation for the year		9,951,349		10,577,994	
Taxation	7	(1,572,206)		(1,536,419)	
Net revenue after taxation for the year			8,379,143		9,041,575
Total return before distributions			(53,268,329)		85,860,290
Distributions	8		(10,678,522)		(11,610,570)
Change in net assets attributable to shareholders from investment activities			(63,946,851)		74,249,720

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

		30.11.22		30.11.21
		£	£	£
Opening net assets attributable to shareholders		1,221,797,143		1,303,220,091
Amounts received on creation of shares ¹		102,289,400		161,678,540
Amounts paid on cancellation of shares ¹		(233,129,885)		(328,099,527)
			(130,840,485)	(166,420,987)
Change in net assets attributable to shareholders from investment activities		(63,946,851)		74,249,720
Retained distribution on accumulation shares		9,791,420		10,748,319
Closing net assets attributable to shareholders		1,036,801,227		1,221,797,143

¹Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 310 to 321 are an integral part of these financial statements.

7IM AAP BALANCED FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		729,173,859	924,651,205
Current assets:			
Debtors	9	14,525,403	4,779,419
Cash and bank balances	10	91,878,142	42,726,251
Cash equivalents	10	232,424,323	280,155,026
Total assets		1,068,001,727	1,252,311,901
LIABILITIES			
Investment liabilities		(3,645,584)	(18,126,967)
Creditors:			
Bank overdrafts	10	(6,110,701)	(5,473,807)
Distribution payable		(480,149)	(395,188)
Other creditors	11	(20,964,066)	(6,518,796)
Total liabilities		(31,200,500)	(30,514,758)
Net assets attributable to shareholders		1,036,801,227	1,221,797,143

The notes on pages 310 to 321 are an integral part of these financial statements.

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(25,101,425)	11,629,010
Derivative contracts	(32,474,362)	68,974,358
Forward currency contracts	(4,388,739)	(4,336,463)
Currency (losses)/gains	(229,599)	215,520
Transaction charges	(5,259)	(13,191)
AMC rebates from underlying investments	551,912	349,481
Net capital (losses)/gains	<u>(61,647,472)</u>	<u>76,818,715</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	1,369,820	3,392,637
Taxable dividends	13,441,858	13,554,814
Unfranked interest	172,851	123,506
AMC rebates from underlying investments	550,592	166,282
Bank interest	165,511	7,930
Stock lending revenue ¹	1,079	2,594
Total revenue	<u>15,701,711</u>	<u>17,247,763</u>

¹ Stock lending revenue is disclosed net of the security agent's share of income. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	5,408,345	6,248,398
Other expenses	5,893	8,035
	<hr/>	<hr/>
	5,414,238	6,256,433
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	139,991	158,364
Safe custody and other bank charges	40,766	43,382
	<hr/>	<hr/>
	180,757	201,746
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	40,577	41,688
FCA and other regulatory fees	161	41
Legal and professional fees	490	1,717
Market data fees	3,604	6,978
Printing, postage and distribution costs	47,511	53,275
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	112,420	121,359
	<hr/>	<hr/>
	5,707,415	6,579,538

¹ The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	1,826,689	1,506,968
Overseas tax	(254,483)	29,451
Current tax charge (note 7b)	<u>1,572,206</u>	<u>1,536,419</u>
Total taxation	<u>1,572,206</u>	<u>1,536,419</u>
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	9,951,349	10,577,994
Corporation tax at 20%	1,990,270	2,115,599
Effects of:		
AMC rebates taken to capital	110,382	69,896
Franked CIS revenue	(39,119)	(15,132)
Offshore CIS revenue	(234,844)	(663,395)
Overseas tax	(254,483)	29,451
Current tax charge (note 7a)	<u>1,572,206</u>	<u>1,536,419</u>
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2021: none).		

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	2,191,104	5,163,401
Final ³	8,208,303	6,299,667
10,399,407	<u>10,399,407</u>	<u>11,463,068</u>
Add: Revenue deducted on cancellation of shares	524,348	330,069
Deduct: Revenue received on issue of shares	(245,233)	(182,567)
Net distributions for the year	<u>10,678,522</u>	<u>11,610,570</u>
Interest payable and similar charges	42,947	90,231
Total distribution	<u>10,721,469</u>	<u>11,700,801</u>

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 322 to 324.

	30.11.22 £	30.11.21 £
Distributions represented by:		
Net revenue after taxation	8,379,143	9,041,575
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	2,273,720	2,569,256
Equalisation on conversions ²	25,583	(102)
Net movement in revenue account	76	(159)
Net distributions for the year	<u>10,678,522</u>	<u>11,610,570</u>

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £480,149 (2021: £395,188) are disclosed in the Balance Sheet on page 309.

9 Debtors

	30.11.22 £	30.11.21 £
Amounts receivable for issue of shares	1,617,378	1,692,079
Sales awaiting settlement	11,120,521	–
Accrued revenue	937,435	1,950,197
Income tax recoverable	155,906	174,667
AMC rebates from underlying investments	642,715	953,514
Withholding tax recoverable	7,305	8,962
Currency deals awaiting settlement	44,143	–
Total debtors	<u>14,525,403</u>	<u>4,779,419</u>

10 Cash and bank balances

	30.11.22 £	30.11.21 £
Cash and bank balances	68,063,977	5,465,974
Cash held at clearing houses	23,814,165	37,260,277
Cash equivalents	232,424,323	280,155,026
Total cash and bank balances	<u>324,302,465</u>	<u>322,881,277</u>
Bank overdrafts	(4,659,657)	(5,463,743)
Cash overdraft at clearing houses	(1,451,044)	(10,064)
Total bank overdrafts	<u>(6,110,701)</u>	<u>(5,473,807)</u>

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

11 Other Creditors

	30.11.22	30.11.21
	£	£
Amounts payable for cancellation of shares	7,821,546	3,882,204
Purchases awaiting settlement	11,367,272	1,164,157
Accrued expenses	573,559	598,467
Corporation tax payable	1,201,689	873,968
Total other creditors	<hr/> <hr/> 20,964,066	<hr/> <hr/> 6,518,796

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £400,161 (2021: £505,594).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 308.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited 48.69% (2021: 47.50%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£73,386,643) (2021: (£44,643,404)). The distributions paid to Pershing Nominees Limited during the year totalled £190,400.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has four share classes: 'A', 'C', 'D' and 'S'. The annual management charge on each class are as follows:

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	92,069	–	(13,995)	–	78,074
Class A Accumulation	1,830,531	46	(111,418)	(780,324)	938,835
Class C Income	39,618,971	3,844,131	(7,828,273)	13,238	35,648,067
Class C Accumulation	495,277,797	46,021,356	(100,862,556)	12,757,275	453,193,872
Class D Income	595,695	3,277	(23,976)	–	574,996
Class D Accumulation	21,375,950	1,179,983	(2,442,763)	(15,293,455)	4,819,715
Class S Income	10,881,898	215,270	(4,705,795)	257,062	6,648,435
Class S Accumulation	113,343,584	7,411,092	(18,954,558)	1,965,945	103,766,063

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	8,704	—	—	8,704
Danish krone	23	—	—	23
Euro	1,170,361	—	40,322,707	41,493,068
Japanese yen	44,038	—	82,124,470	82,168,508
South African rand	222	—	—	222
Swedish krona	—	—	119	119
Swiss franc	8	—	—	8
US dollar	3,436,373	97,074,167	134,597,670	235,108,210
Pound sterling	405,029,507	17,124,602	460,146,113	882,300,222
	409,689,236	114,198,769	717,191,079	1,241,079,084

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(8,704)	—	—	(8,704)
Danish krone	(2)	—	—	(2)
Euro	(1,170,361)	—	—	(1,170,361)
Japanese yen	(43,995)	—	—	(43,995)
South African rand	(222)	—	—	(222)
US dollar	(4,887,417)	—	(48,035,028)	(52,922,445)
Pound sterling	—	—	(150,132,128)	(150,132,128)
	(6,110,701)	—	(198,167,156)	(204,277,857)

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	8,290	—	—	8,290
Danish krone	23	—	—	23
Euro	1,154,245	—	36,691,018	37,845,263
Japanese yen	57,175	—	38,518,853	38,576,028
South African rand	211	—	—	211
Swedish krona	—	—	125	125
Swiss franc	7	—	—	7
US dollar	2,602,287	125,193,319	227,092,329	354,887,935
Pound sterling	420,261,534	66,982,462	631,068,685	1,118,312,681
	424,083,772	192,175,781	933,371,010	1,549,630,563

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(8,290)	—	—	(8,290)
Danish krone	(3)	—	—	(3)
Euro	(1,164,307)	—	(16,331,666)	(17,495,973)
Japanese yen	(48,580)	—	(3,478,627)	(3,527,207)
South African rand	(211)	—	—	(211)
US dollar	(2,602,288)	—	(160,236,578)	(162,838,866)
Pound sterling	(1,650,129)	—	(142,312,741)	(143,962,870)
	(5,473,808)	—	(322,359,612)	(327,833,420)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.22 %	30.11.21 %	30.11.22 Years	30.11.21 Years
Pound sterling	2.67	0.48	—	1
US dollar	(0.37)	(2.52)	2	3

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the weighted average effective duration was 1.57 years (30 November 2021: 1.55 years).

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	21	–	21
Euro	5,889	40,316,818	40,322,707
Japanese yen	43	82,124,470	82,124,513
Swedish krona	119	–	119
Swiss franc	8	–	8
US dollar	9,670,773	172,514,992	182,185,765
	9,676,853	294,956,280	304,633,133
Pound sterling	301,596,099	430,571,995	732,168,094
Net assets	311,272,952	725,528,275	1,036,801,227

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	20	–	20
Euro	(4,164)	20,353,454	20,349,290
Japanese yen	8,595	35,040,226	35,048,821
Swedish krona	125	–	125
Swiss franc	7	–	7
US dollar	1,167	192,047,902	192,049,069
	5,750	247,441,582	247,447,332
Pound sterling	315,267,155	659,082,656	974,349,811
Net assets	315,272,905	906,524,238	1,221,797,143

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional amounts) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 66%, 100% and 73% respectively (30 November 2021: 19%, 105% and 71% respectively).

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $\text{VaR} = 0.3 \cdot \text{VaR}(\text{MAC303XL}) + 0.7 \cdot \text{MAX}[\text{VaR}(\text{MAC303XL}), \text{VaR}(\text{MAC303 51d HL})]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

The types of derivatives held at the balance sheet date were forward foreign currency contracts, futures contracts and structured products. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

	30.11.22	30.11.21
Counterparty	£	£
Futures Contracts		
Chicago Board of Trade		
	(267,820)	1,115,715
Eurex Deutschland	2,288,268	(121,962)
Eurex USA	(1,024,617)	1,466,147
London International Financial Futures Exchange	3,618,069	(2,348,566)
New York Coffee, Sugar & Cocoa	12,535	(5,923,907)
Tokyo Stock Exchange	1,887,995	(3,478,627)
Forward Currency Contracts		
Northern Trust	(576,751)	(2,157,362)
Total net exposure¹	5,937,679	(11,448,562)

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value (continued)

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	86,155,007	89,417,256	—	175,572,263
Collective Investment Schemes	435,069,207	—	—	435,069,207
Derivatives	8,831,003	752,260	—	9,583,263
Equities	34,190,592	74,758,534	—	108,949,126
Total	564,245,809	164,928,050	—	729,173,859
Liabilities				
Derivatives	(2,316,573)	(1,329,011)	—	(3,645,584)
30 November 2021				
Assets				
Bonds	7,284,323	286,093,954	—	293,378,277
Collective Investment Schemes	350,856,738	195,700,848	—	546,557,586
Derivatives	3,162,092	3,516,315	—	6,678,407
Equities	78,036,935	—	—	78,036,935
Total	439,340,088	485,311,117	—	924,651,205
Liabilities				
Derivatives	(12,453,292)	(5,673,675)	—	(18,126,967)

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 294.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	157,944	—	—	—	—	—
Collective Investment Schemes	840,915	—	—	—	—	—
Derivatives	55,929	—	—	—	—	—
Equities	32,273	1	—	1	—	—
Total	1,087,061	1	—	1	—	—
Sales						
Bonds	195,287	—	—	—	—	—
Collective Investment Schemes	892,516	—	—	—	—	—
Derivatives	43,543	—	—	—	—	—
Equities	116,051	(3)	—	(3)	—	—
Total	1,247,397	(3)	—	(3)	—	—
Total as a percentage of the average NAV			0.00%	0.00%	0.00%	

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	136,548	—	—	—	—	—
Collective Investment Schemes	112,140	—	—	—	—	—
Equities	173,668	2	—	2	—	—
Total	422,356	2	—	2	—	—
Sales						
Bonds	112,653	—	—	—	—	—
Collective Investment Schemes	232,135	—	—	—	—	—
Derivatives	2,723	—	—	—	—	—
Equities	162,893	(1)	—	(1)	—	—
Total	510,404	(1)	—	(1)	—	—
Total as a percentage of the average NAV			0.01%	0.00%	0.00%	

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.14% (2021: 0.18%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 181.14p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 185.89p. This represents an increase of 2.62% from the year end value.

7IM AAP BALANCED FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Paid 31.07.22	Paid 31.07.21
Class A Income				
Group 1	0.1627	—	0.1627	0.4973
Group 2	0.1627	—	0.1627	0.4973
Class A Accumulation				
Group 1	0.1963	—	0.1963	0.6011
Group 2	0.1069	0.0894	0.1963	0.6011
Class C Income				
Group 1	0.2850	—	0.2850	0.6110
Group 2	0.1049	0.1801	0.2850	0.6110
Class C Accumulation				
Group 1	0.3559	—	0.3559	0.7592
Group 2	0.1061	0.2498	0.3559	0.7592
Class D Income				
Group 1	0.1020	—	0.1020	0.4237
Group 2	0.0496	0.0524	0.1020	0.4237
Class D Accumulation				
Group 1	0.1220	—	0.1220	0.5033
Group 2	0.0471	0.0749	0.1220	0.5033
Class S Income				
Group 1	0.3027	—	0.3027	0.5877
Group 2	0.1209	0.1818	0.3027	0.5877

7IM AAP BALANCED FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 31.07.21
Class S Accumulation				
Group 1	0.3472	–	0.3472	0.6529
Group 2	0.1191	0.2281	0.3472	0.6529
Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2022				
Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022				
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class A Income				
Group 1	0.9279	–	0.9279	0.5679
Group 2	0.9279	–	0.9279	0.5679
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class A Accumulation				
Group 1	1.1315	–	1.1315	0.6912
Group 2	0.7031	0.4284	1.1315	0.6912
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	1.1391	–	1.1391	0.7862
Group 2	0.7458	0.3933	1.1391	0.7862
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class C Accumulation				
Group 1	1.4247	–	1.4247	0.9756
Group 2	0.7354	0.6893	1.4247	0.9756
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class D Income				
Group 1	0.7641	–	0.7641	0.4786
Group 2	0.5695	0.1946	0.7641	0.4786
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class D Accumulation				
Group 1	0.9218	–	0.9218	0.5701
Group 2	0.3799	0.5419	0.9218	0.5701

7IM AAP BALANCED FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class S Income				
Group 1	1.0373	—	1.0373	0.7382
Group 2	0.6889	0.3484	1.0373	0.7382
Class S Accumulation				
Group 1	1.1723	—	1.1723	0.8276
Group 2	0.6353	0.5370	1.1723	0.8276

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with them distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM AAP (Asset Allocated Passives) Moderately Adventurous Fund (the 'Sub-fund') aims to provide a return primarily by way of capital growth with some income.

The Sub-fund invests, directly and indirectly, to achieve exposure of at least 80% to equity and fixed interest instruments. This exposure is, for the most part, obtained through passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes) but may also be achieved through the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments).

The Sub-fund will also invest in other asset classes such as property, commodities and private equity, indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

The other 20% of the Sub-fund will be invested in assets such as cash and deposits and may also include the use of money market funds and money market instruments for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

In extraordinary market conditions (such as political unrest, economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), it may not be appropriate for the Sub-fund to be invested in funds and other assets as noted above and the Sub-fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments. Examples of extraordinary market conditions include periods of heightened volatility caused by a sudden economic downturn or events such as political unrest, war or bankruptcy of large financial institutions.

The Sub-fund's investments will focus on assets with scope for capital growth, such as equities, although the Sub-fund may also invest in income generating assets such as corporate debt securities.

The Sub-fund is likely to invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (2.44)%¹.

Comparator Benchmark

Over the last 5 and 10 years the Sub-fund has outperformed its IA sector performance comparator benchmark (IA Mixed Investment 40-85% Shares). The Sub-fund has navigated difficult market conditions well following the March 2020 COVID-19 market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. The 1 year, 5 year and 10 year relative performance to the benchmark was 4.90%, 0.09% and 0.20% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

¹ Calculated using 7IM AAP Moderately Adventurous Fund C Acc shares, published prices. Source: NTRS.

7IM AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader emerging market equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. Emerging market valuations and emerging market currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In January 2022, we added a healthcare innovations position to higher risk profiles. We see this as a higher risk, higher reward subsector of healthcare that is in a structurally good place and enhances our healthcare allocation in portfolios where there is more scope to take risk.

In March 2022, we took some profits from our Berkshire Hathaway position which had outperformed the US market very well since we added the position in July 2020. The cash freed up went into a neutral equity allocation.

7IM AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

We also removed our mid-cap specific exposure in March 2022. We made the allocation with the view that a global growth boom would support more cyclical, smaller businesses – especially outside of the US. Typically, following recessions, mid-caps do well once growth becomes embedded. However, with the global growth picture more muted by the events in Ukraine in the short-term this position is no longer appropriate, especially given its large weight to Europe. We return to our strategic asset allocation (SAA) - as we would tend to do when faced with an increase in uncertainty.

In April 2022, we added an index arbitrage strategy into our alternatives basket. The growth of index investing has meant that stocks typically experience a change in price when entering or leaving an index, this fund aims to profit from that. The strategy is largely market neutral and further diversifies our alternatives allocation.

In May 2022, we removed our mid-cap specific exposure. Mid-cap exposure tends to be heavily skewed towards to Europe, and these stocks have a high sensitivity to events in Ukraine. At this point, our preference was to reduce our exposure to the conflict as second guessing developments in conflict is difficult.

In June 2022, we removed our FTSE 250 allocation in AAP funds and replaced it with FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

In August 2022, we refreshed our SAA in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

Lastly, in October, we increased our allocation to AT1 bonds with the outlook for equity uncertain, we see AT1 bonds as a very attractive asset to own. They are yielding well over 10%, and we still do not see significant default or extension risk in the bonds.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

7IM AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP
Investment Manager
January 2023

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 330 to 337 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	174.90	159.92	154.04
Return before operating charges*	(2.42)	17.15	8.03
Operating charges (calculated on average price)	(2.01)	(2.02)	(1.73)
Return after operating charges*	(4.43)	15.13	6.30
Distributions on income shares	–	(0.15)	(0.42)
Closing net asset value per share	170.47	174.90	159.92
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(2.53)%	9.46%	4.09%
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Other Information

Closing net asset value (£'000)	90	161	201
Closing number of shares	52,512	91,876	125,859
Operating charges ³	1.18%	1.18%	1.15%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	179.97	180.44	161.06
Lowest share price	160.48	161.06	125.30

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 338.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	198.25	181.15	174.02
Return before operating charges*	(2.74)	19.39	9.09
Operating charges (calculated on average price)	(2.27)	(2.29)	(1.96)
Return after operating charges*	(5.01)	17.10	7.13
Distributions	–	(0.17)	(0.48)
Retained distributions on accumulation shares	–	0.17	0.48
Closing net asset value per share	193.24	198.25	181.15
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(2.53)%	9.44%	4.10%
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Other Information

Closing net asset value (£'000)	854	1,063	1,064
Closing number of shares	441,933	536,207	587,571
Operating charges ³	1.18%	1.18%	1.15%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	203.98	204.45	182.15
Lowest share price	181.92	182.38	141.55

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 338.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	176.22	161.13	155.19
Return before operating charges*	(2.60)	17.11	8.05
Operating charges (calculated on average price)	(1.17)	(1.18)	(0.99)
Return after operating charges*	(3.77)	15.93	7.06
Distributions on income shares	(0.72)	(0.84)	(1.12)
Closing net asset value per share	171.73	176.22	161.13
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(2.14)%	9.89%	4.55%
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Other Information

Closing net asset value (£'000)	21,601	22,093	24,578
Closing number of shares	12,578,942	12,537,218	15,253,408
Operating charges ³	0.68%	0.68%	0.65%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	181.40	182.25	162.58
Lowest share price	162.03	162.28	126.39

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 338.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	210.98	192.00	183.71
Return before operating charges*	(3.12)	20.38	9.46
Operating charges (calculated on average price)	(1.40)	(1.40)	(1.17)
Return after operating charges*	(4.52)	18.98	8.29
Distributions	(0.85)	(1.00)	(1.22)
Retained distributions on accumulation shares	0.85	1.00	1.22
Closing net asset value per share	206.46	210.98	192.00
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(2.14)%	9.89%	4.51%
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Other Information

Closing net asset value (£'000)	410,558	442,093	490,320
Closing number of shares	198,853,694	209,542,772	255,372,013
Operating charges ³	0.68%	0.68%	0.65%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	217.16	217.72	193.05
Lowest share price	194.02	193.31	149.62

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 338.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	173.85	159.35	153.67
Return before operating charges*	(2.27)	17.20	8.01
Operating charges (calculated on average price)	(2.67)	(2.70)	(2.33)
Return after operating charges*	(4.94)	14.50	5.68
Distributions on income shares	—	—	—
Closing net asset value per share	168.91	173.85	159.35
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(2.84)%	9.10%	3.70%
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Other Information

Closing net asset value (£'000)	701	989	974
Closing number of shares	415,101	569,110	610,952
Operating charges ³	1.58%	1.58%	1.55%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	178.81	179.17	160.24
Lowest share price	159.24	160.43	124.85

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 338.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	188.73	173.00	166.84
Return before operating charges*	(2.47)	18.66	8.69
Operating charges (calculated on average price)	(2.90)	(2.93)	(2.53)
Return after operating charges*	(5.37)	15.73	6.16
Distributions	—	—	—
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	183.36	188.73	173.00
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(2.85)%	9.09%	3.69%
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Other Information

Closing net asset value (£'000)	6,906	17,978	18,862
Closing number of shares	3,766,207	9,525,732	10,903,065
Operating charges ³	1.58%	1.58%	1.55%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	194.12	194.52	173.96
Lowest share price	172.88	174.17	135.55

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 338.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	144.42	132.06	127.19
Return before operating charges*	(2.20)	13.95	6.47
Operating charges (calculated on average price)	(0.60)	(0.61)	(0.50)
Return after operating charges*	(2.80)	13.34	5.97
Distributions on income shares	(0.87)	(0.98)	(1.10)
Closing net asset value per share	140.75	144.42	132.06
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	(1.94)%	10.10%	4.69%
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Other Information

Closing net asset value (£'000)	4,474	3,495	4,037
Closing number of shares	3,178,733	2,419,896	3,056,790
Operating charges ³	0.43%	0.43%	0.40%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	148.70	149.53	133.38
Lowest share price	132.80	133.01	103.65

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 338.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	161.71	146.87	140.25
Return before operating charges*	(2.47)	15.52	7.17
Operating charges (calculated on average price)	(0.68)	(0.68)	(0.55)
Return after operating charges*	(3.15)	14.84	6.62
Distributions	(0.97)	(1.09)	(1.21)
Retained distributions on accumulation shares	0.97	1.09	1.21
Closing net asset value per share	158.56	161.71	146.87
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(1.95)%	10.10%	4.72%
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Other Information

Closing net asset value (£'000)	97,742	96,069	94,276
Closing number of shares	61,642,526	59,408,723	64,190,661
Operating charges ³	0.43%	0.43%	0.40%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	166.48	166.90	147.67
Lowest share price	148.87	147.87	114.29

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 338.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.03%	0.03%	0.03%	0.03%
Collective investment scheme costs	1.03%	0.53%	1.43%	0.28%
Ongoing Charges Figure	0.15%	0.15%	0.15%	0.15%
	1.18%	0.68%	1.58%	0.43%

As at 30 November 2021

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%
Collective investment scheme costs	1.04%	0.54%	1.44%	0.29%
Ongoing Charges Figure	0.14%	0.14%	0.14%	0.14%
	1.18%	0.68%	1.58%	0.43%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards

Typically higher rewards

Lower risk

Higher risk



This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was five. The indicator has changed from four to five this year.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM AAP Moderately Adventurous Fund ¹	(2.44)	12.16	17.93

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the period are shown in the Distribution Tables on pages 357 to 359.

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	ALTERNATIVES 6.90% (11.65%)¹		
	Alternative Strategies 6.90% (7.53%)¹		
30,098	Dexion Absolute GBP ²	—	—
18,380,000	JP Morgan Structured Products 0.00% 10/09/2024 ³	15,559,723	2.86
11,420,000	JP Morgan Structured Products 0.00% 2025 ³	9,430,936	1.74
14,985,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ³	12,497,272	2.30
		37,487,931	6.90
	Real Estate 0.00% (4.12%)¹		
	DEBT SECURITIES 10.47% (22.72%)¹		
	Global High Yield Bonds 0.00% (7.60%)¹		
	Short Term Sterling Bonds 10.47% (15.12%)¹		
£4,580,000	Bank of Nova Scotia FRN 2023	4,579,872	0.84
£3,100,000	Barclays Bank UK FRN 2023	3,100,310	0.57
£2,320,000	Commonwealth Bank of Australia FRN 2025	2,319,239	0.43
£3,000,000	Leeds Building Society FRN 2025	3,002,460	0.55
£1,500,000	Lloyds Bank FRN 2024	1,503,084	0.28
£453,000	Municipality Finance 1.25% 2022	452,891	0.08
£1,500,000	National Westminster Bank FRN 2023	1,501,095	0.28
£4,000,000	NRW Bank FRN 2024	4,006,480	0.74
£4,100,000	Oesterreichische 1.125% 2022	4,097,163	0.75
£3,200,000	Oversea-Chinese Banking FRN 2023	3,198,483	0.59
£115,000	Rabobank Nederland 4.875% 2023	115,056	0.02
£1,500,000	Royal Bank of Canada FRN 2024	1,500,795	0.28
£4,000,000	Royal Bank of Canada FRN 2025	3,993,064	0.74
£1,100,000	Santander UK FRN 2024	1,103,804	0.20
£5,500,000	Skipton Building Society FRN 2023	5,501,925	1.01
£3,600,000	Toronto-Dominion Bank FRN 2023	3,599,856	0.66
£1,500,000	TSB Bank FRN 2022	1,500,015	0.28
£2,800,000	TSB Bank FRN 2024	2,814,101	0.52
£6,100,000	Westpac Banking FRN 2023	6,099,878	1.12
£2,870,000	Yorkshire Building Society FRN 2023	2,875,562	0.53
		56,865,133	10.47
	EQUITY 12.35% (8.92%)¹		
	North America 4.28% (4.71%)¹		
88,618	Berkshire Hathaway	23,242,395	4.28
	United Kingdom 8.07% (4.21%)¹		
31,319	Goldman Sachs International 2024	21,232,017	3.91
12,303	UBS AG London 2024	10,354,760	1.91
142,770	UBS AG London 2027	12,242,013	2.25
		43,828,790	8.07

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
FUTURES CONTRACTS 1.17% (-1.55%)¹			
Germany 0.34% (0.06%)¹			
1,865	MSCI Europe ex-UK Index Futures December 2022	2,387,850	0.44
539	MSCI EUX Futures December 2022	(571,324)	(0.10)
		1,816,526	0.34
Japan 0.31% (-0.65%)¹			
354	TOPIX Index Futures December 2022	1,711,754	0.31
United Kingdom 0.48% (-0.27%)¹			
1,386	FTSE 100 Index Futures December 2022	3,067,715	0.57
646	MSCI World Health Care Index Futures December 2022	(501,966)	(0.09)
		2,565,749	0.48
United States 0.04% (-0.69%)¹			
941	MSCI Emerging Markets Index Futures December 2022	240,395	0.04
FORWARD CURRENCY CONTRACTS -0.11% (0.22%)¹			
€46,200,000	Vs £(41,130,058) Expiry 21.04.2023	(1,017,752)	(0.19)
US\$(6,500,000)	Vs £5,608,902 Expiry 13.01.2023	205,812	0.04
¥9,773,304,000	Vs £(59,513,482) Expiry 26.05.2023	347,240	0.07
US\$28,000,000	Vs £(23,420,869) Expiry 13.01.2023	(146,019)	(0.03)
		(610,719)	(0.11)
COLLECTIVE INVESTMENT SCHEMES 28.51% (19.80%)¹			
Ireland 12.82% (0.00%)			
1,139,793	Baillie Gifford Worldwide Health Innovation Fund	10,145,182	1.87
1,018,265	Invesco AT1 Capital Bond UCITS ETF	35,293,065	6.50
14,657,580	Legal & General Emerging Markets Government Bond USD Index Fund	13,460,056	2.48
123,383	WisdomTree AT1 CoCo Bond UCITS ETF	10,717,048	1.97
		69,615,351	12.82
Luxembourg 6.39% (8.80%)¹			
185,767	BlackRock Strategic Funds - Global Event Driven Fund	21,372,523	3.94
8,807	Candriam Absolute Return Equity Market Neutral	13,284,268	2.45
		34,656,791	6.39

7IM AAP MODERATELY ADVENTUROUS FUND

PORTRFOIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
COLLECTIVE INVESTMENT SCHEMES 28.51% (19.80%)¹ (continued)			
United Kingdom 9.30% (11.00%)¹			
6,555,017	iShares Global Property Securities Index	14,822,854	2.73
21,988,709	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc	13,672,579	2.52
14,442,242	Ninety One Funds Series III - Global Environment Fund	22,007,088	4.05
		50,502,521	9.30
Portfolio of investment			
Net other assets ⁴			
		221,003,863	40.71
Net assets			
		542,926,480	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Comparative figures shown in brackets relate to 30 November 2021.

² Delisted security.

³ Structured product.

⁴ Includes shares in the Deutsche Global Liquidity Managed Sterling Fund Platinum to the value of £15,000,000, shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £70,500,000, shares in the Morgan Stanley Liquidity Funds - Sterling Liquidity Fund to the value of £60,457,950 and shares in the Northern Trust Global Sterling Fund to the value of £30,000,000 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	9.63	15.12
Non-rated debt securities	7.74	7.53
Other investments	41.92	39.11
Net other assets	40.71	38.24
	100.00	100.00

7IM AAP MODERATELY ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes		30.11.22		30.11.21
		£	£	£	£
Income					
Net capital (losses)/gains	4		(14,116,124)		56,344,998
Revenue	5	5,390,251		6,504,988	
Expenses	6	(2,836,224)		(3,219,017)	
Interest payable and similar charges	8	(23,748)		(82,087)	
Net revenue before taxation for the year		2,530,279		3,203,884	
Taxation	7	(218,267)		(253,071)	
Net revenue after taxation for the year			2,312,012		2,950,813
Total return before distributions			(11,804,112)		59,295,811
Distributions	8		(2,404,376)		(3,004,087)
Change in net assets attributable to shareholders from investment activities			(14,208,488)		56,291,724

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Opening net assets attributable to shareholders		583,941,216		634,312,011
Amounts received on creation of shares ¹	66,316,131		71,333,512	
Amounts paid on cancellation of shares ¹	(95,410,976)		(180,853,463)	
		(29,094,845)		(109,519,951)
Change in net assets attributable to shareholders from investment activities		(14,208,488)		56,291,724
Retained distribution on accumulation shares		2,288,597		2,857,432
Closing net assets attributable to shareholders		542,926,480		583,941,216

¹ Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates

The notes on pages 345 to 356 are an integral part of these financial statements.

7IM AAP MODERATELY ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		324,159,678	370,822,589
Current assets:			
Debtors	9	1,575,719	1,578,215
Cash and bank balances	10	50,976,200	33,095,720
Cash equivalents	10	175,957,950	198,025,820
Total assets		552,669,547	603,522,344
LIABILITIES			
Investment liabilities		(2,237,061)	(10,195,151)
Creditors:			
Bank overdrafts	10	(5,436,262)	(6,685,854)
Distribution payable		(112,514)	(60,026)
Other creditors	11	(1,957,230)	(2,640,097)
Total liabilities		(9,743,067)	(19,581,128)
Net assets attributable to shareholders		542,926,480	583,941,216

The notes on pages 345 to 356 are an integral part of these financial statements.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22	30.11.21
	£	£
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(2,967,379)	16,017,629
Derivative contracts	(11,036,365)	49,203,123
Forward currency contracts	(359,715)	(8,167,246)
Currency gains/(losses)	168,334	(715,577)
Transaction charges	(4,817)	(11,644)
CSDR penalty reimbursement	1,001	–
AMC rebates from underlying investments	82,817	18,713
Net capital (losses)/gains	<u>(14,116,124)</u>	<u>56,344,998</u>

5 Revenue

	30.11.22	30.11.21
	£	£
Non-taxable dividends		
Non-taxable dividends	843,369	2,010,728
Taxable dividends	3,892,104	3,941,191
Unfranked interest	343,712	419,442
AMC rebates from underlying investments	231,633	126,536
Bank interest	79,271	4,621
Stock lending revenue ¹	162	2,470
Total revenue	<u>5,390,251</u>	<u>6,504,988</u>

¹ Stock lending revenue is disclosed net of the security agent's share of income. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,649,243	3,012,735
Other expenses	5,818	7,982
	<hr/>	<hr/>
	2,655,061	3,020,717
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	72,711	79,934
Safe custody and other bank charges	21,104	23,403
Stock lending fees	49	–
	<hr/>	<hr/>
	93,864	103,337
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	28,129	29,388
FCA and other regulatory fees	161	40
Legal and professional fees	514	1,717
Market data fees	3,604	6,978
Printing, postage and distribution costs	34,814	39,180
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	87,299	94,963
	<hr/>	<hr/>
	2,836,224	3,219,017

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	348,517	242,374
Overseas tax	<u>(130,250)</u>	10,697
Current tax charge (note 7b)	218,267	253,071
Total taxation	218,267	253,071
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	2,530,279	3,203,884
Corporation tax at 20%	506,056	640,777
Effects of:		
AMC rebates taken to capital	16,563	3,743
Non-taxable dividends	<u>(174,102)</u>	<u>(402,146)</u>
Overseas tax	<u>(130,250)</u>	10,697
Current tax charge (note 7a)	218,267	253,071
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2021: none).		

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	99,993	1,651,744
Final ³	<u>2,305,801</u>	1,340,504
	<u>2,405,794</u>	2,992,248
Add: Revenue deducted on cancellation of shares	41,728	24,431
Deduct: Revenue received on issue of shares	<u>(43,146)</u>	<u>(12,592)</u>
Net distributions for the year	2,404,376	3,004,087
Interest payable and similar charges	23,748	82,087
Total distribution	2,428,124	3,086,174

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 357 to 359.

	30.11.22 £	30.11.21 £
Distributions represented by:		
Net revenue after taxation	2,312,012	2,950,813
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	16,563	3,743
Equalisation on conversions ²	3,029	2,431
Income deficit	72,656	47,101
Net movement in revenue account	116	(1)
Net distributions for the year	<u>2,404,376</u>	<u>3,004,087</u>

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £112,514 (2021: £60,026) are disclosed in the Balance Sheet on page 344.

9 Debtors

	30.11.22 £	30.11.21 £
Amounts receivable for issue of shares	770,802	477,587
Accrued revenue	453,167	652,516
Income tax recoverable	84,621	137,760
AMC rebates from underlying investments	259,811	257,241
Withholding tax recoverable	7,318	9,485
Prepaid corporation tax	–	43,626
Total debtors	<u>1,575,719</u>	<u>1,578,215</u>

10 Cash and bank balances

	30.11.22 £	30.11.21 £
Cash and bank balances	37,659,786	6,670,375
Cash held at clearing houses	13,316,414	26,425,345
Cash equivalents	175,957,950	198,025,820
Total cash and bank balances	<u>226,934,150</u>	<u>231,121,540</u>
Bank overdrafts	(5,436,262)	(6,669,848)
Cash overdraft at clearing houses	–	(16,006)
Total bank overdrafts	<u>(5,436,262)</u>	<u>(6,685,854)</u>

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

11 Other Creditors

	30.11.22 £	30.11.21 £
Amounts payable for cancellation of shares	1,285,117	2,058,075
Purchases awaiting settlement	198,633	284,749
Accrued expenses	306,350	297,273
Corporation tax payable	167,130	—
Total other creditors	<u>1,957,230</u>	<u>2,640,097</u>

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £206,753 (2021: £240,564).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 343.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited 58.07% (2021: 55.56%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£10,372,325) (2021: (£30,520,418)). The distributions paid to Pershing Nominees Limited during the year totalled £31,369.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has four share classes: 'A', 'C', 'D', and 'S'. The annual management charge on each class are as follows:

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	91,876	9,717	(20,058)	(29,023)	52,512
Class A Accumulation	536,207	22,257	(7,323)	(109,208)	441,933
Class C Income	12,537,218	2,244,727	(2,687,319)	484,316	12,578,942
Class C Accumulation	209,542,772	21,735,029	(36,728,205)	4,304,098	198,853,694
Class D Income	569,110	974	(154,854)	(129)	415,101
Class D Accumulation	9,525,732	432,116	(1,030,675)	(5,160,966)	3,766,207
Class S Income	2,419,896	1,199,569	(463,123)	22,391	3,178,733
Class S Accumulation	59,408,723	10,110,362	(7,873,296)	(3,263)	61,642,526

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown on the next page.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	7,907	—	—	7,907
Euro	642,057	—	2,394,312	3,036,369
Japanese yen	37,698	—	2,058,994	2,096,692
South African rand	3	—	—	3
Swedish krona	—	—	72	72
Swiss franc	527,563	—	—	527,563
US dollar	2,247,709	49,729,944	55,135,589	107,113,242
Pound sterling	275,671,236	4,665,110	159,616,592	439,952,938
	279,134,173	54,395,054	219,205,559	552,734,786

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(7,907)	—	—	(7,907)
Euro	(642,057)	—	(1,017,752)	(1,659,809)
Japanese yen	(37,658)	—	—	(37,658)
South African rand	(3)	—	—	(3)
Swiss franc	(527,562)	—	—	(527,562)
US dollar	(2,247,710)	—	(1,284,548)	(3,532,258)
Pound sterling	(1,973,365)	—	(2,069,744)	(4,043,109)
	(5,436,262)	—	(4,372,044)	(9,808,306)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	7,532	—	—	7,532
Euro	633,216	—	44,115,422	44,748,638
Japanese yen	51,246	—	47,639,214	47,690,460
South African rand	3	—	—	3
Swedish krona	—	—	117	117
Swiss franc	490,898	—	—	490,898
US dollar	2,023,554	43,968,451	98,569,231	144,561,236
Pound sterling	290,964,488	25,267,497	168,260,327	484,492,312
	294,170,937	69,235,948	358,584,311	721,991,196

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(7,532)	—	—	(7,532)
Euro	(642,950)	—	(4,823,438)	(5,466,388)
Japanese yen	(41,583)	—	(3,823,258)	(3,864,841)
South African rand	(3)	—	—	(3)
Swiss franc	(490,897)	—	—	(490,897)
US dollar	(2,029,826)	—	(13,273,209)	(15,303,035)
Pound sterling	(3,473,064)	—	(109,444,220)	(112,917,284)
	(6,685,855)	—	(131,364,125)	(138,049,980)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.22 %	30.11.21 %	30.11.22 Years	30.11.21 Years
Pound sterling	2.74	0.39	—	1
US dollar	(0.39)	(2.52)	2	2

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the weighted average effective duration was 0.54 year (30 November 2021: 0.54 year).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	6,462	1,370,098	1,376,560
Japanese yen	40	2,058,994	2,059,034
Swedish krona	72	—	72
Swiss franc	1	—	1
US dollar	783	103,580,201	103,580,984
	7,358	107,009,293	107,016,651
Pound sterling	220,996,505	214,913,324	435,909,829
Net assets	221,003,863	321,922,617	542,926,480

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	(1,770)	39,284,020	39,282,250
Japanese yen	9,663	43,815,956	43,825,619
Swedish krona	117	–	117
Swiss franc	1	–	1
US dollar	(5,567)	129,263,768	129,258,201
	2,444	212,363,744	212,366,188
Pound sterling	223,311,334	148,263,694	371,575,028
Net assets	223,313,778	360,627,438	583,941,216

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional amounts) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 85%, 114% and 91% respectively (30 November 2021: 23%, 122% and 85% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The reported VaR is calculated formulaically as follows: $VaR = 0.3*VaR(MAC303XL) + 0.7*\text{MAX}[VaR(MAC303XL), VaR(MAC303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

The types of derivatives held at the balance sheet date were forward foreign currency contracts, futures contracts and structured products. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

	30.11.22	30.11.21
Counterparty	£	£
Futures Contracts		
Eurex Deutschland	2,387,850	(131,155)
Eurex USA	(571,324)	445,713
London International Financial Futures Exchange	2,565,749	(1,529,152)
New York Coffee, Sugar & Cocoa	240,395	(4,015,302)
Tokyo Stock Exchange	1,711,754	(3,823,258)
Forward Currency Contracts		
Northern Trust	(610,719)	1,306,154
Total net exposure¹	5,723,705	(7,747,000)

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	50,277,353	44,075,711	—	94,353,064
Collective Investment Schemes	154,774,663	—	—	154,774,663
Derivatives	7,407,714	553,052	—	7,960,766
Equities	23,242,395	43,828,790	—	67,071,185
Total	235,702,125	88,457,553	—	324,159,678
Liabilities				
Derivatives	(1,073,290)	(1,163,771)	—	(2,237,061)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	—	132,285,345	—	132,285,345
Collective Investment Schemes	122,672,943	64,626,892	—	187,299,835
Derivatives	794,985	1,653,166	—	2,448,151
Equities	48,789,258	—	—	48,789,258
Total	172,257,186	198,565,403	—	370,822,589
Liabilities				
Derivatives	(9,848,139)	(347,012)	—	(10,195,151)

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 329.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	77,231	—	—	—	—	—
Collective Investment Schemes	383,513	—	—	—	—	—
Derivatives	33,274	—	—	—	—	—
Equities	36,822	1	—	1	—	—
Total	530,840	1	—	1	—	—
Sales						
Bonds	75,940	—	—	—	—	—
Collective Investment Schemes	404,429	—	—	—	—	—
Derivatives	24,964	—	—	—	—	—
Equities	66,805	(2)	—	(2)	—	—
Total	572,138	(2)	—	(2)	—	—
Total as a percentage of the average NAV			0.00%	0.00%	0.00%	

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	69,506	—	—	—	—	—
Collective Investment Schemes	42,202	—	—	—	—	—
Equities	66,917	1	—	1	—	—
Total	178,625	1	—	1	—	—
Sales						
Bonds	88,138	—	—	—	—	—
Collective Investment Schemes	42,314	—	—	—	—	—
Derivatives	3,336	—	—	—	—	—
Equities	100,238	(1)	—	(1)	—	—
Total	234,026	(1)	—	(1)	—	—
Total as a percentage of the average NAV			0.00%	0.00%	0.00%	

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.16% (2021: 0.08%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 206.29p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 213.83p. This represents an increase of 3.66% from the year end value.

7IM AAP MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Paid 31.07.22 ¹	Paid 30.07.21
Class A Income				
Group 1	–	–	–	0.0462
Group 2	–	–	–	0.0462
Class A Accumulation				
Group 1	–	–	–	0.0466
Group 2	–	–	–	0.0466
Class C Income				
Group 1	0.0039	–	0.0039	0.4456
Group 2	–	0.0039	0.0039	0.4456
Class C Accumulation				
Group 1	–	–	–	0.5340
Group 2	–	–	–	0.5340
Class D Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
Class D Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
Class S Income				
Group 1	0.1513	–	0.1513	0.5185
Group 2	0.0950	0.0563	0.1513	0.5185

7IM AAP MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Allocated 31.07.22	Allocated 30.07.21
Class S Accumulation				
Group 1	0.1666	—	0.1666	0.5747
Group 2	0.0620	0.1046	0.1666	0.5747
Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2022				
Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022				
	Net Revenue	Equalisation	Paid 31.01.23 ¹	Paid 31.01.22
Class A Income				
Group 1	—	—	—	0.1028
Group 2	—	—	—	0.1028
	Net Revenue	Equalisation	Allocated 31.01.23 ¹	Allocated 31.01.22
Class A Accumulation				
Group 1	—	—	—	0.1187
Group 2	—	—	—	0.1187
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class C Income				
Group 1	0.7133	—	0.7133	0.3898
Group 2	0.5953	0.1180	0.7133	0.3898
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class C Accumulation				
Group 1	0.8533	—	0.8533	0.4661
Group 2	0.7048	0.1485	0.8533	0.4661
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class D Income¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class D Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—

7IM AAP MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class S Income				
Group 1	0.7169	–	0.7169	0.4571
Group 2	0.6369	0.0800	0.7169	0.4571
Class S Accumulation				
Group 1	0.8054	–	0.8054	0.5103
Group 2	0.5347	0.2707	0.8054	0.5103

¹ Expenses exceeded revenue during the period, as a result no distributions were paid and allocated.

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM AAP ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2022

Investment Objective and Policy

7IM AAP (Asset Allocated Passives) Adventurous Fund (the 'Sub-fund') aims to provide capital growth.

The Sub-fund invests, directly and indirectly, to achieve exposure of at least 80% to equity and fixed interest instruments. This exposure is, for the most part, obtained through passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes) but may also be achieved through the use of futures contracts which require cover to be held (typically in the form of money market funds and money market instruments).

The Sub-fund will also invest in other asset classes such as property, commodities and private equity indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

The other 20% of the Sub-fund will be invested in assets such as cash and deposits and may also include the use of money market funds and money market instruments for more general liquidity purposes. This is additional to the holding of such assets as cover for futures contracts as noted above.

In extraordinary market conditions (such as political unrest, economic instability, war, the bankruptcy of large financial institutions or closure of a relevant market(s)), the Sub-fund may temporarily invest up to 100% of its total assets in deposits, cash, near cash, treasury bills, government bonds or short-term money market instruments.

The Sub-fund's investments will be more focused on growth generating assets such as equities.

The Sub-fund is likely to invest in derivatives for efficient portfolio management (EPM) (i.e. to reduce risk or cost and, or to generate extra income) as well as for investment purposes.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2021 to 30 November 2022, the portfolio delivered a total return of (1.39%).¹

Comparator Benchmark

Over the last 5 and 10 years the Sub-fund has outperformed its IA sector performance comparator benchmark (IA Flexible Investment Shares). The Sub-fund has navigated difficult market conditions well following the March 2020 COVID-19 market crash and 2022 interest rate rises as alternatives allocations and tactical decisions have contributed positively. The 1 year, 5 year and 10 year relative performance to the benchmark was 5.30%, 0.58% and 0.99% respectively.

Investment Background

December 2021 was a good month for markets as concerns around the Omicron variant were largely forgotten. US, UK, and European markets rallied considerably into the end of the year making 2021 an extremely good year for global equity. It was only really emerging market indices that were left behind as Chinese market regulations along with strict COVID-19 policies stunted stock market returns.

In January 2022, cracks began to appear in markets that only seemed to go up the year prior. The trends that were seen through 2021 started to get turned on their heads as growthy markets that had performed well started to sell off. US markets were hardest hit with the growthier indices getting hit hardest. UK large cap stocks were back in demand as energy companies, big banks, and airlines found favour once more. This is when fears of inflation finally started to impact markets.

February 2022 will be remembered as the month that Putin launched his invasion of Ukraine. Despite Russia and Ukraine's relatively small contribution to global GDP, the impact of the invasions and resulting sanctions would end up biting the global economy. The global economy was already poised to experience considerably higher inflation, so when uncertainty around key exporters of oil, natural gas and wheat was introduced, so was uncertainty about input prices.

The Russia-Ukraine conflict did not see a swift resolution in March 2022 and markets felt this how you would have expected. European markets that are geographically closer to the conflict and also more reliant on Russia and Ukraine's exports underperformed US markets over the month. The UK market, however, stood out as a good performer due to its exposure to commodities and energy.

¹ Calculated using 7IM AAP Adventurous Fund C Acc shares, published prices. Source: NTRS.

7IM AAP ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Background (continued)

April 2022 was a pretty brutal month for markets and there really weren't many places to hide from the sell off. Global equity indices were hit hard with the US growthy markets faring the worst. Bonds also suffered considerable losses as high inflation and the Federal Reserve's narrative meant that market started pricing in more and more hikes. Markets outside of the US suffered too. Negative sentiment in Europe and Chinese lockdowns pushed markets down. The UK continued to outperform as value outstripped growth.

The trends seen in March and April 2022 generally continued in May, but the magnitude of the changes were smaller. Global equity markets were more or less flat with growth underperforming value and commodities continuing to rally hard. Despite the slight improvement, commentators were not convinced that the bear market was over as inflation continued to surge and central banks became more and more hawkish.

Global equities had yet another very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets held up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal Reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as COVID-19 restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's COVID-19 policy. In November, China loosened rules and markets responded very positively.

Portfolio Review

In January 2022, we rotated our Asia High Yield Position into broader emerging market equity exposure. Both Asia High Yield and emerging market equities had a tough 2021 and we believed that there was more potential for a recovery in the equity space than the more niche Asia High yield asset class. Emerging market valuations and emerging market currencies were broadly looking cheap and we did not see the need to take the more sector specific risk in Asia High yield.

In January 2022, we added a healthcare innovations position to higher risk profiles. We see this as a higher risk, higher reward subsector of healthcare that is in a structurally good place and enhances our healthcare allocation in portfolios where there is more scope to take risk.

In March 2022, we took some profits from our Berkshire Hathaway position which had outperformed the US market very well since we added the position in July 2020. The cash freed up went into a neutral equity allocation.

7IM AAP ADVENTUROUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Portfolio Review (continued)

We also removed our mid-cap specific exposure in March 2022. We made the allocation with the view that a global growth boom would support more cyclical, smaller businesses – especially outside of the US. Typically, following recessions, mid-caps do well once growth becomes embedded. However, with the global growth picture more muted by the events in Ukraine in the short-term this position is no longer appropriate, especially given its large weight to Europe. We return to our strategic asset allocation (SAA) – as we would tend to do when faced with an increase in uncertainty.

In April 2022, we added an index arbitrage strategy into our alternatives basket. The growth of index investing has meant that stocks typically experience a change in price when entering or leaving an index, this fund aims to profit from that. The strategy is largely market neutral and further diversifies our alternatives allocation.

In May 2022, we removed our mid-cap specific exposure. Mid-cap exposure tends to be heavily skewed towards to Europe, and these stocks have a high sensitivity to events in Ukraine. At this point, our preference was to reduce our exposure to the conflict as second guessing developments in conflict is difficult.

In June 2022, we removed our FTSE 250 allocation in AAP funds and replaced it with FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

In August 2022, we refreshed our SAA in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year's process resulted in an increase in an equity exposure as well as reductions in duration and credit exposure.

Going into August 2022, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

During October 2022, we unwound our tactical emerging market equity overweight. Our original case for the emerging market equity overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is heading for/already in recession mode.

Lastly, in October, we increased our allocation to AT1 bonds with the outlook for equity uncertain, we see AT1 bonds as a very attractive asset to own. They are yielding well over 10%, and we still do not see significant default or extension risk in the bonds.

Investment Outlook

Over the next twelve months, we think markets will generally move sideways with volatility. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- A global manufacturing downturn is unavoidable but the service sector should be resilient.
- Inflation will fall eventually but the short-term outlook is less clear.
- Central bankers are under pressure so the interest rate outlook changes frequently.
- Corporate profit margins have peaked but most companies will keep growing earnings.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year, so sideways with volatility is the most likely scenario for the next few months.

7IM AAP ADVENTUROUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2022

Investment Manager's Report (continued)

Investment Outlook (continued)

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP

Investment Manager

January 2023

7IM AAP ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 365 to 372 give the performance of each active share class in the Sub-fund.

The ‘Return after charges’ disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-fund’s performance disclosed in the ACD’s report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the ‘dealing spread’ – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	183.53	164.09	158.04
Return before operating charges*	(0.71)	21.33	7.98
Operating charges (calculated on average price)	(2.11)	(1.89)	(1.73)
Return after operating charges*	(2.82)	19.44	6.25
Distributions on income shares	–	–	(0.20)
Closing net asset value per share	180.71	183.53	164.09
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(1.54)%	11.85%	3.95%
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Other Information

Closing net asset value (£'000)	148	169	179
Closing number of shares	81,830	92,353	109,342
Operating charges ³	1.18%	1.18%	1.13%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	189.72	190.08	165.38
Lowest share price	166.97	165.50	123.76

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 373.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	205.13	183.40	176.42
Return before operating charges*	(0.80)	23.85	8.91
Operating charges (calculated on average price)	(2.36)	(2.12)	(1.93)
Return after operating charges*	(3.16)	21.73	6.98
Distributions	–	–	(0.23)
Retained distributions on accumulation shares	–	–	0.23
Closing net asset value per share	201.97	205.13	183.40
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(1.54)%	11.85%	3.96%
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Other Information

Closing net asset value (£'000)	640	656	590
Closing number of shares	317,110	319,996	321,718
Operating charges ³	1.18%	1.18%	1.13%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	212.04	212.44	184.61
Lowest share price	186.62	184.78	138.15

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 373.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	183.91	163.98	157.92
Return before operating charges*	(0.70)	21.35	8.01
Operating charges (calculated on average price)	(1.22)	(1.00)	(0.97)
Return after operating charges*	(1.92)	20.35	7.04
Distributions on income shares	(0.42)	(0.42)	(0.98)
Closing net asset value per share	181.57	183.91	163.98
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(1.04)%	12.41%	4.46%
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Other Information

Closing net asset value (£'000)	7,283	7,321	6,130
Closing number of shares	4,011,004	3,980,871	3,738,274
Operating charges ³	0.68%	0.68%	0.63%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	190.21	190.43	165.67
Lowest share price	167.79	165.39	123.85

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 373.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	219.39	195.16	186.80
Return before operating charges*	(0.83)	25.42	9.50
Operating charges (calculated on average price)	(1.46)	(1.19)	(1.14)
Return after operating charges*	(2.29)	24.23	8.36
Distributions	(0.51)	(0.49)	(1.16)
Retained distributions on accumulation shares	0.51	0.49	1.16
Closing net asset value per share	217.10	219.39	195.16
* After direct transaction costs of: ¹	0.00	0.00	0.03

Performance

Return after charges ²	(1.04)%	12.42%	4.48%
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Other Information

Closing net asset value (£'000)	160,502	162,304	154,857
Closing number of shares	73,931,481	73,980,274	79,347,351
Operating charges ³	0.68%	0.68%	0.63%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	226.90	227.17	196.44
Lowest share price	200.15	196.64	146.51

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 373.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	182.65	164.10	158.35
Return before operating charges*	(0.72)	21.18	8.07
Operating charges (calculated on average price)	(2.79)	(2.63)	(2.32)
Return after operating charges*	(3.51)	18.55	5.75
Distributions on income shares	–	–	–
Closing net asset value per share	179.14	182.65	164.10
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(1.92)%	11.30%	3.63%
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Other Information

Closing net asset value (£'000)	11	6	1
Closing number of shares	6,293	3,334	679
Operating charges ³	1.58%	1.58%	1.53%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	188.74	189.19	165.13
Lowest share price	165.82	165.28	123.83

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 373.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	194.49	174.59	168.62
Return before operating charges*	(0.78)	22.67	8.46
Operating charges (calculated on average price)	(3.00)	(2.77)	(2.49)
Return after operating charges*	(3.78)	19.90	5.97
Closing net asset value per share	190.71	194.49	174.59
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(1.94)%	11.40%	3.54%
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Other Information

Closing net asset value (£'000)	2,816	6,808	6,463
Closing number of shares	1,476,595	3,500,234	3,702,013
Operating charges ³	1.58%	1.58%	1.53%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	200.97	201.45	175.75
Lowest share price	176.55	175.90	131.88

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

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7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	153.78	136.92	131.85
Return before operating charges*	(0.59)	17.84	6.70
Operating charges (calculated on average price)	(0.65)	(0.47)	(0.49)
Return after operating charges*	(1.24)	17.37	6.21
Distributions on income shares	(0.74)	(0.51)	(1.14)
Closing net asset value per share	151.80	153.78	136.92
* After direct transaction costs: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(0.81)%	12.69%	4.71%
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Other Information

Closing net asset value (£'000)	2,173	1,701	812
Closing number of shares	1,431,680	1,105,945	593,406
Operating charges ³	0.43%	0.43%	0.38%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	159.08	159.22	138.49
Lowest share price	140.49	138.10	103.50

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 373.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.22 (pence per share)	30.11.21 (pence per share)	30.11.20 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	172.51	153.08	146.16
Return before operating charges*	(0.64)	19.95	7.46
Operating charges (calculated on average price)	(0.73)	(0.52)	(0.54)
Return after operating charges*	(1.37)	19.43	6.92
Distributions	(0.82)	(0.58)	(1.26)
Retained distributions on accumulation shares	0.82	0.58	1.26
Closing net asset value per share	171.14	172.51	153.08
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	(0.79)%	12.69%	4.73%
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Other Information

Closing net asset value (£'000)	24,564	26,949	30,319
Closing number of shares	14,353,322	15,621,286	19,805,714
Operating charges ³	0.43%	0.43%	0.38%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	178.46	178.61	154.08
Lowest share price	157.61	154.24	114.72

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

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7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2022

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.06%	0.06%	0.06%	0.06%
	1.06%	0.56%	1.46%	0.31%
Collective investment scheme costs	0.12%	0.12%	0.12%	0.12%
Ongoing Charges Figure	1.18%	0.68%	1.58%	0.43%

As at 30 November 2021

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.06%	0.06%	0.06%	0.06%
	1.06%	0.56%	1.46%	0.31%
Collective investment scheme costs	0.12%	0.12%	0.12%	0.12%
Ongoing Charges Figure	1.18%	0.68%	1.58%	0.43%

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses and thus excluded from the Ongoing Charges Figures. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP ADVENTUROUS FUND

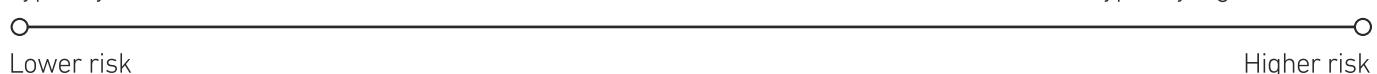
FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards

Typically higher rewards



1

2

3

4

5

6

7

This indicator shows how much a sub-fund has risen and fallen in the past, and therefore how much a sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Sub-fund. The risk and reward profile shown is not guaranteed to remain the same and may change over time.

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2022 was five.

Fund performance to 30 November 2022 (%)

	1 year	3 years	5 years
7IM AAP Adventurous Fund ¹	(1.39)	15.98	22.66

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Accumulation share which includes reinvested income.

Details of the distributions per share for the year are shown in the Distribution Tables on pages 392 to 394.

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	ALTERNATIVES 5.43% (8.44%)¹		
	Alternative Strategies 5.43% (3.25%)¹		
6,164	Dexion Equity Alternative ²	—	—
4,810,000	JP Morgan Structured Products 0.00% 10/09/2024 ³	4,071,940	2.05
3,140,000	JP Morgan Structured Products 0.00% 2025 ³	2,593,095	1.31
4,919,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ³	4,102,374	2.07
		10,767,409	5.43
	Real Estate 0.00% (5.19%)¹		
	DEBT SECURITIES 15.11% (25.62%)¹		
	Global High Yield Bonds 0.00% (5.09%)¹		
	Short Term Sterling Bonds 15.11% (20.53%)¹		
£800,000	Bank of Montreal FRN 2023	800,050	0.40
£2,600,000	Bank of Nova Scotia FRN 2023	2,599,927	1.31
£3,000,000	Barclays Bank UK FRN 2023	3,000,300	1.51
£775,000	Commonwealth Bank of Australia FRN 2025	774,746	0.39
£3,000,000	Leeds Building Society FRN 2025	3,002,460	1.52
£4,000,000	Lloyds Bank FRN 2024	4,008,224	2.02
£4,000,000	National Westminster Bank FRN 2023	4,002,920	2.02
£1,600,000	NRW Bank FRN 2024	1,602,592	0.81
£1,000,000	Oesterreichische 1.125% 2022	999,308	0.50
£1,000,000	Oversea-Chinese Banking FRN 2023	999,526	0.51
£2,000,000	Royal Bank of Canada FRN 2025	1,996,532	1.01
£1,050,000	Skipton Building Society FRN 2023	1,050,367	0.53
£1,200,000	Toronto-Dominion Bank FRN 2023	1,199,952	0.61
£2,700,000	Westpac Banking FRN 2023	2,699,946	1.36
£1,200,000	Yorkshire Building Society FRN 2023	1,202,326	0.61
		29,939,176	15.11
	EQUITY 13.02% (16.07%)¹		
	North America 5.04% (10.78%)¹		
38,083	Berkshire Hathaway	9,988,266	5.04
	United Kingdom 7.98% (5.29%)¹		
11,279	Goldman Sachs International 2024	7,646,347	3.86
4,403	UBS AG London 2024	3,705,764	1.87
52,060	UBS AG London 2027	4,463,957	2.25
		15,816,068	7.98
	FUTURES CONTRACTS 1.29% (-1.87%)¹		
	Germany 0.30% (0.07%)¹		
688	MSCI Europe ex-UK Index Futures December 2022	788,477	0.40
159	MSCI EUX Futures December 2022	(196,913)	(0.10)
		591,564	0.30
	Japan 0.37% (-0.68%)¹		
153	TOPIX Index Futures December 2022	732,350	0.37

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
FUTURES CONTRACTS 1.29% (-1.87%)¹ (continued)			
United Kingdom 0.51% (-0.32%)¹			
558	FTSE 100 Index Futures December 2022	1,187,145	0.60
226	MSCI World Health Care Index Futures December 2022	(175,611)	(0.09)
		1,011,534	0.51
United States 0.11% (-0.94%)¹			
503	MSCI Emerging Markets Index Futures December 2022	220,174	0.11
FORWARD CURRENCY CONTRACTS -0.01% (0.71%)¹			
€2,800,000	Vs £(2,492,730) Expiry 21.04.2023	(61,682)	(0.03)
€16,900,000	Vs £(15,045,411) Expiry 21.04.2023	(372,294)	(0.19)
US\$(15,500,000)	Vs £13,375,075 Expiry 13.01.2023	490,784	0.25
¥3,910,000,000	Vs £(23,809,524) Expiry 26.05.2023	138,920	0.07
US\$42,700,000	Vs £(35,716,825) Expiry 13.01.2023	(222,680)	(0.11)
		(26,952)	(0.01)
COLLECTIVE INVESTMENT SCHEMES 21.75% (9.16%)¹			
Ireland 9.11% (0.00%)			
928,387	Baillie Gifford Worldwide Health Innovation Fund	8,263,481	4.17
282,375	Invesco AT1 Capital Bond UCITS ETF	9,787,117	4.94
		18,050,598	9.11
Luxembourg 3.79% (5.76%)¹			
40,288	BlackRock Strategic Funds - Global Event Driven Fund	4,635,090	2.34
1,901	Candriam Absolute Return Equity Market Neutral	2,867,108	1.45
		7,502,198	3.79
United Kingdom 8.85% (3.40%)¹			
3,685,233	iShares Global Property Securities Index	8,333,415	4.21
6,032,480	Ninety One Funds Series III - Global Environment Fund	9,192,292	4.64
		17,525,707	8.85
Portfolio of investment			
Net other assets ⁴			
Net assets			
		112,118,092	56.59
		86,019,627	43.41
		198,137,719	100.00

All investments are ordinary shares listed on a regulated market unless stated otherwise.

¹Comparative figures shown in brackets relate to 30 November 2021.

²Delisted security.

³Structured product.

⁴Includes shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £25,000,000, shares in the Morgan Stanley Liquidity Funds - Sterling Liquidity Fund to the value of £19,891,461, shares in the Deutsche Global Liquidity Fund to the value of £10,000,000, and shares in the Northern Trust Global Sterling Fund to the value of £15,110,330 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

7IM AAP ADVENTUROUS FUND

PORFOLIO STATEMENT (continued)

as at 30 November 2022

Credit Quality	30.11.22 %	30.11.21 %
Investment grade debt securities	13.80	20.53
Non-rated debt securities	6.74	3.25
Other investments	36.05	34.35
Net other assets	43.41	41.87
	100.00	100.00

7IM AAP ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2022

	Notes		30.11.22		30.11.21
		£	£	£	£
Income					
Net capital (losses)/gains	4		(2,740,116)		23,805,983
Revenue	5	1,598,209		1,386,014	
Expenses	6	(1,102,645)		(1,151,060)	
Interest payable and similar charges	8	(10,834)		(21,167)	
Net revenue before taxation for the year		484,730		213,787	
Taxation	7	(13,804)		(37,270)	
Net revenue after taxation for the year			470,926		176,517
Total return before distributions			(2,269,190)		23,982,500
Distributions	8		(520,957)		(484,840)
Change in net assets attributable to shareholders from investment activities			(2,790,147)		23,497,660

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Opening net assets attributable to shareholders		205,914,092		199,351,249
Amounts received on creation of shares ¹	30,806,360		33,911,139	
Amounts paid on cancellation of shares ¹	(36,287,771)		(51,311,012)	
		(5,481,411)		(17,399,873)
Change in net assets attributable to shareholders from investment activities		(2,790,147)		23,497,660
Retained distribution on accumulation shares		495,185		465,056
Closing net assets attributable to shareholders		198,137,719		205,914,092

¹ Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

The notes on pages 380 to 391 are an integral part of these financial statements.

7IM AAP ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2022

	Notes	30.11.22 £	30.11.21 £
ASSETS			
Fixed assets:			
Investments		113,147,272	124,149,724
Current assets:			
Debtors	9	1,371,666	568,470
Cash and bank balances	10	18,497,548	14,889,916
Cash equivalents	10	70,001,791	74,896,195
Total assets		203,018,277	214,504,305
LIABILITIES			
Investment liabilities		(1,029,180)	(4,460,241)
Creditors:			
Bank overdrafts	10	(3,503,712)	(3,672,794)
Distribution payable		(27,594)	(35)
Other creditors	11	(320,072)	(457,143)
Total liabilities		(4,880,558)	(8,590,213)
Net assets attributable to shareholders		198,137,719	205,914,092

The notes on pages 380 to 391 are an integral part of these financial statements.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2022

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 11.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 13.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 14 to 16.

4 Net capital (losses)/gains

	30.11.22 £	30.11.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	333,933	8,215,420
Derivative contracts	(5,639,366)	18,928,042
Forward currency contracts	2,456,080	(2,812,785)
Currency gains/(losses)	106,341	(511,231)
Transaction charges	(3,673)	(8,274)
CSDR penalty	926	–
AMC rebates from underlying investments	5,643	(5,189)
Net capital (losses)/gains	<u>(2,740,116)</u>	<u>23,805,983</u>

5 Revenue

	30.11.22 £	30.11.21 £
Non-taxable dividends	365,112	896,905
Taxable dividends	753,998	231,644
Unfranked interest	391,940	246,806
AMC rebates from underlying investments	58,339	7,542
Bank interest	28,792	999
Stock lending revenue ¹	28	2,118
Total revenue	<u>1,598,209</u>	<u>1,386,014</u>

¹ Stock lending revenue is disclosed net of the security agent's share of income. On 25 May 2022, the Sub-fund suspended its securities lending programme.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

6 Expenses

	30.11.22 £	30.11.21 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	981,832	1,027,246
Other expenses	4,199	6,363
	<hr/>	<hr/>
	986,031	1,033,609
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	30,621	30,800
Safe custody and other bank charges	13,370	9,288
	<hr/>	<hr/>
	43,991	40,088
Other Expenses:		
Audit fee ¹	12,008	9,695
Dealing and exchange fees	20,930	21,120
FCA and other regulatory fees	161	41
Legal and professional fees	514	1,870
Market data fees	3,604	6,978
Printing, postage and distribution costs	27,337	29,694
Risk analysis fees	8,069	7,965
	<hr/>	<hr/>
Total expenses	72,623	77,363
	<hr/>	<hr/>
	1,102,645	1,151,060

¹The Audit fee is inclusive of 20% VAT and 2.50% support cost.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

7 Taxation

	30.11.22 £	30.11.21 £
a) <i>Analysis of charge for the year</i>		
Overseas tax	(5,258)	13,407
Irrecoverable CIS income tax	19,062	23,863
Current tax charge (note 7b)	<hr/> 13,804	<hr/> 37,270
Total taxation	<hr/> 13,804	<hr/> 37,270
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2021: 20%) for the reasons explained below.		
Net revenue before taxation	484,730	213,787
Corporation tax at 20%	96,946	42,757
Effects of:		
Irrecoverable CIS income tax w/off	19,062	23,863
Non-taxable dividends	(74,423)	(179,725)
Overseas tax	(5,258)	13,407
Tax effect on capital expenses	1,128	–
Unutilised excess management expenses	(23,651)	136,968
Current tax charge (note 7a)	<hr/> 13,804	<hr/> 37,270
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2021: none).		

At the year end, there is a potential deferred tax asset of £206,937 (2021: £230,588) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

8 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	30.11.22 £	30.11.21 £
Interim	–	483,483
Final ³	522,779	35
	<hr/> 522,779	<hr/> 483,518
Add: Revenue deducted on cancellation of shares	1,567	1,589
Deduct: Revenue received on issue of shares	(3,389)	(267)
Net distributions for the year	<hr/> 520,957	<hr/> 484,840
Interest payable and similar charges	10,834	21,167
Total distribution	<hr/> 531,791	<hr/> 506,007

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 392 to 394.

	30.11.22 £	30.11.21 £
Distributions represented by:		
Net revenue after taxation	470,926	176,517
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	1,129	–
Equalisation on conversions ²	(21)	–
Income deficit	48,972	308,258
Net movement in revenue account	(49)	65
Net distributions for the year	<u>520,957</u>	<u>484,840</u>

¹ Please refer to Note 3 Distribution Policy on page 14 for further details.

² Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

³ Distribution payable at the year end of £27,594 (2021: £35) are disclosed in the Balance Sheet on page 379.

9 Debtors

	30.11.22 £	30.11.21 £
Amounts receivable for issue of shares	1,136,914	339,633
Accrued revenue	118,461	123,112
Income tax recoverable	13,117	20,982
AMC rebates from underlying investments	99,200	79,809
Withholding tax recoverable	3,974	4,934
Total debtors	<u>1,371,666</u>	<u>568,470</u>

10 Cash and bank balances

	30.11.22 £	30.11.21 £
Cash and bank balances	13,023,795	3,668,034
Cash held at clearing houses	5,473,753	11,221,882
Cash equivalents ¹	70,001,791	74,896,195
Total cash and bank balances	<u>88,499,339</u>	<u>89,786,111</u>
Bank overdrafts	(3,503,712)	(3,667,235)
Cash overdraft at clearing houses	–	(5,559)
Total bank overdrafts	<u>(3,503,712)</u>	<u>(3,672,794)</u>

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

11 Other Creditors

	30.11.22 £	30.11.21 £
Amounts payable for cancellation of shares	186,592	335,636
Accrued expenses	133,480	121,507
Total other creditors	<u>320,072</u>	<u>457,143</u>

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6. The balance due to the ACD at the year end in respect of management fees was £77,155 (2021: £86,683).

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 378.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Sub-fund and as such is deemed to be a related party. At the balance sheet date, the following shareholder held in excess of 20% of the shares in issue of the Sub-fund:

Pershing Nominees Limited 42.68% (2021: 41.43%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£772,328) (2021: £7,117,297). The distributions paid to Pershing Nominees Limited during the year totalled £35.

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

The Sub-fund has four share classes: 'A', 'C', 'D', and 'S'. The annual management charge on each class are as follows:

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

The following table shows the shares in issue during the year:

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	92,353	234	(10,757)	–	81,830
Class A Accumulation	319,996	1,441	(4,327)	–	317,110
Class C Income	3,980,871	800,801	(770,668)	–	4,011,004
Class C Accumulation	73,980,274	11,671,637	(13,370,838)	1,650,408	73,931,481
Class D Income	3,334	3,947	(988)	–	6,293
Class D Accumulation	3,500,234	98,555	(276,291)	(1,845,903)	1,476,595
Class S Income	1,105,945	932,129	(606,394)	–	1,431,680
Class S Accumulation	15,621,286	1,540,349	(2,777,831)	(30,482)	14,353,322

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2021: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 4 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown on the next page.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2022

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	4,066	—	—	4,066
Euro	263,063	—	17,896,436	18,159,499
Japanese yen	20,022	—	24,680,795	24,700,817
Swedish krona	—	—	33	33
Swiss franc	163,178	—	—	163,178
US dollar	1,415,268	15,231,367	57,054,841	73,701,476
Pound sterling	115,573,610	999,308	59,008,416	175,581,334
	117,439,207	16,230,675	158,640,521	292,310,403

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(4,066)	—	—	(4,066)
Euro	(263,063)	—	—	(263,063)
Japanese yen	(20,004)	—	—	(20,004)
South African rand	(6)	—	—	(6)
Swiss franc	(163,178)	—	—	(163,178)
US dollar	(1,415,268)	—	(13,256,816)	(14,672,084)
Pound sterling	(1,638,127)	—	(77,412,156)	(79,050,283)
	(3,503,712)	—	(90,668,972)	(94,172,684)

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	3,873	—	—	3,873
Euro	259,440	—	16,469,389	16,728,829
Japanese yen	25,014	—	17,333,484	17,358,498
Swedish krona	—	—	35	35
Swiss franc	151,837	—	—	151,837
US dollar	1,274,129	6,683,279	64,535,809	72,493,217
Pound sterling	121,503,743	8,845,676	53,397,908	183,747,327
	123,218,036	15,528,955	151,736,625	290,483,616

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(3,873)	—	—	(3,873)
Euro	(262,124)	—	(48,423)	(310,547)
Japanese yen	(22,088)	—	(1,400,066)	(1,422,154)
Swiss franc	(151,837)	—	—	(151,837)
US dollar	(1,277,004)	—	(9,125,995)	(10,402,999)
Pound sterling	(1,955,869)	—	(70,322,244)	(72,278,113)
	(3,672,795)	—	(80,896,728)	(84,569,523)

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents, index-linked securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalent and collective investment schemes that pay UK interest distributions.

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.22 %	30.11.21 %	30.11.22 Years	30.11.21 Years
Pound sterling	2.73	0.34	—	—
US dollar	(0.36)	(5.56)	2	3

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2022, the weighted average effective duration was 0.19 years (30 November 2021: 0.22 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2022

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	3,794	17,892,642	17,896,436
Japanese yen	18	24,680,795	24,680,813
South African rand	(6)	—	(6)
Swedish krona	33	—	33
US dollar	146	59,029,246	59,029,392
	3,985	101,602,683	101,606,668
Pound sterling	86,015,642	10,515,409	96,531,051
Net assets	86,019,627	112,118,092	198,137,719

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	1,058	16,417,224	16,418,282
Japanese yen	2,926	15,933,418	15,936,344
Swedish krona	35	–	35
US dollar	(2,744)	62,092,962	62,090,218
	1,275	94,443,604	94,444,879
Pound sterling	86,223,334	25,245,879	111,469,213
Net assets	86,224,609	119,689,483	205,914,092

iii. Derivatives

The derivatives held by the Sub-fund during the year were for the purposes of meeting the investment objectives of the Sub-fund and for efficient portfolio management.

The Sub-fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its Financial Derivatives Instruments transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk ('VaR') to measure the Sub-fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Sub-fund's global exposure as set out in the Sub-fund's Risk Management Process.

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notional) under normal market circumstances is expected to be generally in the range of 100% to 230% of the Sub-fund's Net Asset Value and is not expected to exceed 360%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 30 November 2022 was 105%, 175% and 119% respectively (30 November 2021: 27%, 170% and 115% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (MAC303XL) and MSCI Barra Ultra-Short Model (MAC303 51d HL). The former applies an 8 year half-life (exponential weighting) for calculating both volatilities and correlations; the latter applies a 51 day half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = 0.3*VaR(MAC303XL) + 0.7*MAX[VaR(MAC303XL), VaR(MAC303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by MAC303XL and MAC303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The types of derivatives held at the balance sheet date were forward foreign currency contracts, futures contracts and structured products. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	30.11.22 £	30.11.21 £
Futures Contracts		
Eurex Deutschland	788,477	(48,423)
Eurex USA	(196,913)	193,187
London International Financial Futures Exchange	1,011,534	(670,055)
New York Coffee, Sugar & Cocoa	220,174	(1,924,326)
Tokyo Stock Exchange	732,350	(1,400,066)
Forward Currency Contracts		
Northern Trust	(26,952)	1,471,690
Total net exposure¹	2,528,670	(2,377,993)

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the Sub-fund's exposure to that counterparty.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2022

15 Risks Disclosures (continued)

iv. Fair value

Investments are categorised into the following levels based on their fair value measurement:

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

The Sub-fund may have corporate bonds which fall in to this category as despite quoted prices being available, trading can be irregular and there are often significant lengths of time between traded arm's length transactions.

Level 3

Valuation techniques using unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration, liquidation or orderly realisation processes, the ACD may adjust the price to reflect what they consider a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently by the Fair Value Pricing Panel.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2022				
Assets				
Bonds	27,139,192	13,567,393	—	40,706,585
Collective Investment Schemes	43,078,503	—	—	43,078,503
Derivatives	2,928,146	629,704	—	3,557,850
Equities	9,988,266	15,816,068	—	25,804,334
Total	83,134,107	30,013,165	—	113,147,272
Liabilities				
Derivatives	(372,524)	(656,656)	—	(1,029,180)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	1,500,765	47,460,114	—	48,960,879
Collective Investment Schemes	29,414,035	22,500,289	—	51,914,324
Derivatives	338,339	1,743,909	—	2,082,248
Equities	21,192,273	—	—	21,192,273
Total	52,445,412	71,704,312	—	124,149,724
Liabilities				
Derivatives	(4,188,022)	(272,219)	—	(4,460,241)

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 364.

Analysis of direct transaction costs for the year ended 30 November 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	32,605	—	—	—	—	—
Collective Investment Schemes	146,442	—	—	—	—	—
Derivatives	12,070	—	—	—	—	—
Equities	13,427	1	—	1	0.01	—
Total	204,544	1	—	1	0.01	—
Sales						
Bonds	24,974	—	—	—	—	—
Collective Investment Schemes	144,444	—	—	—	—	—
Derivatives	11,085	—	—	—	—	—
Equities	29,649	(1)	—	(1)	—	—
Total	210,152	(1)	—	(1)	—	—
Total as a percentage of the average NAV			0.00%	0.00%	0.00%	

Analysis of direct transaction costs for the year ended 30 November 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	16,437	—	—	—	—	—
Collective Investment Schemes	23,113	—	—	—	—	—
Equities	25,173	1	—	1	—	—
Total	64,723	1	—	1	—	—
Sales						
Bonds	13,295	—	—	—	—	—
Collective Investment Schemes	8,502	—	—	—	—	—
Derivatives	559	—	—	—	—	—
Equities	34,058	—	—	—	—	—
Total	56,414	—	—	—	—	—
Total as a percentage of the average NAV			0.00%	0.00%	0.00%	

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2022

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 2.20% (2021: 0.09%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 216.89p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 7 March 2023 was 225.21p. This represents an increase of 3.84% from the year end value.

7IM AAP ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2022

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2021

Group 2 - Shares purchased on or after 1 December 2021 and on or before 31 May 2022

	Net Revenue	Equalisation	Paid 29.07.22	Paid 30.07.21
Class A Income¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
Class A Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
Class C Income				
Group 1	—	—	—	0.4162
Group 2	—	—	—	0.4162
Class C Accumulation				
Group 1	—	—	—	0.4850
Group 2	—	—	—	0.4850
Class D Income¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
Class D Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
Class S Income				
Group 1	—	—	—	0.5091
Group 2	—	—	—	0.5091

7IM AAP ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Allocated 29.07.22 ¹	Allocated 30.07.21
Class S Accumulation				
Group 1	—	—	—	0.5805
Group 2	—	—	—	0.5805
 Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2022				
Group 2 - Shares purchased on or after 1 June 2022 and on or before 30 November 2022				
	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class A Income¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
 Class A Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
Class C Income				
Group 1	0.4249	—	0.4249	—
Group 2	0.4024	0.0225	0.4249	—
 Class C Accumulation				
Group 1	0.5103	—	0.5103	—
Group 2	0.4730	0.0373	0.5103	—
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22 ¹
Class D Income¹				
Group 1	—	—	—	—
Group 2	—	—	—	—
 Class D Accumulation¹				
Group 1	—	—	—	—
Group 2	—	—	—	—

7IM AAP ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2022

	Net Revenue	Equalisation	Paid 31.01.23	Paid 31.01.22
Class S Income				
Group 1	0.7370	—	0.7370	0.0032
Group 2	0.5879	0.1491	0.7370	0.0032
Class S Accumulation				
Group 1	0.8215	—	0.8215	—
Group 2	0.6588	0.1627	0.8215	—

¹ Expenses exceeded revenue during the period, as a result no distributions were paid and allocated.

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with them distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) - UNAUDITED

The European Regulation on reporting and transparency of securities financing transactions and reuse ('SFTR'), which aims to improve the transparency and monitoring of the financial system, became effective on 13 January 2016. The SFTR applies to the 7IM Opportunity Funds ('the Company') as a UCITS scheme and requires the ACD to comply with a series of obligations. In particular, the ACD is required to provide investors with information on the use of securities financing transactions ('SFT's) and total return swaps ('TRS') by the Company in all interim and annual reports for the Company published from 13 January 2017.

The following details the SFTR activities of the sub-funds during the year ended 30 November 2022 as at the balance sheet date.

Securities Lending

The sub-funds of the Company may engage in securities lending activities. During the year ended 30 November 2022, securities lending was not undertaken and as at the year end, 30 November 2022, no securities were on loan for the following sub-funds.

7IM Cautious Fund
7IM Moderately Cautious Fund
7IM Balanced Fund
7IM Moderately Adventurous Fund
7IM Adventurous Fund
7IM Sustainable Balance Fund
7IM AAP Income Fund
7IM AAP Moderately Cautious Fund
7IM AAP Balanced Fund
7IM AAP Moderately Adventurous Fund
7IM AAP Adventurous Fund

Collateral

The sub-funds of the Company may engage in activities which may require collateral to be provided to a counterparty. As at the year end 30 November 2022, no collateral arrangements were in place in respect of securities lending transactions for the following sub-funds.

7IM Cautious Fund
7IM Moderately Cautious Fund
7IM Balanced Fund
7IM Moderately Adventurous Fund
7IM Adventurous Fund
7IM Sustainable Balance Fund
7IM AAP Income Fund
7IM AAP Moderately Cautious Fund
7IM AAP Balanced Fund
7IM AAP Moderately Adventurous Fund
7IM AAP Adventurous Fund

On 25 May 2022, the sub-funds suspended their securities lending programme.

7IM INVESTMENT FUNDS

GENERAL INFORMATION

Head Office

3rd Floor
55 Bishopsgate
London EC2N 3AS

Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency

The base currency of the Company is Pounds Sterling. Each sub-fund and class is designated in Pounds Sterling.

Share Capital

The minimum share capital of the company is £1 and the maximum is £100,000,000,000.

Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the sub-funds.

Structure of the Company

The Company is structured as an umbrella company in that different sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new sub-fund or class of share, a revised prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The sub-funds which are currently available are:

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

In the future there may be other sub-funds of the Company.

Classes of Shares

The Company has the following active shares classes 'A' Income, 'A' Accumulation, 'B' Income, 'B' Accumulation, 'C' Income, 'C' Accumulation, 'D' Income, 'D' Accumulation, 'S' Income, 'S' Accumulation, 'X' Income and 'X' Accumulation. The Company can issue any share class in accordance with the Prospectus.

Holders of Income shares are entitled to be paid the income attributable to such shares in respect of each annual or interim accounting period, as applicable to the relevant Sub-fund.

Holders of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

Valuation Point

The valuation point of the Company is 12:00pm London time on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

7IM INVESTMENT FUNDS

GENERAL INFORMATION (continued)

Buying and Selling Shares

The dealing office of the ACD is normally open from 9.00am to 5.30pm London time on each business day. The ACD may vary these times at its discretion. Requests to deal in shares may also be made by telephone on each business day (at the ACD's discretion) between 9.00am and 5.30pm London time directly to the office of the ACD (telephone: 0870 870 7431 or such other number as published from time to time). The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

Prices

The prices of all shares are published on the ACD's website: www.7im.co.uk. Alternatively, the prices of all shares may be obtained by calling 0333 300 0354 during the ACD's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on our website, www.7im.co.uk.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Data Protection Act

The ACD may transfer your personal information to countries located outside of the EEA. This may happen when the ACD's servers, suppliers and/or service providers are based outside of the EEA. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA. In these instances, the ACD will take steps to ensure that your privacy rights are respected.

Further information on the circumstances in which we may transfer your personal data and the data protection measures we take are set out in our Privacy Notice.

Risk Warning

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Assessment of Value

For each of its Sub-funds, Seven Investment Management LLP, will publish an Assessment of Value covering the financial year ended 30 November 2022. These statements will be available on Seven Investment Management's website no later than 31 March 2023.

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