

# 7IM OPPORTUNITY FUNDS

Interim unaudited Report and Financial Statements  
for the period ended 30 November 2022

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7IM Real Return Fund  
7IM Select Moderately Cautious Fund  
7IM Select Balanced Fund  
7IM Select Moderately Adventurous Fund  
7IM Select Adventurous Fund  
7IM Pathbuilder 1 Fund  
7IM Pathbuilder 2 Fund  
7IM Pathbuilder 3 Fund  
7IM Pathbuilder 4 Fund





# 7IM OPPORTUNITY FUNDS

## DIRECTORY

### **Authorised Corporate Director ('ACD')**

Seven Investment Management LLP

3rd Floor

55 Bishopsgate

London EC2N 3AS

(Authorised and regulated by the Financial Conduct Authority)

*Address for correspondence:*

Seven Investment Management LLP

Sunderland

SR43 4BG

### **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)

### **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)

50 Bank Street

London

E14 5NT

(principal place of business)

### **Independent Auditor**

BDO LLP

55 Baker Street

London W1U 7EU

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## 7IM OPPORTUNITY FUNDS

### AUTHORISED STATUS

7IM Opportunity Funds ('the Company') is an umbrella investment company with variable capital incorporated in England and Wales under registered number IC000929 and authorised by the Financial Conduct Authority with effect from 29 December 2011. 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 Opportunity Funds has been produced on a going concern basis.

### REMUNERATION DISCLOSURES

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 Company for the financial year ending 31 December 2021, is analysed below:

Fixed Remuneration	£2,343,000
Variable Remuneration	£700,000
<b>Total</b>	<b>£3,043,000</b>
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 thirteen 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
<b>Total</b>	<b>£3,034,000</b>

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 OPPORTUNITY 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 Opportunity Funds

31 January 2023



# 7IM REAL RETURN FUND

## ACD'S REPORT

for the period ended 30 November 2022

### Investment Objective and Policy

The investment objective of 7IM Real Return Fund ('the Sub-fund') is to seek growth in real terms over the medium to longer term. The Sub-fund will aim to provide a total return, net of fees, that exceeds UK inflation (as measured by Consumer Prices Index-All Items) by 2% on average over a rolling three year horizon. Capital invested in the Sub-fund is at risk and there is no guarantee that a positive return will be delivered over any one or a number of rolling three year periods. There may be a moderate risk to capital.

The Sub-fund will have a flexible investment policy, allowing investment in transferable securities, money market instruments, units in collective investment schemes, deposits, cash, near cash, and derivative instruments including forward transactions in accordance with the FCA Rules.

There will be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector and as a consequence, the ACD has the absolute discretion to weight the portfolio towards any investment type or sector, including cash at any time.

The Sub-fund may use derivatives for investment purposes as well as for Efficient Portfolio Management.

### Investment Manager's Report

#### Performance Report

In the reporting period, 1 June 2022 to 30 November 2022, the portfolio delivered a total return of (1.18)%<sup>1</sup>.

#### Investment Background

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

The Sub-fund balances a mix of alternative-like exposures that can deliver an absolute return through a variety of market environments. As such, we split assets into a variety of alternative categories to traditional asset classes. These include alternative risk premia, alternative yield assets, directional assets, real assets and defensive and hedging assets.

We saw varied but largely positive performance across the alternative risk premia basket in the second half of 2022.

<sup>1</sup> Calculated using 7IM Real Return Fund C Acc, published prices. Source: NTRS.

# 7IM REAL RETURN FUND

## ACD'S REPORT (continued)

for the period ended 30 November 2022

### Investment Manager's Report (continued)

Medium term trend following continued to outperform by removing short term noise although has given back some performance amidst a mean reversion. The continuation of trends throughout the year (declining equity and fixed income markets, rising inflation etc) were a good environment for this strategy.

A far shorter term and defensive trend implementation, intraday trend, started the second half flat on the year and has climbed since. More recently, we included an identical implementation on the Nasdaq Index which increases diversification across indices.

Commodities – in particular energy commodities – have fallen from their H1 highs consequently leading to BNP Commodity Carry outperformance. With US Nat Gas inventories high following disruption at an export facility and the macro-economic outlook (Oil), we expect this strategy to strengthen further into 2023.

From an equity point of view, Brook Absolute Return and Fulcrum Equity Dispersion both benefited from the elevated volatility and sector rotation seen this year and throughout H2. Fulcrum explicitly benefited from said volatility capitalising on single stock volatility opportunities versus the index. Brook, a long-short value orientated fund, monetised outperformance being long energy/commodity companies and short overvalued technology (usually US based).

Finally, after a difficult year and dollar strength, FX value – a strategy that monetises currency mean reversion – exhibited strong performance late in the second half including the recent BOJ decision to increase the tolerance on the yield curve control that sparked Yen strength versus the dollar. In a normalisation environment, we expect this strategy to deliver strong returns as currencies revert.

In H2, the specialist credit held in the Sub-fund delivered reasonable performance, given a challenging year for all fixed income markets. Barings Emerging Market Debt and BlueBay have rallied since the September lows by low double digits. The yields on offer remain highly attractive. In H2, we removed exposure to asset backed credit following outperformance and a diminishing investment case.

The real asset basket is slightly down over the second half of the year but has been generally resilient to the inflationary shock seen in 2022. As such, it remains an important sticky inflationary hedge going into 2023 as well as benefitting from stronger economic data being infrastructure focused.

### 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 REAL RETURN FUND

### FUND INFORMATION

The Comparative Tables on pages 9 to 11 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) 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 REAL RETURN FUND

## FUND INFORMATION (continued)

### Comparative Tables

#### Class C Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	156.76	161.67	149.55
Return before operating charges*	(1.19)	(3.31)	13.67
Operating charges (calculated on average price)	(0.74)	(1.60)	(1.55)
Return after operating charges*	(1.93)	(4.91)	12.12
Distributions	(1.78)	(1.70)	(1.73)
Retained distributions on accumulation shares	1.78	1.70	1.73
Closing net asset value per share	154.83	156.76	161.67
* After direct transaction costs of: <sup>1</sup>	0.01	0.03	0.01

### Performance

Return after charges <sup>2</sup>	(1.23)%	(3.04)%	8.10%
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### Other Information

Closing net asset value (£'000)	70,788	76,244	67,182
Closing number of shares	45,719,675	48,637,309	41,555,739
Operating charges <sup>3</sup>	0.96%	1.00%	0.99%
Direct transaction costs	0.01%	0.02%	0.01%

### Prices

Highest share price	158.22	162.27	161.64
Lowest share price	149.27	155.96	150.20

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 12.

# 7IM REAL RETURN FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class D Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	164.90	169.59	156.44
Return before operating charges*	(1.31)	(3.60)	14.20
Operating charges (calculated on average price)	(0.49)	(1.09)	(1.05)
Return after operating charges*	(1.80)	(4.69)	13.15
Distributions	(2.10)	(2.24)	(2.27)
Retained distributions on accumulation shares	2.10	2.24	2.27
Closing net asset value per share	163.10	164.90	169.59
* After direct transaction costs of: <sup>1</sup>	0.01	0.03	0.01

#### Performance

Return after charges <sup>2</sup>	(1.09)%	(2.77)%	8.41%
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#### Other Information

Closing net asset value (£'000)	238	262	349
Closing number of shares	145,893	158,833	205,561
Operating charges <sup>3</sup>	0.61%	0.65%	0.64%
Direct transaction costs	0.01%	0.02%	0.01%

#### Prices

Highest share price	166.46	170.23	169.54
Lowest share price	157.17	163.95	157.12

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 12.

# 7IM REAL RETURN FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class S Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	132.09	136.11	125.82
Return before operating charges*	(1.01)	(2.81)	11.46
Operating charges (calculated on average price)	(0.56)	(1.21)	(1.17)
Return after operating charges*	(1.57)	(4.02)	10.29
Distributions	(1.55)	(1.53)	(1.56)
Retained distributions on accumulation shares	1.55	1.53	1.56
Closing net asset value per share	130.52	132.09	136.11
* After direct transaction costs of: <sup>1</sup>	0.01	0.03	0.01

#### Performance

Return after charges <sup>2</sup>	(1.19)%	(2.95)%	8.18%
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#### Other Information

Closing net asset value (£'000)	6,211	6,355	6,907
Closing number of shares	4,759,024	4,811,405	5,074,571
Operating charges <sup>3</sup>	0.86%	0.90%	0.89%
Direct transaction costs	0.01%	0.02%	0.01%

#### Prices

Highest share price	133.33	136.63	136.09
Lowest share price	125.81	131.39	126.36

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 12.

## 7IM REAL RETURN FUND

### FUND INFORMATION (continued)

#### Ongoing Charges Figures

As at 30 November 2022

	<b>Class C</b>	<b>Class D</b>	<b>Class S</b>
ACD's periodic charge	0.60%	0.25%	0.50%
Other expenses	0.00%	0.00%	0.00%
	0.60%	0.25%	0.50%
Collective investment scheme costs	0.36%	0.36%	0.36%
Ongoing Charges Figure	0.96%	0.61%	0.86%

As at 31 May 2022

	<b>Class C</b>	<b>Class D</b>	<b>Class S</b>
ACD's periodic charge	0.60%	0.25%	0.50%
Other expenses	0.00%	0.00%	0.00%
	0.60%	0.25%	0.50%
Collective investment scheme costs	0.40%	0.40%	0.40%
Ongoing Charges Figure	1.00%	0.65%	0.90%

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 period.

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 REAL RETURN FUND

## FUND INFORMATION (continued)

### Synthetic Risk and Reward Indicator

#### Synthetic Risk and Reward Indicator



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 interim report and financial statements, the risk and reward indicator as at the period end date 30 November 2022 was three.

#### Fund performance to 30 November 2022 (%)

	6 Months	1 year	3 years	5 years
7IM Real Return Fund <sup>1</sup>	(1.18)	(2.85)	0.59	2.05

<sup>1</sup> 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 page 19.



# 7IM REAL RETURN FUND

## PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>ALTERNATIVES 67.33% (60.49%)<sup>1</sup></b>		
	<b>Alternative Strategies 52.76% (48.03%)<sup>1</sup></b>		
64,812	AQR Managed Futures UCITS Fund 'G' <sup>2</sup>	6,227,082	8.06
53,885	BlackRock Strategic Funds - Global Event Driven Fund <sup>2</sup>	6,199,478	8.03
5,679,000	BNP Paribas Issuance 0.00% 2024 <sup>3</sup>	5,181,124	6.71
54,946	Fulcrum Equity Dispersion Fund <sup>2</sup>	6,683,736	8.65
5,910,000	JP Morgan Structured Products 0.00% 2024 <sup>3</sup>	4,695,623	6.08
929,484	LF Brook Absolute Return Fund Sterling <sup>2</sup>	4,705,046	6.09
1	NN (L) Multi Asset Factor Opportunities 'I' <sup>2</sup>	4,462	0.01
4,232,000	SG Defensive Short Term Equity Strategy 0.00% 2023 <sup>3</sup>	3,529,427	4.57
4,235,000	SG Issuer 0.00% 2025 <sup>3</sup>	3,525,934	4.56
		<b>40,751,912</b>	<b>52.76</b>
	<b>Commodities 5.53% (5.93%)<sup>1</sup></b>		
30,146	Source Physical Gold P-ETC <sup>2</sup>	<b>4,272,795</b>	<b>5.53</b>
	<b>Infrastructure 9.04% (6.53%)<sup>1</sup></b>		
361,546	3i Infrastructure <sup>2</sup>	1,173,217	1.52
759,294	Greencoat UK Winds	1,161,720	1.50
719,086	HICL Infrastructure	1,172,110	1.52
777,493	International Public Partnerships	1,164,685	1.51
884,693	Renewables Infrastructure	1,157,178	1.50
1,316,567	Sequoia Economic Infrastructure Income	1,151,996	1.49
		<b>6,980,906</b>	<b>9.04</b>
	<b>DEBT SECURITIES 17.57% (37.78%)<sup>1</sup></b>		
	<b>Emerging Market Bonds 0.02% (5.71%)<sup>1</sup></b>		
162	Barings Emerging Markets Debt Blended Total Return <sup>2</sup>	<b>16,336</b>	<b>0.02</b>
	<b>Global Corporate Bonds 0.01% (9.38%)<sup>1</sup></b>		
23	Angel Oak Multi-Strategy Income UCITS Fund <sup>2</sup>	<b>2,349</b>	<b>0.01</b>
	<b>Global High Yield Bonds 9.48% (9.52%)<sup>1</sup></b>		
1,602,318	Axiom European Financial Debt <sup>2</sup>	1,281,854	1.66
62,922	BlueBay Financial Capital Bond <sup>2</sup>	6,042,401	7.82
		<b>7,324,255</b>	<b>9.48</b>
	<b>Global Inflation Linked Bonds 0.00% (6.50%)<sup>1</sup></b>		
	<b>Sterling Corporate Bonds 8.06% (6.67%)<sup>1</sup></b>		
6,373,064	MI TwentyFour - Monument Bond Fund <sup>2</sup>	<b>6,226,668</b>	<b>8.06</b>
	<b>EQUITY 0.00% (0.15%)<sup>1</sup></b>		
	<b>North America 0.00% (0.15%)<sup>1</sup></b>		

## 7IM REAL RETURN FUND

### PORTFOLIO STATEMENT (continued) as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>FORWARD CURRENCY CONTRACTS -0.36% (-4.23%)<sup>1</sup></b>		
€330,000	Vs £(293,786) Expiry 21.04.2023	(7,270)	(0.01)
US\$(3,525,935)	Vs £3,515,506 Expiry 07.12.2022	10,429	0.01
US\$(57,852,000)	Vs £48,390,861 Expiry 13.01.2023	301,697	0.39
¥789,500,000	Vs £(4,807,575) Expiry 26.05.2023	28,050	0.04
US\$4,200,000	Vs £(3,633,312) Expiry 13.01.2023	(142,085)	(0.18)
US\$7,900,000	Vs £(7,033,645) Expiry 13.01.2023	(466,812)	(0.61)
		<b>(275,991)</b>	<b>(0.36)</b>
	<b>Portfolio of investment</b>	<b>65,299,230</b>	<b>84.54</b>
	Net other assets	11,937,738	15.46
	<b>Net assets</b>	<b>77,236,968</b>	<b>100.00</b>

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

<sup>1</sup> Comparative figures shown in brackets relate to 31 May 2022.

<sup>2</sup> Collective investment scheme.

<sup>3</sup> Structured product.

Credit Quality	30.11.22 %	31.05.22 %
Investment grade debt securities	—	6.50
Non-rated debt securities	21.92	20.29
Other investments	62.62	67.40
Net other assets	15.46	5.81
	<b>100.00</b>	<b>100.00</b>

## 7IM REAL RETURN FUND

### STATEMENT OF TOTAL RETURN

for the period ended 30 November 2022

	£	30.11.22 £	£	30.11.21 £
Income				
Net capital losses		(1,845,944)		(1,881,065)
Revenue	1,336,584		1,064,469	
Expenses	(245,103)		(277,231)	
Interest payable and similar charges	(1,240)		(246)	
Net revenue before taxation for the period	1,090,241		786,992	
Taxation	(180,675)		(132,254)	
Net revenue after taxation for the period		909,566		654,738
<b>Total return before distributions</b>		(936,378)		(1,226,327)
Distributions		(910,685)		(656,919)
<b>Change in net assets attributable to shareholders from investment activities</b>		(1,847,063)		(1,883,246)

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 November 2022

	£	30.11.22 £	£	30.11.21 £
<b>Opening net assets attributable to shareholders</b>		82,860,727		74,437,715
Amounts received on creation of shares <sup>1</sup>	14,744,128		41,974,256	
Amounts receivable on in-specie transactions	–		28,261,610	
Amounts paid on cancellation of shares <sup>1</sup>	(19,411,078)		(20,773,404)	
Amounts payable on in-specie transactions	–		(28,261,610)	
		(4,666,950)		21,200,852
Change in net assets attributable to shareholders from investment activities		(1,847,063)		(1,883,246)
Retained distribution on accumulation shares		890,254		648,370
<b>Closing net assets attributable to shareholders</b>		77,236,968		94,403,691

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

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

# 7IM REAL RETURN FUND

## BALANCE SHEET

as at 30 November 2022

	30.11.22 £	31.05.22 £
<strong>ASSETS</strong>		
Fixed assets:		
Investments	65,915,397	81,763,177
Current assets:		
Debtors	7,770,316	1,873,719
Cash and bank balances	11,864,886	4,796,144
<strong>Total assets</strong>	<strong>85,550,599</strong>	<strong>88,433,040</strong>
<strong>LIABILITIES</strong>		
Investment liabilities	(616,167)	(3,719,115)
Creditors:		
Bank overdrafts	(668,943)	(1,286,786)
Other creditors	(7,028,521)	(566,412)
<strong>Total liabilities</strong>	<strong>(8,313,631)</strong>	<strong>(5,572,313)</strong>
<strong>Net assets attributable to shareholders</strong>	<strong>77,236,968</strong>	<strong>82,860,727</strong>

## 7IM REAL RETURN FUND

### NOTE TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2022

#### **Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2022 and are described in those financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017, the Collective Investment Schemes Sourcebook ("the COLL Rules") and the Instrument of Incorporation.

# 7IM REAL RETURN FUND

## DISTRIBUTION TABLES

for the period ended 30 November 2022

### 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 30 November 2022

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class C Accumulation</b>				
Group 1	1.7790	—	1.7790	1.0903
Group 2	1.2721	0.5069	1.7790	1.0903

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class D Accumulation</b>				
Group 1	2.1007	—	2.1007	1.3698
Group 2	2.1007	—	2.1007	1.3698

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class S Accumulation</b>				
Group 1	1.5515	—	1.5515	0.9651
Group 2	1.1171	0.4344	1.5515	0.9651

### 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 SELECT MODERATELY CAUTIOUS FUND

## ACD'S REPORT

for the period ended 30 November 2022

### Investment Objective and Policy

The 7IM Select Moderately Cautious Fund (the 'Sub-fund') aims to provide a return made up of income with some capital growth over the medium to longer term (5 years or more).

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), other transferable securities such as government and corporate bonds, warrants, structured products and also money market funds and money market instruments used for liquidity management as cover for investment in futures contracts.

Up to 20% of the Sub-fund will usually 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. The Sub-fund's underlying investments will be more focused on income generating assets including government and corporate bonds but there will also 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, 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 period, 1 June 2022 to 30 November 2022, the portfolio delivered a total return of (2.67)%<sup>1</sup>.

#### Investment Background

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 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 policy. In November, China loosened rules and markets responded very positively.

<sup>1</sup> Calculated using 7IM Select Moderately Cautious Fund C Acc shares, published prices. Source: NTRS

## 7IM SELECT MODERATELY CAUTIOUS FUND

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

### **Investment Manager's Report** (continued)

#### **Portfolio Review**

In June 2022, we moved our duration exposure from negative 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.

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 SELECT MODERATELY CAUTIOUS FUND

### FUND INFORMATION

The Comparative Tables on pages 23 to 26 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) 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 SELECT MODERATELY CAUTIOUS FUND

## FUND INFORMATION (continued)

### Comparative Tables

#### Class C Income

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	99.81	106.91	97.86
Return before operating charges*	(2.08)	(4.50)	11.03
Operating charges (calculated on average price)	(0.62)	(1.38)	(1.37)
Return after operating charges*	(2.70)	(5.88)	9.66
Distributions on income shares	(1.10)	(1.22)	(0.61)
Closing net asset value per share	96.01	99.81	106.91
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	(2.71)%	(5.50)%	9.87%
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#### Other Information

Closing net asset value (£'000)	4,056	4,282	4,879
Closing number of shares	4,224,424	4,290,772	4,563,407
Operating charges <sup>3</sup>	1.28%	1.31%	1.33%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	99.86	108.48	107.23
Lowest share price	92.70	98.34	97.85

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 27.

# 7IM SELECT MODERATELY CAUTIOUS FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class C Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	102.11	108.13	98.40
Return before operating charges*	(2.13)	(4.62)	11.11
Operating charges (calculated on average price)	(0.63)	(1.40)	(1.38)
Return after operating charges*	(2.76)	(6.02)	9.73
Distributions	(1.12)	(1.23)	(0.62)
Retained distributions on accumulation shares	1.12	1.23	0.62
Closing net asset value per share	99.35	102.11	108.13
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	(2.70)%	(5.57)%	9.89%
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#### Other Information

Closing net asset value (£'000)	33,748	37,737	36,047
Closing number of shares	33,968,151	36,956,154	33,336,952
Operating charges <sup>3</sup>	1.28%	1.31%	1.33%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	102.16	109.72	108.35
Lowest share price	94.85	100.49	98.37

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 27.

# 7IM SELECT MODERATELY CAUTIOUS FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class S Income

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	100.82	107.30	98.05
Return before operating charges*	(2.02)	(3.86)	11.19
Operating charges (calculated on average price)	(0.50)	(1.12)	(1.11)
Return after operating charges*	(2.52)	(4.98)	10.08
Distributions on income shares	(1.18)	(1.50)	(0.83)
Closing net asset value per share	97.12	100.82	107.30
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	(2.50)%	(4.64)%	10.28%
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#### Other Information

Closing net asset value (£'000)	—	—	—
Closing number of shares	108	108	108
Operating charges <sup>3</sup>	1.03%	1.06%	1.08%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	100.76	109.20	107.70
Lowest share price	93.78	99.33	98.00

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 27.

# 7IM SELECT MODERATELY CAUTIOUS FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class S Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	102.83	108.62	98.61
Return before operating charges*	(2.17)	(4.65)	11.14
Operating charges (calculated on average price)	(0.51)	(1.14)	(1.13)
Return after operating charges*	(2.68)	(5.79)	10.01
Distributions	(1.14)	(1.28)	(0.61)
Retained distributions on accumulation shares	1.14	1.28	0.61
Closing net asset value per share	100.15	102.83	108.62
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	(2.61)%	(5.33)%	10.15%
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#### Other Information

Closing net asset value (£'000)	12,714	4,008	4,517
Closing number of shares	12,694,977	3,897,688	4,158,139
Operating charges <sup>3</sup>	1.03%	1.06%	1.08%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	102.88	110.29	108.83
Lowest share price	95.58	101.18	98.58

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 27.

## 7IM SELECT MODERATELY CAUTIOUS FUND

### FUND INFORMATION (continued)

#### Ongoing Charges Figures

As at 30 November 2022

	<b>Class C</b>	<b>Class S</b>
ACD's periodic charge	0.75%	0.50%
Other expenses	0.14%	0.14%
	<hr/> 0.89%	<hr/> 0.64%
Collective investment scheme costs	0.39%	0.39%
Ongoing Charges Figure	<hr/> 1.28%	<hr/> 1.03%

As at 31 May 2022

	<b>Class C</b>	<b>Class S</b>
ACD's periodic charge	0.75%	0.50%
Other expenses	0.15%	0.15%
	<hr/> 0.90%	<hr/> 0.65%
Collective investment scheme costs	0.41%	0.41%
Ongoing Charges Figure	<hr/> 1.31%	<hr/> 1.06%

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 period.

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 May 25, 2022, the Sub-fund suspended its securities lending programme.

# 7IM SELECT MODERATELY CAUTIOUS FUND

## FUND INFORMATION (continued)

### Synthetic Risk and Reward Indicator

#### Synthetic Risk and Reward Indicator



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 interim report and financial statements, the risk and reward indicator as at the period end date 30 November 2022 was four.

#### Fund performance to 30 November 2022 (%)

	6 months	1 year	3 years	Since Launch
7IM Select Moderately Cautious Fund <sup>1</sup>	2.67	(7.59)	(0.46)	(0.62)

<sup>1</sup> 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 page 34.

# 7IM SELECT MODERATELY CAUTIOUS FUND

## PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>ALTERNATIVES 23.31% (23.05%)<sup>1</sup></b>		
	<b>Alternative Strategies 20.33% (20.69%)<sup>1</sup></b>		
7,999	AQR - Managed Futures UCITS Fund <sup>2</sup>	932,831	1.85
15,221	BlackRock Strategic Funds - Global Event Driven Fund <sup>2</sup>	1,751,186	3.46
729	Candriam Absolute Return Equity Market Neutral <sup>2</sup>	1,099,058	2.18
809,514	Fidelity Investment Funds ICVC - UK Select Fund <sup>2</sup>	873,466	1.73
11,769	Fulcrum Equity Dispersion Fund <sup>2</sup>	1,431,623	2.83
1,410,000	JP Morgan Structured Products 0.0% 10/09/2024 <sup>3</sup>	1,193,646	2.36
203,098	LF Brook Absolute Return Fund Sterling <sup>2</sup>	1,028,081	2.04
1,903,666	Schroder Prime UK Equity Fund <sup>2</sup>	1,001,138	1.98
1,148,000	SG Defensive Short Term Equity Strategy 0.00% 2023 <sup>3</sup>	957,415	1.90
		<b>10,268,444</b>	<b>20.33</b>
	<b>Real Estate 2.98% (2.36%)<sup>1</sup></b>		
665,185	iShares Global Property Securities Index <sup>2</sup>	<b>1,504,183</b>	<b>2.98</b>
	<b>DEBT SECURITIES 44.50% (44.38%)<sup>1</sup></b>		
	<b>Emerging Market Bonds 5.80% (6.42%)<sup>1</sup></b>		
29,050	Barings Emerging Markets Debt Blended Total Return <sup>2</sup>	<b>2,926,752</b>	<b>5.80</b>
	<b>Global Corporate Bonds 20.64% (14.87%)<sup>1</sup></b>		
27,246	PFS TwentyFour Dynamic Bond <sup>2</sup>	2,527,383	5.00
75,522	Robeco Global Credits Acc <sup>2</sup>	7,899,553	15.64
		<b>10,426,936</b>	<b>20.64</b>
	<b>Global Government Bonds 5.41% (10.24%)<sup>1</sup></b>		
350,947	HSBC Global Funds ICAV - Global Government Bond Index Fund <sup>2</sup>	<b>2,735,172</b>	<b>5.41</b>
	<b>Global High Yield Bonds 10.15% (9.74%)<sup>1</sup></b>		
53,404	BlueBay Financial Capital Bond <sup>2</sup>	<b>5,128,347</b>	<b>10.15</b>
	<b>Global Inflation Linked Bonds 2.50% (3.11%)<sup>1</sup></b>		
109,479	iShares Global Inflation-Linked Bond Index <sup>2</sup>	<b>1,262,142</b>	<b>2.50</b>
	<b>EQUITY 24.51% (28.81%)<sup>1</sup></b>		
	<b>Asia &amp; Emerging Markets 3.14% (6.25%)<sup>1</sup></b>		
3,882	RWC Global Emerging Markets <sup>2</sup>	790,221	1.56
32,306	Schroder ISF Asian Opportunities <sup>2</sup>	797,652	1.58
		<b>1,587,873</b>	<b>3.14</b>
	<b>Europe (ex UK) 3.02% (2.61%)<sup>1</sup></b>		
546,667	LF Lightman European Fund I Accumulation <sup>2</sup>	769,706	1.52
287,735	Premier Miton European Opportunities <sup>2</sup>	759,044	1.50
		<b>1,528,750</b>	<b>3.02</b>
	<b>Japan 3.01% (2.89%)<sup>1</sup></b>		
77,778	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund <sup>2</sup>	765,659	1.52



## 7IM SELECT MODERATELY CAUTIOUS FUND

### PORTFOLIO STATEMENT (continued) as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
<b>Japan (continued)</b>			
74,436	T. Rowe Price Funds OEIC Japanese Equity <sup>2</sup>	752,762	1.49
		<b>1,518,421</b>	<b>3.01</b>
<b>North America 4.86% (7.00%)<sup>1</sup></b>			
9,582	AB SICAV I - International Health Care Portfolio <sup>2</sup>	1,462,418	2.89
3,887	Berkshire Hathaway	1,019,468	2.02
14	US Ultra CBT Futures March 2023 <sup>4</sup>	(27,774)	(0.05)
		<b>2,454,112</b>	<b>4.86</b>
<b>United Kingdom 10.48% (10.06%)<sup>1</sup></b>			
2,710	Goldman Sachs International 2024	1,837,184	3.64
384,905	Man GLG Income Fund <sup>2</sup>	1,255,946	2.49
661,272	Ninety One Funds Series III - Global Environment Fund <sup>2</sup>	1,007,646	1.99
13,940	UBS AG London 2027	1,195,304	2.36
		<b>5,296,080</b>	<b>10.48</b>
<b>FORWARD CURRENCY CONTRACTS -0.22% (-2.29%)<sup>1</sup></b>			
€888,243	Vs £(790,769) Expiry 21.04.2023	(19,567)	(0.04)
€(370,295)	Vs £329,659 Expiry 21.04.2023	8,157	0.02
¥(36,849,999)	Vs £224,394 Expiry 26.05.2023	(1,309)	—
US\$(12,268,000)	Vs £10,261,686 Expiry 13.01.2023	63,977	0.13
¥150,000,001	Vs £(913,409) Expiry 26.05.2023	5,329	0.01
US\$2,210,071	Vs £(1,907,088) Expiry 13.01.2023	(69,978)	(0.14)
US\$1,620,000	Vs £(1,443,960) Expiry 13.01.2023	(97,343)	(0.20)
		<b>(110,734)</b>	<b>(0.22)</b>
<b>Portfolio of investment</b>		<b>46,526,478</b>	<b>92.10</b>
Net other assets		3,992,182	7.90
<b>Net assets</b>		<b>50,518,660</b>	<b>100.00</b>

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

<sup>1</sup> Comparative figures shown in brackets relate to 31 May 2022.

<sup>2</sup> Collective investment scheme.

<sup>3</sup> Structured product.

<sup>4</sup> Derivative contract.

Credit Quality	30.11.22 %	31.05.22 %
Investment grade debt securities	—	—
Non-rated debt securities	4.26	6.69
Other investments	87.84	87.26
Net other assets	7.90	6.05
	<b>100.00</b>	<b>100.00</b>

## 7IM SELECT MODERATELY CAUTIOUS FUND

### STATEMENT OF TOTAL RETURN

for the period ended 30 November 2022

	£	30.11.22 £	£	30.11.21 £
Income				
Net capital losses		(1,590,307)		(611,399)
Revenue	674,661		590,375	
Expenses	(194,818)		(201,147)	
Interest payable and similar charges	(455)		(144)	
Net revenue before taxation for the period	479,388		389,084	
Taxation	(81,184)		(36,233)	
Net revenue after taxation for the period		398,204		352,851
<b>Total return before distributions</b>		(1,192,103)		(258,548)
Distributions		(531,661)		(492,252)
<b>Change in net assets attributable to shareholders from investment activities</b>		(1,723,764)		(750,800)

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 November 2022

	£	30.11.22 £	£	30.11.21 £
<b>Opening net assets attributable to shareholders</b>		46,027,093		45,443,033
Amounts received on creation of shares <sup>1</sup>	9,221,554		5,939,887	
Amounts paid on cancellation of shares <sup>1</sup>	(3,530,782)		(2,693,924)	
		5,690,772		3,245,963
Change in net assets attributable to shareholders from investment activities		(1,723,764)		(750,800)
Retained distribution on accumulation shares		524,559		451,264
<b>Closing net assets attributable to shareholders</b>		50,518,660		48,389,460

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

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

# 7IM SELECT MODERATELY CAUTIOUS FUND

## BALANCE SHEET

as at 30 November 2022

	30.11.22 £	31.05.22 £
<b>ASSETS</b>		
Fixed assets:		
Investments	46,742,450	44,387,702
Current assets:		
Debtors	294,163	190,147
Cash and bank balances	4,246,180	2,671,775
<b>Total assets</b>	51,282,793	47,249,624
<b>LIABILITIES</b>		
Investment liabilities	(215,972)	(1,146,951)
Creditors:		
Bank overdrafts	(178,757)	(15,246)
Distribution payable	(46,339)	(5,051)
Other creditors	(323,065)	(55,283)
<b>Total liabilities</b>	(764,133)	(1,222,531)
<b>Net assets attributable to shareholders</b>	50,518,660	46,027,093

## 7IM SELECT MODERATELY CAUTIOUS FUND

### NOTE TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2022

#### **Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2022 and are described in those financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017, the Collective Investment Schemes Sourcebook ("the COLL Rules") and the Instrument of Incorporation.

## 7IM SELECT MODERATELY CAUTIOUS FUND

### DISTRIBUTION TABLES

for the period ended 30 November 2021

#### 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 30 November 2022

	Net Revenue	Equalisation	Payable 31.01.23	Paid 31.01.22
<b>Class C Income</b>				
Group 1	1.0969	—	1.0969	1.0973
Group 2	1.0922	0.0047	1.0969	1.0973

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class C Accumulation</b>				
Group 1	1.1187	—	1.1187	1.1110
Group 2	0.4554	0.6633	1.1187	1.1110

	Net Revenue	Equalisation	Payable 31.01.23	Paid 31.01.22
<b>Class S Income</b>				
Group 1	1.1839	—	1.1839	1.2394
Group 2	1.1839	—	1.1839	1.2394

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class S Accumulation</b>				
Group 1	1.1387	—	1.1387	1.1259
Group 2	1.1387	—	1.1387	1.1259

#### 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 SELECT BALANCED FUND

## ACD'S REPORT

for the period ended 30 November 2022

### Investment Objective and Policy

The 7IM Select Balanced Fund (the 'Sub-fund') aims to provide a balance of income and capital growth over the medium to longer term (5 years or more).

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), other transferable securities such as government and corporate bonds, warrants and structured products and also money market funds and money market instruments used for liquidity management as cover for investment in futures contracts.

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.

The Sub-Fund's underlying investments will comprise a mix of assets with scope for capital growth such as equities and income generating assets including government and corporate bonds. 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, 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 period, 1 June 2022 to 30 November 2022, the portfolio delivered a total return of (0.94)%<sup>1</sup>.

#### Investment Background

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.

<sup>1</sup> Calculated using 7IM Select Balanced Fund C Acc, published prices. Source: NTRS.

# 7IM SELECT BALANCED FUND

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

### Investment Manager's Report (continued)

#### Portfolio Review

In June 2022, we moved our duration exposure from negative 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.

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 SELECT BALANCED FUND

### FUND INFORMATION

The Comparative Tables on pages 38 to 41 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) 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 SELECT BALANCED FUND

## FUND INFORMATION (continued)

### Comparative Tables

#### Class C Income

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	105.53	110.93	97.88
Return before operating charges*	(0.28)	(3.03)	14.89
Operating charges (calculated on average price)	(0.62)	(1.38)	(1.34)
Return after operating charges*	(0.90)	(4.41)	13.55
Distributions on income shares	(1.15)	(0.99)	(0.50)
Closing net asset value per share	103.48	105.53	110.93
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	(0.85)%	(3.98)%	13.84%
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#### Other Information

Closing net asset value (£'000)	10,699	10,951	9,174
Closing number of shares	10,338,685	10,377,060	8,269,907
Operating charges <sup>3</sup>	1.20%	1.26%	1.28%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	106.22	113.65	111.46
Lowest share price	99.03	103.05	97.74

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 42.

# 7IM SELECT BALANCED FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class C Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	107.32	111.81	98.19
Return before operating charges*	(0.28)	(3.09)	14.97
Operating charges (calculated on average price)	(0.63)	(1.40)	(1.35)
Return after operating charges*	(0.91)	(4.49)	13.62
Distributions	(1.17)	(1.00)	(0.49)
Retained distributions on accumulation shares	1.17	1.00	0.49
Closing net asset value per share	106.41	107.32	111.81
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	(0.85)%	(4.02)%	13.87%
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#### Other Information

Closing net asset value (£'000)	176,890	173,307	171,087
Closing number of shares	166,238,714	161,486,660	153,017,957
Operating charges <sup>3</sup>	1.20%	1.26%	1.28%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	108.02	114.55	112.30
Lowest share price	100.71	104.76	98.05

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 42.

# 7IM SELECT BALANCED FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class S Income

	30.11.22 <sup>1</sup> (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	–	111.25	97.99
Return before operating charges*	–	(109.44)	14.93
Operating charges (calculated on average price)	–	(0.78)	(1.07)
Return after operating charges*	–	(110.22)	13.86
Distributions on income shares	–	(1.03)	(0.60)
Last quoted share price	–	110.53	–
Closing net asset value per share	–	–	111.25
* After direct transaction costs of: <sup>2</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>3</sup>	–	(99.07)%	14.14%
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#### Other Information

Closing net asset value (£'000)	–	–	526
Closing number of shares	–	–	473,309
Operating charges <sup>4</sup>	–	1.01%	1.03%
Performance fees	–	–	–
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	–	114.08	111.78
Lowest share price	–	103.47	97.86

<sup>1</sup> Share class became inactive 30 March 2022.

<sup>2</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>4</sup> 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 42.

# 7IM SELECT BALANCED FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class S Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	108.08	112.32	98.40
Return before operating charges*	(0.31)	(3.11)	15.01
Operating charges (calculated on average price)	(0.50)	(1.13)	(1.09)
Return after operating charges*	(0.81)	(4.24)	13.92
Distributions	(1.23)	(1.17)	(0.63)
Retained distributions on accumulation shares	1.23	1.17	0.63
Closing net asset value per share	107.27	108.08	112.32
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	(0.75)%	(3.77)%	14.15%
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#### Other Information

Closing net asset value (£'000)	19,166	25,114	22,234
Closing number of shares	17,866,824	23,235,598	19,794,820
Operating charges <sup>3</sup>	0.95%	1.01%	1.03%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	108.84	115.19	112.80
Lowest share price	101.51	105.45	98.26

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 42.

## 7IM SELECT BALANCED FUND

### FUND INFORMATION (continued)

#### Ongoing Charges Figures

As at 30 November 2022

	<b>Class C</b>	<b>Class S</b>
ACD's periodic charge	0.75%	0.50%
Other expenses	0.04%	0.04%
	<hr/>	<hr/>
	0.79%	0.54%
Collective investment scheme costs	0.41%	0.41%
Ongoing Charges Figure	<hr/>	<hr/>
	1.20%	0.95%

As at 31 May 2022

	<b>Class C</b>	<b>Class S</b>
ACD's periodic charge	0.75%	0.50%
Other expenses	0.05%	0.05%
	<hr/>	<hr/>
	0.80%	0.55%
Collective investment scheme costs	0.46%	0.46%
Ongoing Charges Figure	<hr/>	<hr/>
	1.26%	1.01%

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 period.

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 SELECT BALANCED FUND

## FUND INFORMATION (continued)

### Synthetic Risk and Reward Indicator

#### Synthetic Risk and Reward Indicator



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 interim report and financial statements, the risk and reward indicator as at the period end date 30 November 2022 was four.

#### Fund performance to 30 November 2022 (%)

	6 months	1 year	3 years	Since Launch
7IM Select Balanced Fund <sup>1, 2</sup>	(0.94)	(4.93)	6.98	6.35

<sup>1</sup> Source: Bloomberg.

<sup>2</sup> The Sub-fund launched on 12 July 2019.

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 page 49.

# 7IM SELECT BALANCED FUND

## PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>ALTERNATIVES 28.58% (20.78%)<sup>1</sup></b>		
	<b>Alternative Strategies 25.17% (18.37%)<sup>1</sup></b>		
31,906	AQR - Managed Futures UCITS Fund <sup>2</sup>	3,720,847	1.80
60,325	BlackRock Strategic Funds - Global Event Driven Fund <sup>2</sup>	6,940,428	3.36
2,693	Candriam Absolute Return Equity Market Neutral <sup>2</sup>	4,061,736	1.96
9,312,543	Fidelity Investment Funds ICVC - UK Select Fund <sup>2</sup>	10,048,234	4.86
40,451	Fulcrum Equity Dispersion Fund <sup>2</sup>	4,920,511	2.38
4,960,000	JP Morgan Structured Products 0.00% 10/09/2024 <sup>3</sup>	4,198,924	2.03
852,711	LF Brook Absolute Return Fund Sterling <sup>2</sup>	4,316,422	2.09
19,275,344	Schroder Prime UK Equity Fund <sup>2</sup>	10,136,905	4.90
4,438,000	SG Defensive Short Term Equity Strategy 0.00% 2023 <sup>3</sup>	3,701,228	1.79
		<b>52,045,235</b>	<b>25.17</b>
	<b>Real Estate 3.41% (2.41%)<sup>1</sup></b>		
3,113,591	iShares Global Property Securities Index <sup>2</sup>	7,040,761	3.41
	<b>DEBT SECURITIES 25.55% (23.98%)<sup>1</sup></b>		
	<b>Emerging Market Bonds 5.82% (6.90%)<sup>1</sup></b>		
119,408	Barings Emerging Markets Debt Blended Total Return <sup>2</sup>	12,030,243	5.82
	<b>Global Corporate Bonds 5.99% (5.00%)<sup>1</sup></b>		
44,418	PFS TwentyFour Dynamic Bond <sup>2</sup>	4,120,209	1.99
78,973	Robeco Global Credits Acc <sup>2</sup>	8,260,604	4.00
		<b>12,380,813</b>	<b>5.99</b>
	<b>Global Government Bonds 3.61% (2.43%)<sup>1</sup></b>		
958,070	HSBC Global Funds ICAV - Global Government Bond Index Fund <sup>2</sup>	7,466,902	3.61
	<b>Global High Yield Bonds 10.13% (9.65%)<sup>1</sup></b>		
217,995	BlueBay Financial Capital Bond <sup>2</sup>	20,934,097	10.13
	<b>EQUITY 38.39% (48.93%)<sup>1</sup></b>		
	<b>Asia &amp; Emerging Markets 3.58% (8.72%)<sup>1</sup></b>		
17,801	RWC Global Emerging Markets <sup>2</sup>	3,623,507	1.75
152,657	Schroder ISF Asian Opportunities <sup>2</sup>	3,769,216	1.83
		<b>7,392,723</b>	<b>3.58</b>
	<b>Europe (ex UK) 4.82% (4.51%)<sup>1</sup></b>		
3,564,087	LF Lightman European Fund I Accumulation <sup>2</sup>	5,018,234	2.43
1,875,936	Premier Miton European Opportunities <sup>2</sup>	4,948,719	2.39
		<b>9,966,953</b>	<b>4.82</b>
	<b>Japan 4.42% (4.53%)<sup>1</sup></b>		
460,986	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund <sup>2</sup>	4,538,042	2.19
454,966	T. Rowe Price Funds OEIC Japanese Equity <sup>2</sup>	4,601,028	2.23
		<b>9,139,070</b>	<b>4.42</b>

# 7IM SELECT BALANCED FUND

## PORTFOLIO STATEMENT (continued) as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>North America 10.69% (14.19%)<sup>1</sup></b>		
66,642	AB SICAV I - International Health Care Portfolio <sup>2</sup>	10,170,918	4.92
25,430	Berkshire Hathaway	6,669,685	3.22
886,247	iShares MSCI USA ESG Screened UCITS ETF <sup>2</sup>	5,354,670	2.59
42	US Ultra CBT Futures March 2023 <sup>4</sup>	(83,322)	(0.04)
		<b>22,111,951</b>	<b>10.69</b>
	<b>United Kingdom 14.88% (16.98%)<sup>1</sup></b>		
11,771	Goldman Sachs International 2024	7,979,887	3.86
3,155,277	Man GLG Income Fund <sup>2</sup>	10,295,671	4.98
3,775,522	Ninety One Funds Series III - Global Environment Fund <sup>2</sup>	5,753,140	2.78
2,319	UBS AG London 0.00% 2024	1,951,775	0.94
55,850	UBS AG London 2027	4,788,936	2.32
		<b>30,769,409</b>	<b>14.88</b>
	<b>FORWARD CURRENCY CONTRACTS -0.19% (-1.32%)<sup>1</sup></b>		
€4,548,276	Vs £(4,049,153) Expiry 21.04.2023	(100,195)	(0.05)
€(3,545,195)	Vs £3,156,149 Expiry 21.04.2023	78,098	0.04
¥(207,250,001)	Vs £1,262,027 Expiry 26.05.2023	(7,363)	(0.01)
US\$(43,123,000)	Vs £36,070,647 Expiry 13.01.2023	224,886	0.11
¥960,500,000	Vs £(5,848,861) Expiry 26.05.2023	34,126	0.02
US\$7,239,652	Vs £(6,247,154) Expiry 13.01.2023	(229,233)	(0.11)
US\$6,500,000	Vs £(5,793,665) Expiry 13.01.2023	(390,576)	(0.19)
		<b>(390,257)</b>	<b>(0.19)</b>
	<b>Portfolio of investment</b>	<b>190,887,900</b>	<b>92.33</b>
	Net other assets	15,867,363	7.67
	<b>Net assets</b>	<b>206,755,263</b>	<b>100.00</b>

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

<sup>1</sup> Comparative figures shown in brackets relate to 31 May 2022.

<sup>2</sup> Collective investment scheme.

<sup>3</sup> Structured product.

<sup>4</sup> Derivative contract.

Credit Quality	30.11.22 %	31.05.22 %
Investment grade debt securities	—	—
Non-rated debt securities	3.82	6.27
Other investments	88.51	86.10
Net other assets	7.67	7.63
	<b>100.00</b>	<b>100.00</b>



## 7IM SELECT BALANCED FUND

### STATEMENT OF TOTAL RETURN

for the period ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Income				
Net capital losses		(3,894,475)		(1,412,031)
Revenue	2,970,187		2,305,074	
Expenses	(786,026)		(798,200)	
Interest payable and similar charges	(3,249)		(1,644)	
Net revenue before taxation for the period	2,180,912		1,505,230	
Taxation	(192,324)		(36,700)	
Net revenue after taxation for the period		1,988,588		1,468,530
<b>Total return before distributions</b>		(1,905,887)		56,499
Distributions		(2,299,096)		(1,778,757)
<b>Change in net assets attributable to shareholders from investment activities</b>		(4,204,983)		(1,722,258)

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		209,371,063		203,021,333
Amounts received on creation of shares <sup>1</sup>	20,095,901		26,605,728	
Amounts paid on cancellation of shares <sup>1</sup>	(20,666,359)		(21,693,530)	
		(570,458)		4,912,198
Change in net assets attributable to shareholders from investment activities		(4,204,983)		(1,722,258)
Retained distribution on accumulation shares		2,159,641		1,707,869
<b>Closing net assets attributable to shareholders</b>		206,755,263		207,919,142

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

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

# 7IM SELECT BALANCED FUND

## BALANCE SHEET

as at 30 November 2022

	30.11.22 £	31.05.22 £
<strong>ASSETS</strong>		
Fixed assets:		
Investments	191,698,589	196,767,932
Current assets:		
Debtors	697,926	261,848
Cash and bank balances	16,255,972	17,268,872
<strong>Total assets</strong>	<strong>208,652,487</strong>	<strong>214,298,652</strong>
<strong>LIABILITIES</strong>		
Investment liabilities	(810,689)	(3,384,041)
Creditors:		
Bank overdrafts	(494,293)	(539,933)
Distribution payable	(118,574)	(4,151)
Other creditors	(473,668)	(999,464)
<strong>Total liabilities</strong>	<strong>(1,897,224)</strong>	<strong>(4,927,589)</strong>
<strong>Net assets attributable to shareholders</strong>	<strong>206,755,263</strong>	<strong>209,371,063</strong>

## 7IM SELECT BALANCED FUND

### NOTE TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2022

#### **Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2022 and are described in those financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017, the Collective Investment Schemes Sourcebook ("the COLL Rules") and the Instrument of Incorporation.

# 7IM SELECT BALANCED FUND

## DISTRIBUTION TABLES

for the period ended 30 November 2022

### 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 30 November 2022

	Net Revenue	Equalisation	Payable 31.01.23	Paid 31.01.22
<b>Class C Income</b>				
Group 1	1.1469	—	1.1469	0.9458
Group 2	0.7600	0.3869	1.1469	0.9458
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class C Accumulation</b>				
Group 1	1.1673	—	1.1673	0.9541
Group 2	0.5222	0.6451	1.1673	0.9541
	Net Revenue	Equalisation	Payable 31.01.23 <sup>1</sup>	Paid 31.01.22
<b>Class S Income</b>				
Group 1	—	—	—	1.0281
Group 2	—	—	—	1.0281
	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class S Accumulation</b>				
Group 1	1.2265	—	1.2265	1.0385
Group 2	0.7678	0.4587	1.2265	1.0385

<sup>1</sup> Share class became inactive on 30 March 2022. As a result, no distributions were paid.

### 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 SELECT MODERATELY ADVENTUROUS FUND

## ACD'S REPORT

for the period ended 30 November 2022

### Investment Objective and Policy

7IM Select Moderately Adventurous Fund (the 'Sub-fund') aims to provide a return made up of capital growth with some income over the medium to longer term (5 years or more).

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 also other transferable securities such as government and corporate bonds, warrants and structured products and also money market funds and money market instruments used for liquidity management as cover for investment in futures contracts.

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.

The Sub-fund's underlying investments will be focused on assets that provide capital growth including equities but, there will be an allocation to income generating assets such as government bonds and corporate bonds.

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, 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 period, 1 June 2022 to 30 November 2022, the portfolio delivered a total return of 0.03%<sup>1</sup>.

#### Investment Background

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.

<sup>1</sup> Calculated using 7IM Select Moderately Adventurous Fund C Acc shares, published prices. Source: NTRS

# 7IM SELECT MODERATELY ADVENTUROUS FUND

## ACD'S REPORT (continued)

for the period ended 30 November 2022

### Investment Manager's Report (continued)

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 June 2022, we moved our duration exposure from negative 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.

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 AT1s with the outlook for equity uncertain, we see AT1s 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 SELECT MODERATELY ADVENTUROUS FUND

### FUND INFORMATION

The Comparative Tables on pages 53 to 56 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) 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 SELECT MODERATELY ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Comparative Tables

#### Class C Income

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	111.09	115.55	97.54
Return before operating charges*	0.81	(2.75)	19.42
Operating charges (calculated on average price)	(0.68)	(1.47)	(1.32)
Return after operating charges*	0.13	(4.22)	18.10
Distributions on income shares	(0.45)	(0.24)	(0.09)
Closing net asset value per share	110.77	111.09	115.55
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

### Performance

Return after charges <sup>2</sup>	0.12%	(3.65)%	18.56%
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### Other Information

Closing net asset value (£'000)	4,025	4,965	5,378
Closing number of shares	3,634,238	4,470,235	4,654,531
Operating charges <sup>3</sup>	1.25%	1.28%	1.24%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price	112.92	118.67	116.57
Lowest share price	104.80	107.53	97.21

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 57.



# 7IM SELECT MODERATELY ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class C Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	111.43	115.65	97.54
Return before operating charges*	0.80	(2.75)	19.44
Operating charges (calculated on average price)	(0.68)	(1.47)	(1.33)
Return after operating charges*	0.12	(4.22)	18.11
Distributions	(0.46)	(0.24)	(0.09)
Retained distributions on accumulation shares	0.46	0.24	0.09
Closing net asset value per share	111.55	111.43	115.65
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	0.11%	(3.65)%	18.57%
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#### Other Information

Closing net asset value (£'000)	136,687	128,582	102,426
Closing number of shares	122,529,539	115,396,483	88,564,186
Operating charges <sup>3</sup>	1.25%	1.28%	1.24%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	113.26	118.78	116.67
Lowest share price	105.12	107.82	97.21

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 57.

# 7IM SELECT MODERATELY ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class S Income

	31.05.22 <sup>1</sup> (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>		
Opening net asset value per share	115.80	97.71
Return before operating charges*	(114.44)	19.46
Operating charges (calculated on average price)	(1.00)	(1.05)
Return after operating charges*	(115.44)	18.41
Distributions on income shares	(0.36)	(0.32)
Closing net asset value per share	–	115.80
* After direct transaction costs of: <sup>2</sup>	0.00	0.00

#### Performance

Return after charges <sup>3</sup>	(99.69)%	18.84%
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#### Other Information

Closing net asset value (£'000)	–	2,095
Closing number of shares	–	1,809,458
Operating charges <sup>4</sup>	1.03%	0.99%
Direct transaction costs	0.00%	0.00%

#### Prices

Highest share price	119.07	116.92
Lowest share price	107.84	97.39

<sup>1</sup> Share class became inactive 31 March 2022.

<sup>2</sup> 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.

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

<sup>4</sup> 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 57.

# 7IM SELECT MODERATELY ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class S Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	112.23	116.20	97.76
Return before operating charges*	0.80	(2.78)	19.50
Operating charges (calculated on average price)	(0.55)	(1.19)	(1.06)
Return after operating charges*	0.25	(3.97)	18.44
Distributions	(0.58)	(0.53)	(0.34)
Retained distributions on accumulation shares	0.58	0.53	0.34
Closing net asset value per share	112.48	112.23	116.20
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	0.22%	(3.42)%	18.86%
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#### Other Information

Closing net asset value (£'000)	7,081	7,418	6,139
Closing number of shares	6,295,079	6,609,313	5,283,136
Operating charges <sup>3</sup>	1.00%	1.03%	0.99%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	114.14	119.48	117.21
Lowest share price	105.97	108.55	97.42

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 57.

## 7IM SELECT MODERATELY ADVENTUROUS FUND

### FUND INFORMATION (continued)

#### Ongoing Charges Figures

As at 30 November 2022

	<b>Class C</b>	<b>Class S</b>
ACD's periodic charge	0.75%	0.50%
Other expenses	0.05%	0.05%
	<hr/> 0.80%	<hr/> 0.55%
Collective investment scheme costs	0.45%	0.45%
Ongoing Charges Figure	<hr/> 1.25%	<hr/> 1.00%

As at 31 May 2022

	<b>Class C</b>	<b>Class S</b>
ACD's periodic charge	0.75%	0.50%
Other expenses	0.07%	0.07%
	<hr/> 0.82%	<hr/> 0.57%
Collective investment scheme costs	0.46%	0.46%
Ongoing Charges Figure	<hr/> 1.28%	<hr/> 1.03%

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 period.

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 SELECT MODERATELY ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Synthetic Risk and Reward Indicator

#### Synthetic Risk and Reward Indicator



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 interim report and financial statements, the risk and reward indicator as at the period end date 30 November 2022 was five. The indicator has changed from four to five this period.

### Fund performance to 30 November 2022 (%)

	6 months	1 year	3 years	Since Launch
7IM Select Moderately Adventurous Fund <sup>1, 2</sup>	0.03	(3.45)	11.85	11.48

<sup>1</sup> Source: Bloomberg.

<sup>2</sup> The Sub-fund launched on 12 July 2019.

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 page 64.

# 7IM SELECT MODERATELY ADVENTUROUS FUND

## PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>ALTERNATIVES 30.80% (18.55%)<sup>1</sup></b>		
	<b>Alternative Strategies 28.12% (15.22%)<sup>1</sup></b>		
23,648	AQR - Managed Futures UCITS Fund <sup>2</sup>	2,757,883	1.87
41,541	BlackRock Strategic Funds - Global Event Driven Fund <sup>2</sup>	4,779,345	3.24
2,218	Candriam Absolute Return Equity Market Neutral <sup>2</sup>	3,344,959	2.26
8,251,880	Fidelity Investment Funds ICVC - UK Select Fund <sup>2</sup>	8,903,780	6.02
25,579	Fulcrum Equity Dispersion Fund <sup>2</sup>	3,111,428	2.11
4,180,000	JP Morgan Structured Products 0.00% 10/09/2024 <sup>3</sup>	3,538,609	2.40
606,374	LF Brook Absolute Return Fund Sterling <sup>2</sup>	3,069,463	2.08
16,733,692	Schroder Prime UK Equity Fund <sup>2</sup>	8,800,248	5.95
3,888,000	SG Defensive Short Term Equity Strategy 0.00% 2023 <sup>3</sup>	3,242,536	2.19
		<b>41,548,251</b>	<b>28.12</b>
	<b>Real Estate 2.68% (3.33%)<sup>1</sup></b>		
1,748,848	iShares Global Property Securities Index <sup>2</sup>	<b>3,954,668</b>	<b>2.68</b>
	<b>DEBT SECURITIES 13.77% (10.31%)<sup>1</sup></b>		
	<b>Emerging Market Bonds 5.11% (7.18%)<sup>1</sup></b>		
74,898	Barings Emerging Markets Debt Blended Total Return <sup>2</sup>	<b>7,545,953</b>	<b>5.11</b>
	<b>Global High Yield Bonds 8.66% (3.13%)<sup>1</sup></b>		
133,497	BlueBay Financial Capital Bond <sup>2</sup>	<b>12,819,730</b>	<b>8.66</b>
	<b>EQUITY 53.67% (66.45%)<sup>1</sup></b>		
	<b>Asia &amp; Emerging Markets 6.19% (10.70%)<sup>1</sup></b>		
22,311	RWC Global Emerging Markets <sup>2</sup>	4,541,730	3.07
186,944	Schroder ISF Asian Opportunities <sup>2</sup>	4,615,784	3.12
		<b>9,157,514</b>	<b>6.19</b>
	<b>Europe (ex UK) 8.58% (9.28%)<sup>1</sup></b>		
4,529,514	LF Lightman European Fund I Accumulation <sup>2</sup>	6,377,555	4.32
2,384,083	Premier Miton European Opportunities <sup>2</sup>	6,289,210	4.26
		<b>12,666,765</b>	<b>8.58</b>
	<b>Japan 7.54% (9.34%)<sup>1</sup></b>		
571,210	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund <sup>2</sup>	5,623,108	3.80
547,101	T. Rowe Price Funds OEIC Japanese Equity <sup>2</sup>	5,532,780	3.74
		<b>11,155,888</b>	<b>7.54</b>
	<b>North America 13.68% (15.74%)<sup>1</sup></b>		
51,222	AB SICAV I - International Health Care Portfolio <sup>2</sup>	7,817,450	5.28
360,108	Baillie Gifford Worldwide Health Innovation Fund <sup>2</sup>	3,205,283	2.17
24,582	Berkshire Hathaway	6,447,274	4.36
456,382	iShares MSCI USA ESG Screened UCITS ETF <sup>2</sup>	2,757,442	1.87
		<b>20,227,449</b>	<b>13.68</b>

# 7IM SELECT MODERATELY ADVENTUROUS FUND

## PORTFOLIO STATEMENT (continued) as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>United Kingdom 17.68% (21.39%)<sup>1</sup></b>		
8,632	Goldman Sachs International 2024	5,851,872	3.96
2,823,511	Man GLG Income Fund <sup>2</sup>	9,213,118	6.24
3,580,911	Ninety One Funds Series III - Global Environment Fund <sup>2</sup>	5,456,592	3.69
32,000	UBS AG London 2027	2,743,885	1.86
3,383	UBS AG London 2024	2,847,285	1.93
		<b>26,112,752</b>	<b>17.68</b>
	<b>FORWARD CURRENCY CONTRACTS -0.24% (-0.80%)<sup>1</sup></b>		
€2,884,565	Vs £(2,568,016) Expiry 21.04.2023	(63,545)	(0.04)
€(1,304,534)	Vs £1,161,375 Expiry 21.04.2023	28,738	0.02
¥(13,900,000)	Vs £84,643 Expiry 26.05.2023	(494)	—
US\$(24,005,999)	Vs £20,080,049 Expiry 13.01.2023	125,191	0.08
¥700,000,000	Vs £(4,262,575) Expiry 26.05.2023	24,871	0.02
US\$5,810,992	Vs £(5,014,352) Expiry 13.01.2023	(183,996)	(0.12)
US\$4,800,000	Vs £(4,278,399) Expiry 13.01.2023	(288,425)	(0.20)
		<b>(357,660)</b>	<b>(0.24)</b>
	<b>Portfolio of investment</b>	<b>144,831,310</b>	<b>98.00</b>
	Net other assets	2,962,125	2.00
	<b>Net assets</b>	<b>147,793,435</b>	<b>100.00</b>

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

<sup>1</sup> Comparative figures shown in brackets relate to 31 May 2022.

<sup>2</sup> Collective investment scheme.

<sup>3</sup> Structured product.

Credit Quality	30.11.22 %	31.05.22 %
Investment grade debt securities	—	—
Non-rated debt securities	4.59	5.69
Other investments	93.41	88.82
Net other assets	2.00	5.49
	<b>100.00</b>	<b>100.00</b>

## 7IM SELECT MODERATELY ADVENTUROUS FUND

### STATEMENT OF TOTAL RETURN

for the period ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Income				
Net capital losses		(195,355)		(673,673)
Revenue	1,175,609		768,413	
Expenses	(571,835)		(509,794)	
Interest payable and similar charges	—		(1,356)	
Net revenue before taxation for the period	603,774		257,263	
Taxation	(5,925)		—	
Net revenue after taxation for the period		597,849		257,263
<b>Total return before distributions</b>		402,494		(416,410)
Distributions		(607,750)		(260,552)
<b>Change in net assets attributable to shareholders from investment activities</b>		(205,256)		(676,962)

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		140,964,770		116,038,151
Amounts received on creation of shares <sup>1</sup>	19,939,070		28,679,563	
Amounts paid on cancellation of shares <sup>1</sup>	(13,501,391)		(4,960,680)	
		6,437,679		23,718,883
Change in net assets attributable to shareholders from investment activities		(205,256)		(676,962)
Retained distribution on accumulation shares		596,242		255,992
<b>Closing net assets attributable to shareholders</b>		147,793,435		139,336,064

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

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.



# 7IM SELECT MODERATELY ADVENTUROUS FUND

## BALANCE SHEET

as at 30 November 2022

	30.11.22 £	31.05.22 £
<b>ASSETS</b>		
Fixed assets:		
Investments	145,367,770	134,476,917
Current assets:		
Debtors	158,321	822,477
Cash and bank balances	3,481,622	7,198,084
<b>Total assets</b>	149,007,713	142,497,478
<b>LIABILITIES</b>		
Investment liabilities	(536,460)	(1,246,191)
Creditors:		
Bank overdrafts	(7,780)	(7,497)
Distribution payable	(16,518)	(1,243)
Other creditors	(653,520)	(277,777)
<b>Total liabilities</b>	(1,214,278)	(1,532,708)
<b>Net assets attributable to shareholders</b>	147,793,435	140,964,770

## 7IM SELECT MODERATELY ADVENTUROUS FUND

### NOTE TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2022

#### **Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2022 and are described in those financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017, the Collective Investment Schemes Sourcebook ("the COLL Rules") and the Instrument of Incorporation.

# 7IM SELECT MODERATELY ADVENTUROUS FUND

## DISTRIBUTION TABLES

for the period ended 30 November 2022

### 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 30 November 2022

	Net Revenue	Equalisation	Payable 31.01.23	Paid 31.01.22
<b>Class C Income</b>				
Group 1	0.4545	—	0.4545	0.2095
Group 2	0.2782	0.1763	0.4545	0.2095

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class C Accumulation</b>				
Group 1	0.4567	—	0.4567	0.2150
Group 2	0.3218	0.1349	0.4567	0.2150

	Net Revenue	Equalisation	Payable 31.01.23 <sup>1</sup>	Paid 31.01.22
<b>Class S Income</b>				
Group 1	—	—	—	0.3583
Group 2	—	—	—	0.3583

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class S Accumulation</b>				
Group 1	0.5822	—	0.5822	0.3610
Group 2	0.3086	0.2736	0.5822	0.3610

<sup>1</sup> Share class became inactive on 31 March 2022. As a result, no distributions were paid.

### 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 SELECT ADVENTUROUS FUND

## ACD'S REPORT

for the period ended 30 November 2022

### Investment Objective and Policy

The 7IM Select Adventurous Fund (the 'Sub-fund') aims to provide capital growth over the medium to longer term (5 years or more).

The Sub-fund invests at least 80% of its assets in other funds managed both by the ACD and by selected third party managers, including open-ended and closed-ended funds and exchange traded funds (ETFs), and other transferable securities such as warrants and structured products and also money market funds and money market instruments used for liquidity management as cover for investment in futures contracts.

Up to 20% of the Sub-fund will usually 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.

The Sub-fund's underlying investments will be focused on assets with scope for capital growth including 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, 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 period, 1 June 2022 to 30 November 2022, the portfolio delivered a total return of 0.51%<sup>1</sup>.

#### Investment Background

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.

<sup>1</sup> Calculated using 7IM Select Adventurous Fund C Acc shares, published prices. Source: NTRS

## 7IM SELECT ADVENTUROUS FUND

### ACD'S REPORT (continued)

for the period ended 30 November 2022

#### Investment Manager's Report (continued)

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 June 2022, we moved our duration exposure from negative 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.

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 AT1s with the outlook for equity uncertain, we see AT1s 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 SELECT ADVENTUROUS FUND

### FUND INFORMATION

The Comparative Tables on pages 68 to 71 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) 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 SELECT ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Comparative Tables

#### Class C Income

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	114.78	117.32	97.49
Return before operating charges*	1.48	(0.87)	21.55
Operating charges (calculated on average price)	(0.78)	(1.67)	(1.72)
Return after operating charges*	0.70	(2.54)	19.83
Distributions on income shares	(0.23)	–	–
Closing net asset value per share	115.25	114.78	117.32
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

### Performance

Return after charges <sup>2</sup>	0.61%	(2.17)%	20.34%
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### Other Information

Closing net asset value (£'000)	88	56	58
Closing number of shares	76,541	49,044	49,044
Operating charges <sup>3</sup>	1.38%	1.42%	1.61%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price	118.39	122.47	117.20
Lowest share price	108.03	110.05	96.77

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 72.

# 7IM SELECT ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class C Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	114.81	117.34	97.51
Return before operating charges*	1.48	(0.86)	21.58
Operating charges (calculated on average price)	(0.78)	(1.67)	(1.75)
Return after operating charges*	0.70	(2.53)	19.83
Distributions	(0.23)	–	–
Retained distributions on accumulation shares	0.23	–	–
Closing net asset value per share	115.51	114.81	117.34
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	0.61%	(2.16)%	20.34%
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#### Other Information

Closing net asset value (£'000)	31,171	30,555	23,805
Closing number of shares	26,985,287	26,614,543	20,288,337
Operating charges <sup>3</sup>	1.38%	1.42%	1.61%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	118.41	122.49	117.21
Lowest share price	108.05	110.07	96.78

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 72.



# 7IM SELECT ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class S Income

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	113.75	116.69	98.06
Return before operating charges*	2.06	(0.24)	21.36
Operating charges (calculated on average price)	(0.64)	(1.37)	(1.45)
Return after operating charges*	1.42	(1.61)	19.91
Distributions on income shares	(0.44)	(1.33)	(1.28)
Closing net asset value per share	114.73	113.75	116.69
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	1.25%	(1.38)%	20.30%
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#### Other Information

Closing net asset value (£'000)	—	—	—
Closing number of shares	102	102	102
Operating charges <sup>3</sup>	1.13%	1.17%	1.36%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	117.46	122.10	116.61
Lowest share price	107.02	109.21	97.00

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 72.

# 7IM SELECT ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class S Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	115.60	117.86	97.72
Return before operating charges*	1.50	(0.87)	21.63
Operating charges (calculated on average price)	(0.65)	(1.39)	(1.49)
Return after operating charges*	0.85	(2.26)	20.14
Distributions	(0.37)	(0.26)	(0.11)
Retained distributions on accumulation shares	0.37	0.26	0.11
Closing net asset value per share	116.45	115.60	117.86
* After direct transaction costs of: <sup>1</sup>	0.00	0.00	0.00

#### Performance

Return after charges <sup>2</sup>	0.74%	(1.92)%	20.61%
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#### Other Information

Closing net asset value (£'000)	3,193	3,178	3,184
Closing number of shares	2,742,144	2,748,896	2,701,691
Operating charges <sup>3</sup>	1.13%	1.17%	1.36%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest share price	119.30	123.18	117.73
Lowest share price	108.81	110.82	97.00

<sup>1</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>3</sup> 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 72.

## 7IM SELECT ADVENTUROUS FUND

### FUND INFORMATION (continued)

#### Ongoing Charges Figures

As at 30 November 2022

	<b>Class C</b>	<b>Class S</b>
ACD's periodic charge	0.75%	0.50%
Other expenses	0.18%	0.18%
	<hr/> 0.93%	<hr/> 0.68%
Collective investment scheme costs	0.45%	0.45%
Ongoing Charges Figure	<hr/> 1.38%	<hr/> 1.13%

As at 31 May 2022

	<b>Class C</b>	<b>Class S</b>
ACD's periodic charge	0.75%	0.50%
Other expenses	0.21%	0.21%
	<hr/> 0.96%	<hr/> 0.71%
Collective investment scheme costs	0.46%	0.46%
Ongoing Charges Figure	<hr/> 1.42%	<hr/> 1.17%

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 period.

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.

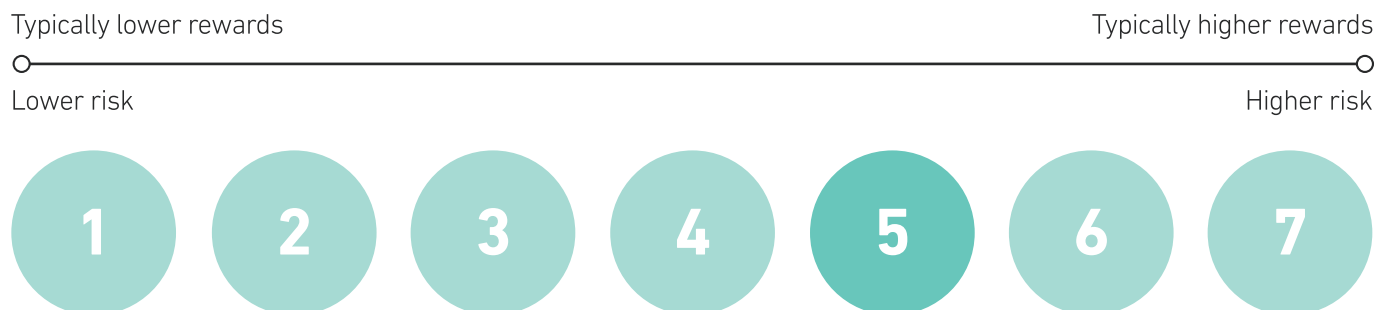
The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses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

# 7IM SELECT ADVENTUROUS FUND

## FUND INFORMATION (continued)

### Synthetic Risk and Reward Indicator

#### Synthetic Risk and Reward Indicator



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 interim report and financial statements, the risk and reward indicator as at the period end date 30 November 2022 was five.

#### Fund performance to 30 November 2022 (%)

	6 months	1 year	3 years	Since Launch
7IM Select Adventurous Fund <sup>1, 2</sup>	0.51	(2.84)	16.08	15.42

<sup>1</sup> Source: Bloomberg.

<sup>2</sup> The Sub-fund launched on 12 July 2019.

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 page 79.

# 7IM SELECT ADVENTUROUS FUND

## PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>ALTERNATIVES 31.53% (11.94%)<sup>1</sup></b>		
	<b>Alternative Strategies 27.08% (8.76%)<sup>1</sup></b>		
4,183	AQR - Managed Futures UCITS Fund <sup>2</sup>	487,774	1.42
7,266	BlackRock Strategic Funds - Global Event Driven Fund <sup>2</sup>	835,992	2.42
333	Candriam Absolute Return Equity Market Neutral <sup>2</sup>	501,744	1.46
2,211,867	Fidelity Investment Funds ICVC - UK Select Fund <sup>2</sup>	2,386,604	6.93
5,564	Fulcrum Equity Dispersion Fund <sup>2</sup>	676,766	1.96
850,000	JP Morgan Structured Products 0.00% 10/09/2024 <sup>3</sup>	719,574	2.09
149,383	LF Brook Absolute Return Fund Sterling <sup>2</sup>	756,177	2.19
4,555,867	Schroder Prime UK Equity Fund <sup>2</sup>	2,395,930	6.95
686,000	SG Defensive Short Term Equity Strategy 0.00% 2023 <sup>3</sup>	572,114	1.66
		<b>9,332,675</b>	<b>27.08</b>
	<b>Real Estate 4.45% (3.18%)<sup>1</sup></b>		
678,349	iShares Global Property Securities Index <sup>2</sup>	<b>1,533,950</b>	<b>4.45</b>
	<b>DEBT SECURITIES 5.20% (0.00%)</b>		
	<b>Global High Yield Bonds 5.20% (0.00%)</b>		
18,666	BlueBay Financial Capital Bond <sup>2</sup>	<b>1,792,500</b>	<b>5.20</b>
	<b>EQUITY 61.78% (82.02%)<sup>1</sup></b>		
	<b>Asia &amp; Emerging Markets 9.20% (16.14%)<sup>1</sup></b>		
7,724	RWC Global Emerging Markets <sup>2</sup>	1,572,248	4.56
64,801	Schroder ISF Asian Opportunities <sup>2</sup>	1,599,994	4.64
		<b>3,172,242</b>	<b>9.20</b>
	<b>Europe (ex UK) 8.72% (9.94%)<sup>1</sup></b>		
1,073,675	LF Lightman European Fund I Accumulation <sup>2</sup>	1,511,735	4.39
565,123	Premier Miton European Opportunities <sup>2</sup>	1,490,793	4.33
		<b>3,002,528</b>	<b>8.72</b>
	<b>Japan 8.99% (9.40%)<sup>1</sup></b>		
156,230	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund <sup>2</sup>	1,537,962	4.46
154,190	T. Rowe Price Funds OEIC Japanese Equity <sup>2</sup>	1,559,308	4.53
		<b>3,097,270</b>	<b>8.99</b>
	<b>North America 16.29% (20.38%)<sup>1</sup></b>		
10,655	AB SICAV I - International Health Care Portfolio <sup>2</sup>	1,626,216	4.72
160,328	Baillie Gifford Worldwide Health Innovation Fund <sup>2</sup>	1,427,066	4.14
7,194	Berkshire Hathaway	1,886,815	5.48
111,412	iShares MSCI USA ESG Screened UCITS ETF <sup>2</sup>	673,147	1.95
		<b>5,613,244</b>	<b>16.29</b>
	<b>United Kingdom 18.58% (26.16%)<sup>1</sup></b>		
1,936	Goldman Sachs International 2024	1,312,468	3.81
735,509	Man GLG Income Fund <sup>2</sup>	2,399,965	6.98
1,114,565	Ninety One Funds Series III - Global Environment Fund <sup>2</sup>	1,698,374	4.93
789	UBS AG London 0.00% 2024	664,058	1.93

# 7IM SELECT ADVENTUROUS FUND

## PORTFOLIO STATEMENT (continued) as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>United Kingdom (continued)</b>		
3,740	UBS AG London 0.00% 2027	320,692	0.93
		<b>6,395,557</b>	<b>18.58</b>
	<b>FORWARD CURRENCY CONTRACTS -0.33% (-0.35%)<sup>1</sup></b>		
€400,000	Vs £(356,104) Expiry 21.04.2023	(8,812)	(0.03)
€478,367	Vs £(425,871) Expiry 21.04.2023	(10,538)	(0.03)
€(311,728)	Vs £277,519 Expiry 21.04.2023	6,867	0.02
¥(29,815,001)	Vs £181,555 Expiry 26.05.2023	(1,059)	—
US\$(4,125,000)	Vs £3,450,396 Expiry 13.01.2023	21,512	0.06
¥200,000,000	Vs £(1,217,878) Expiry 26.05.2023	7,106	0.02
US\$1,908,321	Vs £(1,646,706) Expiry 13.01.2023	(60,424)	(0.18)
US\$1,150,000	Vs £(1,025,033) Expiry 13.01.2023	(69,102)	(0.19)
		<b>(114,450)</b>	<b>(0.33)</b>
	<b>Portfolio of investment</b>	<b>33,825,516</b>	<b>98.18</b>
	Net other assets <sup>4</sup>	626,027	1.82
	<b>Net assets</b>	<b>34,451,543</b>	<b>100.00</b>

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

<sup>1</sup> Comparative figures shown in brackets relate to 31 May 2022.

<sup>2</sup> Collective investment scheme.

<sup>3</sup> Derivative contract.

<sup>4</sup> Includes shares in the Northern Trust Global Sterling Fund to the value of £1,512 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.22 %	31.05.22 %
Investment grade debt securities	—	—
Non-rated debt securities	4.68	2.91
Other investments	93.51	90.70
Net other assets	1.81	6.39
	<b>100.00</b>	<b>100.00</b>

## 7IM SELECT ADVENTUROUS FUND

### STATEMENT OF TOTAL RETURN

for the period ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Income				
Net capital gains		132,337		298,200
Revenue	225,011		102,543	
Expenses	(153,360)		(133,377)	
Interest payable and similar charges	—		(355)	
Net revenue/(expense) before taxation for the period	71,651		(31,189)	
Taxation	(1,745)		—	
Net revenue/(expense) after taxation for the period		69,906		(31,189)
<b>Total return before distributions</b>		202,243		267,011
Distributions		(72,830)		(521)
<b>Change in net assets attributable to shareholders from investment activities</b>		129,413		266,490

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		33,789,189		27,047,432
Amounts received on creation of shares <sup>1</sup>	2,916,960		7,270,041	
Amounts paid on cancellation of shares <sup>1</sup>	(2,456,254)		(1,685,810)	
		460,706		5,584,231
Dilution levy		—		873
Change in net assets attributable to shareholders from investment activities		129,413		266,490
Retained distribution on accumulation shares		72,235		434
<b>Closing net assets attributable to shareholders</b>		34,451,543		32,899,460

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

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

# 7IM SELECT ADVENTUROUS FUND

## BALANCE SHEET

as at 30 November 2022

	30.11.22 £	31.05.22 £
<b>ASSETS</b>		
Fixed assets:		
Investments	33,975,451	31,754,022
Current assets:		
Debtors	28,034	19,425
Cash and bank balances	663,638	2,267,860
Cash equivalents	1,512	1,501
<b>Total assets</b>	<b>34,668,635</b>	<b>34,042,808</b>
<b>LIABILITIES</b>		
Investment liabilities	(149,935)	(125,228)
Creditors:		
Bank overdrafts	(512)	(9,054)
Distribution payable	(178)	–
Other creditors	(66,467)	(119,337)
<b>Total liabilities</b>	<b>(217,092)</b>	<b>(253,619)</b>
<b>Net assets attributable to shareholders</b>	<b>34,451,543</b>	<b>33,789,189</b>



## 7IM SELECT ADVENTUROUS FUND

### NOTE TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2022

#### **Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2022 and are described in those financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017, the Collective Investment Schemes Sourcebook ("the COLL Rules") and the Instrument of Incorporation.

# 7IM SELECT ADVENTUROUS FUND

## DISTRIBUTION TABLES

for the period ended 30 November 2022

### 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 30 November 2022

	Net Revenue	Equalisation	Payable 31.01.23	Paid 31.01.22 <sup>1</sup>
<b>Class C Income</b>				
Group 1	0.2323	—	0.2323	—
Group 2	0.2043	0.0280	0.2323	—

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22 <sup>1</sup>
<b>Class C Accumulation</b>				
Group 1	0.2297	—	0.2297	—
Group 2	0.1994	0.0303	0.2297	—

	Net Revenue	Equalisation	Payable 31.01.23	Paid 31.01.22
<b>Class S Income</b>				
Group 1	0.4412	—	0.4412	0.9903
Group 2	0.4412	—	0.4412	0.9903

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class S Accumulation</b>				
Group 1	0.3738	—	0.3738	0.0162
Group 2	0.3149	0.0589	0.3738	0.0162

<sup>1</sup> 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 PATHBUILDER 1 FUND

## ACD'S REPORT

for the period ended 30 November 2022

### Investment Objective and Policy

The 7IM Pathbuilder 1 Fund (the 'Sub-fund') aims to provide a return of capital and income over the medium to longer term (5 years or more) consistent with its risk profile (as described in the Investment Strategy section in the Prospectus).

The Sub-fund's investments and the proportion of its exposure to them will be determined by its risk profile in accordance with its banding (as further described in the Investment Strategy and Benchmark sections in the Prospectus). The Sub-fund is at the lowest end of the Pathbuilder Funds' risk range.

The Sub-fund is able to have an exposure of 45% to 90% of its assets to fixed interest securities (including cash gilts and global corporate bonds), primarily through indirect exposure which may be investment grade or sub-investment grade, and 5% to 50% to equities. These exposures are, however, expected to typically be around the middle of the stated ranges.

This exposure will be generated by indirect investment through collective investment schemes (which may include schemes managed by the ACD or an associate of the ACD), investment trusts, exchange traded funds, or through derivative investments (in this way, the Sub-fund may gain exposure to asset classes such as property, commodities and private equity); and/or direct investment in a range of investment grade corporate and government bonds and warrants, and 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).

It is expected that collective investment schemes and exchange traded funds held by the Sub-fund will generally be managed in accordance with passive strategies designed to track the performance of particular indices, market sectors or asset classes.

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.

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, money market funds, treasury bills, government bonds or short-term money market instruments.

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). The Sub-fund may also use derivatives for investment purposes.

### Investment Manager's Report

#### Performance Report

In the reporting period, 1 June 2022 to 30 November 2022, the portfolio delivered a total return of (3.18)%<sup>1</sup>.

#### Investment Background

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.

<sup>1</sup> Calculated using 7IM Pathbuilder 1 Fund C Acc shares, published prices. Source: NTRS

# 7IM PATHBUILDER 1 FUND

## ACD'S REPORT (continued)

for the period ended 30 November 2022

### Investment Manager's Report (continued)

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

Our Pathbuilder funds are the most passively managed funds that we run. As a result, we only make changes to them once a year in line with our strategic asset allocation (SAA) process.

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.

### 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 PATHBUILDER 1 FUND

### FUND INFORMATION

The Comparative Tables on pages 83 to 84 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) 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 PATHBUILDER 1 FUND

## FUND INFORMATION (continued)

### Comparative Tables

#### Class C Income

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 <sup>1</sup> (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	93.84	100.63	100.00
Return before operating charges*	(2.70)	(5.06)	1.32
Operating charges (calculated on average price)	(0.16)	(0.36)	(0.17)
Return after operating charges*	(2.86)	(5.42)	1.15
Distributions on income shares	(0.90)	(1.37)	(0.52)
Closing net asset value per share	90.08	93.84	100.63
* After direct transaction costs of: <sup>2</sup>	0.00	0.00	(0.05)

#### Performance

Return after charges <sup>3</sup>	(3.05)%	(5.39)%	1.15%
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#### Other Information

Closing net asset value (£'000)	37	39	22
Closing number of shares	41,184	41,128	21,403
Operating charges <sup>4</sup>	0.36%	0.36%	0.35%
Direct transaction costs	0.00%	0.00%	(0.05)%

#### Prices

Highest share price	94.66	104.61	101.58
Lowest share price	85.83	92.66	98.89

<sup>1</sup> The Sub-fund launched 9 December 2020.

<sup>2</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>4</sup> 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 85.

# 7IM PATHBUILDER 1 FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class C Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 <sup>1</sup> (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	95.67	101.16	100.00
Return before operating charges*	(2.75)	(5.12)	1.33
Operating charges (calculated on average price)	(0.17)	(0.37)	(0.17)
Return after operating charges*	(2.92)	(5.49)	1.16
Distributions	(0.91)	(1.39)	(0.63)
Retained distributions on accumulation shares	0.91	1.39	0.63
Closing net asset value per share	92.75	95.67	101.16
* After direct transaction costs of: <sup>2</sup>	0.00	0.00	(0.05)

#### Performance

Return after charges <sup>3</sup>	(3.05)%	(5.43)%	1.16%
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#### Other Information

Closing net asset value (£'000)	10,727	12,605	12,233
Closing number of shares	11,565,194	13,176,566	12,093,555
Operating charges <sup>4</sup>	0.36%	0.36%	0.35%
Direct transaction costs	0.00%	0.00%	(0.05)%

#### Prices

Highest share price	96.50	105.16	101.59
Lowest share price	87.50	93.68	98.90

<sup>1</sup> The Sub-fund launched 9 December 2020.

<sup>2</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>4</sup> 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 85.

# 7IM PATHBUILDER 1 FUND

## FUND INFORMATION (continued)

### Ongoing Charges Figures

As at 30 November 2022

	<b>Class C</b>
ACD's periodic charge	0.22%
Other expenses <sup>1</sup>	0.05%
	<hr/> 0.27%
Collective investment scheme costs	0.09%
Ongoing Charges Figure	<hr/> 0.36%

As at 31 May 2022

	<b>Class C</b>
ACD's periodic charge	0.22%
Other expenses <sup>1</sup>	0.05%
	<hr/> 0.27%
Collective investment scheme costs	0.09%
Ongoing Charges Figure	<hr/> 0.36%

<sup>1</sup> Other expenses is capped at 0.05%.

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 period.

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 PATHBUILDER 1 FUND

## FUND INFORMATION (continued)

### Synthetic Risk and Reward Indicator

#### Synthetic Risk and Reward Indicator



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 interim report and financial statements, the risk and reward indicator as at the period end date 30 November 2022 was four.

#### Fund performance to 30 November 2022 (%)

	6 months	1 year	Since Launch
7IM Pathbuilder 1 Fund <sup>1,2</sup>	(3.18)	(10.45)	(7.28)

<sup>1</sup> Source: Bloomberg.

<sup>2</sup> The Sub-fund launched on 9 December 2020.

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 page 92.

# 7IM PATHBUILDER 1 FUND

## PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>ALTERNATIVES 3.97% (2.75%)<sup>1</sup></b>		
	<b>Real Estate 3.97% (2.75%)<sup>1</sup></b>		
188,932	iShares Global Property Securities Index <sup>2</sup>	427,231	3.97
	<b>DEBT SECURITIES 54.88% (64.03%)<sup>1</sup></b>		
	<b>Emerging Market Bonds 12.96% (17.68%)<sup>1</sup></b>		
684,010	BNY Mellon Global - BNY Mellon Efficient Global High Yield Beta Fund <sup>2</sup>	648,715	6.03
576,433	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc <sup>2</sup>	358,426	3.33
422,365	Legal & General Emerging Markets Government Bond USD Index Fund <sup>2</sup>	387,858	3.60
		<b>1,394,999</b>	<b>12.96</b>
	<b>Gilts 0.00% (3.99%)<sup>1</sup></b>		
	<b>Global Corporate Bonds 35.49% (35.27%)<sup>1</sup></b>		
0	BlackRock Overseas Corporate Bond Tracker <sup>2</sup>	—	—
224,768	HSBC Global Funds ICAV - Global Corporate Bond Index Fund <sup>2</sup>	1,696,570	15.76
1,608,039	iShares ESG Overseas Corporate Bond Index Fund (UK) <sup>2</sup>	1,685,018	15.65
3,984	Lyxor Core UK Government Bond (DR) UCITS ETF <sup>2</sup>	438,877	4.08
		<b>3,820,465</b>	<b>35.49</b>
	<b>Global Government Bonds 4.57% (4.99%)<sup>1</sup></b>		
63,081	HSBC Global Funds ICAV - Global Government Bond Index Fund <sup>2</sup>	491,631	4.57
	<b>Global Inflation Linked Bonds 1.86% (2.10%)<sup>1</sup></b>		
17,350	iShares Global Inflation-Linked Bond Index <sup>2</sup>	200,025	1.86
	<b>EQUITY 30.90% (25.23%)<sup>1</sup></b>		
	<b>Europe (ex UK) 4.12% (3.06%)<sup>1</sup></b>		
39,253	HSBC Index Tracker Investment Funds - European Index Fund <sup>2</sup>	443,650	4.12
	<b>Japan 4.05% (3.15%)<sup>1</sup></b>		
587,840	Legal & General Japan Index Trust <sup>2</sup>	436,471	4.05
	<b>North America 10.52% (9.13%)<sup>1</sup></b>		
178,662	iShares MSCI USA ESG Screened UCITS ETF <sup>2</sup>	1,131,824	10.52
13	MSCI Emerging Markets Index Futures December 2022 <sup>3</sup>	173	—
		<b>1,131,997</b>	<b>10.52</b>
	<b>United Kingdom 12.21% (9.89%)<sup>1</sup></b>		
838,753	Fidelity Investment Funds ICVC - Index UK Fund <sup>2</sup>	1,314,158	12.21
	<b>FORWARD CURRENCY CONTRACTS -0.23% (-3.11%)<sup>1</sup></b>		
€700,000	Vs £(616,292) Expiry 21.04.2023	(8,530)	(0.08)
€(717,918)	Vs £639,135 Expiry 21.04.2023	15,815	0.15
¥(10,300,000)	Vs £62,721 Expiry 26.05.2023	(366)	—
US\$(5,530,000)	Vs £4,625,621 Expiry 13.01.2023	28,839	0.27
US\$40,000	Vs £(33,156) Expiry 13.01.2023	94	—

## 7IM PATHBUILDER 1 FUND

### PORTFOLIO STATEMENT (continued) as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>FORWARD CURRENCY CONTRACTS</b> <i>(continued)</i>		
US\$770,000	Vs £(666,266) Expiry 13.01.2023	(26,207)	(0.25)
US\$2,000,000	Vs £(1,697,156) Expiry 13.01.2023	(34,667)	(0.32)
		<b>(25,022)</b>	<b>(0.23)</b>
	<b>Portfolio of investment</b>	<b>9,635,605</b>	<b>89.52</b>
	Net other assets <sup>4</sup>	1,128,033	10.48
	<b>Net assets</b>	<b>10,763,638</b>	<b>100.00</b>

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

<sup>1</sup> Comparative figures shown in brackets relate to 31 May 2022.

<sup>2</sup> Collective Investment Scheme.

<sup>3</sup> Derivative contract.

<sup>4</sup> Includes shares in the Northern Trust Global Sterling Fund to the value of £253,056 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

## 7IM PATHBUILDER 1 FUND

### STATEMENT OF TOTAL RETURN

for the period ended 30 November 2022

		30.11.22	09.12.20 to 30.11.21 <sup>1</sup>
	£	£	£
Income			
Net capital (losses)/gains		(532,424)	214,836
Revenue	146,203		99,821
Expenses	(15,641)		(10,243)
Interest payable and similar charges	(185)		(346)
Net revenue before taxation for the period	130,377		89,232
Taxation	(19,318)		(16,700)
Net revenue after taxation for the period		111,059	72,532
<b>Total return before distributions</b>		(421,365)	287,368
Distributions		(111,200)	(72,655)
<b>Change in net assets attributable to shareholders from investment activities</b>		(532,565)	214,713

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 November 2022

		30.11.22	09.12.20 to 30.11.21 <sup>1</sup>
	£	£	£
<b>Opening net assets attributable to shareholders</b>		12,644,463	12,255,475
Amounts received on creation of shares <sup>2</sup>	320,603		1,479,292
Amounts paid on cancellation of shares <sup>2</sup>	(1,774,976)		(1,055,284)
		(1,454,373)	424,008
Dilution levy		557	—
Change in net assets attributable to shareholders from investment activities		(532,565)	214,713
Retained distribution on accumulation shares		105,556	73,999
<b>Closing net assets attributable to shareholders</b>		10,763,638	12,968,195

<sup>1</sup>From launch date 09 December 2020.

<sup>2</sup>Stated at mid-market price.

# 7IM PATHBUILDER 1 FUND

## BALANCE SHEET

as at 30 November 2022

	30.11.22 £	31.05.22 £
<b>ASSETS</b>		
Fixed assets:		
Investments	9,705,375	11,702,279
Current assets:		
Debtors	40,979	74,243
Cash and bank balances	1,041,682	1,386,441
Cash equivalents	253,056	250,481
<b>Total assets</b>	<b>11,041,092</b>	<b>13,413,444</b>
<b>LIABILITIES</b>		
Investment liabilities	(69,770)	(461,915)
Creditors:		
Bank overdrafts	(110,402)	(77,803)
Distribution payable	(369)	(322)
Other creditors	(96,913)	(228,941)
<b>Total liabilities</b>	<b>(277,454)</b>	<b>(768,981)</b>
<b>Net assets attributable to shareholders</b>	<b>10,763,638</b>	<b>12,644,463</b>

## 7IM PATHBUILDER 1 FUND

### NOTE TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2022

#### **Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2022 and are described in those financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017, the Collective Investment Schemes Sourcebook ("the COLL Rules") and the Instrument of Incorporation.

# 7IM PATHBUILDER 1 FUND

## DISTRIBUTION TABLES

for the period ended 30 November 2022

### 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 30 November 2022

	Net Revenue	Equalisation	Payable 31.01.23	Paid 31.01.22
<b>Class C Income</b>				
Group 1	0.8958	—	0.8958	0.5891
Group 2	0.7033	0.1925	0.8958	0.5891

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class C Accumulation</b>				
Group 1	0.9127	—	0.9127	0.5922
Group 2	0.5903	0.3224	0.9127	0.5922

### 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 PATHBUILDER 2 FUND

## ACD'S REPORT

for the period ended 30 November 2022

### Investment Objective and Policy

The 7IM Pathbuilder 2 Fund (the 'Sub-fund') aims to provide a return of capital and income over the medium to longer term (5 years or more) consistent with its risk profile (as described in the Investment Strategy section in the Prospectus).

The Sub-fund's investments and the proportion of its exposure to them will be determined by its risk profile in accordance with its banding (as further described in the Investment Strategy and Benchmark sections in the Prospectus). 7IM Pathbuilder 2 Fund is at the lower end of the Pathbuilder Funds' risk range.

The Sub-fund is able to have an exposure of 33% to 73% of its assets to fixed interest securities (including cash gilts and global corporate bonds), primarily through indirect exposure which may be investment grade or sub-investment grade, and 24% to 64% to equities. These exposures are, however, expected to typically be around the middle of the stated ranges.

This exposure will be generated by: indirect investment through collective investment schemes (which may include schemes managed by the ACD or an associate of the ACD), investment trusts, exchange traded funds, or through derivative investments (in this way, the Sub-fund may gain exposure to asset classes such as property, commodities and private equity); and/or direct investment in a range of investment grade corporate and government bonds and warrants, and 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).

It is expected that collective investment schemes and exchange traded funds held by the Sub-fund will generally be managed in accordance with passive strategies designed to track the performance of particular indices, market sectors or asset classes.

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.

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, money market funds, treasury bills, government bonds or short-term money market instruments.

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). The Sub-fund may also use derivatives for investment purposes.

### Investment Manager's Report

#### Performance Report

In the reporting period, 1 June 2022 to 30 November 2022, the portfolio delivered a total return of (1.99)%<sup>1</sup>.

#### Investment Background

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.

<sup>1</sup> Calculated using 7IM Pathbuilder 2 Fund C Acc shares, published prices. Source: NTRS.



## 7IM PATHBUILDER 2 FUND

### ACD'S REPORT (continued)

for the period ended 30 November 2022

#### Investment Manager's Report (continued)

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

Our Pathbuilder funds are the most passively managed funds that we run. As a result, we only make changes to them once a year in line with our strategic asset allocation (SAA) process.

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.

#### 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 PATHBUILDER 2 FUND

### FUND INFORMATION

The Comparative Tables on pages 96 to 97 give the performance of each active share class in the Sub-fund.

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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) 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 PATHBUILDER 2 FUND

## FUND INFORMATION (continued)

### Comparative Tables

#### Class C Income

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 <sup>1</sup> (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	98.82	102.50	100.00
Return before operating charges*	(1.70)	(1.98)	3.37
Operating charges (calculated on average price)	(0.17)	(0.37)	(0.17)
Return after operating charges*	(1.87)	(2.35)	3.20
Distributions on income shares	(0.78)	(1.33)	(0.70)
Closing net asset value per share	96.17	98.82	102.50
* After direct transaction costs of: <sup>2</sup>	0.00	0.00	(0.01)

#### Performance

Return after charges <sup>3</sup>	(1.89)%	(2.29)%	3.20%
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#### Other Information

Closing net asset value (£'000)	1,283	1,278	153
Closing number of shares	1,334,071	1,293,606	149,516
Operating charges <sup>4</sup>	0.36%	0.36%	0.36%
Direct transaction costs	0.00%	0.00%	(0.01)%

#### Prices

Highest share price	100.59	108.58	103.71
Lowest share price	91.01	96.98	99.48

<sup>1</sup> The Sub-fund launched on 9 December 2020.

<sup>2</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>4</sup> 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 98.

# 7IM PATHBUILDER 2 FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class C Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 <sup>1</sup> (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	100.81	103.20	100.00
Return before operating charges*	(1.74)	(2.01)	3.37
Operating charges (calculated on average price)	(0.18)	(0.38)	(0.17)
Return after operating charges*	(1.92)	(2.39)	3.20
Distributions	(0.79)	(1.34)	(0.71)
Retained distributions on accumulation shares	0.79	1.34	0.71
Closing net asset value per share	98.89	100.81	103.20
* After direct transaction costs of: <sup>2</sup>	0.00	0.00	(0.01)

#### Performance

Return after charges <sup>3</sup>	(1.90)%	(2.32)%	3.20%
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#### Other Information

Closing net asset value (£'000)	48,905	52,171	42,607
Closing number of shares	49,452,301	51,753,215	41,284,167
Operating charges <sup>4</sup>	0.36%	0.36%	0.36%
Direct transaction costs	0.00%	0.00%	(0.01)%

#### Prices

Highest share price	102.61	100.34	103.71
Lowest share price	92.84	98.06	99.48

<sup>1</sup> The Sub-fund launched on 9 December 2020.

<sup>2</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>4</sup> 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 98.

## 7IM PATHBUILDER 2 FUND

### FUND INFORMATION (continued)

#### Ongoing Charges Figures

As at 30 November 2022

	<b>Class C</b>
ACD's periodic charge	0.22%
Other expenses <sup>1</sup>	0.05%
	<hr/> 0.27%
Collective investment scheme costs	0.09%
Ongoing Charges Figure	<hr/> 0.36%

As at 31 May 2022

	<b>Class C</b>
ACD's periodic charge	0.22%
Other expenses <sup>1</sup>	0.05%
	<hr/> 0.27%
Collective investment scheme costs	0.09%
Ongoing Charges Figure	<hr/> 0.36%

<sup>1</sup> Other expenses is capped at 0.05%.

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 period.

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 PATHBUILDER 2 FUND

### FUND INFORMATION (continued)

#### Synthetic Risk and Reward Indicator

##### Synthetic Risk and Reward Indicator



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 interim report and financial statements, the risk and reward indicator as at the period end date 30 November 2022 was four.

#### Fund performance to 30 November 2022 (%)

	6 months	1 year	Since Launch
7IM Pathbuilder 2 Fund <sup>1,2</sup>	(1.99)	(7.80)	(1.10)

<sup>1</sup> Source: Bloomberg.

<sup>2</sup> The Sub-fund launched on 9 December 2020.

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 page 105.

# 7IM PATHBUILDER 2 FUND

## PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>ALTERNATIVES 3.82% (2.75%)<sup>1</sup></b>		
	<b>Real Estate 3.82% (2.75%)<sup>1</sup></b>		
848,435	iShares Global Property Securities Index <sup>2</sup>	1,918,566	3.82
	<b>DEBT SECURITIES 36.32% (42.82%)<sup>1</sup></b>		
	<b>Emerging Market Bonds 12.49% (13.65%)<sup>1</sup></b>		
3,625,124	BNY Mellon Global - BNY Mellon Efficient Global High Yield Beta Fund <sup>2</sup>	3,438,067	6.85
2,268,203	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc <sup>2</sup>	1,410,369	2.81
1,547,104	Legal & General Emerging Markets Government Bond USD Index Fund <sup>2</sup>	1,420,705	2.83
		<b>6,269,141</b>	<b>12.49</b>
	<b>Gilts 0.00% (2.93%)<sup>1</sup></b>		
	<b>Global Corporate Bonds 14.00% (20.19%)<sup>1</sup></b>		
6,707,562	iShares ESG Overseas Corporate Bond Index Fund (UK) <sup>2</sup>	7,028,659	14.00
	<b>Global Government Bonds 7.79% (4.06%)<sup>1</sup></b>		
249,653	HSBC Global Funds ICAV - Global Government Bond Index Fund <sup>2</sup>	1,945,722	3.88
17,797	Lyxor Core UK Government Bond DR UCITS ETF <sup>2</sup>	1,960,518	3.91
		<b>3,906,240</b>	<b>7.79</b>
	<b>Global Inflation Linked Bonds 2.04% (1.99%)<sup>1</sup></b>		
88,945	iShares Global Inflation-Linked Bond Index <sup>2</sup>	1,025,411	2.04
	<b>EQUITY 49.96% (45.00%)<sup>1</sup></b>		
	<b>Europe (ex UK) 7.07% (4.99%)<sup>1</sup></b>		
313,918	HSBC Index Tracker Investment Funds - European Index Fund <sup>2</sup>	3,547,961	7.07
	<b>Japan 5.01% (5.08%)<sup>1</sup></b>		
3,384,771	Legal & General Japan Index Trust <sup>2</sup>	2,513,192	5.01
	<b>North America 17.82% (17.17%)<sup>1</sup></b>		
1,411,663	iShares MSCI USA ESG Screened UCITS ETF <sup>2</sup>	8,942,885	17.82
61	MSCI Emerging Markets Index Futures December 2022 <sup>3</sup>	813	—
		<b>8,943,698</b>	<b>17.82</b>
	<b>United Kingdom 20.06% (17.76%)<sup>1</sup></b>		
5,781,537	Fidelity Investment Funds ICVC - Index UK Fund <sup>2</sup>	9,058,512	18.05
383,158	iShares UK Equity Index Fund UK <sup>2</sup>	1,007,111	2.01
		<b>10,065,623</b>	<b>20.06</b>

## 7IM PATHBUILDER 2 FUND

### PORTFOLIO STATEMENT (continued) as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>FORWARD CURRENCY CONTRACTS -0.23% (-1.68%)<sup>1</sup></b>		
€900,000	Vs £(801,235) Expiry 21.04.2023	(19,826)	(0.04)
€(944,630)	Vs £840,967 Expiry 21.04.2023	20,809	0.04
¥(26,000,000)	Vs £158,324 Expiry 26.05.2023	(924)	—
US\$(14,780,000)	Vs £12,362,874 Expiry 13.01.2023	77,078	0.16
US\$(670,000)	Vs £555,358 Expiry 13.01.2023	(1,575)	—
US\$4,000,000	Vs £(3,341,685) Expiry 13.01.2023	(11,404)	(0.02)
US\$1,340,000	Vs £(1,159,475) Expiry 13.01.2023	(45,608)	(0.09)
US\$5,200,000	Vs £(4,386,050) Expiry 13.01.2023	(63,578)	(0.13)
US\$2,300,000	Vs £(1,984,689) Expiry 13.01.2023	(72,826)	(0.15)
		<b>(117,854)</b>	<b>(0.23)</b>
	<b>Portfolio of investment</b>	<b>45,100,637</b>	<b>89.87</b>
	Net other assets <sup>4</sup>	5,087,836	10.13
	<b>Net assets</b>	<b>50,188,473</b>	<b>100.00</b>

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

<sup>1</sup> Comparative figures shown in brackets relate to 31 May 2022.

<sup>2</sup> Collective investment scheme.

<sup>3</sup> Derivative contract.

<sup>4</sup> Includes shares in the Northern Trust Global Sterling Fund to the value of £2,000,000 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.



## 7IM PATHBUILDER 2 FUND

### STATEMENT OF TOTAL RETURN

for the period ended 30 November 2022

		30.11.22	09.12.20 to 30.11.21 <sup>1</sup>
	£	£	£
Income			
Net capital (losses)/gains		(1,498,425)	1,490,851
Revenue	531,006		294,330
Expenses	(69,120)		(52,316)
Interest payable and similar charges	(767)		(3,016)
Net revenue before taxation for the period	461,119		238,998
Taxation	(51,077)		(39,871)
Net revenue after taxation for the period		410,042	199,127
<b>Total return before distributions</b>		(1,088,383)	1,689,978
Distributions		(410,365)	(199,510)
<b>Change in net assets attributable to shareholders from investment activities</b>		(1,498,748)	1,490,468

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 November 2022

		30.11.22	09.12.20 to 30.11.21 <sup>1</sup>
	£	£	£
<b>Opening net assets attributable to shareholders</b>		53,449,284	42,759,876
Amounts received on creation of shares <sup>2</sup>	4,290,803		7,294,577
Amounts paid on cancellation of shares <sup>2</sup>	(6,445,517)		(2,928,423)
		(2,154,714)	4,366,154
Change in net assets attributable to shareholders from investment activities		(1,498,748)	1,490,468
Retained distribution on accumulation shares		392,651	207,678
<b>Closing net assets attributable to shareholders</b>		50,188,473	48,824,176

<sup>1</sup> The Sub-fund launched on 9 December 2020.

<sup>2</sup> Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

# 7IM PATHBUILDER 2 FUND

## BALANCE SHEET

as at 30 November 2022

	30.11.22 £	31.05.22 £
<b>ASSETS</b>		
Fixed assets:		
Investments	45,316,378	48,603,226
Current assets:		
Debtors	1,256,690	445,459
Cash and bank balances	2,595,081	4,412,181
Cash equivalents <sup>1</sup>	2,000,000	2,000,000
<b>Total assets</b>	<b>51,168,149</b>	<b>55,460,866</b>
<b>LIABILITIES</b>		
Investment liabilities	(215,741)	(1,093,708)
Creditors:		
Bank overdrafts	(474,372)	(270,489)
Distribution payable	(10,390)	(11,272)
Other creditors	(279,173)	(636,113)
<b>Total liabilities</b>	<b>(979,676)</b>	<b>(2,011,582)</b>
<b>Net assets attributable to shareholders</b>	<b>50,188,473</b>	<b>53,449,284</b>

## 7IM PATHBUILDER 2 FUND

### NOTE TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2022

#### **Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2022 and are described in those financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017, the Collective Investment Schemes Sourcebook ("the COLL Rules") and the Instrument of Incorporation.

## 7IM PATHBUILDER 2 FUND

### DISTRIBUTION TABLES

for the period ended 30 November 2022

#### 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 30 November 2022

	Net Revenue	Equalisation	Payable 31.01.23	Paid 31.01.22
<b>Class C Income</b>				
Group 1	0.7788	—	0.7788	0.4549
Group 2	0.7001	0.0787	0.7788	0.4549

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class C Accumulation</b>				
Group 1	0.7940	—	0.7940	0.4580
Group 2	0.4978	0.2962	0.7940	0.4580

#### 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 PATHBUILDER 3 FUND

## ACD'S REPORT

for the period ended 30 November 2022

### Investment Objective and Policy

The 7IM Pathbuilder 3 Fund (the 'Sub-fund') aims to provide a return of capital and income over the medium to longer term (5 years or more) consistent with its risk profile (as described in the Investment Strategy section in the Prospectus).

The Sub-fund's investments and the proportion of its exposure to them will be determined by its risk profile in accordance with its banding (as further described in the Investment Strategy and Benchmark sections in the Prospectus). The Sub-fund is in the upper end of the Pathbuilder Funds' risk range.

The Sub-fund is able to have an exposure of 44% to 84% of its assets to equities and 14% to 54% to fixed interest securities (including cash gilts and global corporate bonds), primarily through indirect exposure which may be investment grade or sub-investment grade. These exposures are, however, expected to typically be around the middle of the stated ranges.

This exposure will be generated by indirect investment through collective investment schemes (which may include schemes managed by the ACD or an associate of the ACD), investment trusts, exchange traded funds, or through derivative investments (in this way, the Sub-fund may gain exposure to asset classes such as property, commodities and private equity); and/or direct investment in a range of investment grade corporate and government bonds and warrants, and 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).

It is expected that collective investment schemes and exchange traded funds held by the Sub-fund will generally be managed in accordance with passive strategies designed to track the performance of particular indices, market sectors or asset classes.

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.

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, money market funds, treasury bills, government bonds or short-term money market instruments.

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). The Sub-fund may also use derivatives for investment purposes.

### Investment Manager's Report

#### Performance Report

In the reporting period, 1 June 2022 to 30 November 2022, the portfolio delivered a total return of (1.20%)<sup>1</sup>.

#### Investment Background

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.

<sup>1</sup>Calculated using 7IM Pathbuilder 3 Fund C Acc shares, published prices. Source: NTRS.

## 7IM PATHBUILDER 3 FUND

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

#### Investment Manager's Report (continued)

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

Our Pathbuilder funds are the most passively managed funds that we run. As a result, we only make changes to them once a year in line with our strategic asset allocation (SAA) process.

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.

#### 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 PATHBUILDER 3 FUND

### FUND INFORMATION

The Comparative Tables on pages 109 to 110 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) 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 PATHBUILDER 3 FUND

## FUND INFORMATION (continued)

### Comparative Tables

#### Class C Income

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 <sup>1</sup> (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	102.55	104.11	100.00
Return before operating charges*	(0.88)	(0.02)	4.93
Operating charges (calculated on average price)	(0.18)	(0.37)	(0.17)
Return after operating charges*	(1.06)	(0.39)	4.76
Distributions on income shares	(0.76)	(1.17)	(0.65)
Closing net asset value per share	100.73	102.55	104.11
* After direct transaction costs of: <sup>2</sup>	0.00	(0.01)	(0.01)

#### Performance

Return after charges <sup>3</sup>	(1.03)%	(0.37)%	4.76%
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#### Other Information

Closing net asset value (£'000)	358	442	120
Closing number of shares	355,883	430,681	115,082
Operating charges <sup>4</sup>	0.35%	0.35%	0.35%
Direct transaction costs	0.00%	(0.01)%	(0.01)%

#### Prices

Highest share price	104.80	111.86	105.33
Lowest share price	95.14	99.92	99.41

<sup>1</sup> The Sub-fund launched on 9 December 2020.

<sup>2</sup> 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. Direct transaction costs cover a six-month period to 30 November 2021.

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

<sup>4</sup> 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 111.



# 7IM PATHBUILDER 3 FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class C Accumulation

	30.11.22 (pence per share)	31.05.22 (pence per share)	31.05.21 <sup>1</sup> (pence per share)
<b>Change in Net Asset Value Per Share</b>			
Opening net asset value per share	104.35	104.76	100.00
Return before operating charges*	(0.89)	(0.03)	4.93
Operating charges (calculated on average price)	(0.18)	(0.38)	(0.17)
Return after operating charges*	(1.07)	(0.41)	4.76
Distributions	(0.78)	(1.14)	(0.65)
Retained distributions on accumulation shares	0.78	1.14	0.65
Closing net asset value per share	103.28	104.35	104.76
* After direct transaction costs of: <sup>2</sup>	0.00	(0.01)	(0.01)

#### Performance

Return after charges <sup>3</sup>	(1.03)%	(0.39)%	4.76%
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#### Other Information

Closing net asset value (£'000)	31,702	32,314	21,618
Closing number of shares	30,695,181	30,966,955	20,636,092
Operating charges <sup>4</sup>	0.35%	0.35%	0.35%
Direct transaction costs	0.00%	(0.01)%	(0.01)%

#### Prices

Highest share price	106.64	112.56	105.33
Lowest share price	96.81	100.83	99.41

<sup>1</sup> The Sub-fund launched on 9 December 2020.

<sup>2</sup> 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. Direct transaction costs cover a six-month period to 30 November 2021.

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

<sup>4</sup> 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 111.

## 7IM PATHBUILDER 3 FUND

### FUND INFORMATION (continued)

#### Ongoing Charges Figures

As at 30 November 2022

	<b>Class C</b>
ACD's periodic charge	0.22%
Other expenses <sup>1</sup>	0.05%
	<hr/> 0.27%
Collective investment scheme costs	0.08%
Ongoing Charges Figure	<hr/> 0.35%

As at 31 May 2022

	<b>Class C</b>
ACD's periodic charge	0.22%
Other expenses <sup>1</sup>	0.05%
	<hr/> 0.27%
Collective investment scheme costs	0.08%
Ongoing Charges Figure	<hr/> 0.35%

<sup>1</sup> Other expenses is capped at 0.05%.

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 period.

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 PATHBUILDER 3 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 interim report and financial statements, the risk and reward indicator as at the period end date 30 November 2022 was five.

#### Fund performance to 30 November 2022 (%)

	6 months	1 year	Since Launch
7IM Pathbuilder 3 Fund <sup>1, 2</sup>	(1.20)	(5.85)	3.27

<sup>1</sup> Source: Bloomberg.

<sup>2</sup> The Sub-fund launched on 9 December 2020.

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 page 118.

# 7IM PATHBUILDER 3 FUND

## PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>ALTERNATIVES 2.70% (3.79%)<sup>1</sup></b>		
	<b>Real Estate 2.70% (3.79%)<sup>1</sup></b>		
382,668	iShares Global Property Securities Index <sup>2</sup>	865,326	2.70
	<b>DEBT SECURITIES 20.21% (20.75%)<sup>1</sup></b>		
	<b>Emerging Market Bonds 6.95% (7.80%)<sup>1</sup></b>		
626,283	BNY Mellon Global - BNY Mellon Efficient Global High Yield Beta Fund <sup>2</sup>	593,967	1.85
1,327,112	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc <sup>2</sup>	825,199	2.57
884,648	Legal & General Emerging Markets Government Bond USD Index Fund <sup>2</sup>	812,372	2.53
		<b>2,231,538</b>	<b>6.95</b>
	<b>Gilts 0.00% (1.95%)<sup>1</sup></b>		
	<b>Global Corporate Bonds 8.19% (8.03%)<sup>1</sup></b>		
2,772	HSBC Global Funds ICAV - Global Corporate Bond Index Fund <sup>2</sup>	20,923	0.07
2,482,717	iShares ESG Overseas Corporate Bond Index Fund (UK) <sup>2</sup>	2,601,566	8.12
		<b>2,622,489</b>	<b>8.19</b>
	<b>Global Government Bonds 5.07% (2.97%)<sup>1</sup></b>		
125,158	HSBC Global Funds ICAV - Global Government Bond Index Fund <sup>2</sup>	975,439	3.04
5,912	Lyxor Core UK Government Bond (DR) UCITS ETF <sup>2</sup>	651,266	2.03
		<b>1,626,705</b>	<b>5.07</b>
	<b>EQUITY 65.00% (62.03%)<sup>1</sup></b>		
	<b>Europe (ex UK) 10.61% (9.76%)<sup>1</sup></b>		
300,960	HSBC Index Tracker Investment Funds - European Index Fund <sup>2</sup>	3,401,515	10.61
	<b>Japan 10.16% (10.19%)<sup>1</sup></b>		
4,387,271	Legal & General Japan Index Trust <sup>2</sup>	3,257,548	10.16
	<b>North America 20.76% (20.27%)<sup>1</sup></b>		
25,330	Invesco MSCI USA ESG Universal Screened UCITS ETF <sup>2</sup>	1,215,967	3.79
858,520	iShares MSCI USA ESG Screened UCITS ETF <sup>2</sup>	5,438,724	16.97
69	MSCI Emerging Markets Index Futures December 2022 <sup>3</sup>	919	—
		<b>6,655,610</b>	<b>20.76</b>
	<b>United Kingdom 23.47% (21.81%)<sup>1</sup></b>		
3,813,078	Fidelity Investment Funds ICVC - Index UK Fund <sup>2</sup>	5,974,330	18.64
589,053	iShares UK Equity Index Fund UK <sup>2</sup>	1,548,295	4.83
		<b>7,522,625</b>	<b>23.47</b>

## 7IM PATHBUILDER 3 FUND

### PORTFOLIO STATEMENT (continued) as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
<b>FORWARD CURRENCY CONTRACTS -0.04% (-0.42%)<sup>1</sup></b>			
US\$1,700,000	Vs £(1,420,216) Expiry 13.01.2023	(4,847)	(0.02)
€110,000	Vs £(97,929) Expiry 21.04.2023	(2,423)	(0.01)
US\$(2,600,000)	Vs £2,174,795 Expiry 13.01.2023	13,559	0.04
US\$(340,000)	Vs £281,824 Expiry 13.01.2023	(799)	—
¥28,000,000	Vs £(170,503) Expiry 26.05.2023	995	—
US\$1,600,000	Vs £(1,349,554) Expiry 13.01.2023	(19,563)	(0.05)
		<b>(13,078)</b>	<b>(0.04)</b>
<b>Portfolio of investment</b>		<b>28,170,278</b>	<b>87.87</b>
Net other assets <sup>4</sup>		3,889,922	12.13
<b>Net assets</b>		<b>32,060,200</b>	<b>100.00</b>

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

<sup>1</sup> Comparative figures shown in brackets relate to 31 May 2022.

<sup>2</sup> Collective Investment Scheme.

<sup>3</sup> Derivative contract.

<sup>4</sup> Includes shares in the Northern Trust Global Sterling Fund to the value of £3,024,085 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

## 7IM PATHBUILDER 3 FUND

### STATEMENT OF TOTAL RETURN

for the period ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
Income				
Net capital (losses)/gains		(572,737)		1,092,417
Revenue	299,380		127,323	
Expenses	(42,468)		(32,503)	
Interest payable and similar charges	(672)		(1,468)	
Net revenue before taxation for the period	256,240		93,352	
Taxation	(16,490)		(10,225)	
Net revenue after taxation for the period		239,750		83,127
<b>Total return before distributions</b>		(332,987)		1,175,544
Distributions		(239,935)		(83,313)
<b>Change in net assets attributable to shareholders from investment activities</b>		(572,922)		1,092,231

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 November 2022

		30.11.22		30.11.21
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		32,756,017		21,738,380
Amounts received on creation of shares <sup>1</sup>	1,410,069		8,295,596	
Amounts paid on cancellation of shares <sup>1</sup>	(1,770,944)		(980,245)	
		(360,875)		7,315,351
Dilution levy		–		1,665
Change in net assets attributable to shareholders from investment activities		(572,922)		1,092,231
Retained distribution on accumulation shares		237,980		84,435
<b>Closing net assets attributable to shareholders</b>		32,060,200		30,232,062

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

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

# 7IM PATHBUILDER 3 FUND

## BALANCE SHEET

as at 30 November 2022

	30.11.22 £	31.05.22 £
<b>ASSETS</b>		
Fixed assets:		
Investments <sup>1</sup>	28,197,910	28,429,725
Current assets:		
Debtors	150,611	208,162
Cash and bank balances	989,085	1,599,757
Cash equivalents <sup>1</sup>	3,024,085	3,002,178
<b>Total assets</b>	<b>32,361,691</b>	<b>33,239,822</b>
<b>LIABILITIES</b>		
Investment liabilities	(27,632)	(207,572)
Creditors:		
Bank overdrafts	(111,847)	(65,665)
Distribution payable	(2,712)	(3,667)
Other creditors	(159,300)	(206,901)
<b>Total liabilities</b>	<b>(301,491)</b>	<b>(483,805)</b>
<b>Net assets attributable to shareholders</b>	<b>32,060,200</b>	<b>32,756,017</b>

## 7IM PATHBUILDER 3 FUND

### NOTE TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2022

#### **Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2022 and are described in those financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017, the Collective Investment Schemes Sourcebook ("the COLL Rules") and the Instrument of Incorporation.



## 7IM PATHBUILDER 3 FUND

### DISTRIBUTION TABLES

for the period ended 30 November 2021

#### 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 30 November 2022

	Net Revenue	Equalisation	Payable 31.01.23	Paid 31.01.22
<b>Class C Income</b>				
Group 1	0.7620	—	0.7620	0.3234
Group 2	0.3113	0.4507	0.7620	0.3234

	Net Revenue	Equalisation	Allocated 31.01.23	Allocated 31.01.22
<b>Class C Accumulation</b>				
Group 1	0.7753	—	0.7753	0.3080
Group 2	0.5650	0.2103	0.7753	0.3080

#### 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 PATHBUILDER 4 FUND

## ACD'S REPORT

for the period ended 30 November 2022

### Investment Objective and Policy

The 7IM Pathbuilder 4 Fund (the 'Sub-fund') aims to provide a return of capital and income over the medium to longer term (5 years or more) consistent with its risk profile (as described in the Investment Strategy section in the Prospectus).

The Sub-fund's investments and the proportion of its exposure to them will be determined by its risk profile in accordance with its banding (as further described in the Investment Strategy and Benchmark sections in the Prospectus). 7IM Pathbuilder 4 Fund is at the highest end of the Pathbuilder Funds' risk range.

The Sub-fund is able to have an exposure of 73% to 100% of its assets to equities and 0% to 25% to fixed interest securities (including cash gilts and global corporate bonds), primarily through indirect exposure which may be investment grade or sub-investment grade. These exposures are, however, expected to typically be around the middle of the stated ranges.

This exposure will be generated by: indirect investment through collective investment schemes (which may include schemes managed by the ACD or an associate of the ACD), investment trusts, exchange traded funds, or through derivative investments (in this way, the Sub-fund may gain exposure to asset classes such as property, commodities and private equity); and/or direct investment in a range of investment grade corporate and government bonds and warrants, and 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).

It is expected that collective investment schemes and exchange traded funds held by the Sub-fund will generally be managed in accordance with passive strategies designed to track the performance of particular indices, market sectors or asset classes.

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. 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, money market funds, treasury bills, government bonds or short-term money market instruments.

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). The Sub-fund may also invest in derivatives for investment purposes.

### Investment Manager's Report

#### Performance Report

In the reporting period, 1 June 2022 to 30 November 2022, the portfolio delivered a total return of (0.80)%<sup>1</sup>.

#### Investment Background

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.

<sup>1</sup> Calculated using 7IM Pathbuilder 4 Fund C Acc shares, published prices. Source: NTRS

## 7IM PATHBUILDER 4 FUND

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

#### Investment Manager's Report (continued)

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

Our Pathbuilder funds are the most passively managed funds that we run. As a result, we only make changes to them once a year in line with our strategic asset allocation (SAA) process.

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.

#### 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 PATHBUILDER 4 FUND

### FUND INFORMATION

The Comparative Tables on pages 122 to 123 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) 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 PATHBUILDER 4 FUND

## FUND INFORMATION (continued)

### Comparative Tables

#### Class C Income

	30.11.22 (pence per share)	31.05.22 <sup>1</sup> (pence per share)
<b>Change in Net Asset Value Per Share</b>		
Opening net asset value per share	96.22	100.00
Return before operating charges*	(0.34)	(2.83)
Operating charges (calculated on average price)	(0.16)	(0.16)
Return after operating charges*	(0.50)	(2.99)
Distributions on income shares	(0.75)	(0.79)
Closing net asset value per share	94.97	96.22
* After direct transaction costs of: <sup>2</sup>	0.00	0.00

#### Performance

Return after charges <sup>3</sup>	(0.52)%	(2.99)%
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#### Other Information

Closing net asset value (£'000)	3,292	2,753
Closing number of shares	3,466,041	2,860,771
Operating charges <sup>4</sup>	0.33%	0.33%
Direct transaction costs	0.00%	0.00%

#### Prices

Highest share price	99.08	103.07
Lowest share price	89.70	91.77

<sup>1</sup> The Sub-fund launched on 3 December 2021.

<sup>2</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>4</sup> 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 6.

# 7IM PATHBUILDER 4 FUND

## FUND INFORMATION (continued)

### Comparative Tables (continued)

#### Class C Accumulation

	30.11.22 (pence per share)	31.05.22 <sup>1</sup> (pence per share)
<b>Change in Net Asset Value Per Share</b>		
Opening net asset value per share	97.01	100.00
Return before operating charges*	(0.34)	(2.83)
Operating charges (calculated on average price)	(0.16)	(0.16)
Return after operating charges*	(0.50)	(2.99)
Distributions	(0.76)	(0.79)
Retained distributions on accumulation shares	0.76	0.79
Closing net asset value per share	96.51	97.01
* After direct transaction costs of: <sup>2</sup>	0.00	0.00

#### Performance

Return after charges <sup>3</sup>	(0.52)%	(2.99)%
-----------------------------------	---------	---------

#### Other Information

Closing net asset value (£'000)	11,989	11,532
Closing number of shares	12,423,211	11,888,365
Operating charges <sup>4</sup>	0.33%	0.33%
Direct transaction costs	0.00%	0.00%

#### Prices

Highest share price	99.89	103.07
Lowest share price	90.44	91.77

<sup>1</sup> The Sub-fund launched on 3 December 2021.

<sup>2</sup> 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. Direct transaction costs cover a six-month period to 30 November 2022.

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

<sup>4</sup> 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 6.

## 7IM PATHBUILDER 4 FUND

### FUND INFORMATION (continued)

#### Ongoing Charges Figures

As at 30 November 2022

	<b>Class C</b>
ACD's periodic charge	0.22%
Other expenses <sup>2</sup>	0.05%
	<hr/> 0.27%
Collective investment scheme costs	0.06%
Ongoing Charges Figure	<hr/> 0.33%

As at 31 May 2022<sup>1</sup>

	<b>Class C</b>
ACD's periodic charge	0.22%
Other expenses <sup>2</sup>	0.05%
	<hr/> 0.27%
Collective investment scheme costs	0.06%
Ongoing Charges Figure	<hr/> 0.33%

<sup>1</sup> The Sub-fund launched on 3 December 2021.

<sup>2</sup> Other expenses is capped at 0.05%.

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 period.

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 PATHBUILDER 4 FUND

### FUND INFORMATION (continued)

#### Synthetic Risk and Reward Indicator

##### Synthetic Risk and Reward Indicator



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 interim report and financial statements, the risk and reward indicator as at the period end date 30 November 2022 was 5.

#### Fund performance to 30 November 2022 (%)

	6 months	Since Launch
7IM Pathbuilder 4 Fund <sup>1,2</sup>	(0.80)	(3.52)

<sup>1</sup> Source: Bloomberg.

<sup>2</sup> The Sub-fund launched on 3 December 2021.

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 page 130.



# 7IM PATHBUILDER 4 FUND

## PORTFOLIO STATEMENT

as at 30 November 2022

Holding	Portfolio of Investment	Value £	30.11.22 %
	<b>ALTERNATIVES 4.82% (4.62%)<sup>1</sup></b>		
	<b>Real Estate 4.82% (4.62%)<sup>1</sup></b>		
326,055	iShares Global Property Securities Index <sup>2</sup>	<b>737,307</b>	<b>4.82</b>
	<b>EQUITY 78.19% (78.86%)<sup>1</sup></b>		
	<b>Europe (ex UK) 12.30% (12.05%)<sup>1</sup></b>		
166,343	HSBC Index Tracker Investment Funds - European Index Fund <sup>2</sup>	<b>1,880,040</b>	<b>12.30</b>
	<b>Japan 12.11% (12.07%)<sup>1</sup></b>		
2,491,611	Legal & General Japan Index Trust <sup>2</sup>	<b>1,850,021</b>	<b>12.11</b>
	<b>North America 24.87% (26.34%)<sup>1</sup></b>		
24,375	Invesco MSCI USA ESG Universal Screened UCITS ETF <sup>2</sup>	1,170,122	7.66
412,707	iShares MSCI USA ESG Screened UCITS ETF <sup>2</sup>	2,614,499	17.11
56	MSCI Emerging Markets Index Futures December 2022 <sup>3</sup>	15,501	0.10
		<b>3,800,122</b>	<b>24.87</b>
	<b>United Kingdom 28.91% (28.40%)<sup>1</sup></b>		
1,812,100	Fidelity Investment Funds ICVC - Index UK Fund <sup>2</sup>	2,839,199	18.58
600,383	iShares UK Equity Index Fund UK <sup>2</sup>	1,578,074	10.33
		<b>4,417,273</b>	<b>28.91</b>
	<b>FORWARD CURRENCY CONTRACTS -0.08% (0.99%)<sup>1</sup></b>		
€72,000	Vs £(64,099) Expiry 21.04.2023	(1,586)	(0.01)
€(108,632)	Vs £96,711 Expiry 21.04.2023	2,393	0.02
US\$90,000	Vs £(74,600) Expiry 13.01.2023	212	—
US\$2,430,000	Vs £(2,032,597) Expiry 13.01.2023	(12,673)	(0.09)
		<b>(11,654)</b>	<b>(0.08)</b>
	<b>Portfolio of investment</b>	<b>12,673,109</b>	<b>82.93</b>
	Net other assets <sup>4</sup>	2,608,340	17.07
	<b>Net assets</b>	<b>15,281,449</b>	<b>100.00</b>

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

<sup>1</sup> Comparative figures shown in brackets relate to 31 May 2022.

<sup>2</sup> Collective investment scheme.

<sup>3</sup> Derivative contract.

<sup>4</sup> Includes shares in the Northern Trust Global Sterling Fund to the value of £1,008,348 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

## 7IM PATHBUILDER 4 FUND

### STATEMENT OF TOTAL RETURN

for the period ended 30 November 2022

	£	30.11.22 <sup>1</sup> £
Income		
Net capital losses		(106,384)
Revenue	142,380	
Expenses	(19,902)	
Interest payable and similar charges	(573)	
Net revenue before taxation for the period	121,905	
Taxation	(1,739)	
Net revenue after taxation for the period		120,166
<b>Total return before distributions</b>		13,782
Distributions		(120,862)
<b>Change in net assets attributable to shareholders from investment activities</b>		(107,080)

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 November 2022

	£	30.11.22 <sup>1</sup> £
<b>Opening net assets attributable to shareholders</b>		14,284,828
Amounts received on creation of shares <sup>2</sup>	2,775,777	
Amounts paid on cancellation of shares <sup>2</sup>	(1,767,589)	
		1,008,188
Dilution levy		724
Change in net assets attributable to shareholders from investment activities		(107,080)
Retained distribution on accumulation shares		94,789
<b>Closing net assets attributable to shareholders</b>		15,281,449

<sup>1</sup> There are no comparative figures shown as the Sub-fund launched on 3 December 2021.

<sup>2</sup> Stated at mid-market price. The mid-market price is calculated using the midpoint of the bid and offer rates.

# 7IM PATHBUILDER 4 FUND

## BALANCE SHEET

as at 30 November 2022

	30.11.22 £	31.05.22 <sup>1</sup> £
<b>ASSETS</b>		
Fixed assets:		
Investments	12,687,368	12,084,998
Current assets:		
Debtors	60,377	62,758
Cash and bank balances	1,627,387	1,268,940
Cash equivalents	1,008,348	1,001,043
<b>Total assets</b>	<b>15,383,480</b>	<b>14,417,739</b>
<b>LIABILITIES</b>		
Investment liabilities	(14,259)	(18,317)
Creditors:		
Bank overdrafts	—	(300)
Distribution payable	(26,165)	(22,589)
Other creditors	(61,607)	(91,705)
<b>Total liabilities</b>	<b>(102,031)</b>	<b>(132,911)</b>
<b>Net assets attributable to shareholders</b>	<b>15,281,449</b>	<b>14,284,828</b>

<sup>1</sup>The Sub-fund was launched on 3 December 2021.

## 7IM PATHBUILDER 4 FUND

### NOTE TO THE FINANCIAL STATEMENTS

for the period ended 30 November 2022

#### **Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the period ended 31 May 2022 and are described in those financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("IMA SORP") and amended in June 2017, the Collective Investment Schemes Sourcebook ("the COLL Rules") and the Instrument of Incorporation.

## 7IM PATHBUILDER 4 FUND

### DISTRIBUTION TABLES

for the period ended 30 November 2022

#### 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 30 November 2022

	Net Revenue	Equalisation	Payable 31.01.23 <sup>1</sup>
<b>Class C Income</b>			
Group 1	0.7549	–	0.7549
Group 2	0.6232	0.1317	0.7549
	Net Revenue	Equalisation	Allocated 31.01.23 <sup>1</sup>
<b>Class C Accumulation</b>			
Group 1	0.7630	–	0.7630
Group 2	0.7148	0.0482	0.7630

<sup>1</sup> There are no comparative figures shown as the Sub-fund launched on 3 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 OPPORTUNITY 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 period 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 period ended 30 November 2022, securities lending was not undertaken and as at the period end, 30 November 2022, no securities were on loan for the following Sub-funds.

7IM Real Return Fund  
7IM Select Moderately Cautious Fund  
7IM Select Balanced Fund  
7IM Select Moderately Adventurous Fund  
7IM Select Adventurous Fund  
7IM Pathbuilder 1 Fund  
7IM Pathbuilder 2 Fund  
7IM Pathbuilder 3 Fund  
7IM Pathbuilder 4 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 period end, 30 November 2022, no collateral arrangements were in place in respect of securities lending transactions for the following Sub-funds.

7IM Real Return Fund  
7IM Select Moderately Cautious Fund  
7IM Select Balanced Fund  
7IM Select Moderately Adventurous Fund  
7IM Select Adventurous Fund  
7IM Pathbuilder 1 Fund  
7IM Pathbuilder 2 Fund  
7IM Pathbuilder 3 Fund  
7IM Pathbuilder 4 Fund

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

# 7IM OPPORTUNITY 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.

### Classes of Shares

The Company has the following active share classes 'C' Income, 'C' Accumulation, 'D' Accumulation and 'S' Income and 'S' 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.

### 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: 020 7660 8777 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](http://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.

# 7IM OPPORTUNITY FUNDS

## GENERAL INFORMATION (continued)

### 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](http://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 period ended 30 November 2022. These statements will be available on Seven Investment Management's website no later than 31 January 2023.



3rd Floor  
55 Bishopsgate  
London EC2N 3AS  
Telephone: 020 7760 8777  
[www.7im.co.uk](http://www.7im.co.uk)

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