

7IM INVESTMENT FUNDS

Annual Report and Financial Statements
for the year ended 30 November 2017

7IM Cautious Fund
7IM Moderately Cautious Fund
7IM Balanced Fund
7IM Moderately Adventurous Fund
7IM Adventurous Fund
7IM Sustainable Balance Fund
7IM AAP Income Fund
7IM AAP Moderately Cautious Fund
7IM AAP Balanced Fund
7IM AAP Moderately Adventurous Fund
7IM AAP Adventurous Fund

7IM INVESTMENT 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
PO Box 3733
Royal Wootton Bassett
Swindon SN4 4BG

Management Committee of the ACD

P. Bungey	T. Sheridan
D. Carroll	V. Smith
J. Routledge	C. Sparrow
S. Sanderson	J. Urquhart Stewart

Sub-Investment Manager

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

Morningstar is the sub-investment manager providing investment advisory services for the following sub-funds:

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

Depository

Northern Trust Global Services Limited
50 Bank Street
London E14 5NT
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Registrar & Administrator

Northern Trust Global Services Limited
50 Bank Street
London E14 5NT
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Independent Auditor

KPMG LLP
15 Canada Square
London E14 5GL

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7IM INVESTMENT FUNDS

AUTHORISED STATUS

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

The Company is a UCITS Scheme.

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.

REMUNERATION DISCLOSURE

In accordance with COLL 4.5.7R (7) the ACD is required to make disclosures of remuneration paid to staff and UCITS remuneration code staff by the ACD and a description of how the remuneration has been calculated. COLL 4.5.7A G allows the relevant disclosure not to be included in these accounts as the first full performance period of the ACD is not complete and the required information is therefore not available.

SUB-FUND CROSS-HOLDINGS

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

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.

C. Sparrow
On behalf of Seven Investment Management LLP
ACD of 7IM Investment Funds
8 March 2018

7IM INVESTMENT FUNDS

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

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

In preparing the financial statements the ACD is responsible for:

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

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

7IM INVESTMENT FUNDS

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE 7IM INVESTMENT FUNDS ("THE COMPANY") FOR THE YEAR ENDED 30 NOVEMBER 2017

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

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

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the AFM'), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

REPORT OF THE DEPOSITARY

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

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Northern Trust Global Services Limited
UK Trustee and Depositary Services
8 March 2018

7IM INVESTMENT FUNDS

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

Opinion

We have audited the financial statements of the Company for the year ended 30 November 2017, which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and the Distribution Tables for each of the Company's sub funds listed on pages 1 and 2 and the accounting policies set out on pages 7 to 10.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 30 November 2017 and of the net revenue/deficit of revenue and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Authorised Corporate Director is responsible for the other information, which comprises the Authorised Corporate Director's Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Authorised Corporate Director's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

Authorised Corporate Director's Seven Investment Management LLP's responsibilities

As explained more fully in their statement set out on page 4 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Paul McKechnie
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom
8 March 2018

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

The Company has adopted FRS 102 and the 2014 SORP. The principal accounting policies that have been applied consistently during the accounting year are set out below.

(b) Functional and Presentation Currency

The functional and presentation currency of the Company is sterling.

(c) Recognition of revenue

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

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

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

Deemed distributions from FCP's (Fonds de Commun de Placement) are calculated on a daily basis and are included in revenue.

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

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

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

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

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

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

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

(d) Treatment of stock and special dividends

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

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

(e) Treatment of expenses

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

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

(f) Capped expenses

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

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

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

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

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

2. Summary of Significant Accounting Policies(continued)

(h) *Taxation*

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

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

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

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

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

(i) *Distribution policy*

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

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

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

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

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

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

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

(j) *Basis of valuation of investments*

All investments are valued at their fair value as at 12.00pm UK time on 30 November 2017, being the last business day of the financial year.

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

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

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

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

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

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

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

2. Summary of Significant Accounting Policies(continued)

(k) *Exchange rates*

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at 12.00pm UK time on 30 November 2017, being the last business day of the financial year.

(l) *Dilution levy*

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

(m) *Stock lending*

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

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

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

3. Risk Management Policies

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

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

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

(a) *Credit risk*

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

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

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

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

(b) *Liquidity risk*

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

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

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

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

3. Risk Management Policies (continued)

(c) *Market risk*

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

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

(d) *Interest rate risk*

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

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

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

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

(e) *Foreign currency risk*

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

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

(f) *Other price risk*

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

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

(g) *Derivatives*

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

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

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

7IM CAUTIOUS FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

The 7IM Cautious Fund (the 'Sub-fund') aims to provide a long-term total return, by way of income with some capital appreciation. There may be moderate risk to capital, but the Sub-fund will be managed with the intention of limiting volatility to relatively low levels in normal circumstances. As a consequence, long-term return expectations may be lower than for higher risk portfolios. There is no guarantee that a positive return will be delivered.

The Sub-fund will seek to achieve its objective through direct or indirect investment in a range of asset classes, which may include government and corporate bonds, cash, near cash and equities as well as in alternative asset classes (such as real estate, private equity and close ended funds). Investment in these alternative asset classes would be largely (and in the case of real estate, only) achieved indirectly through investing in collective investment schemes, certificates and derivatives.

While bonds, cash and near cash and other income generating assets are likely to represent the main part of the Sub-fund's investment exposure, this may also include assets with scope for capital growth in real terms, and assets with scope for greater volatility.

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

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 3.12%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emmanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016 we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

Portfolio Review

In December 2016, we increased our European equity holdings and introduced Japanese equity exposure, reducing our Emerging Market (EM) and, marginally, US allocations to do so. We expected the stronger Dollar to drive Yen lower, boosting the attractiveness of the Topix, while we thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. In the EM space, we had had a good run but believed the region could be negatively impacted by Trump's rhetoric and policies. We thus sold our Asia Pacific exposure, an asset class heavily weighted towards Taiwan and South Korea. In January 2017, we cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our EuroStoxx Dividend 2018 future, replacing it with a similar instrument which matures in 2019.

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

7IM CAUTIOUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

Come March, valuations in the US and UK looked high, while we also saw some political risk in Europe. Valuations were especially high in the 'Trump reflation trade' related stocks such as the Russell 2000 Index. As a result, we reduced exposure to the Russell 2000 Index in our March review. At the same time we cut some of our UK equity exposure, due to Brexit susceptibility alongside high valuations, and reduced European exposure, as the result of the French elections remained uncertain. Following a positive result in the first round, alongside strong macro data and attractive valuations, we then increased our EuroStoxx exposure in April. In March we also reintroduced EM exposure, seeing a stable Chinese economy, robust commodity prices and a strong global macro scene boding well for the sector.

By September, the macro story had improved, with good earnings numbers and a fading of geopolitical risk. We took a more risk-on position, deciding to increase both Japanese and European equity, and at the same time taking profits from the holding in Emerging Markets equity. We believed that much of the recent good performance in EM had been as a result of the technology sector rallying; such an over-reliance on one sector reinforced our view that this was a good time to decrease our allocation. Our views developed further in November, as we saw increased value in the UK in comparison to other regions, and so decided to add to the FTSE 100 index futures, cutting European equity to do so. As the majority of earnings in the FTSE 100 index are derived overseas, it has historically performed well when Sterling has fallen. Adding to it therefore provides us with further protection against a fall in Sterling, an increasing possibility with difficult upcoming Brexit talks.

In the fixed income space, we bought some tail risk protection for the weak UK outlook in December 2016. In the month, we also trimmed convertibles, as the asset class had had a good run, and this provided cash for other investments. In February, we cut the allocation to Gilts, taking profits, as a resilient economic environment meant that the Bank of England was unlikely to extend QE. We additionally reduced our High Yield bonds as the spreads had narrowed considerably, again taking profits. In March, we increased our Global Government Bond exposure through a US 10 year Treasury, believing the asset to be a good tail-risk hedge, and following on from a substantial increase in US Treasury yields. We also increased our Emerging Market Local Currency Debt, believing that the sell-off following the US elections was overdone, and seeing some value in the asset. Convertibles were also trimmed again, making way for the purchases in other asset classes. At the same time we added a little EM Dollar debt exposure, as we liked this asset class and believed the Dollar denominated version had less volatility. This was useful in the coming months as the North Korean threat escalated. As tensions increased, we reduced our exposure to EM Local Market debt – a holding more volatile than the Dollar denominated version – to help to protect the Sub-fund against the potential for a market reaction to geopolitical shocks. In September also we cut some of our High Yield allocation, due to spreads narrowing, taking some profits.

We also made some changes to our Alternatives allocation. In December 2016, we added a Credit Suisse Risk Premia Certificate alongside an active manager – Neuberger Berman – as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same time, we sold some of our Real Estate holding, due to concern over excessively high valuations, with Real Estate having been seen as a bond proxy. In January, we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures Fund. In the following month we decided to add some protection in the Sub-fund in case of a no-Brexit scenario. To do so, we added a GBP/USD Option, which would protect against a sharp rally in Sterling. In addition, we increased our 'market neutral' allocation, adding slightly to the Zebra Global Equity Beta Neutral Fund. We also added the LXI Property Fund to the portfolio at this time, a fund investing in a diversified portfolio of UK properties, selected for their long inflation-linked lease, and added some Infrastructure in April. We made an initial investment in the BBGI Sicav Fund, as listed infrastructure funds offer exposure to long-term, government-backed, inflation-linked cash flows, and also bought the International Public Partnership Fund. In April, we additionally decided to reduce exposure to inflation protection, as inflation expectations were unlikely to accelerate, selling the Bank of America Merrill Lynch (BAML) position, due to preferable exit terms. In June we replaced some of our equity holdings with an equity volatility strategy, an equity-like position which has less exposure to extreme tail-risk events, and added an S&P 500 put option, further diversifying our safe haven assets. In July, we added currency call options to hedge against the impact of a stronger Pound; these aided the portfolio when Sterling rallied from mid-August. Throughout the period, we increased our gold allocation: we added to the asset class in both March and June as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, particularly important given the Sub-fund's low risk profile.

Over the year, we often used our ability to manage currency to express our market views. Last December, we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar. As geopolitical tensions increased in the year, we used Yen as a tail risk hedge. In March, we increased our Yen allocation, which also protected against the downside risk from a Topix overweight, and added to the position again in August, as the currency has proven in the past to act well in times of the elevation of geopolitical risk. We additionally altered our currency positions in April, increasing Euro exposure, reflecting our more bullish view following the first round of the French elections discussed above, funded by reducing our Dollar allocation, foreseeing continued weakness in the currency. After a very good run we adjusted our zero Dollar position in August, increasing our allocation alongside our increase in Yen.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

7IM CAUTIOUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

In the UK, there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM CAUTIOUS FUND

FUND INFORMATION

The Comparative Tables on pages 15 to 18 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 and research costs.

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

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 ¹ (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	98.49	95.06	100.00
Return before operating charges*	3.93	5.76	(3.65)
Operating charges (calculated on average price)	(0.86)	(0.88)	(0.52)
Return after operating charges*	3.07	4.88	(4.17)
Distributions on income shares	(1.30)	(1.45)	(0.77)
Closing net asset value per share	100.26	98.49	95.06
* After direct transaction costs of: ²	0.01	0.01	0.01
Performance			
Return after charges ³	3.12%	5.13%	(4.17)%
Other Information			
Closing net asset value (£'000)	20,581	21,288	22,730
Closing number of shares	20,527,220	21,614,651	23,911,839
Operating charges ⁴	0.85%	0.91%	0.90%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	101.52	100.54	100.15
Lowest share price	98.35	91.05	93.13

¹ The Sub-fund launched 24 April 2015. The operating change for 2015 has been annualised based on the expenses incurred to the period end 30 November 2015.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 19.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 ¹ (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	100.77	95.83	100.00
Return before operating charges*	3.98	5.83	(3.65)
Operating charges (calculated on average price)	(0.88)	(0.89)	(0.52)
Return after operating charges*	3.10	4.94	(4.17)
Distributions	(1.34)	(1.47)	(0.78)
Retained distributions on accumulation shares	1.34	1.47	0.78
Closing net asset value per share	103.87	100.77	95.83
* After direct transaction costs of: ²	0.01	0.01	0.01
Performance			
Return after charges ³	3.08%	5.15%	(4.17)%
Other Information			
Closing net asset value (£'000)	17,976	12,488	7,431
Closing number of shares	17,305,717	12,392,356	7,754,536
Operating charges ⁴	0.85%	0.91%	0.90%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	104.46	101.92	100.15
Lowest share price	100.58	91.79	93.27

¹ The Sub-fund launched 24 April 2015. The operating change for 2015 has been annualised based on the expenses incurred to the period end 30 November 2015.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 19.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 ¹ (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	98.86	95.24	100.00
Return before operating charges*	3.90	5.71	(3.87)
Operating charges (calculated on average price)	(0.61)	(0.64)	(0.29)
Return after operating charges*	3.29	5.07	(4.16)
Distributions on income shares	(1.31)	(1.45)	(0.60)
Closing net asset value per share	100.84	98.86	95.24
* After direct transaction costs of: ²	0.01	0.01	0.01
Performance			
Return after charges ³	3.33%	5.32%	(4.16)%
Other Information			
Closing net asset value (£'000)	240	160	41
Closing number of shares	238,208	162,284	42,864
Operating charges ⁴	0.60%	0.66%	0.65%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	102.12	100.89	100.00
Lowest share price	98.72	91.26	93.21

¹ The Sub-fund launched 24 April 2015. The operating change for 2015 has been annualised based on the expenses incurred to the period end 30 November 2015.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 19.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 ¹ (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	101.00	95.87	100.00
Return before operating charges*	3.94	5.79	(3.98)
Operating charges (calculated on average price)	(0.62)	(0.65)	(0.15)
Return after operating charges*	3.32	5.13	(4.13)
Distributions	(1.34)	(1.47)	(0.23)
Retained distributions on accumulation shares	1.34	1.47	0.23
Closing net asset value per share	104.32	101.00	95.87
* After direct transaction costs of: ²	0.01	0.01	0.01
Performance			
Return after charges ³	3.29%	5.35%	(4.13)%
Other Information			
Closing net asset value (£'000)	5,004	2,080	1,225
Closing number of shares	4,796,349	2,059,042	1,277,635
Operating charges ⁴	0.60%	0.66%	0.65%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	104.90	102.13	100.00
Lowest share price	100.82	91.86	93.28

¹ The Sub-fund launched 24 April 2015. The operating change for 2015 has been annualised based on the expenses incurred to the period end 30 November 2015.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 19.

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class C	Class S
ACD's periodic charge	0.50%	0.25%
Other expenses	0.21%	0.21%
	<hr/> 0.71%	<hr/> 0.46%
Collective investment scheme costs	0.14%	0.14%
Ongoing Charges Figure	<hr/> 0.85%	<hr/> 0.60%

As at 30 November 2016

	Class C	Class S
ACD's periodic charge	0.50%	0.25%
Other expenses	0.26%	0.26%
	<hr/> 0.76%	<hr/> 0.51%
Collective investment scheme costs	0.15%	0.15%
Ongoing Charges Figure	<hr/> 0.91%	<hr/> 0.66%

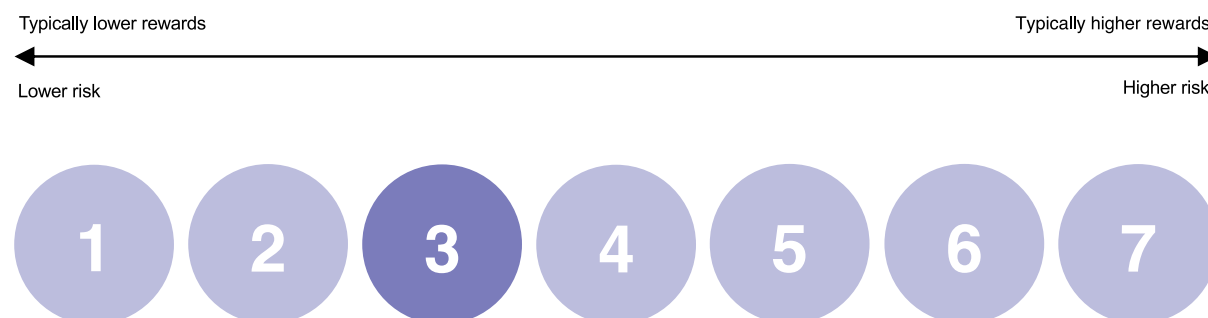
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 3.

Fund performance to 30 November 2017 (%)

7IM Cautious Fund^{1 2}

1 year
3.12

¹ The Sub-fund launched 24 April 2015.

² 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 37.

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 18.16% (15.98%)			
7,784	Angel Oak Multi-Strategy Income UCITS Fund Acc ¹	677,463	1.55
7,247	AQR Managed Futures UCITS Fund 'G' ¹	531,138	1.21
574	Bank of America Merrill Lynch Vortex Alpha Index 29/09/2020 ²	428,343	0.98
800,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ²	620,209	1.42
79	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ²	3,029	0.01
1,480,000	Credit Suisse International ARP Custom 7 Index ²	1,117,885	2.55
1,500,000	Credit Suisse International Inflation Swap Transaction 2018 ²	1,149,391	2.62
1,825,374	F&C Global Equity Market Neutral 3 Acc ¹	1,121,145	2.56
600	Goldman Sachs International Euro Stoxx 50 Index Warrants 15/12/2017 ²	576,378	1.32
1,950	KLS Zebra Global Equity Beta Neutral Fund ¹	147,244	0.34
7,437	KLS Zebra Global Equity Beta Neutral Fund 'SI' Acc ¹	553,426	1.26
521	Morgan Stanley Index Linked Certificates 2020 ²	400,206	0.91
46,800	Neuberger Berman Multi Asset Risk Premia Fund 'I4' Acc ¹	342,528	0.78
5	S&P 500 Index Put Options 2200 Jun 2018 ³	7,289	0.02
374	Societe Generale GBP/USD Warrants 13/04/2018 ²	61,897	0.14
237,474	UK Mortgages	214,914	0.49
		7,952,485	18.16
CASH 11.30% (24.23%)			
400,037	Deutsche Global Liquidity Managed Sterling Fund Platinum ¹	400,037	0.91
506,758	Goldman Sachs Sterling Liquid Reserves ¹	506,758	1.16
4,041,000	Northern Trust Global Sterling Fund ¹	4,041,000	9.23
		4,947,795	11.30
COMMODITIES 8.00% (4.57%)			
12,353	iShares Physical Gold ETC ¹	231,541	0.53
35,203	Source Physical Gold P-ETC ¹	3,273,254	7.47
		3,504,795	8.00
DEBT SECURITIES 51.24% (46.05%)			
Convertible Bonds 2.89% (4.86%)			
11,323	NN (L) Global Convertible Opportunities Acc ¹	1,265,365	2.89
Corporate Bonds 0.74% (0.00%)			
£300,000	Nationwide Building Society 5.625% 2019	323,642	0.74
Emerging Market Bonds 4.05% (3.75%)			
1,329,566	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ¹	858,900	1.96
630,926	Legal & General Emerging Markets Government Bond USD Index Fund ¹	422,657	0.96
737	TCW Emerging Markets ¹	496,802	1.13
		1,778,359	4.05
Gilts 3.89% (5.06%)			
£265,000	European Investment Bank 4.25% 2021	298,007	0.68
£250,000	Kingdom of Belgium 1.125% 2018	251,183	0.57
£225,000	Network Rail Infrastructure Finance 4.625% 2020	247,412	0.56
£200,000	Reseau Ferre de France 5.5% 2021	232,808	0.53
£200,000	Tennessee Valley Authority 5.35% 2021	226,954	0.52
£121,000	UK Gilt 2.00% 2025	128,501	0.29
£300,000	UK Gilt 3.75% 2020	326,190	0.74
		1,711,055	3.89
Global Corporate Bonds 2.62% (2.29%)			
224,199	BlackRock Overseas Corporate Bond Tracker ¹	327,779	0.75
£250,000	Deutsche Bahn Finance 2.75% 2022	266,037	0.61

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Global Corporate Bonds (continued)			
520	Fair Oaks Dynamic Credit Fund 'M' Acc ¹	553,337	1.26
		1,147,153	2.62
Global Government Bonds 13.83% (5.55%)			
614	Kempen (Lux) Global Sovereign Fundamental Index ¹	657,174	1.50
US\$520,000	US Treasury Notes 1.625% 2026	365,366	0.83
US\$1,090,000	US Treasury Notes 2.25% 2025	806,022	1.84
US\$2,212,200	US Treasury Notes 2.25% 2027	1,627,563	3.72
US\$3,495,200	US Treasury Notes 2.375% 2027	2,597,593	5.94
		6,053,718	13.83
Global High Yield Bonds 6.04% (11.01%)			
1,304,633	Alcentra European Floating Rate Note	1,285,064	2.93
465,375	Fair Oaks Income 2017	356,530	0.82
616,648	NB Global Floating Rate Income	578,725	1.33
4,494	Robeco Quant High Yield ¹	418,819	0.96
		2,639,138	6.04
Short Term Sterling Bonds 7.47% (1.35%)			
£100,000	Bayerische Landesbank 1.25% 2021	99,830	0.23
£300,000	Dexia Credit Local Floating Rate Note 2019	300,498	0.69
£400,000	FMS Wertmanagement 0.875% 2022	397,355	0.90
£250,000	International Bank for Reconstruction & Development 5.4% 2021	288,498	0.66
£150,000	Landeskreditbank 1.125% 2021	150,539	0.34
£250,000	Landwirtschaftlich 1.50% 2019	253,720	0.58
£200,000	Leeds Building Society 4.875% 2020	222,792	0.51
£300,000	Municipality Finance 1.25% 2019	301,687	0.69
£300,000	National Australia Bank 5.125% 2021	342,645	0.78
£300,000	Nederlandse Waterschapsbank 1.00% 2019	301,003	0.69
£300,000	Svenska Handelsbanken 4.00% 2019	309,924	0.71
£300,000	Swedbank FRN 2019	301,090	0.69
		3,269,581	7.47
Sterling Corporate Bonds 9.71% (12.18%)			
£250,000	ASB Finance FRN 2018	250,340	0.57
£250,000	Barclays Bank FRN 2018	250,088	0.57
£250,000	Danske Bank FRN 2018	250,650	0.57
£250,000	GE Capital UK Funding FRN 2018	250,051	0.57
£275,000	Kommunalbanken 1.125% 2017	275,052	0.63
24,094	PFS TwentyFour Monument Bond ¹	2,720,339	6.22
£250,000	Shell International Finance 2% 2019	255,255	0.58
		4,251,775	9.71
EQUITY 8.59% (8.52%)			
Asia & Emerging Markets 0.00% (-0.05%)			
Europe (ex UK) 2.07% (0.93%)			
752,687	7IM European (ex UK) Equity Value Fund 'Z' Inc ^{1,4}	894,268	2.04
28	Euro Stoxx 50 Equity Index Futures Dec 2017 ³	12,513	0.03
		906,781	2.07
Japan 0.32% (0.00%)			
0	CF Morant Wright Nippon Yield ¹	2	—
12	TOPIX Index Futures Dec 2017 ³	138,647	0.32
		138,649	0.32

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	North America 3.13% (4.26%)		
103,011	7IM US Equity Value Fund 'Z' Inc ^{1,4}	135,089	0.31
80	Activision Blizzard	3,690	0.02
22	Aetna	2,938	0.01
24	Agnc Investment	358	—
21	Alphabet 'C'	15,955	0.04
58	American International Group	2,601	0.01
22	American Tower	2,394	0.01
175	Amgen	22,422	0.05
1,380	Annaly Capital Management	12,071	0.03
10	Anthem	1,691	—
102	Apple	12,851	0.03
838	Applied Materials	32,979	0.08
23	Baker Hughes	513	—
19	Best Buy	831	—
149	Biogen	35,460	0.08
220	Boeing	44,061	0.10
10	Bunge	495	—
1,119	Cadence Design Systems	35,914	0.08
550	Capital One Financial	37,211	0.08
270	Chevron	23,531	0.05
56	Cigna	8,574	0.02
1,698	Cisco Systems	47,324	0.11
496	Citigroup	27,684	0.07
34	Citizens Financial Group	1,029	—
1,090	Comcast 'A'	30,160	0.07
321	ConocoPhillips	12,110	0.03
10	Cummins	1,224	—
124	CVS Health	6,769	0.02
29	Eaton	1,657	—
67	eBay	1,713	—
20	Electronic Arts	1,569	—
68	Eli Lilly & Company	4,297	0.01
33	EOG Resources	2,467	0.01
14	Estee Lauder	1,290	—
60	Exelon	1,860	—
137	Exxon Mobil	8,382	0.02
5	F5 Networks	483	—
243	FNF	7,266	0.02
4,078	Ford Motor	38,066	0.09
571	Gap	13,807	0.03
27	General Motors	880	—
711	Gilead Sciences	38,976	0.09
26	Hasbro	1,795	—
233	HCP	4,660	0.01
23	HP	366	—
195	Humana	36,274	0.08
15	Illinois Tool Works	1,851	—
1,376	Intel	44,982	0.10
7	JM Smucker	613	—
27	Kimco Realty	371	—
104	Kinder Morgan	1,296	—
33	Las Vegas Sands	1,658	—
240	Liberty Property Trust	7,962	0.02
36	Lincoln National	2,050	—
56	Lowe's Cos	3,470	0.01
23	LyondellBasell Industries	1,796	—
19	Maxim Integrated Products	736	—
178	Merck & Co	7,329	0.02
974	Michael Kors Holdings	42,482	0.10
185	Micron Technology	6,017	0.01
200	Microsoft	12,396	0.03
8	Mini Russell 2000 Futures Dec 2017 ³	35,182	0.08
147	Monsanto	12,863	0.03
30	Morgan Stanley	1,145	—
10	Motorola Solutions	700	—
18	NetApp	753	—

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
North America (continued)			
35	Newmont Mining	953	—
205	NextEra Energy	24,055	0.06
627	Occidental Petroleum	32,594	0.07
220	Palo Alto Networks	23,704	0.05
386	Pfizer	10,396	0.02
244	PNC Financial Services Group	25,357	0.06
20	Prologis	984	—
110	Prudential Financial	9,480	0.03
97	Qualcomm	4,799	0.01
82	Regions Financial	1,010	—
3	RenaissanceRe Holdings	304	—
17	Robert Half International	718	—
157	Rockwell Automation	22,191	0.06
116	Royal Caribbean Cruises	10,758	0.02
20	S&P Global	2,450	0.01
17	Simon Property	2,007	—
316	Southwest Airlines	13,837	0.04
1,279	Synchrony Financial	33,629	0.08
560	Synopsys	36,113	0.08
35	Target	1,605	—
54	Texas Instruments	3,892	0.01
729	T-Mobile	33,526	0.08
457	Union Pacific	41,789	0.10
5	United Rentals	587	—
734	Vereit	4,280	0.01
6	Vornado Realty	343	—
756	Walgreens Boots Alliance	40,436	0.09
639	Wal-Mart Stores	46,379	0.11
52	Western Digital	3,133	0.01
694	WestRock	31,101	0.07
		1,371,799	3.13
United Kingdom 3.07% (3.38%)			
1,270,681	7IM UK Equity Value Fund 'Z' Inc ^{1,4}	1,350,861	3.08
12	FTSE 100 Index Futures Dec 2017 ³	(3,987)	(0.01)
		1,346,874	3.07
INFRASTRUCTURE 1.50% (0.00%)			
71,171	BBGI	98,038	0.22
228,641	HICL Infrastructure	356,451	0.81
135,369	International Public Partnerships	205,896	0.47
		660,385	1.50
REAL ESTATE 0.96% (2.01%)			
404,362	LXI REIT	421,547	0.96
RISK MITIGATION 0.00% (0.15%)			
FORWARD CURRENCY CONTRACTS 0.63% (0.20%)			
€(990,000)	Vs £891,851 Expiry 16.02.2018	18,356	0.04
US\$(20,400,000)	Vs £15,428,831 Expiry 19.01.2018	283,777	0.65
US\$(1,300,000)	Vs £987,669 Expiry 19.01.2018	22,543	0.05
¥30,000,000	Vs £(202,510) Expiry 15.12.2017	(3,822)	(0.01)

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
FORWARD CURRENCY CONTRACTS (continued)			
¥202,000,000	Vs £(1,382,028) Expiry 15.12.2017	(44,196)	(0.10)
		276,658	0.63

Portfolio of investment	43,967,554	100.38
Net other liabilities	(166,461)	(0.38)
Net assets	43,801,093	100.00

Comparative figures shown in brackets relate to 30 November 2016.

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

¹ Collective investment scheme

² Structured product

³ Derivative contract

⁴ Related party holding (see note 12 of the Financial Statements)

Credit Quality	30.11.17 %	30.11.16 %
Investment grade debt securities	28.54	19.93
Non-rated debt securities	6.59	6.07
Other investments	65.25	75.71
Net other liabilities	(0.38)	(1.71)
	100.00	100.00

7IM CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

	Notes	£	30.11.17 £	£	30.11.16 £
Income					
Net capital gains	4		819,150		1,311,296
Revenue	5	681,889		636,331	
Expenses	6	(261,423)		(231,260)	
Interest payable and similar charges	8	(2,841)		(1,666)	
Net revenue before taxation for the year		417,625		403,405	
Taxation	7	(61,659)		(28,489)	
Net revenue after taxation for the year			355,966		374,916
Total return before distributions			1,175,116		1,686,212
Distributions	8		(521,464)		(504,440)
Change in net assets attributable to shareholders from investment activities			653,652		1,181,772

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

	£	30.11.17 £	£	30.11.16 £
Opening net assets attributable to shareholders		36,015,651		31,427,321
Amounts received on creation of shares	21,986,783		15,712,181	
Amounts paid on cancellation of shares	(15,122,991)		(12,501,757)	
		6,863,792		3,210,424
Change in net assets attributable to shareholders from investment activities		653,652		1,181,772
Retained distribution on accumulation shares		267,998		196,134
Closing net assets attributable to shareholders		43,801,093		36,015,651

The notes on pages 28 to 36 are an integral part of these Financial Statements.

7IM CAUTIOUS FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		44,019,559	36,724,143
Current assets:			
Debtors	9	352,017	323,320
Cash and bank balances	10	431,578	308,387
Total assets		44,803,154	37,355,850
LIABILITIES			
Investment liabilities			
		(52,005)	(91,777)
Creditors:			
Bank overdrafts	10	(616,241)	(469,230)
Distribution payable		(143,435)	(198,502)
Other creditors	11	(190,380)	(580,690)
Total liabilities		(1,002,061)	(1,340,199)
Net assets attributable to shareholders		43,801,093	36,015,651

The notes on pages 28 to 36 are an integral part of these Financial Statements.

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	(238,590)	3,503,020
Derivative contracts	400,421	(403,162)
Forward currency contracts	511,784	(1,813,261)
Currency gains	150,205	39,779
Transaction charges	(14,539)	(17,645)
AMC rebates from underlying investments	9,869	2,565
Net capital gains	819,150	1,311,296

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	181,745	291,790
Taxable dividends	323,518	214,145
Unfranked interest	160,267	122,837
AMC rebates from underlying investments	15,912	7,559
Bank interest	433	—
Stock lending revenue	14	—
Total revenue	681,889	636,331

* Prior year figures have been restated to be comparable with the current year figures.

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	192,306	161,241
Other expenses	5,490	5,466
	<u>197,796</u>	<u>166,707</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	7,478	5,876
Market risk fees	6,000	7,500
Safe custody and other bank charges	21,027	19,967
Stock lending fees	4	—
	<u>34,509</u>	<u>33,343</u>
Other Expenses:		
Advisory fees	1,727	1,552
Audit fee	8,760	9,375
Dealing and exchange fees	5,302	6,775
FCA and other Regulatory fees	275	(99)
Legal and professional fees	829	414
Printing, postage and distribution costs	6,509	7,195
Risk analysis fees	5,716	5,998
	<u>29,118</u>	<u>31,210</u>
Total expenses	<u>261,423</u>	<u>231,260</u>

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	58,079	24,530
Overseas tax	3,580	3,955
Irrecoverable CIS income tax	–	4
Current tax charge (note 7b)	61,659	28,489
Total taxation	61,659	28,489
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	417,625	403,405
Corporation tax at 20%	83,525	80,681
Effects of:		
AMC rebates taken to capital	1,974	513
Double taxation relief expensed	(270)	–
Franked CIS revenue	(11,224)	(13,392)
Franked REIT income	(323)	–
FX loss non taxable	–	1,457
Irrecoverable CIS income tax w/off	–	4
Movement in revenue accruals	(1,539)	213
Non-taxable dividends	(23,748)	(39,455)
Offshore CIS revenue	–	(5,487)
Overseas tax	3,580	3,955
Tax effect on non-reporting offshore funds	9,684	–
Current tax charge (note 7a)	61,659	28,489
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2016: none).		

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	246,870	185,181
Final	300,622	332,256
	547,492	517,437
Add: Revenue deducted on cancellation of shares	61,058	50,912
Deduct: Revenue received on issue of shares	(87,086)	(63,909)
Net distributions for the year	521,464	504,440
Interest payable and similar charges	2,841	1,666
Total distribution	524,305	506,106

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

8 Distributions (continued)

Details of the distributions per share are set out in the table on page 37.

Distributions represented by:		
Net revenue after taxation	355,966	374,916
Allocations to capital:	–	–
Expenses, net of tax relief	165,503	129,512
Net movement in revenue account	(5)	12
Net distributions for the year	521,464	504,440

9 Debtors

	30.11.17	30.11.16
	£	£
Amounts receivable for issue of shares	154,254	198,703
Accrued revenue	175,145	105,314
Income tax recoverable	5,336	12,046
AMC rebates from underlying investments	17,192	7,159
Withholding tax recoverable	2	–
Prepaid expenses	88	98
Total debtors	352,017	323,320

10 Cash and bank balances

	30.11.17	30.11.16
	£	£
Cash and bank balances	361,760	308,387
Cash held at clearing houses	69,818	–
Total cash and bank balances	431,578	308,387
Bank overdrafts	(361,243)	(325,346)
Cash overdraft at clearing houses	(254,998)	(143,884)
Total bank overdrafts	(616,241)	(469,230)

11 Other Creditors

	30.11.17	30.11.16
	£	£
Amounts payable for cancellation of shares	77,640	2,470
Purchases awaiting settlement	20,537	524,267
Accrued expenses	34,129	28,711
Corporation tax payable	58,074	25,242
Total other creditors	190,380	580,690

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 26.

The Sub-fund has the following shareholdings in the 7IM Specialist Investment Funds ICVC:

	Held at 30.11.17	Held at 30.11.16
7IM European (ex UK) Equity Value Fund 'Z' Inc	752,687	294,248
7IM UK Equity value Fund 'Z' Inc	1,270,681	740,220
7IM US Equity Value Fund 'Z' Inc	103,011	131,408

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

12 Related party transactions (continued)

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

Liverpool Victoria Friendly Society Limited	36.31% (2016: 46.65%)
Pershing Nominees Limited	33.72% (2016: 21.74%)

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

13 Classes of Shares

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

Class C	0.50%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class C Income	21,614,651	4,104,118	(5,191,549)	–	20,527,220
Class C Accumulation	12,392,356	13,706,769	(8,793,408)	–	17,305,717
Class S Income	162,284	125,238	(49,314)	–	238,208
Class S Accumulation	2,059,042	3,549,893	(812,586)	–	4,796,349

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	–	–	588,891	588,891
Japanese yen	–	–	1,675,167	1,675,167
US dollar	1,151,235	7,134,638	10,366,659	18,652,532
Pound sterling	6,980,247	5,499,034	29,927,478	42,406,759
	8,131,482	12,633,672	42,558,195	63,323,349

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	–	(873,496)	(873,496)
US dollar	(1,491)	(16,110,179)	(16,111,670)
Pound sterling	(614,750)	(1,922,340)	(2,537,090)
	(616,241)	(18,906,015)	(19,522,256)

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	995	–	1,970,532	1,971,527
Hong Kong dollar	610	–	–	610
Japanese yen	750	–	638,485	639,235
US dollar	1,096,061	2,551,514	7,773,971	11,421,546
Pound sterling	13,158,769	4,480,298	19,085,440	36,724,507
	14,257,185	7,031,812	29,468,428	50,757,425

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(22,187)	(1,641,576)	(1,663,763)
Hong Kong dollar	(606)	–	(606)
Japanese yen	(750)	(141,885)	(142,635)
US dollar	(37,591)	(8,964,560)	(9,002,151)
Pound sterling	(408,096)	(3,524,523)	(3,932,619)
	(469,230)	(14,272,544)	(14,741,774)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	0.92	0.74	2	3
US dollar	1.68	(4.80)	7	5

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	–	(284,605)	(284,605)
Japanese yen	–	1,675,167	1,675,167
US dollar	354	2,540,508	2,540,862
	354	3,931,070	3,931,424
Pound sterling	4,780,980	35,088,689	39,869,669
Net assets	4,781,334	39,019,759	43,801,093

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	(21,192)	328,956	307,764
Hong Kong dollar	4	–	4
Japanese yen	–	496,600	496,600
US dollar	(17,665)	2,437,060	2,419,395
	(38,853)	3,262,616	3,223,763
Pound sterling	8,148,477	24,643,411	32,791,888
Net assets	8,109,624	27,906,027	36,015,651

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	5,851,235	9,534,545	–	15,385,780
Collective Investment Schemes	3,504,795	18,422,132	–	21,926,927
Derivatives	193,631	324,676	–	518,307
Equities	4,718,692	1,469,853	–	6,188,545
Total	14,268,353	29,751,206	–	44,019,559
Liabilities				
Derivatives	(3,987)	(48,018)	–	(52,005)
30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	1,376,483	7,155,452	–	8,531,935
Collective Investment Schemes	4,569,297	18,447,422	–	23,016,719
Derivatives	245,136	956,410	–	1,201,546
Equities	2,615,275	1,358,668	–	3,973,943
Total	8,806,191	27,917,952	–	36,724,143
Liabilities				
Derivatives	(35,276)	(56,501)	–	(91,777)

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 14.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	11,565	–	–	–	–	–
Collective Investment Schemes	42,260	–	–	–	–	–
Derivatives	989	–	–	–	–	–
Equities	8,835	1	–	1	0.01	–
Total	63,649	1	–	1	0.01	–

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	3,721	–	–	–	–	–
Collective Investment Schemes	42,676	–	–	–	–	–
Derivatives	–	–	–	–	–	–
Equities	7,886	(2)	–	(2)	0.03	–
Total	54,283	(2)	–	(2)	0.03	–

Total as a percentage of the average NAV	0.01%	0.00%	0.01%
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7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	8,404	–	–	–	–	–
Collective Investment Schemes	43,519	–	–	–	–	–
Derivatives	972	–	–	–	–	–
Equities	7,894	3	–	3	0.04	–
Total	60,789	3	–	3	0.04	–

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	12,792	–	–	–	–	–
Collective Investment Schemes	42,127	–	–	–	–	–
Derivatives	365	–	–	–	–	–
Equities	4,254	(1)	–	(1)	0.02	–
Total	59,538	(1)	–	(1)	0.02	–

Total as a percentage of the average NAV **0.01%** **0.00%** **0.01%**

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.17% (2016: 0.32%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM CAUTIOUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	0.6108	—	0.6108	0.5342
Group 2	0.2022	0.4086	0.6108	0.5342
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	0.6251	—	0.6251	0.5393
Group 2	0.2102	0.4149	0.6251	0.5393
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	0.6135	—	0.6135	0.5354
Group 2	0.1474	0.4661	0.6135	0.5354
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	0.6266	—	0.6266	0.5412
Group 2	0.3901	0.2365	0.6266	0.5412

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	0.6907	—	0.6907	0.9115
Group 2	0.2524	0.4383	0.6907	0.9115
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	0.7106	—	0.7106	0.9258
Group 2	0.2554	0.4552	0.7106	0.9258
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	0.6943	—	0.6943	0.9150
Group 2	0.1803	0.5140	0.6943	0.9150
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	0.7133	—	0.7133	0.9240
Group 2	0.3637	0.3496	0.7133	0.9240

Equalisation

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

7IM MODERATELY CAUTIOUS FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

The 7IM Moderately Cautious Fund (the 'Sub-fund') aims to provide a total return, substantially by way of income though with some capital appreciation. There may be a moderate risk to capital. The Sub-fund invests predominantly in a range of collective investment vehicles and securities managed by selected fund managers. While income-generating assets are likely to represent a significant part of the portfolio, the portfolio may also include assets with scope for capital growth in real terms. The Sub-fund may use different asset classes, with a substantial proportion in fixed interest.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 4.16%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emmanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia, the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016, we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period. In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

¹Calculated using 7IM Moderately Cautious C Acc shares, NAV return Source: NTRS

7IM MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2017

Investment Manager's Report (continued)

Portfolio Review

In December 2016, we increased our Japanese and European equity holdings, reducing our Emerging Market (EM) and, marginally, US allocations to do so. We expected the stronger Dollar to drive Yen lower, boosting the attractiveness of the Topix, while we thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. In the EM space, we had had a good run but believed the region could be negatively impacted by Trump's rhetoric and policies. We thus allowed the MSCI China Future to expire and reduced Asia Pacific exposure, an asset class heavily weighted towards Taiwan and South Korea. Despite these views, we did also increase our allocation in Indian equity, seeing the region as relatively immune to Trump risk and the potential for the changes implemented by the Modi government to be beneficial. In January 2017, we cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our Euro Stoxx 50 Index Dividend Futures Dec 2018, having made over 10% in 10 months.

Come March, valuations in the US looked high, while we also saw some political risk in Europe. Valuations were especially high in the 'Trump reflation trade' related stocks such as the Russell 2000 Index and Financials Index. As a result, we cut the remaining positions in US Financials, and the majority of our Russell 2000 Index holdings in our March review. At the same time, we reduced European exposure, as the result of the French elections remained uncertain. Following a positive result in the first round, alongside strong macro data and attractive valuations, we then increased our Euro Stoxx exposure in April. In March, we also increased our EM exposure, seeing a stable Chinese economy, robust commodity prices and a strong global macro scene boding well for the sector. Our allocation to Japanese equity was also increased – Japanese earnings surprised to the upside in Q4 2016, we believed the economy to be in good health and Prime Minister Abe and President Trump seemed to be working well together.

In June, we reduced our equity allocation across our portfolio range, believing valuations were high across the marketplace. In line with this decision, and our more cautious stance in a time of geo-political uncertainty, we reduced slightly our exposure to European and Japanese equity. We did, however, increase our active weight in Europe over the summer, adding two new fund managers in July and August: the Oyster Funds - Continental European Selection and the Miton European Opportunities. By September, the macro story had improved, with good earnings numbers and a fading of geopolitical risk. We took a more risk-on position, deciding to increase our equity allocation, in both Japan and Europe, and at the same time taking some profits from our holding in EM equity. We believed that much of the recent good performance in EM had been as a result of the technology sector rallying; such an over-reliance on one sector reinforced our view that this was a good time to decrease our allocation. Our views developed further in November, as we saw increased value in the UK in comparison to other regions, and so decided to add to the FTSE 100 index futures, cutting European equity to do so. As the majority of earnings in the FTSE 100 index are derived overseas, it has historically performed well when Sterling has fallen. Adding to it therefore provides us with further protection against a fall in Sterling, an increasing possibility with difficult upcoming Brexit talks.

In the fixed income space, we bought some tail risk protection for the weak UK outlook in December 2016. We added to our Gilts allocation to do so, as rising yields had resulted in favourable pricing, and the potential for increased reward as a result. In the month, we also trimmed convertibles, as the asset class had had a good run, and this provided cash for other investments. In February, we cut the allocation to Gilts, taking profits, as a resilient economic environment meant that the Bank of England was unlikely to extend QE. We additionally reduced our High Yield bonds as the spreads had narrowed considerably, again taking profits. In March, we increased our Global Government Bond exposure through a US 10-year Treasury, believing the asset to be a good tail-risk hedge, and following on from a substantial increase in US Treasury yields. We also increased our Emerging Market Local Currency Debt, believing that the sell-off following the US elections was overdone, and seeing some value in the asset. We added further to our global government bond exposure through US Treasuries in June, to add downside protection to the Sub-fund. At the same time, we added a little EM Dollar debt exposure, as we liked this asset class and believed the Dollar denominated version had less volatility. This was useful in the coming months as the North Korean threat escalated. As tensions increased, we reduced our exposure to EM Local Market debt – a holding more volatile than the Dollar denominated version – to help to protect the Sub-fund against the potential for a market reaction to geopolitical shocks. In September also, we cut some of our High Yield allocation, due to spreads narrowing, taking some profits.

We also made some changes to our Alternatives allocation. In December 2016, we added a Credit Suisse Risk Premia Certificate alongside an active manager – Neuberger Berman – as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same time, we sold some of our Real Estate holding, due to concern over excessively high valuations, with Real Estate having been seen as a bond proxy. In January, we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures UCITS Fund. In the following month, we decided to add some protection in the Sub-fund in case of a no-Brexit scenario. To do so, we added a GBP/USD Option, which would protect against a sharp rally in Sterling. In addition, we increased our 'market neutral' allocation, adding the F&C Global Equity Market Neutral and increasing the weight of the KLS Zebra Global Equity Beta Neutral Fund. In April, we decided to reduce exposure to inflation protection, as inflation expectations were unlikely to accelerate, selling the Bank of America Merrill Lynch (BAML) position, due to preferable exit terms. In June, we replaced some of our equity holdings with an equity volatility strategy, an equity-like position which has less exposure to extreme tail-risk events, and added an S&P 500 put option, further diversifying our safe haven assets. In July, we added currency call options to hedge against the impact of a stronger Pound; these aided the portfolio when Sterling rallied from mid-August. Our gold position varied throughout the period: we added to the asset class in March and June as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, and then took some profits from a successful holding in November. The profits from this were used to increase our allocation to UK equity mentioned above.

7IM MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

Over the year, we often used our ability to manage currency to express our market views. Last December, we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result, we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar. As geopolitical tensions increased in the year, we used Yen as a tail risk hedge. In March, we increased our Yen allocation, which also protected against the downside risk from a Topix overweight, and added to the position again in August, as the currency has proven in the past to act well in times of the elevation of geopolitical risk. We additionally altered our currency positions in April, increasing Euro exposure, reflecting our more bullish view following the first round of the French elections discussed above, funded by reducing our Dollar allocation, foreseeing continued weakness in the currency. After a very good run, we adjusted our zero Dollar position in August, increasing our allocation alongside our increase in Yen.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

In the UK, there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION

The Comparative Tables on pages 42 to 50 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 and research costs.

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

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	135.05	133.11	136.26
Return before operating charges*	7.36	6.87	1.24
Operating charges (calculated on average price)	(2.48)	(2.38)	(2.42)
Return after operating charges*	4.88	4.49	(1.18)
Distributions on income shares	(2.54)	(2.55)	(1.97)
Closing net asset value per share	137.39	135.05	133.11
* After direct transaction costs of: ¹	0.01	0.03	0.02

Performance

Return after charges ²	3.61%	3.38%	(0.86)%
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Other Information

Closing net asset value (£'000)	67	66	67
Closing number of shares	48,565	48,565	49,541
Operating charges ³	1.79%	1.79%	1.76%
Direct transaction costs	0.01%	0.03%	0.02%

Prices

Highest share price	140.13	139.22	144.82
Lowest share price	134.68	132.59	130.44

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 51.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	175.00	167.91	168.21
Return before operating charges*	9.57	10.12	2.70
Operating charges (calculated on average price)	(3.23)	(3.03)	(3.00)
Return after operating charges*	6.34	7.09	(0.30)
Distributions	(3.30)	(3.25)	(3.70)
Retained distributions on accumulation shares	3.30	3.25	3.70
Closing net asset value per share	181.34	175.00	167.91
* After direct transaction costs of: ¹	0.02	0.04	0.03
Performance			
Return after charges ²	3.62%	4.22%	(0.18)%
Other Information			
Closing net asset value (£'000)	2,634	2,510	3,776
Closing number of shares	1,452,468	1,434,139	2,249,101
Operating charges ³	1.79%	1.79%	1.76%
Direct transaction costs	0.01%	0.03%	0.02%
Prices			
Highest share price	182.96	178.62	178.78
Lowest share price	174.52	157.10	162.75

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 51.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	180.12	172.48	172.45
Return before operating charges*	9.75	10.32	2.67
Operating charges (calculated on average price)	(2.86)	(2.68)	(2.64)
Return after operating charges*	6.89	7.64	0.03
Distributions	(3.40)	(3.26)	(3.71)
Retained distributions on accumulation shares	3.40	3.26	3.71
Closing net asset value per share	187.01	180.12	172.48
* After direct transaction costs of: ¹	0.02	0.05	0.03
Performance			
Return after charges ²	3.83%	4.43%	0.02%
Other Information			
Closing net asset value (£'000)	52,412	58,829	69,881
Closing number of shares	28,025,680	32,660,217	40,515,235
Operating charges ³	1.54%	1.54%	1.51%
Direct transaction costs	0.01%	0.03%	0.02%
Prices			
Highest share price	188.60	183.81	183.41
Lowest share price	179.64	161.44	167.13

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

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

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7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	144.72	140.89	143.56
Return before operating charges*	7.74	8.29	2.20
Operating charges (calculated on average price)	(1.92)	(1.83)	(1.82)
Return after operating charges*	5.82	6.46	0.38
Distributions on income shares	(2.73)	(2.63)	(3.05)
Closing net asset value per share	147.81	144.72	140.89
* After direct transaction costs of: ¹	0.01	0.04	0.02
Performance			
Return after charges ²	4.02%	4.58%	0.26%
Other Information			
Closing net asset value (£'000)	68,670	76,948	85,980
Closing number of shares	46,457,626	53,171,094	61,026,025
Operating charges ³	1.29%	1.29%	1.26%
Direct transaction costs	0.01%	0.03%	0.02%
Prices			
Highest share price	150.66	149.07	152.80
Lowest share price	144.32	131.92	137.91

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

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7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	185.21	177.00	176.61
Return before operating charges*	9.95	10.52	2.65
Operating charges (calculated on average price)	(2.47)	(2.31)	(2.26)
Return after operating charges*	7.48	8.21	0.39
Distributions	(3.51)	(3.34)	(3.77)
Retained distributions on accumulation shares	3.51	3.34	3.77
Closing net asset value per share	192.69	185.21	177.00
* After direct transaction costs of: ¹	0.02	0.05	0.03
Performance			
Return after charges ²	4.04%	4.64%	0.22%
Other Information			
Closing net asset value (£'000)	146,004	146,498	141,251
Closing number of shares	75,772,663	79,096,648	79,802,720
Operating charges ³	1.29%	1.29%	1.26%
Direct transaction costs	0.01%	0.03%	0.02%
Prices			
Highest share price	194.23	188.97	187.98
Lowest share price	184.72	165.74	171.30

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7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	137.28	134.29	137.47
Return before operating charges*	7.48	7.94	2.26
Operating charges (calculated on average price)	(2.52)	(2.40)	(2.44)
Return after operating charges*	4.96	5.54	(0.18)
Distributions on income shares	(2.58)	(2.55)	(3.00)
Closing net asset value per share	139.66	137.28	134.29
* After direct transaction costs of: ¹	0.01	0.03	0.02
Performance			
Return after charges ²	3.61%	4.12%	(0.13)%
Other Information			
Closing net asset value (£'000)	575	648	1,865
Closing number of shares	411,844	471,894	1,388,999
Operating charges ³	1.79%	1.79%	1.76%
Direct transaction costs	0.01%	0.03%	0.02%
Prices			
Highest share price	142.44	141.51	146.11
Lowest share price	136.89	125.59	131.60

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

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

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7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	174.73	167.65	167.96
Return before operating charges*	9.55	10.09	2.69
Operating charges (calculated on average price)	(3.23)	(3.01)	(3.00)
Return after operating charges*	6.32	7.08	(0.31)
Distributions	(3.29)	(3.25)	(3.69)
Retained distributions on accumulation shares	3.29	3.25	3.69
Closing net asset value per share	181.05	174.73	167.65
* After direct transaction costs of: ¹	0.02	0.04	0.03
Performance			
Return after charges ²	3.62%	4.22%	(0.18)%
Other Information			
Closing net asset value (£'000)	11,924	12,137	21,812
Closing number of shares	6,586,197	6,946,470	13,010,545
Operating charges ³	1.79%	1.79%	1.76%
Direct transaction costs	0.01%	0.03%	0.02%
Prices			
Highest share price	182.67	178.34	178.51
Lowest share price	174.25	156.86	162.51

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

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7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	105.72	102.72	104.45
Return before operating charges*	5.61	6.00	1.56
Operating charges (calculated on average price)	(1.13)	(1.08)	(1.07)
Return after operating charges*	4.48	4.92	0.49
Distributions on income shares	(2.00)	(1.92)	(2.22)
Closing net asset value per share	108.20	105.72	102.72
* After direct transaction costs of: ¹	0.01	0.03	0.02

Performance

Return after charges ²	4.24%	4.79%	0.47%
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Other Information

Closing net asset value (£'000)	2,292	1,679	1,841
Closing number of shares	2,117,915	1,588,333	1,791,993
Operating charges ³	1.04%	1.04%	1.01%
Direct transaction costs	0.01%	0.03%	0.02%

Prices

Highest share price	110.24	108.88	111.26
Lowest share price	105.44	96.22	100.51

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7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	111.54	106.38	105.93
Return before operating charges*	5.93	6.28	1.54
Operating charges (calculated on average price)	(1.20)	(1.12)	(1.09)
Return after operating charges*	4.73	5.16	0.45
Distributions	(2.11)	(2.00)	(2.26)
Retained distributions on accumulation shares	2.11	2.00	2.26
Closing net asset value per share	116.27	111.54	106.38
* After direct transaction costs of: ¹	0.01	0.03	0.02
Performance			
Return after charges ²	4.24%	4.85%	0.42%
Other Information			
Closing net asset value (£'000)	27,571	31,587	35,174
Closing number of shares	23,711,808	28,318,980	33,064,732
Operating charges ³	1.04%	1.04%	1.01%
Direct transaction costs	0.01%	0.03%	0.02%
Prices			
Highest share price	117.15	113.78	112.84
Lowest share price	111.25	99.65	102.76

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7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.08%	0.08%	0.08%	0.08%	0.08%
	1.48%	1.23%	0.98%	1.48%	0.73%
Collective investment scheme costs	0.31%	0.31%	0.31%	0.31%	0.31%
Ongoing Charges Figure	1.79%	1.54%	1.29%	1.79%	1.04%

As at 30 November 2016

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.09%	0.09%	0.09%	0.09%	0.09%
	1.49%	1.24%	0.99%	1.49%	0.74%
Collective investment scheme costs	0.30%	0.30%	0.30%	0.30%	0.30%
Ongoing Charges Figure	1.79%	1.54%	1.29%	1.79%	1.04%

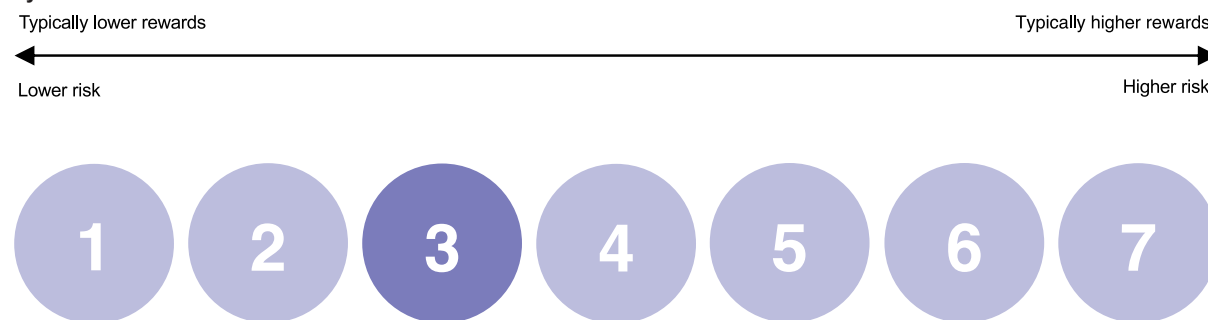
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 3.

Fund performance to 30 November 2017 (%)

	1 year	3 years	5 years
7IM Moderately Cautious Fund ¹	4.16	9.30	25.15

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 71 to 73.

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 19.93% (14.35%)			
49,998	Angel Oak Multi-Strategy Income UCITS Fund Acc ¹	4,351,322	1.39
42,611	AQR Managed Futures UCITS Fund 'G' ¹	3,123,129	1.00
5,000,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ²	3,876,306	1.25
813	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ²	31,167	0.01
12,500,000	Credit Suisse International Inflation Swap Transaction 2018 ²	9,578,266	3.08
2,391,773	Dexion Absolute EUR ³	—	—
10,454,864	F&C Global Equity Market Neutral 3 Acc ¹	6,421,377	2.06
5,900	Goldman Sachs International Euro Stoxx 50 Index Warrants 15/12/2017 ²	5,667,725	1.82
84,331	KLS Zebra Global Equity Beta Neutral Fund 'SI' Acc ¹	6,275,760	2.01
72,704	Legg Mason Western Assets Macro Opportunities Bond USD Acc ¹	7,257,104	2.32
4,195	Morgan Stanley Index Linked Certificates 2020 ²	3,222,391	1.03
257,750	Neuberger Berman Global Bond Absolute Return ¹	2,703,798	0.87
851,551	Neuberger Berman Multi Asset Risk Premia Fund 'I4' Acc ¹	6,232,484	2.00
52	S&P 500 Index Put Options 2200 Jun 2018 ⁴	75,808	0.02
3,038	Societe Generale GBP/USD Warrants 13/04/2018 ²	502,789	0.16
3,138,040	UK Mortgages	2,839,926	0.91
		62,159,352	19.93
CASH 6.62% (19.93%)			
20,654,000	Northern Trust Global Sterling Fund ¹	20,654,000	6.62
COMMODITIES 5.91% (3.87%)			
89,153	iShares Physical Gold ETC ¹	1,671,059	0.54
180,390	Source Physical Gold P-ETC ¹	16,773,068	5.37
		18,444,127	5.91
DEBT SECURITIES 48.10% (43.33%)			
Convertible Bonds 3.16% (4.21%)			
88,143	NN (L) Global Convertible Opportunities Acc ¹	9,849,844	3.16
Emerging Market Bonds 7.14% (4.96%)			
151,787	Babson Capital Emerging Markets Local Debt ¹	12,026,019	3.85
58,270	iShares Emerging Markets Local Government Bond UCITS ETF ¹	2,831,910	0.91
8,763,180	Legal & General Emerging Markets Government Bond USD Index Fund ¹	5,870,455	1.88
2,330	TCW Emerging Markets ¹	1,571,199	0.50
		22,299,583	7.14
Gilts 4.04% (4.53%)			
£750,000	European Investment Bank 4.25% 2021	843,417	0.27
£2,000,000	Export Development Canada 1.875% 2018	2,025,592	0.65
£1,000,000	Kingdom of Belgium 1.125% 2018	1,004,731	0.32
£2,000,000	Nordic Investment Bank 5.25% 2019	2,174,472	0.70
£2,000,000	Reseau Ferre de France 5.5% 2021	2,328,080	0.75
£2,000,000	Tennessee Valley Authority 5.35% 2021	2,269,536	0.73
£1,900,000	UK Gilt 5.00% 2018	1,923,503	0.62
		12,569,331	4.04
Global Corporate Bonds 3.12% (3.97%)			
42,970	PFS TwentyFour Dynamic Bond ¹	4,890,144	1.57
456,323	PIMCO Global Investors Income Fund ¹	4,846,806	1.55
		9,736,950	3.12
Global Government Bonds 12.34% (4.03%)			
£500,000	European Investment Bank 4.125% 2017	499,330	0.16
US\$3,970,000	US Treasury Notes 1.625% 2026	2,789,432	0.89
US\$12,251,000	US Treasury Notes 2.25% 2025	9,059,242	2.90
US\$17,000,000	US Treasury Notes 2.25% 2027	12,507,267	4.01

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Global Government Bonds (continued)			
US\$18,390,000	US Treasury Notes 2.375% 2027	13,667,238	4.38
		38,522,509	12.34
Global High Yield Bonds 6.03% (11.92%)			
104,660	Babson Capital US High Yield Bond ¹	9,877,107	3.17
1,810,730	Blackstone GSO Loan Financing (Jersey)	1,570,249	0.50
5,652,431	Carador Income	2,879,925	0.92
1,439,576	CVC Credit Partners European Opportunities GBP	1,597,929	0.51
3,779,926	Fair Oaks Income 2017	2,895,849	0.93
		18,821,059	6.03
Short Term Sterling Bonds 8.11% (1.99%)			
£2,620,000	Bank Nederlandse Gemeenten 1.00% 2022	2,606,240	0.83
£1,930,000	Bank Nederlandse Gemeenten 5.75% 2019	2,037,474	0.65
£2,200,000	Bayerische Landesbank 1.25% 2021	2,196,251	0.70
£650,000	Coventry Building Society FRN 2020	652,614	0.21
£100,000	FMS Wertmanagement 0.75% 2017	100,008	0.03
£3,000,000	FMS Wertmanagement 0.875% 2022	2,980,164	0.95
£3,002,000	Kingdom of Belgium 5% 2018	3,053,815	0.98
£3,000,000	Lloyds Bank 1.75% 2022	3,064,110	0.98
£2,500,000	National Australia Bank 5.125% 2021	2,855,375	0.91
£500,000	Nederlandse Water 0.875% 2018	500,396	0.16
£2,700,000	Rabobank Nederland 2.25% 2022	2,788,679	0.89
£1,312,000	Westpac Securities NZ 2.50% 2021	1,357,168	0.43
£1,202,000	Yorkshire Building Society 4.75% 2018	1,219,905	0.39
		25,412,199	8.11
Sterling Corporate Bonds 4.16% (7.72%)			
£500,000	Asian Development Bank 1.50% 2017	500,150	0.16
£1,800,000	GE Capital UK Funding FRN 2018	1,800,367	0.58
£2,000,000	Network Rail Infrastructure Finance 1.00% 2017	2,000,088	0.64
£100,000	NRW Bank 0.875% 2017	100,011	0.03
58,144	PFS TwentyFour Monument Bond ¹	6,564,653	2.10
£2,000,000	Shell International Finance 2% 2019	2,042,038	0.65
		13,007,307	4.16
EQUITY 18.78% (17.94%)			
Asia & Emerging Markets 2.12% (4.29%)			
304,507	BlackRock Global Funds - Asian Growth Leaders ¹	3,442,673	1.10
2,591,290	Lazard Emerging Markets ¹	3,189,879	1.02
		6,632,552	2.12
Europe (ex UK) 5.05% (4.69%)			
1,023	ABB	19,451	0.01
31,930	Aegon	148,398	0.04
44	Aena SME	6,593	—
420	AerCap	16,163	0.01
128	Ageas	4,677	—
2	AP Moeller - Maersk 'A'	2,534	—
510	Atlas Copco	16,474	0.01
36	Baloise	4,121	—
200	Bayer	19,166	0.01
386	Bayerische Motoren Werke 'A'	29,059	0.01
235	BNP Paribas	13,372	—
1,233	Boliden	29,330	0.01
952	Boskalis Westminster	26,108	0.01
1,460,461	CF Miton European Opportunities ¹	2,379,237	0.76
331	Compagnie De St-Gobain	14,110	—
2,485	Continental European Selection ¹	3,189,578	1.02

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Europe (ex UK) (continued)			
373	Covestro	28,865	0.01
735	Daimler	45,465	0.01
2,485	Danske Bank	69,646	0.02
5,216	Deutsche Lufthansa	132,529	0.04
12,930	Deutsche Telekom	172,005	0.06
662	DNB	9,013	—
237	Electrolux 'B'	5,810	—
14,573	Engie	189,628	0.06
10,457	Eni	128,520	0.04
2,100	Ericsson 'B'	9,910	—
(100)	Euro Stoxx 50 Equity Index Futures Dec 2017 ⁴	(29,930)	(0.01)
11,884	Fiat Chrysler Automobiles	151,918	0.06
171	Fraport AG Frankfurt Airport Services Worldwide	12,629	—
1,664	Gemalto	46,770	0.01
44	Genmab	6,325	—
485	Hakon Invest	13,040	—
934,425	Henderson European Focus Fund 'I' Acc ¹	2,070,686	0.66
170	Hexagon	6,208	—
2,605	Holcim	105,910	0.03
14,166	Iberdrola	83,299	0.03
441	Industrivarden	8,019	—
241	Investor 'B'	8,425	—
127	Kone	4,857	—
123	Linde	20,283	0.01
1,085	Muenchener Rueckversicherungs	182,688	0.06
3,074	Nestle	197,718	0.07
5,387	NN Group	173,180	0.05
935	Nordea Bank	8,223	—
938	Norsk Hydro	4,778	—
1,383	Novartis	87,703	0.03
3,214	Novo Nordisk	123,196	0.04
232,417	Old Mutual European (Ex UK) Smaller Acc ¹	4,315,913	1.38
5,118	Orange	66,056	0.02
1,733	Pernod Ricard	200,099	0.07
2,509	Peugeot	38,888	0.01
705	Porsche Automobil	44,112	0.01
1,012	Renault	76,943	0.02
5,337	Repsol	72,806	0.02
182	Roche Holding	34,001	0.01
718	Safran	57,005	0.02
9,252	Saipem	28,053	0.01
368	Sandvik	4,744	—
2,066	Sanofi	140,583	0.05
569	SAP	48,066	0.02
558	Societe Generale	21,127	0.01
200	Swiss Life	50,054	0.02
2,672	Swiss Re	188,172	0.06
1,810	TeliaSonera 'A'	5,980	—
2,639	UPM-Kymmene	59,594	0.02
1,022	Vestas Wind Systems	48,049	0.02
2,912	Vinci	222,838	0.08
25	Volkswagen	3,825	—
339	Volkswagen non-voting preference shares	53,155	0.02
79	Zurich Insurance Group	17,777	0.01
		15,793,527	5.05
Japan 3.32% (0.00%)			
74,744	Baillie Gifford Japanese Smaller Companies Fund 'B' Acc ¹	3,286,514	1.05
780,973	CF Morant Wright Nippon Yield ¹	3,552,020	1.14
1,727,294	GLG Japan CoreAlpha ¹	3,173,039	1.02
25	TOPIX Index Futures Dec 2017 ⁴	346,445	0.11
		10,358,018	3.32

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	North America 3.33% (3.89%)		
668	Activision Blizzard	30,811	0.02
185	Aetna	24,709	0.01
204	Agnc Investment	3,045	–
180	Alphabet 'C'	136,754	0.04
484	American International Group	21,704	0.01
189	American Tower	20,564	0.01
1,451	Amgen	185,912	0.06
11,420	Annaly Capital Management	99,891	0.04
85	Anthem	14,375	–
845	Apple	106,463	0.03
6,945	Applied Materials	273,316	0.09
190	Baker Hughes	4,237	–
151	Best Buy	6,606	–
1,233	Biogen	293,436	0.09
1,822	Boeing	364,901	0.12
79	Bunge	3,908	–
9,265	Cadence Design Systems	297,359	0.10
4,548	Capital One Financial	307,699	0.11
2,233	Chevron	194,608	0.06
457	Cigna	69,968	0.02
14,058	Cisco Systems	391,799	0.13
4,109	Citigroup	229,341	0.08
279	Citizens Financial Group	8,440	–
9,032	Comcast 'A'	249,910	0.08
2,652	ConocoPhillips	100,048	0.03
88	Cummins	10,767	–
1,034	CVS Health	56,443	0.02
239	Eaton	13,656	–
558	eBay	14,265	–
173	Electronic Arts	13,574	–
555	Eli Lilly & Company	35,072	0.01
271	EOG Resources	20,260	0.01
110	Estee Lauder	10,134	–
500	Exelon	15,501	–
1,130	Exxon Mobil	69,139	0.02
38	F5 Networks	3,670	–
2,013	FNF	60,190	0.02
33,759	Ford Motor	315,129	0.11
4,733	Gap	114,448	0.05
228	General Motors	7,428	–
5,894	Gilead Sciences	323,097	0.09
223	Hasbro	15,397	–
1,927	HCP	38,541	0.01
192	HP	3,059	–
1,615	Humana	300,417	0.11
124	Illinois Tool Works	15,297	–
11,392	Intel	372,405	0.12
63	JM Smucker	5,513	–
223	Kimco Realty	3,064	–
862	Kinder Morgan	10,739	–
274	Las Vegas Sands	13,769	–
1,982	Liberty Property Trust	65,750	0.02
296	Lincoln National	16,851	0.01
469	Lowe's Cos	29,059	0.01
193	LyondellBasell Industries	15,072	–
160	Maxim Integrated Products	6,201	–
1,479	Merck & Co	60,900	0.02
8,072	Michael Kors Holdings	352,071	0.12
1,534	Micron Technology	49,895	0.02
1,661	Microsoft	102,950	0.03
54	Mini Russell 2000 Futures Dec 2017 ⁴	237,481	0.08
1,213	Monsanto	106,147	0.03
253	Morgan Stanley	9,657	–
88	Motorola Solutions	6,164	–
150	NetApp	6,274	–
288	Newmont Mining	7,838	–

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
North America (continued)			
1,703	NextEra Energy	199,832	0.07
274	NXP Semiconductors	23,029	0.01
5,184	Occidental Petroleum	269,484	0.10
1,826	Palo Alto Networks	196,745	0.06
3,191	Pfizer	85,943	0.03
2,020	PNC Financial Services Group	209,925	0.07
168	Prologis	8,263	–
910	Prudential Financial	78,427	0.03
797	Qualcomm	39,434	0.01
671	Regions Financial	8,265	–
24	RenaissanceRe Holdings	2,435	–
135	Robert Half International	5,704	–
1,299	Rockwell Automation	183,616	0.06
963	Royal Caribbean Cruises	89,313	0.03
158	S&P Global	19,357	0.01
138	Simon Property	16,294	0.01
2,614	Southwest Airlines	114,460	0.04
10,597	Synchrony Financial	278,630	0.09
4,632	Synopsys	298,706	0.10
297	Target	13,623	–
447	Texas Instruments	32,214	0.01
6,030	T-Mobile	277,314	0.09
3,783	Union Pacific	345,928	0.11
44	United Rentals	5,166	–
6,079	Vereit	35,449	0.01
53	Vornado Realty	3,032	–
6,267	Walgreens Boots Alliance	335,200	0.12
5,286	Wal-Mart Stores	383,657	0.13
437	Western Digital	26,325	0.01
5,748	WestRock	257,590	0.09
		10,216,448	3.33
United Kingdom 4.96% (5.07%)			
6,636	Anglo American	90,880	0.03
2,152	AstraZeneca	104,168	0.03
18,875	Auto Trader Group	64,005	0.02
26,831	Aviva	139,790	0.04
7,891	Barratt Developments	48,135	0.02
389	Berkeley Group	14,891	–
1,024	BHP Billiton	13,778	–
34,021	BP	168,404	0.05
2,038	British American Tobacco	98,323	0.03
5,048	British Land	31,575	0.01
1,694	Burberry	29,052	0.01
1,434	Capita	6,981	–
326	Carnival	15,870	0.01
35,480	Centrica	51,304	0.02
1,544	Diageo	40,237	0.01
2,221	Direct Line Insurance Group	8,089	–
271	Easyjet	3,859	–
8,192	Experian	127,058	0.05
85	FTSE 100 Index Futures Dec 2017 ⁴	(62,088)	(0.02)
2,638	G4S	6,790	–
8,571	GlaxoSmithKline	111,594	0.04
18,640	Glencore	64,047	0.02
20,672	HSBC Holdings	154,503	0.05
3,846	Imperial Tobacco Group	119,092	0.04
284	Intertek Group	14,796	–
1,464	Intu Properties	2,867	–
6,325	ITV	10,158	–
2,706	J Sainsbury	6,367	–
1,289,677	Jupiter UK Growth Income Fund 'I' Acc ¹	4,589,831	1.47
2,612	Kingfisher	8,795	–
4,547	Land Securities	42,401	0.01

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
United Kingdom (continued)			
48,708	Legal & General Group	131,950	0.04
365	London Stock Exchange	13,779	–
4,046,937	Majedie UK Focus ¹	7,822,323	2.51
3,423	Marks & Spencer	10,683	–
8,007	Meggitt	38,954	0.01
6,541	National Grid	58,215	0.02
25,929	Old Mutual	51,988	0.02
4,241	Pearson	30,175	0.01
4,163	Persimmon	106,115	0.03
225	Provident Financial	2,014	–
1,210	Reckitt Benckiser Group	78,940	0.03
2,745	RELX	47,900	0.02
2,335	Rio Tinto	82,309	0.03
282	Rolls-Royce	2,434	–
5,793	Royal Bank of Scotland Group	16,302	0.01
7,875	Royal Dutch Shell 'A'	187,071	0.06
6,862	Royal Dutch Shell 'B'	166,301	0.05
15,719	Royal Mail	68,299	0.02
8,325	Smith & Nephew	109,141	0.03
17,201	Standard Life	74,171	0.02
782	Tate & Lyle	5,235	–
69,994	Tesco	139,183	0.04
59,677	Vodafone Group	135,437	0.04
48,718	WM Morrison Supermarkets	106,449	0.03
659	WPP	8,705	–
		15,619,625	4.96
REAL ESTATE 0.00% (1.86%)			
RISK MITIGATION 0.00% (0.14%)			
FORWARD CURRENCY CONTRACTS 0.80% (0.17%)			
€(10,250,000)	Vs £9,233,815 Expiry 16.02.2018	190,046	0.06
¥(479,999,999)	Vs £3,240,156 Expiry 15.12.2017	61,149	0.02
US\$(189,750,000)	Vs £143,510,815 Expiry 19.01.2018	2,639,546	0.85
¥1,550,000,001	Vs £(10,604,672) Expiry 15.12.2017	(339,128)	(0.11)
US\$4,000,000	Vs £(3,038,983) Expiry 19.01.2018	(69,364)	(0.02)
		2,482,249	0.80
Portfolio of investment		312,578,680	100.14
Net other liabilities		(429,493)	(0.14)
Net assets		312,149,187	100.00
Comparative figures shown in brackets relate to 30 November 2016.			
All investments are ordinary shares listed on a regulated market unless stated otherwise.			
¹ Collective investment scheme			
² Structured product			
³ Delisted security			
⁴ Derivative contract			
Credit Quality		30.11.17 %	30.11.16 %
Investment grade debt securities		26.41	16.63
Non-rated debt securities		4.47	7.70
Other investments		69.26	77.26
Net other liabilities		(0.14)	(1.59)
		100.00	100.00

TIM MODERATELY CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

		30.11.17	30.11.16
	Notes	£	£
Income			
Net capital gains	4	10,029,430	11,487,104
Revenue	5	7,168,538	7,553,137
Expenses	6	(3,327,234)	(3,555,696)
Interest payable and similar charges	8	(18,071)	(25,692)
Net revenue before taxation for the year		3,823,233	3,971,749
Taxation	7	(797,755)	(318,641)
Net revenue after taxation for the year		3,025,478	3,653,108
Total return before distributions		13,054,908	15,140,212
Distributions	8	(5,942,776)	(6,413,841)
Change in net assets attributable to shareholders from investment activities		7,112,132	8,726,371

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

	30.11.17	30.11.16
	£	£
Opening net assets attributable to shareholders	330,902,122	361,646,660
Amounts received on creation of shares	50,947,027	49,726,650
Amounts paid on cancellation of shares	(81,274,584)	(93,925,137)
	(30,327,557)	(44,198,487)
Stamp Duty Reserve Tax	—	13,402
Change in net assets attributable to shareholders from investment activities	7,112,132	8,726,371
Retained distribution on accumulation shares	4,462,490	4,714,176
Closing net assets attributable to shareholders	312,149,187	330,902,122

The notes on pages 61 to 70 are an integral part of these Financial Statements.

7IM MODERATELY CAUTIOUS FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		313,079,190	337,793,966
Current assets:			
Debtors	9	2,519,197	3,517,581
Cash and bank balances	10	4,776,670	3,599,138
Total assets		320,375,057	344,910,685
LIABILITIES			
Investment liabilities		(500,510)	(1,623,963)
Creditors:			
Bank overdrafts	10	(4,787,927)	(4,872,903)
Distribution payable		(799,028)	(761,755)
Other creditors	11	(2,138,405)	(6,749,942)
Total liabilities		(8,225,870)	(14,008,563)
Net assets attributable to shareholders		312,149,187	330,902,122

The notes on pages 61 to 70 are an integral part of these Financial Statements.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	2,987,215	37,251,084
Derivative contracts	(24,849)	(3,855,871)
Forward currency contracts	5,282,473	(22,031,985)
Currency gains	1,757,421	143,512
Transaction charges	(28,583)	(38,367)
AMC rebates from underlying investments	55,753	18,731
Net capital gains	10,029,430	11,487,104

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	1,893,640	3,266,897
Taxable dividends	3,856,479	3,021,689
Unfranked interest	1,374,891	1,219,541
AMC rebates from underlying investments	27,543	43,624
Bank interest	3,653	1,386
Stock lending revenue	12,332	—
Total revenue	7,168,538	7,553,137

* Prior year figures have been restated to be comparable with the current year figures.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,084,987	3,274,135
Other expenses	9,156	9,778
	<u>3,094,143</u>	<u>3,283,913</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	45,579	47,521
Market risk fees	6,000	7,500
Safe custody and other bank charges	31,524	32,834
Stock lending fees	3,697	—
	<u>86,800</u>	<u>87,855</u>
Other Expenses:		
Advisory fees	92,237	108,805
Audit fee	8,760	8,735
Dealing and exchange fees	20,712	41,664
FCA and other Regulatory fees	275	388
Legal and professional fees	830	4,127
Printing, postage and distribution costs	17,762	14,209
Risk analysis fees	5,715	6,000
	<u>146,291</u>	<u>183,928</u>
Total expenses	<u>3,327,234</u>	<u>3,555,696</u>

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	758,878	240,845
Overseas tax	38,877	77,607
Irrecoverable CIS income tax	–	189
Current tax charge (note 7b)	797,755	318,641
Total taxation	797,755	318,641
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	3,823,233	3,971,749
Corporation tax at 20%	764,647	794,350
Effects of:		
AMC rebates taken to capital	11,151	3,746
Double taxation relief expensed	(2,574)	(2,583)
Franked CIS revenue	(81,783)	(99,354)
Franked REIT income	(141)	–
Irrecoverable CIS income tax w/off	–	189
Movement in revenue accruals	(4,826)	525
Non-taxable dividends	(260,526)	(497,135)
Offshore CIS revenue	(31,458)	(9,786)
Overseas tax	38,877	77,607
Tax effect on non-reporting offshore funds	364,388	51,082
Current tax charge (note 7a)	797,755	318,641
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2016: none).		

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	2,368,705	3,059,789
Final	3,449,026	3,163,964
	5,817,731	6,223,753
Add: Revenue deducted on cancellation of shares	343,839	396,172
Deduct: Revenue received on issue of shares	(218,794)	(206,084)
Net distributions for the year	5,942,776	6,413,841
Interest payable and similar charges	18,071	25,692
Total distribution	5,960,847	6,439,533

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 71 to 73.

Distributions represented by:		
Net revenue after taxation	3,025,478	3,653,108
Allocations to capital:		
Expenses, net of tax relief	2,552,931	2,710,098
Equalisation on conversions ¹	(27)	(481)
Net movement in revenue account	6	34
Tax relief on Non Reporting Offshore Funds	364,388	51,082
Net distributions for the year	5,942,776	6,413,841

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17	30.11.16
	£	£
Amounts receivable for issue of shares	966,489	454,652
Sales awaiting settlement	–	1,676,315
Accrued revenue	1,405,143	910,606
Income tax recoverable	2,042	339,256
AMC rebates from underlying investments	109,329	83,024
Withholding tax recoverable	36,106	53,728
Prepaid expenses	88	–
Total debtors	2,519,197	3,517,581

10 Cash and bank balances

	30.11.17	30.11.16
	£	£
Cash and bank balances	4,760,556	3,569,439
Cash held at clearing houses	16,114	29,699
Total cash and bank balances	4,776,670	3,599,138
Bank overdrafts	(4,569,868)	(3,297,193)
Cash overdraft at clearing houses	(218,059)	(1,575,710)
Total bank overdrafts	(4,787,927)	(4,872,903)

11 Other Creditors

	30.11.17	30.11.16
	£	£
Amounts payable for cancellation of shares	958,081	962,366
Purchases awaiting settlement	188,855	5,051,137
Accrued expenses	287,391	296,422
Corporation tax payable	704,078	440,017
Total other creditors	2,138,405	6,749,942

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 59.

7IM and its associates (including other authorized investment funds managed by 7IM) had no shareholdings in the Sub-fund (2016:none).

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

Pershing Nominees Limited 30.99% (2016: 29.20%)

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

13 Classes of Shares

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

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

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	48,565	—	—	—	48,565
Class A Accumulation	1,434,139	363,563	(170,194)	(175,040)	1,452,468
Class B Accumulation	32,660,217	1,188,691	(5,823,228)	—	28,025,680
Class C Income	53,171,094	3,239,927	(9,667,695)	(285,700)	46,457,626
Class C Accumulation	79,096,648	19,073,028	(22,443,601)	46,588	75,772,663
Class D Income	471,894	7,660	(67,710)	—	411,844
Class D Accumulation	6,946,470	1,135,454	(1,495,727)	—	6,586,197
Class S Income	1,588,333	506,163	(608,014)	631,433	2,117,915
Class S Accumulation	28,318,980	3,784,177	(8,360,903)	(30,446)	23,711,808

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	254,151	254,151
Euro	270,948	–	10,013,902	10,284,850
Japanese yen	–	–	10,611,989	10,611,989
Norwegian krone	–	–	16,874	16,874
Swedish krona	–	–	116,282	116,282
Swiss franc	54,491	–	724,309	778,800
US dollar	10,404,688	41,899,485	112,552,711	164,856,884
Pound sterling	26,731,789	42,470,533	230,582,113	299,784,435
	37,461,916	84,370,018	364,872,331	486,704,265

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(270,023)	(9,073,699)	(9,343,722)
Japanese yen	–	(3,179,007)	(3,179,007)
Swiss franc	(12,785)	–	(12,785)
US dollar	(662,728)	(140,871,269)	(141,533,997)
Pound sterling	(3,842,391)	(16,643,176)	(20,485,567)
	(4,787,927)	(169,767,151)	(174,555,078)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	299,086	299,086
Euro	296,187	–	15,780,436	16,076,623
Hong Kong dollar	6,111	–	–	6,111
Japanese yen	5,205	–	12,769,706	12,774,911
Norwegian krone	–	–	210,645	210,645
Swedish krona	–	–	261,722	261,722
Swiss franc	57,879	–	979,978	1,037,857
US dollar	22,397,891	16,874,902	125,572,490	164,845,283
Pound sterling	72,035,899	38,415,040	216,203,704	326,654,643
	94,799,172	55,289,942	372,077,767	522,166,881

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Danish krone	(1)	–	(1)
Euro	(287,983)	(17,030,191)	(17,318,174)
Hong Kong dollar	(6,111)	–	(6,111)
Japanese yen	(5,206)	(3,547,141)	(3,552,347)
Swiss franc	(13,426)	–	(13,426)
US dollar	(795,501)	(121,426,758)	(122,222,259)
Pound sterling	(3,764,675)	(44,387,766)	(48,152,441)
	(4,872,903)	(186,391,856)	(191,264,759)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	1.09	0.55	3	2
US dollar	1.66	1.67	7	8

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	4,402	249,749	254,151
Euro	9,584	931,544	941,128
Japanese yen	–	7,432,982	7,432,982
Norwegian krone	3,083	13,791	16,874
Swedish krona	117	116,165	116,282
Swiss franc	61,110	704,905	766,015
US dollar	310,714	23,012,173	23,322,887
	389,010	32,461,309	32,850,319
Pound sterling	19,835,496	259,463,372	279,298,868
Net assets	20,224,506	291,924,681	312,149,187

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	3,930	295,155	299,085
Euro	28,054	(1,269,605)	(1,241,551)
Japanese yen	(1)	9,222,565	9,222,564
Norwegian krone	3,252	207,393	210,645
Swedish krona	2,045	259,677	261,722
Swiss franc	69,475	954,956	1,024,431
US dollar	207,181	42,415,843	42,623,024
	313,936	52,085,984	52,399,920
Pound sterling	60,392,183	218,110,019	278,502,202
Net assets	60,706,119	270,196,003	330,902,122

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	39,946,682	56,454,583	–	96,401,265
Collective Investment Schemes	21,276,037	153,526,894	–	174,802,931
Derivatives	659,734	2,890,741	–	3,550,475
Equities	28,900,447	9,424,072	–	38,324,519
Total	90,782,900	222,296,290	–	313,079,190
Liabilities				
Derivatives	(92,018)	(408,492)	–	(500,510)

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	16,830,910	61,753,372	–	78,584,282
Collective Investment Schemes	32,812,661	175,113,725	–	207,926,386
Derivatives	2,431,950	3,696,494	–	6,128,444
Equities	40,110,335	5,044,519	–	45,154,854
Total	92,185,856	245,608,110	–	337,793,966
Liabilities				
Derivatives	(412,844)	(1,211,119)	–	(1,623,963)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 41.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	63,213	–	–	–	–	–
Collective Investment Schemes	174,946	–	–	–	–	–
Derivatives	4,676	–	–	–	–	–
Equities	40,687	3	21	24	0.01	0.05
Total	283,522	3	21	24	0.01	0.05

Sales	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	31,322	–	–	–	–	–
Collective Investment Schemes	203,258	–	–	–	–	–
Derivatives	–	–	–	–	–	–
Equities	65,812	(7)	–	(7)	0.01	–
Total	300,392	(7)	–	(7)	0.01	–

Total as a percentage of the average NAV	0.00%	0.01%	0.01%
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7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	63,138	–	–	–	–	–
Collective Investment Schemes	386,173	–	–	–	–	–
Derivatives	9,445	–	–	–	–	–
Equities	77,302	11	59	70	0.01	0.08
Total	536,058	11	59	70	0.01	0.08

Sales	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	120,693	–	–	–	–	–
Collective Investment Schemes	389,781	–	–	–	–	–
Derivatives	3,636	–	–	–	–	–
Equities	87,245	(19)	(1)	(20)	0.02	–
Total	601,355	(19)	(1)	(20)	0.02	–

Total as a percentage of the average NAV	0.01%	0.02%	0.03%
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Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.23% (2016: 0.25%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class A Income				
Group 1	1.0415	—	1.0415	1.2086
Group 2	1.0415	—	1.0415	1.2086
			Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	1.3573	—	1.3573	1.5348
Group 2	0.5850	0.7723	1.3573	1.5348
			Allocated 31.07.17	Allocated 31.07.16
Class B Accumulation				
Group 1	1.3433	—	1.3433	1.5351
Group 2	0.6795	0.6638	1.3433	1.5351
			Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	1.0776	—	1.0776	1.2488
Group 2	0.4394	0.6382	1.0776	1.2488
			Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	1.3793	—	1.3793	1.5797
Group 2	0.4787	0.9006	1.3793	1.5797
			Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	1.0612	—	1.0612	1.1900
Group 2	0.4566	0.6046	1.0612	1.1900
			Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	1.3493	—	1.3493	1.5335
Group 2	0.6755	0.6738	1.3493	1.5335
			Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	0.7877	—	0.7877	0.9118
Group 2	0.2376	0.5501	0.7877	0.9118
			Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	0.8310	—	0.8310	0.9425
Group 2	0.3090	0.5220	0.8310	0.9425

7IM MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class A Income				
Group 1	1.4952	—	1.4952	1.3441
Group 2	1.4952	—	1.4952	1.3441
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	1.9398	—	1.9398	1.7248
Group 2	1.6249	0.3149	1.9398	1.7248
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class B Accumulation				
Group 1	2.0614	—	2.0614	1.7299
Group 2	1.4565	0.6049	2.0614	1.7299
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	1.6498	—	1.6498	1.3890
Group 2	1.1189	0.5309	1.6498	1.3890
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	2.1271	—	2.1271	1.7608
Group 2	1.4124	0.7147	2.1271	1.7608
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	1.5188	—	1.5188	1.3665
Group 2	0.6800	0.8388	1.5188	1.3665
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	1.9449	—	1.9449	1.7221
Group 2	1.1063	0.8386	1.9449	1.7221
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	1.2082	—	1.2082	1.0141
Group 2	0.8781	0.3301	1.2082	1.0141
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	1.2831	—	1.2831	1.0598
Group 2	0.7778	0.5053	1.2831	1.0598

7IM MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Equalisation

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

7IM BALANCED FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

The 7IM Balanced Fund (the 'Sub-fund') aims to provide a balance of income and capital appreciation. There may be some risk to capital. The Sub-fund invests predominantly in a range of collective investment vehicles and securities managed by selected fund Investment Manager. The Sub-fund will comprise a mixture of income-generating assets and assets with scope for capital growth in real terms. The Sub-fund may use different asset classes, with investment primarily in equities and fixed interest with no long-term preponderance to either class.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that is permitted in the stated investment and borrowing powers of the Company.

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 7.05%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emmanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia, the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016, we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK Corporate Bonds, Gilts and Inflation-Linked Gilts prices all fell and have remained largely depressed since.

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period. In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

¹Calculated using 7IM Balanced C Acc shares, NAV return Source: NTRS

7IM BALANCED FUND

ACD'S REPORT (continued)
for the year ended 30 November 2017

Investment Manager's Report (continued)

Portfolio Review

In December 2016, we increased our Japanese, European and US equity, reducing our Emerging Market (EM) allocation to do so. We expected the stronger Dollar to drive Yen lower, boosting the attractiveness of the Topix, while we thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. The US allocation increase was marginal, including a rotation towards Small Cap – companies likely to benefit from Trump policies with less exposure to protectionism. In the Emerging Markets space, we had had a good run but believed the region could be negatively impacted by Trump's rhetoric and policies. We thus allowed the MSCI China Future to expire and reduced Asia Pacific exposure, an asset class heavily weighted towards Taiwan and South Korea. Despite these views, we did also increase our allocation in Indian equity, seeing the region as relatively immune to Trump risk and the potential for the changes implemented by the Modi government to be beneficial. In January 2017, we cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our EuroStoxx Dividend 2018 future, having made over 10% in 10 months.

Our increase in US equity proved a good decision, but by March valuations looked high, while we also saw some political risk in Europe. Valuations were especially high in the 'Trump reflation trade' related stocks such as the Russell 2000 Index and Financials Index. As a result, we cut the remaining positions in US Financials, and the majority of our Russell 2000 Index holdings in our March review. At the same time, we reduced European exposure, as the result of the French elections remained uncertain. Following a positive result in the first round, alongside strong macro data and attractive valuations, we then increased our EuroStoxx exposure in April. In March we also increased our EM exposure, seeing a stable Chinese economy, robust commodity prices and a strong global macro scene boding well for the sector. Our allocation to Japanese equity was also increased – Japanese earnings surprised to the upside in Q4 2016, we believed the economy to be in good health and Prime Minister Abe and President Trump seemed to be working well together.

In June, we reduced our equity allocation across our portfolio range, believing valuations were high across the marketplace. We slightly reduced our exposure to UK, US, and European equity and, where we were more cautious, made a slightly larger reduction of our Japanese equity holding. Believing that the growth story was better for Emerging Markets, we increased our allocation to EM equity slightly. The asset class performed well in the period and so we decided to take some profits, reducing our holding in September. This good run of performance was largely due to the technology sector rallying, and this over-reliance on one sector reinforced our decision that this was a good time to decrease our allocation. In the summer we also increased our active weight in Europe, adding two new fund managers: the SYZ Oyster Continental European Selection Fund and the Miton European Opportunities Fund. By September, the macro story had improved further, with good earnings numbers and a fading of geopolitical risk. We took a more risk-on position, deciding to increase both our Japanese and European equity, while diversifying risk in the portfolio by allocating a small amount to Frontier Markets equity. Our views developed further in November, as we saw increased value in the UK in comparison to other regions, and so decided to add to the FTSE 100 Index Futures, cutting European equity to do so. As the majority of earnings in the FTSE 100 Index are derived overseas, it has historically performed well when Sterling has fallen. Adding to it therefore provides us with further protection against a fall in Sterling, an increasing possibility with difficult upcoming Brexit talks.

In the fixed income space, we bought some tail risk protection for the weak UK outlook in December 2016. We added to our Gilts allocation to do so, as rising yields had resulted in favourable pricing, and the potential for increased reward as a result. In the month we also trimmed convertibles, as the asset class had had a good run, and this provided cash for other investments. In February we cut the allocation to Gilts, taking profits, as a resilient economic environment meant that the Bank of England was unlikely to extend QE. We additionally reduced our High Yield bonds as the spreads had narrowed considerably, again taking profits. In March we increased our Global Government Bond exposure through a US 10 year Treasury, believing the asset to be a good tail-risk hedge, and following on from a substantial increase in US Treasury yields. We also increased our Emerging Market Local Currency Debt, believing that the sell-off following the US elections was overdone, and seeing some value in the asset. We added further to US Treasuries in June, to provide additional downside protection, and reduced our High Yield allocation again, once more taking profits at a time when spreads had tightened. The latter was reduced further at the end of September, taking more profits, driven by the additional tightening. The escalation of the North Korean threat, and its potential to shock markets, prompted us to reduce our exposure to Emerging Market debt, denominated in the more volatile local currencies, in August.

We also made some changes to our Alternatives allocation. In December 2016, we added a Credit Suisse Risk Premia Certificate alongside two active managers – Neuberger Berman and NN – as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same time we sold some of our Real Estate holding, due to concern over excessively high valuations, with Real Estate having been seen as a bond proxy. In January, we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures Fund. In the following month, we decided to add some protection in the Sub-fund in case of a no-Brexit scenario. To do so we added a GBPUSD Option, which would protect against a sharp rally in Sterling. In addition we increased our 'market neutral' allocation, adding the F&C Global Equity Market Neutral Fund and increasing the weight of the Zebra Global Equity Beta Neutral Fund. At the same time, a spike in index volatility allowed us the opportunity to extend the SX5E dispersion trade at a favourable entry point. In April, we decided to reduce exposure to inflation protection, as inflation expectations were unlikely to accelerate, selling the Bank of America Merrill Lynch (BAML) position, due to preferable exit terms. Our Private Equity allocation had had a very good run since we implemented our overweight in 2016, and, seeing some reduction in the discount, we reduced our holding in June and again in September, taking profits. In June, we added again to our alternatives strategies, replacing some of our equity holdings with an equity volatility strategy, an equity-like position which has less exposure to extreme tail-risk events. Our gold position varied throughout the period: we added to the asset class in March and June as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, and then took some profits from a successful holding in November. The profits from this were used to increase our allocation to UK equity mentioned above.

7IM BALANCED FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

Over the year, we often used our ability to manage currency to express our market views. Last December we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar. As geopolitical tensions increased in the year, we used Yen as a tail risk hedge. In March, we increased our Yen allocation, which also protected against the downside risk from a Topix overweight, and added to the position again in August, as the currency has proven in the past to act well in times of the elevation of geopolitical risk. We additionally altered our currency positions in April, increasing Euro exposure, reflecting our more bullish view following the first round of the French elections discussed above, funded by reducing our Dollar allocation, foreseeing continued weakness in the currency.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

In the UK, there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM BALANCED FUND

FUND INFORMATION

The Comparative Tables on pages 78 to 86 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 and research costs.

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

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	169.10	160.54	162.74
Return before operating charges*	14.14	13.26	2.72
Operating charges (calculated on average price)	(3.26)	(2.89)	(2.91)
Return after operating charges*	10.88	10.37	(0.19)
Distributions on income shares	(1.99)	(1.81)	(2.01)
Closing net asset value per share	177.99	169.10	160.54
* After direct transaction costs of: ¹	0.04	0.06	0.04
Performance			
Return after charges ²	6.43%	6.46%	(0.12)%
Other Information			
Closing net asset value (£'000)	25	24	136
Closing number of shares	13,952	13,952	84,945
Operating charges ³	1.85%	1.84%	1.76%
Direct transaction costs	0.02%	0.04%	0.03%
Prices			
Highest share price	180.41	173.80	176.94
Lowest share price	168.53	145.19	153.43

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 87.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	195.83	183.83	184.11
Return before operating charges*	16.40	15.39	3.03
Operating charges (calculated on average price)	(3.79)	(3.39)	(3.31)
Return after operating charges*	12.61	12.00	(0.28)
Distributions	(2.31)	(2.12)	(2.29)
Retained distributions on accumulation shares	2.31	2.12	2.29
Closing net asset value per share	208.44	195.83	183.83
* After direct transaction costs of: ¹	0.04	0.07	0.05
Performance			
Return after charges ²	6.44%	6.53%	(0.15)%
Other Information			
Closing net asset value (£'000)	9,735	9,890	11,865
Closing number of shares	4,670,392	5,050,400	6,454,463
Operating charges ³	1.85%	1.84%	1.76%
Direct transaction costs	0.02%	0.04%	0.03%
Prices			
Highest share price	209.76	199.95	200.15
Lowest share price	195.17	166.26	174.70

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 87.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	201.93	189.08	188.90
Return before operating charges*	16.93	15.88	3.09
Operating charges (calculated on average price)	(3.38)	(3.03)	(2.91)
Return after operating charges*	13.55	12.85	0.18
Distributions	(2.59)	(2.37)	(2.54)
Retained distributions on accumulation shares	2.59	2.37	2.54
Closing net asset value per share	215.48	201.93	189.08
* After direct transaction costs of: ¹	0.04	0.07	0.05
Performance			
Return after charges ²	6.71%	6.80%	0.10%
Other Information			
Closing net asset value (£'000)	104,516	112,453	127,073
Closing number of shares	48,504,664	55,689,540	67,206,449
Operating charges ³	1.60%	1.59%	1.51%
Direct transaction costs	0.02%	0.04%	0.03%
Prices			
Highest share price	216.81	206.13	205.54
Lowest share price	201.26	171.10	179.62

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 87.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	174.84	165.49	167.25
Return before operating charges*	14.64	13.82	2.80
Operating charges (calculated on average price)	(2.47)	(2.23)	(2.14)
Return after operating charges*	12.17	11.59	0.66
Distributions on income shares	(2.44)	(2.24)	(2.42)
Closing net asset value per share	184.57	174.84	165.49
* After direct transaction costs of: ¹	0.04	0.06	0.04
Performance			
Return after charges ²	6.96%	7.00%	0.39%
Other Information			
Closing net asset value (£'000)	91,495	97,622	107,618
Closing number of shares	49,573,035	55,834,894	65,028,615
Operating charges ³	1.35%	1.34%	1.26%
Direct transaction costs	0.02%	0.04%	0.03%
Prices			
Highest share price	187.21	179.78	182.17
Lowest share price	174.26	149.82	158.18

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 87.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	208.18	194.44	193.77
Return before operating charges*	17.47	16.37	3.17
Operating charges (calculated on average price)	(2.95)	(2.63)	(2.50)
Return after operating charges*	14.52	13.74	0.67
Distributions	(2.92)	(2.65)	(2.81)
Retained distributions on accumulation shares	2.92	2.65	2.81
Closing net asset value per share	222.70	208.18	194.44
* After direct transaction costs of: ¹	0.04	0.07	0.05
Performance			
Return after charges ²	6.97%	7.07%	0.35%
Other Information			
Closing net asset value (£'000)	483,320	465,086	422,397
Closing number of shares	217,027,649	223,404,762	217,233,443
Operating charges ³	1.35%	1.34%	1.26%
Direct transaction costs	0.02%	0.04%	0.03%
Prices			
Highest share price	224.04	212.46	211.03
Lowest share price	207.50	176.04	184.63

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 87.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	169.73	161.15	163.36
Return before operating charges*	14.20	13.38	2.74
Operating charges (calculated on average price)	(3.28)	(2.96)	(2.93)
Return after operating charges*	10.92	10.42	(0.19)
Distributions on income shares	(2.00)	(1.84)	(2.02)
Closing net asset value per share	178.65	169.73	161.15
* After direct transaction costs of: ¹	0.04	0.06	0.04
Performance			
Return after charges ²	6.43%	6.47%	(0.12)%
Other Information			
Closing net asset value (£'000)	2,091	2,102	3,860
Closing number of shares	1,170,597	1,238,217	2,395,126
Operating charges ³	1.85%	1.84%	1.76%
Direct transaction costs	0.02%	0.04%	0.03%
Prices			
Highest share price	181.08	174.44	177.62
Lowest share price	169.16	145.74	154.01

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 87.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	195.96	183.96	184.25
Return before operating charges*	16.41	15.38	3.02
Operating charges (calculated on average price)	(3.79)	(3.38)	(3.31)
Return after operating charges*	12.62	12.00	(0.29)
Distributions	(2.31)	(2.11)	(2.28)
Retained distributions on accumulation shares	2.31	2.11	2.28
Closing net asset value per share	208.58	195.96	183.96
* After direct transaction costs of: ¹	0.04	0.07	0.05
Performance			
Return after charges ²	6.44%	6.52%	(0.16)%
Other Information			
Closing net asset value (£'000)	18,029	19,364	36,213
Closing number of shares	8,643,529	9,881,581	19,685,808
Operating charges ³	1.85%	1.84%	1.76%
Direct transaction costs	0.02%	0.04%	0.03%
Prices			
Highest share price	209.90	200.09	200.30
Lowest share price	195.31	166.38	174.84

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 87.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	110.90	104.83	105.79
Return before operating charges*	9.29	8.76	1.77
Operating charges (calculated on average price)	(1.28)	(1.15)	(1.09)
Return after operating charges*	8.01	7.61	0.68
Distributions on income shares	(1.73)	(1.54)	(1.64)
Closing net asset value per share	117.18	110.90	104.83
* After direct transaction costs of: ¹	0.02	0.04	0.03
Performance			
Return after charges ²	7.22%	7.26%	0.64%
Other Information			
Closing net asset value (£'000)	11,018	11,674	11,678
Closing number of shares	9,402,313	10,527,344	11,140,375
Operating charges ³	1.10%	1.09%	1.01%
Direct transaction costs	0.02%	0.04%	0.03%
Prices			
Highest share price	118.96	114.07	115.53
Lowest share price	110.53	94.95	100.21

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 87.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	115.51	107.62	107.00
Return before operating charges*	9.70	9.07	1.73
Operating charges (calculated on average price)	(1.33)	(1.18)	(1.11)
Return after operating charges*	8.37	7.89	0.62
Distributions	(1.81)	(1.59)	(1.66)
Retained distributions on accumulation shares	1.81	1.59	1.66
Closing net asset value per share	123.88	115.51	107.62
* After direct transaction costs of: ¹	0.02	0.04	0.03
Performance			
Return after charges ²	7.25%	7.33%	0.58%
Other Information			
Closing net asset value (£'000)	71,058	76,685	87,321
Closing number of shares	57,360,620	66,386,884	81,138,385
Operating charges ³	1.10%	1.09%	1.01%
Direct transaction costs	0.02%	0.04%	0.03%
Prices			
Highest share price	124.60	117.86	116.62
Lowest share price	115.14	97.48	102.15

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 87.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.06%	0.06%	0.06%	0.06%	0.06%
	1.46%	1.21%	0.96%	1.46%	0.71%
Collective investment scheme costs	0.39%	0.39%	0.39%	0.39%	0.39%
Ongoing Charges Figure	1.85%	1.60%	1.35%	1.85%	1.10%

As at 30 November 2016

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.07%	0.07%	0.07%	0.07%	0.07%
	1.47%	1.22%	0.97%	1.47%	0.72%
Collective investment scheme costs	0.37%	0.37%	0.37%	0.37%	0.37%
Ongoing Charges Figure	1.84%	1.59%	1.34%	1.84%	1.09%

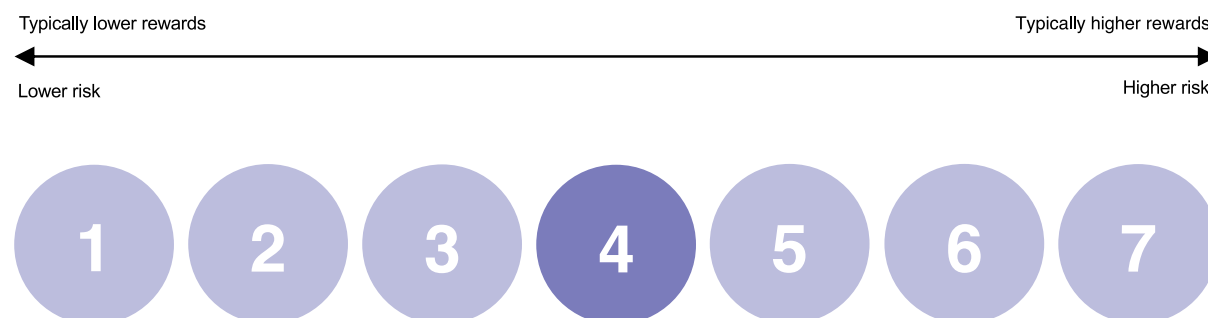
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM BALANCED FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 4.

Fund performance to 30 November 2017 (%)

	1 year	3 years	5 years
7IM Balanced Fund ¹	7.05	15.06	39.80

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 108 to 110.

7IM BALANCED FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 16.65% (10.01%)			
90,899	Angel Oak Multi-Strategy Income UCITS Fund Acc ¹	7,910,947	1.00
102,883	AQR Managed Futures UCITS Fund 'G' ¹	7,540,662	0.95
11,400,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ²	8,837,977	1.12
2,316	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ²	88,786	0.01
28,700,000	Credit Suisse International Inflation Swap Transaction 2018 ²	21,991,697	2.78
7,270,085	Dexion Absolute EUR ³	—	—
27,720,028	F&C Global Equity Market Neutral 3 Acc ¹	17,025,641	2.16
153,081	KLS Zebra Global Equity Beta Neutral Fund 'SI' Acc ¹	11,391,972	1.44
118,316	Legg Mason Western Assets Macro Opportunities Bond USD Acc ¹	11,810,030	1.49
10,282	Morgan Stanley Index Linked Certificates 2020 ²	7,898,123	1.00
585,400	Neuberger Berman Global Bond Absolute Return ¹	6,140,846	0.78
966,200	Neuberger Berman Multi Asset Risk Premia Fund 'I4' Acc ¹	7,071,596	0.89
1,695	NN (L) Multi Asset Factor Opportunities 'I' ¹	7,573,078	0.96
214	S&P 500 Index Put Options 2200 Jun 2018 ⁴	311,979	0.04
9,383	SG Issuer Bucket of Underlyings Warrants 15/12/2017 ²	8,105,051	1.02
9,940	Societe Generale GBP/USD Warrants 13/04/2018 ²	1,645,070	0.21
6,954,574	UK Mortgages	6,293,889	0.80
		131,637,344	16.65
CASH 3.31% (7.24%)			
26,198,000	Northern Trust Global Sterling Fund ¹	26,198,000	3.31
COMMODITIES 5.88% (3.80%)			
218,490	iShares Physical Gold ETC ¹	4,095,316	0.52
456,832	Source Physical Gold P-ETC ¹	42,477,267	5.36
		46,572,583	5.88
DEBT SECURITIES 33.59% (37.69%)			
Convertible Bonds 2.01% (3.33%)			
142,626	NN (L) Global Convertible Opportunities Acc ¹	15,938,166	2.01
Emerging Market Bonds 8.12% (5.72%)			
407,922	Babson Capital Emerging Markets Local Debt ¹	32,319,453	4.07
328,606	iShares Emerging Markets Local Government Bond UCITS ETF ¹	15,970,184	2.02
15,389,000	Legal & General Emerging Markets Government Bond USD Index Fund ¹	10,309,091	1.30
8,562	TCW Emerging Markets ¹	5,772,350	0.73
		64,371,078	8.12
Gilts 0.65% (1.00%)			
£1,600,000	Export Development Canada 1.875% 2018	1,620,474	0.20
£2,000,000	Nordic Investment Bank 5.25% 2019	2,174,472	0.27
£1,200,000	Reseau Ferre de France 5.5% 2021	1,396,848	0.18
		5,191,794	0.65
Global Corporate Bonds 2.39% (2.43%)			
£3,000,000	Nestle Holdings 1.625% 2017	3,000,660	0.38
87,835	PFS TwentyFour Dynamic Bond ¹	9,995,962	1.26
556,870	PIMCO Global Investors Income Fund ¹	5,914,762	0.75
		18,911,384	2.39
Global Government Bonds 8.05% (2.55%)			
£1,202,000	European Investment Bank 4.125% 2017	1,200,389	0.15
US\$19,000,000	US Treasury Notes 1.625% 2026	13,349,928	1.69
US\$5,872,000	US Treasury Notes 2.25% 2025	4,342,165	0.55
US\$28,000,000	US Treasury Notes 2.25% 2027	20,600,205	2.60

7IM BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Global Government Bonds (continued)			
US\$32,620,000	US Treasury Notes 2.375% 2027	24,242,811	3.06
		63,735,498	8.05
Global High Yield Bonds 5.16% (10.91%)			
231,740	Babson Capital US High Yield Bond ¹	21,870,066	2.77
3,209,444	Blackstone GSO Loan Financing (Jersey)	2,783,202	0.35
20,235,328	Carador Income	10,309,939	1.30
2,496,589	CVC Credit Partners European Opportunities GBP	2,771,214	0.35
4,074,552	Fair Oaks Income 2017	3,121,565	0.39
		40,855,986	5.16
Short Term Sterling Bonds 1.74% (3.30%)			
£4,810,000	Bank Nederlandse Gemeenten 5.75% 2019	5,077,850	0.64
£1,500,000	Coventry Building Society FRN 2020	1,506,033	0.19
£1,397,000	European Investment Bank 4.75% 2018	1,447,680	0.18
£400,000	FMS Wertmanagement 0.75% 2017	400,032	0.05
£2,000,000	Nederlandse Water 0.875% 2018	2,001,584	0.25
£2,550,000	Nederlandse Waterschapsbank 2% Senior Notes 2018	2,585,432	0.33
£800,000	Yorkshire Building Society 4.75% 2018	811,917	0.10
		13,830,528	1.74
Sterling Corporate Bonds 5.47% (8.45%)			
£3,000,000	Abbey National Treasury Services FRN 2018	3,002,730	0.38
£6,000,000	Bank of Montreal FRN 2018	6,000,900	0.76
£3,000,000	DNB Boligkreditt FRN 2020	3,009,900	0.38
£3,898,000	GE Capital UK Funding 6.75% 2018	4,048,782	0.51
£2,800,000	Network Rail Infrastructure Finance 1.00% 2017	2,800,124	0.36
£200,000	NRW Bank 0.875% 2017	200,022	0.03
142,480	PFS TwentyFour Monument Bond ¹	16,086,630	2.04
£3,000,000	Royal Bank of Canada FRN 2018	3,004,650	0.38
£5,000,000	Royal Bank of Canada FRN 2019	5,017,150	0.63
		43,170,888	5.47
EQUITY 38.13% (35.85%)			
Asia & Emerging Markets 7.42% (10.89%)			
1,141,437	BlackRock Global Funds - Asian Growth Leaders ¹	12,904,783	1.63
685,448	Goldman Sachs India Equity Portfolio I Acc ¹	12,679,595	1.60
5,608,080	Hermes Asia Ex-Japan Equity 'F' ¹	15,031,899	1.90
6,655,278	Lazard Emerging Markets ¹	8,192,647	1.04
848,941	Mirae Asset Asia Great Consumer Equity 'I' ¹	10,949,192	1.38
(685)	MSCI AC Asia ex Japan Futures Dec 2017 ⁴	(1,086,645)	(0.13)
		58,671,471	7.42
Europe (ex UK) 9.85% (6.61%)			
6,414	ABB	121,951	0.02
200,210	Aegon	930,499	0.12
274	Aena SME	41,057	0.01
2,629	AerCap	101,175	0.01
807	Ageas	29,489	—
17	AP Moeller - Maersk 'A'	21,540	—
3,203	Atlas Copco	103,465	0.01
220	Baloise	25,184	—
1,250	Bayer	119,789	0.02
2,419	Bayerische Motoren Werke 'A'	182,109	0.02
1,477	BNP Paribas	84,041	0.01
7,730	Boliden	183,876	0.02
5,975	Boskalis Westminster	163,861	0.02
7,399,647	CF Miton European Opportunities ¹	12,054,765	1.52
2,073	Compagnie De St-Gobain	88,370	0.01

7IM BALANCED FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Europe (ex UK) (continued)			
12,425	Continental European Selection ¹	15,949,103	2.02
2,337	Covestro	180,853	0.01
4,609	Daimler	285,098	0.04
15,587	Danske Bank	436,850	0.06
32,706	Deutsche Lufthansa	831,003	0.10
81,076	Deutsche Telekom	1,078,538	0.14
4,149	DNB	56,487	0.01
1,481	Electrolux 'B'	36,307	—
91,377	Engie	1,189,022	0.14
65,563	Eni	805,792	0.10
13,168	Ericsson 'B'	62,143	0.01
(204)	Euro Stoxx 50 Equity Index Futures Dec 2017 ⁴	(61,057)	(0.01)
74,521	Fiat Chrysler Automobiles	952,630	0.13
1,067	Fraport AG Frankfurt Airport Services Worldwide	78,805	0.01
10,437	Gemalto	293,349	0.04
271	Genmab	38,954	—
3,038	Hakon Invest	81,680	0.01
4,486,725	Henderson European Focus Fund 'I' Acc ¹	9,942,583	1.26
1,066	Hexagon	38,930	—
16,330	Holcim	663,920	0.08
88,821	Iberdrola	522,283	0.07
2,762	Industrivarden	50,226	0.01
1,511	Investor 'B'	52,820	0.01
800	Kone	30,596	—
767	Linde	126,477	0.02
6,799	Muenchener Rueckversicherungs	1,144,788	0.14
19,274	Nestle	1,239,691	0.16
33,775	NN Group	1,085,789	0.14
5,864	Nordea Bank	51,573	0.01
5,878	Norsk Hydro	29,944	—
8,668	Novartis	549,682	0.07
20,154	Novo Nordisk	772,523	0.10
850,859	Old Mutual European (Ex UK) Smaller Acc ¹	15,800,200	2.00
32,087	Orange	414,135	0.05
10,866	Pernod Ricard	1,254,632	0.16
15,728	Peugeot	243,774	0.03
4,416	Porsche Automobil	276,308	0.03
6,345	Renault	482,417	0.06
33,459	Repsol	456,439	0.06
1,136	Roche Holding	212,223	0.03
4,508	Safran	357,909	0.05
58,008	Saipem	175,885	0.02
2,309	Sandvik	29,769	—
12,956	Sanofi	881,603	0.11
3,564	SAP	301,066	0.04
3,497	Societe Generale	132,402	0.02
1,254	Swiss Life	313,837	0.04
16,751	Swiss Re	1,179,664	0.16
11,344	TeliaSonera 'A'	37,480	—
16,545	UPM-Kymmene	373,622	0.05
6,403	Vestas Wind Systems	301,035	0.04
18,264	Vinci	1,397,636	0.18
161	Volkswagen	24,635	—
2,130	Volkswagen non-voting preference shares	333,981	0.04
492	Zurich Insurance Group	110,712	0.01
		77,939,917	9.85
Frontier Markets Equity 1.01% (0.00%)			
624,546	Charlemagne Magna New Frontiers Fund 'G' Acc ¹	7,956,584	1.01
Japan 5.56% (3.31%)			
302,267	Baillie Gifford Japanese Smaller Companies Fund 'B' Acc ¹	13,290,687	1.68
975,287	CF Morant Wright Nippon Yield ¹	4,435,802	0.56

7IM BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Japan (continued)			
13,765,018	GLG Japan CoreAlpha ¹	25,286,338	3.20
68	TOPIX Index Futures Dec 2017 ⁴	942,333	0.12
		43,955,160	5.56
North America 6.23% (8.41%)			
3,274	Activision Blizzard	151,007	0.02
909	Aetna	121,410	0.02
1,002	Agnc Investment	14,958	—
885	Alphabet 'C'	672,375	0.08
2,371	American International Group	106,324	0.01
931	American Tower	101,295	0.01
7,105	Amgen	910,340	0.12
55,906	Annaly Capital Management	489,013	0.07
420	Anthem	71,029	0.01
4,141	Apple	521,733	0.07
34,005	Applied Materials	1,338,246	0.17
928	Baker Hughes	20,694	—
735	Best Buy	32,156	—
6,034	Biogen	1,436,006	0.18
8,923	Boeing	1,787,055	0.22
386	Bunge	19,093	—
45,356	Cadence Design Systems	1,455,697	0.19
22,262	Capital One Financial	1,506,157	0.19
10,932	Chevron	952,733	0.12
2,236	Cigna	342,339	0.04
68,821	Cisco Systems	1,918,050	0.25
20,121	Citigroup	1,123,046	0.13
1,362	Citizens Financial Group	41,201	0.01
44,220	Comcast 'A'	1,223,538	0.15
12,982	ConocoPhillips	489,752	0.06
432	Cummins	52,857	0.01
5,065	CVS Health	276,485	0.03
1,166	Eaton	66,624	0.01
2,734	eBay	69,893	0.01
851	Electronic Arts	66,772	0.01
2,717	Eli Lilly & Company	171,696	0.02
1,326	EOG Resources	99,131	0.01
538	Estee Lauder	49,564	0.01
2,450	Exelon	75,954	0.01
5,531	Exxon Mobil	338,413	0.04
185	F5 Networks	17,869	—
9,856	FNF	294,701	0.04
165,274	Ford Motor	1,542,779	0.20
23,172	Gap	560,320	0.07
1,121	General Motors	36,520	—
28,857	Gilead Sciences	1,581,881	0.19
1,095	Hasbro	75,606	0.01
9,431	HCP	188,627	0.02
943	HP	15,024	—
7,905	Humana	1,470,461	0.19
611	Illinois Tool Works	75,377	0.01
55,770	Intel	1,823,118	0.23
310	JM Smucker	27,130	—
1,088	Kimco Realty	14,947	—
4,218	Kinder Morgan	52,550	0.01
1,342	Las Vegas Sands	67,437	0.01
9,702	Liberty Property Trust	321,848	0.04
1,446	Lincoln National	82,321	0.01
2,297	Lowe's Cos	142,318	0.02
950	LyondellBasell Industries	74,187	0.01
787	Maxim Integrated Products	30,504	—
7,245	Merck & Co	298,325	0.04
39,522	Michael Kors Holdings	1,723,806	0.21
7,514	Micron Technology	244,403	0.03

7IM BALANCED FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
North America (continued)			
8,137	Microsoft	504,337	0.06
278	Mini Russell 2000 Futures Dec 2017 ⁴	629,789	0.08
5,938	Monsanto	519,622	0.07
1,243	Morgan Stanley	47,447	0.01
435	Motorola Solutions	30,469	–
735	NetApp	30,740	–
1,408	Newmont Mining	38,320	–
8,340	NextEra Energy	978,629	0.12
1,714	NXP Semiconductors	144,060	0.02
25,377	Occidental Petroleum	1,319,200	0.17
8,941	Palo Alto Networks	963,363	0.12
15,621	Pfizer	420,720	0.05
9,894	PNC Financial Services Group	1,028,219	0.12
823	Prologis	40,481	0.01
4,460	Prudential Financial	384,380	0.05
3,902	Qualcomm	193,061	0.02
3,286	Regions Financial	40,475	0.01
118	RenaissanceRe Holdings	11,973	–
658	Robert Half International	27,804	–
6,358	Rockwell Automation	898,712	0.12
4,719	Royal Caribbean Cruises	437,660	0.06
773	S&P Global	94,701	0.01
675	Simon Property	79,698	0.01
12,798	Southwest Airlines	560,391	0.07
51,884	Synchrony Financial	1,364,200	0.17
22,676	Synopsys	1,462,314	0.19
1,457	Target	66,833	0.01
2,192	Texas Instruments	157,970	0.02
29,521	T-Mobile	1,357,643	0.17
18,520	Union Pacific	1,693,517	0.22
220	United Rentals	25,828	–
29,762	Vereit	173,554	0.02
260	Vornado Realty	14,872	–
30,683	Walgreens Boots Alliance	1,641,127	0.21
25,884	Wal-Mart Stores	1,878,657	0.24
2,142	Western Digital	129,035	0.02
28,145	WestRock	1,261,286	0.16
		49,525,782	6.23
United Kingdom 8.06% (6.63%)			
49,676	Anglo American	680,312	0.10
16,111	AstraZeneca	779,853	0.10
141,305	Auto Trader Group	479,165	0.06
200,873	Aviva	1,046,548	0.13
59,079	Barratt Developments	360,382	0.05
2,918	Berkeley Group	111,701	0.01
7,672	BHP Billiton	103,227	0.01
254,700	BP	1,260,765	0.16
15,261	British American Tobacco	736,267	0.09
37,796	British Land	236,414	0.03
12,688	Burberry	217,599	0.03
10,730	Capita	52,234	0.01
2,442	Carnival	118,877	0.02
265,623	Centrica	384,091	0.05
11,562	Diageo	301,306	0.04
16,634	Direct Line Insurance Group	60,581	0.01
2,030	Easyjet	28,907	–
61,333	Experian	951,274	0.12
531	FTSE 100 Index Futures Dec 2017 ⁴	(279,563)	(0.04)
19,749	G4S	50,834	0.01
64,168	GlaxoSmithKline	835,467	0.11
139,548	Glencore	479,487	0.06
154,758	HSBC Holdings	1,156,662	0.14
28,790	Imperial Tobacco Group	891,482	0.12

7IM BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
United Kingdom (continued)			
2,128	Intertek Group	110,869	0.01
10,961	Intu Properties	21,462	–
47,355	ITV	76,052	0.01
20,261	J Sainsbury	47,674	0.01
3,235,881	Jupiter UK Growth Income Fund 'I' Acc ¹	11,516,178	1.46
19,560	Kingfisher	65,859	0.01
34,046	Land Securities	317,479	0.04
364,656	Legal & General Group	987,853	0.12
2,733	London Stock Exchange	103,171	0.01
14,396,555	Majedie UK Focus ¹	27,827,101	3.51
25,628	Marks & Spencer	79,985	0.01
59,943	Meggitt	291,623	0.04
48,965	National Grid	435,789	0.06
194,125	Old Mutual	389,221	0.05
31,750	Pearson	225,901	0.03
31,166	Persimmon	794,422	0.11
1,679	Provident Financial	15,027	–
9,056	Reckitt Benckiser Group	590,813	0.07
20,556	RELX	358,702	0.05
17,475	Rio Tinto	615,993	0.08
2,111	Rolls-Royce	18,218	–
43,376	Royal Bank of Scotland Group	122,060	0.02
58,952	Royal Dutch Shell 'A'	1,400,405	0.18
51,379	Royal Dutch Shell 'B'	1,245,170	0.16
117,685	Royal Mail	511,341	0.06
62,333	Smith & Nephew	817,186	0.10
128,776	Standard Life	555,282	0.07
5,855	Tate & Lyle	39,199	–
524,023	Tesco	1,042,020	0.13
446,775	Vodafone Group	1,013,956	0.13
364,738	WM Morrison Supermarkets	796,953	0.10
4,929	WPP	65,112	0.01
		63,541,948	8.06
PRIVATE EQUITY 1.50% (3.43%)			
30,583	HarbourVest Global Private Equity	381,676	0.05
68,492	NB Private Equity Partners	664,372	0.08
577,080	Pantheon International Participation	10,797,166	1.37
		11,843,214	1.50
REAL ESTATE 0.00% (1.96%)			
RISK MITIGATION 0.00% (0.11%)			
FORWARD CURRENCY CONTRACTS 0.82% (0.10%)			
€(37,850,000)	Vs £34,097,551 Expiry 16.02.2018	701,781	0.09
¥(1,220,000,001)	Vs £8,235,397 Expiry 15.12.2017	155,421	0.02
US\$1,989,626	Vs £2,691,100 Expiry 06.12.2017	(12,011)	–
US\$(434,000,000)	Vs £328,240,811 Expiry 19.01.2018	6,037,224	0.76
¥1,835,000,000	Vs £(12,554,563) Expiry 15.12.2017	(401,484)	(0.05)

7IM BALANCED FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
FORWARD CURRENCY CONTRACTS (continued)			
US\$(1,139,618)	Vs \$1,500,000 Expiry 19.01.2018	(26,012)	—
		6,454,919	0.82

Portfolio of investment	790,302,244	99.88
Net other assets	985,140	0.12
Net assets	791,287,384	100.00

Comparative figures shown in brackets relate to 30 November 2016.

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

¹ Collective investment scheme

² Structured product

³ Delisted security

⁴ Derivative contract

Credit Quality	30.11.17 %	30.11.16 %
Investment grade debt securities	14.11	13.88
Non-rated debt securities	4.05	3.70
Other investments	81.72	82.61
Net other assets/(liabilities)	0.12	(0.19)
	100.00	100.00

7IM BALANCED FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

			30.11.17		30.11.16
	Notes	£	£	£	£
Income					
Net capital gains	4		47,099,929		45,787,601
Revenue	5	15,815,692		15,663,599	
Expenses	6	(7,940,794)		(7,843,142)	
Interest payable and similar charges	8	(63,115)		(93,324)	
Net revenue before taxation for the year		7,811,783		7,727,133	
Taxation	7	(777,292)		(425,906)	
Net revenue after taxation for the year			7,034,491		7,301,227
Total return before distributions			54,134,420		53,088,828
Distributions	8		(10,661,074)		(10,476,189)
Change in net assets attributable to shareholders from investment activities			43,473,346		42,612,639

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

		30.11.17		30.11.16
		£	£	£
Opening net assets attributable to shareholders		794,899,601		808,161,412
Amounts received on creation of shares	109,686,788		134,981,510	
Amounts paid on cancellation of shares	(165,828,881)		(199,646,001)	
		(56,142,093)		(64,664,491)
Stamp Duty Reserve Tax		—		(9,498)
Change in net assets attributable to shareholders from investment activities		43,473,346		42,612,639
Retained distribution on accumulation shares		9,056,530		8,799,539
Closing net assets attributable to shareholders		791,287,384		794,899,601

The notes on pages 98 to 107 are an integral part of these Financial Statements.

7IM BALANCED FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		792,169,016	801,477,503
Current assets:			
Debtors	9	3,061,405	3,884,633
Cash and bank balances	10	10,364,901	4,722,455
Total assets		805,595,322	810,084,591
LIABILITIES			
Investment liabilities		(1,866,772)	(5,035,570)
Creditors:			
Bank overdrafts	10	(7,264,337)	(6,861,163)
Distribution payable		(876,941)	(846,708)
Other creditors	11	(4,299,888)	(2,441,549)
Total liabilities		(14,307,938)	(15,184,990)
Net assets attributable to shareholders		791,287,384	794,899,601

The notes on pages 98 to 107 are an integral part of these Financial Statements.

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	35,164,473	93,414,478
Derivative contracts	(3,794,163)	(9,142,757)
Forward currency contracts	12,379,286	(39,654,758)
Currency gains	3,222,304	1,182,526
Transaction charges	(29,971)	(39,930)
AMC rebates from underlying investments	158,000	28,042
Net capital gains	47,099,929	45,787,601

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	7,832,439	8,030,496
Taxable dividends	5,878,528	5,637,243
Unfranked interest	1,966,523	1,856,642
AMC rebates from underlying investments	109,736	130,174
Bank interest	5,071	9,044
Stock lending revenue	23,395	—
Total revenue	15,815,692	15,663,599

* Prior year figures have been restated to be comparable with the current year figures.

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	7,455,024	7,321,858
Other expenses	11,956	12,772
	<u>7,466,980</u>	<u>7,334,630</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	104,697	99,415
Market risk fees	6,000	7,500
Safe custody and other bank charges	45,200	45,845
Stock lending fees	7,017	—
	<u>162,914</u>	<u>152,760</u>
Other Expenses:		
Advisory fees	234,536	241,640
Audit fee	8,760	8,760
Dealing and exchange fees	34,556	70,806
FCA and other Regulatory fees	275	312
Legal and professional fees	829	7,700
Printing, postage and distribution costs	26,229	20,534
Risk analysis fees	5,715	6,000
	<u>310,900</u>	<u>355,752</u>
Total expenses	<u>7,940,794</u>	<u>7,843,142</u>

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

7 Taxation

	30.11.17 £	30.11.16 £
<i>a) Analysis of charge for the year</i>		
Corporation tax at 20%	531,283	162,510
Overseas tax	246,009	272,708
Double taxation relief	–	(9,312)
Current tax charge (note 7b)	777,292	425,906
Total taxation	777,292	425,906
<i>b) Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	7,811,783	7,727,133
Corporation tax at 20%	1,562,357	1,545,427
Effects of:		
AMC rebates taken to capital	31,600	5,608
Double taxation relief expensed	(14,340)	(9,312)
Franked CIS revenue	(366,866)	–
Franked REIT income	(898)	–
Movement in revenue accruals	(11,679)	1,421
Non-taxable dividends	(1,075,129)	(1,524,901)
Offshore CIS revenue	(111,906)	–
Overseas tax	246,009	272,708
Tax effect on non-reporting offshore funds	518,144	134,955
Current tax charge (note 7a)	777,292	425,906
<i>c) Deferred tax</i>		
There is no deferred tax provision in the current year (2016: none).		

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	3,969,210	4,364,655
Final	6,516,254	5,933,063
	10,485,464	10,297,718
Add: Revenue deducted on cancellation of shares	530,066	509,726
Deduct: Revenue received on issue of shares	(354,456)	(331,255)
Net distributions for the year	10,661,074	10,476,189
Interest payable and similar charges	63,115	93,324
Total distribution	10,724,189	10,569,513

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 108 to 110.

Distributions represented by:		
Net revenue after taxation	7,034,491	7,301,227
Allocations to capital:		
Expenses, net of tax relief	3,106,650	3,031,008
Equalisation on conversions ¹	1,618	8,995
Net movement in revenue account	171	4
Tax relief on Non Reporting Offshore Funds	518,144	134,955
Net distributions for the year	10,661,074	10,476,189

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17	30.11.16
	£	£
Amounts receivable for issue of shares	814,319	1,386,750
Sales awaiting settlement	–	17
Accrued revenue	1,794,783	1,733,021
Income tax recoverable	–	345,579
AMC rebates from underlying investments	293,158	247,538
Withholding tax recoverable	159,057	171,728
Prepaid expenses	88	–
Total debtors	3,061,405	3,884,633

10 Cash and bank balances

	30.11.17	30.11.16
	£	£
Cash and bank balances	7,533,218	4,722,451
Cash held at clearing houses	2,831,683	4
Total cash and bank balances	10,364,901	4,722,455
Bank overdrafts	(7,252,404)	(4,281,772)
Cash overdraft at clearing houses	(11,933)	(2,579,391)
Total bank overdrafts	(7,264,337)	(6,861,163)

11 Other Creditors

	30.11.17	30.11.16
	£	£
Amounts payable for cancellation of shares	2,769,741	1,472,751
Purchases awaiting settlement	314,420	125,763
Accrued expenses	684,444	674,206
Corporation tax payable	531,283	168,829
Total other creditors	4,299,888	2,441,549

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 96.

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

Pershing Nominees Limited	53.34% (2016: 52.19%)
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Where the Sub-fund invests in another Sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

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

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

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	13,952	—	—	—	13,952
Class A Accumulation	5,050,400	187,043	(435,076)	(131,975)	4,670,392
Class B Accumulation	55,689,540	1,224,677	(8,409,553)	—	48,504,664
Class C Income	55,834,894	4,085,020	(10,523,796)	176,917	49,573,035
Class C Accumulation	223,404,762	42,582,884	(47,014,729)	(1,945,268)	217,027,649
Class D Income	1,238,217	2,072	(69,692)	—	1,170,597
Class D Accumulation	9,881,581	962,071	(2,187,655)	(12,468)	8,643,529
Class S Income	10,527,344	500,469	(1,625,500)	—	9,402,313
Class S Accumulation	66,386,884	3,541,813	(16,043,098)	3,475,021	57,360,620

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	1,587,738	1,587,738
Euro	671,592	–	28,303,501	28,975,093
Japanese yen	1,299	–	13,095,410	13,096,709
Norwegian krone	–	–	95,749	95,749
Swedish krona	–	–	730,124	730,124
Swiss franc	172,938	–	4,502,621	4,675,559
US dollar	23,294,721	71,373,087	314,797,247	409,465,055
Pound sterling	55,955,411	28,766,266	638,914,073	723,635,750
	80,095,961	100,139,353	1,002,026,463	1,182,261,777

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(681,733)	(33,456,827)	(34,138,560)
Japanese yen	–	(8,079,976)	(8,079,976)
Swiss franc	(45,936)	–	(45,936)
US dollar	(1,151,185)	(323,302,243)	(324,453,428)
Pound sterling	(5,385,483)	(18,871,010)	(24,256,493)
	(7,264,337)	(383,710,056)	(390,974,393)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	1,322,378	1,322,378
Euro	678,085	–	32,055,481	32,733,566
Hong Kong dollar	42,405	–	–	42,405
Japanese yen	28,582	–	43,771,716	43,800,298
Norwegian krone	–	–	934,913	934,913
Swedish krona	–	–	1,163,672	1,163,672
Swiss franc	183,611	–	4,321,568	4,505,179
US dollar	25,909,498	19,069,770	334,233,103	379,212,371
Pound sterling	141,618,011	60,954,713	575,682,881	778,255,605
	168,460,192	80,024,483	993,485,712	1,241,970,387

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Danish krone	(2)	–	(2)
Euro	(548,616)	(54,444,387)	(54,993,003)
Hong Kong dollar	(42,405)	–	(42,405)
Japanese yen	(28,582)	(29,086,554)	(29,115,136)
Swiss franc	(48,240)	–	(48,240)
US dollar	(1,386,667)	(284,707,354)	(286,094,021)
Pound sterling	(4,806,650)	(71,971,329)	(76,777,979)
	(6,861,162)	(440,209,624)	(447,070,786)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	0.81	0.46	1	1
US dollar	1.47	2.31	7	9

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	16,837	1,570,901	1,587,738
Euro	54,426	(5,217,893)	(5,163,467)
Japanese yen	1,299	5,015,434	5,016,733
Norwegian krone	9,318	86,431	95,749
Swedish krona	1,855	728,269	730,124
Swiss franc	212,760	4,416,863	4,629,623
US dollar	420,909	84,590,718	85,011,627
	717,404	91,190,723	91,908,127
Pound sterling	26,465,736	672,913,521	699,379,257
Net assets	27,183,140	764,104,244	791,287,384

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	12,073	1,310,303	1,322,376
Euro	196,961	(22,456,398)	(22,259,437)
Japanese yen	–	14,685,162	14,685,162
Norwegian krone	11,098	923,815	934,913
Swedish krona	6,695	1,156,977	1,163,672
Swiss franc	211,392	4,245,547	4,456,939
US dollar	229,835	92,888,515	93,118,350
	668,054	92,753,921	93,421,975
Pound sterling	55,316,615	646,161,011	701,477,626
Net assets	55,984,669	738,914,932	794,899,601

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	62,535,109	81,137,303	–	143,672,412
Collective Investment Schemes	62,542,767	424,686,709	–	487,229,476
Derivatives	1,884,101	6,894,426	–	8,778,527
Equities	134,751,571	17,737,030	–	152,488,601
Total	261,713,548	530,455,468	–	792,169,016
Liabilities				
Derivatives	(1,427,265)	(439,507)	–	(1,866,772)

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	21,575,595	142,894,379	–	164,469,974
Collective Investment Schemes	101,299,210	369,325,247	–	470,624,457
Derivatives	8,313,779	13,420,055	–	21,733,834
Equities	144,649,238	–	–	144,649,238
Total	275,837,822	525,639,681	–	801,477,503
Liabilities				
Derivatives	(972,336)	(4,063,234)	–	(5,035,570)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 77.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	90,738	–	–	–	–	–
Collective Investment Schemes	471,213	–	–	–	–	–
Derivatives	20,066	–	–	–	–	–
Equities	166,787	16	105	121	0.01	0.06
Total	748,804	16	105	121	0.01	0.06

Sales	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	87,189	–	–	–	–	–
Collective Investment Schemes	451,725	–	–	–	–	–
Derivatives	–	–	–	–	–	–
Equities	229,483	(42)	(2)	(44)	0.01	–
Total	768,397	(42)	(2)	(44)	0.01	–

Total as a percentage of the average NAV	0.01%	0.01%	0.02%
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7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	127,656	–	–	–	–	–
Collective Investment Schemes	726,216	–	–	–	–	–
Derivatives	9,781	–	–	–	–	–
Equities	219,080	38	207	245	0.02	0.09
Total	1,082,733	38	207	245	0.02	0.09

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	221,906	–	–	–	–	–
Collective Investment Schemes	732,473	–	–	–	–	–
Derivatives	8,254	–	–	–	–	–
Equities	229,991	(37)	(2)	(39)	0.02	–
Total	1,192,624	(37)	(2)	(39)	0.02	–

Total as a percentage of the average NAV **0.01%** **0.03%** **0.04%**

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.21% (2016: 0.18%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM BALANCED FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class A Income				
Group 1	0.6990	—	0.6990	0.7054
Group 2	0.6990	—	0.6990	0.7054
			Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	0.8088	—	0.8088	0.8453
Group 2	0.4977	0.3111	0.8088	0.8453
			Allocated 31.07.17	Allocated 31.07.16
Class B Accumulation				
Group 1	0.9494	—	0.9494	0.9596
Group 2	0.4949	0.4545	0.9494	0.9596
			Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	0.9127	—	0.9127	0.9234
Group 2	0.3840	0.5287	0.9127	0.9234
			Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	1.0869	—	1.0869	1.0912
Group 2	0.4017	0.6852	1.0869	1.0912
			Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	0.7013	—	0.7013	0.7332
Group 2	0.2704	0.4309	0.7013	0.7332
			Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	0.8100	—	0.8100	0.8349
Group 2	0.4212	0.3888	0.8100	0.8349
			Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	0.6378	—	0.6378	0.6471
Group 2	0.2719	0.3659	0.6378	0.6471
			Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	0.6641	—	0.6641	0.6597
Group 2	0.3021	0.3620	0.6641	0.6597

7IM BALANCED FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class A Income				
Group 1	1.2880	—	1.2880	1.1126
Group 2	1.2880	—	1.2880	1.1126
			Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	1.4978	—	1.4978	1.2783
Group 2	1.3059	0.1919	1.4978	1.2783
			Allocated 31.01.18	Allocated 31.01.17
Class B Accumulation				
Group 1	1.6454	—	1.6454	1.4162
Group 2	1.0460	0.5994	1.6454	1.4162
			Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	1.5310	—	1.5310	1.3213
Group 2	0.9469	0.5841	1.5310	1.3213
			Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	1.8365	—	1.8365	1.5611
Group 2	1.0807	0.7558	1.8365	1.5611
			Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	1.2937	—	1.2937	1.1151
Group 2	0.7404	0.5533	1.2937	1.1151
			Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	1.4991	—	1.4991	1.2794
Group 2	0.8087	0.6904	1.4991	1.2794
			Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	1.0918	—	1.0918	0.9024
Group 2	0.5306	0.5612	1.0918	0.9024
			Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	1.1436	—	1.1436	0.9326
Group 2	0.5618	0.5818	1.1436	0.9326

7IM BALANCED FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Equalisation

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

7IM MODERATELY ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

7IM Moderately Adventurous Fund (the 'Sub-fund') aims to provide a total return primarily by way of growth in capital. There is a risk of fluctuations in capital values. The Sub-fund invests predominantly in a range of collective investment vehicles and securities managed by selected fund managers. While assets with scope for capital growth in real terms are likely to represent a significant part of the portfolio, the portfolio may also include other assets held primarily for income generation. The Sub-fund may use different asset classes, with a substantial proportion in equities.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 10.39%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emmanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia the 19th Chinese National Party Congress signaled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr. Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016 we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period. In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

¹ Calculated using CF 7IM Moderately Adventurous C Acc shares, NAV return Source: NTRS

7IM MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2017

Investment Manager's Report (continued)

Portfolio Review

In December 2016, we increased our Japanese, European and US equity, reducing our Emerging Market (EM) allocation to do so. We expected the stronger Dollar to drive Yen lower, boosting the attractiveness of the Topix, while we thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. The US allocation increase was marginal, including a rotation towards Small Cap – companies likely to benefit from Trump policies with less exposure to protectionism. In the Emerging Markets space, we had had a good run but believed the region could be negatively impacted by Trump's rhetoric and policies. We thus allowed the MSCI China Future to expire and reduced Asia Pacific exposure, an asset class heavily weighted towards Taiwan and South Korea. Despite these views, we did also increase our allocation in Indian equity, seeing the region as relatively immune to Trump risk and the potential for the changes implemented by the Modi government to be beneficial. In January 2017, we cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our EuroStoxx Dividend 2018 future, having made over 10% in 10 months.

Our increase in US equity proved a good decision, but by March valuations looked high, while we also saw some political risk in Europe. Valuations were especially high in the 'Trump reflation trade' related stocks such as the Russell 2000 Index and Financials Index. As a result, we cut the remaining positions in US Financials, and the majority of our Russell 2000 Index holdings in our March review. At the same time we increased our EM exposure, seeing a stable Chinese economy, robust commodity prices and a strong global macro scene boding well for the sector. Our allocation to Japanese equity was also increased – Japanese earnings surprised to the upside in Q4 2016, we believed the economy to be in good health and Prime Minister Abe and President Trump seemed to be working well together. Seeing uncertainty in the French elections we decided not to allocate to Europe at this time, despite strong macro data and attractive valuations. Following a positive result in the first round of elections, we increased our EuroStoxx holding in April.

By June, the economic situation had altered and we reduced our equity allocation across our portfolio range, believing valuations were high across the marketplace. We slightly reduced our exposure to UK and US equity and, where we were more cautious, made a slightly larger reduction of our European and Japanese equity holdings. At the same time, we also introduced some Frontier Market exposure, believing this asset class to provide strong uncorrelated growth to other equity markets. In the summer, we also increased our active weight in Europe, adding two new fund managers: the SYZ Oyster Continental European Selection Fund and the Miton European Opportunities Fund. Come September, the macro story had further improved, with good earnings numbers and a fading of geopolitical risk. We took a more risk-on position, deciding to increase both the Japanese and European equity allocations, while continuing to diversify risk in the Sub-fund by allocating another small amount to Frontier Markets equity. At the same time, we took some profits from our Emerging Markets equity holding, as the asset class had performed well in the period. This good run of performance was largely due to the technology sector rallying, and this over-reliance on one sector reinforced our decision that this was a good time to decrease our allocation. Our views developed further in November, as we saw increased value in the UK in comparison to other regions, and so decided to add to the FTSE 100 index futures, cutting European equity to do so. As the majority of earnings in the FTSE 100 index are derived overseas, it has historically performed well when Sterling has fallen. Adding to it therefore provides us with further protection against a fall in Sterling, an increasing possibility with difficult upcoming Brexit talks.

In the fixed income space, our main changes came in 2017, leaving the allocation as it stood in December 2016, given the risk level of the Sub-fund. In February, we reduced our High Yield bonds as the spreads had narrowed considerably, taking profits. In March, we increased our Global Government Bond exposure through a US 10 year Treasury, believing the asset to be a good tail-risk hedge, and following on from a substantial increase in US Treasury yields. We also increased our Emerging Market Local Currency Debt, believing that the sell-off following the US elections was overdone, and seeing some value in the asset. These purchases were funded by cutting both our Global Corporate Bonds and High Yield allocations. We added further to US Treasuries in June, to provide additional downside protection, and reduced our High Yield allocation again, once more taking profits at a time when spreads had tightened. The latter was reduced further at the end of September, taking more profits, driven by the additional tightening. The escalation of the North Korean threat, and its potential to shock markets, prompted us to reduce our exposure to Emerging Market debt, denominated in the more volatile local currencies, in August.

We also made some changes to our Alternatives allocation. In December 2016, we increased our Private Equity allocation, believing that the asset class would be a beneficiary of inflationary policy which could play out as a result of the Trump administration. In addition, we added a Credit Suisse Risk Premia Certificate alongside two active managers – Neuberger Berman and NN – as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same time, we sold some of our Real Estate holding, due to concern over excessively high valuations, with Real Estate having been seen as a bond proxy. In January, we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures Fund. In the following month, we decided to add a little protection in the sub-fund in case of a no-Brexit scenario. To do so we added a GBPUSD Option, which would protect against a sharp rally in Sterling. In April, we decided to reduce exposure to inflation protection, as inflation expectations were unlikely to accelerate, selling the Bank of America Merrill Lynch (BAML) position, due to preferable exit terms. Our Private Equity allocation had had a very good run since we implemented our overweight in 2016, and, seeing some reduction in the discount, we reduced our holding in June and again in September, taking profits. In June, we also added to our alternatives strategies, replacing some of our equity holdings with an equity volatility strategy, an equity-like position which has less exposure to extreme tail-risk events, and added an S&P 500 put option, further diversifying our safe haven assets. In July, we added currency call options to hedge against the impact of a stronger Pound; these aided the portfolio when Sterling rallied from mid-August. Our gold position varied throughout the period: we added to the asset class in June as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, and then took some profits from a successful holding in November. The profits from this were used to increase our allocation to UK equity mentioned above.

7IM MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

Over the year, we often used our ability to manage currency to express our market views. Last December, we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar. As geopolitical tensions increased in the year, we used Yen as a tail risk hedge. In March, we increased our Yen allocation, which also protected against the downside risk from a Topix overweight, and added to the position again in August, as the currency has proven in the past to act well in times of the elevation of geopolitical risk. We additionally altered our currency positions in April, increasing Euro exposure, reflecting our more bullish view following the first round of the French elections discussed above, funded by reducing our Dollar allocation, foreseeing continued weakness in the currency. After a very good run we adjusted our zero Dollar position in August, increasing our allocation alongside our increase in Yen.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

In the UK, there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 115 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 and research costs.

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

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	212.72	196.69	195.52
Return before operating charges*	25.10	20.69	5.42
Operating charges (calculated on average price)	(4.35)	(3.80)	(3.69)
Return after operating charges*	20.75	16.89	1.73
Distributions on income shares	(0.66)	(0.86)	(0.56)
Closing net asset value per share	232.81	212.72	196.69
* After direct transaction costs of: ¹	0.06	0.10	0.07

Performance

Return after charges ²	9.75%	8.59%	0.88%
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Other Information

Closing net asset value (£'000)	31	29	26
Closing number of shares	13,441	13,441	13,441
Operating charges ³	1.92%	1.92%	1.83%
Direct transaction costs	0.03%	0.05%	0.04%

Prices

Highest share price	234.98	217.15	217.15
Lowest share price	211.81	173.79	184.89

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 124.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	220.58	203.02	201.25
Return before operating charges*	26.02	21.46	5.56
Operating charges (calculated on average price)	(4.52)	(3.90)	(3.79)
Return after operating charges*	21.50	17.56	1.77
Distributions	(0.69)	(0.84)	(0.55)
Retained distributions on accumulation shares	0.69	0.84	0.55
Closing net asset value per share	242.08	220.58	203.02
* After direct transaction costs of: ¹	0.07	0.10	0.08
Performance			
Return after charges ²	9.75%	8.65%	0.88%
Other Information			
Closing net asset value (£'000)	1,551	1,484	1,901
Closing number of shares	640,614	672,845	936,611
Operating charges ³	1.92%	1.92%	1.83%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	243.98	224.45	223.49
Lowest share price	219.54	179.45	190.55

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 124.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	227.83	209.18	206.82
Return before operating charges*	26.90	22.16	5.73
Operating charges (calculated on average price)	(4.06)	(3.51)	(3.37)
Return after operating charges*	22.84	18.65	2.36
Distributions	(1.31)	(1.40)	(1.12)
Retained distributions on accumulation shares	1.31	1.40	1.12
Closing net asset value per share	250.67	227.83	209.18
* After direct transaction costs of: ¹	0.07	0.10	0.08
Performance			
Return after charges ²	10.03%	8.92%	1.14%
Other Information			
Closing net asset value (£'000)	24,425	25,959	30,988
Closing number of shares	9,743,787	11,393,973	14,814,214
Operating charges ³	1.67%	1.67%	1.58%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	252.59	231.78	229.91
Lowest share price	226.77	184.98	196.25

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 124.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	214.79	198.51	197.29
Return before operating charges*	25.35	20.97	5.51
Operating charges (calculated on average price)	(3.25)	(2.84)	(2.71)
Return after operating charges*	22.10	18.13	2.80
Distributions on income shares	(1.81)	(1.85)	(1.58)
Closing net asset value per share	235.08	214.79	198.51
* After direct transaction costs of: ¹	0.06	0.10	0.08
Performance			
Return after charges ²	10.29%	9.13%	1.42%
Other Information			
Closing net asset value (£'000)	45,648	47,346	45,621
Closing number of shares	19,417,906	22,043,318	22,981,815
Operating charges ³	1.42%	1.42%	1.33%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	237.79	219.63	219.53
Lowest share price	213.88	175.62	186.90

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 124.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	235.17	215.38	212.42
Return before operating charges*	27.81	22.88	5.88
Operating charges (calculated on average price)	(3.57)	(3.09)	(2.92)
Return after operating charges*	24.24	19.79	2.96
Distributions	(1.99)	(2.02)	(1.71)
Retained distributions on accumulation shares	1.99	2.02	1.71
Closing net asset value per share	259.41	235.17	215.38
* After direct transaction costs of: ¹	0.07	0.11	0.08
Performance			
Return after charges ²	10.31%	9.19%	1.39%
Other Information			
Closing net asset value (£'000)	295,647	269,028	250,463
Closing number of shares	113,970,325	114,397,035	116,288,358
Operating charges ³	1.42%	1.42%	1.33%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	261.36	239.18	236.35
Lowest share price	234.08	190.57	201.99

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 124.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	213.05	196.46	195.26
Return before operating charges*	25.13	20.59	5.42
Operating charges (calculated on average price)	(4.36)	(3.76)	(3.68)
Return after operating charges*	20.77	16.83	1.74
Distributions on income shares	(0.66)	(0.24)	(0.54)
Closing net asset value per share	233.16	213.05	196.46
* After direct transaction costs of: ¹	0.06	0.10	0.07

Performance

Return after charges ²	9.75%	8.57%	0.89%
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Other Information

Closing net asset value (£'000)	470	480	979
Closing number of shares	201,368	225,529	498,413
Operating charges ³	1.92%	1.92%	1.83%
Direct transaction costs	0.03%	0.05%	0.04%

Prices

Highest share price	235.34	217.04	216.86
Lowest share price	212.14	173.54	184.65

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 124.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	220.72	203.16	201.38
Return before operating charges*	26.04	21.47	5.58
Operating charges (calculated on average price)	(4.52)	(3.91)	(3.80)
Return after operating charges*	21.52	17.56	1.78
Distributions	(0.68)	(0.58)	(0.55)
Retained distributions on accumulation shares	0.68	0.58	0.55
Closing net asset value per share	242.24	220.72	203.16
* After direct transaction costs of: ¹	0.07	0.10	0.08
Performance			
Return after charges ²	9.75%	8.64%	0.88%
Other Information			
Closing net asset value (£'000)	13,597	12,689	19,567
Closing number of shares	5,613,187	5,748,911	9,631,132
Operating charges ³	1.92%	1.92%	1.83%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	244.14	224.60	223.65
Lowest share price	224.06	179.57	190.70

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 124.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	116.14	107.34	106.68
Return before operating charges*	13.71	11.34	2.98
Operating charges (calculated on average price)	(1.45)	(1.26)	(1.19)
Return after operating charges*	12.26	10.08	1.79
Distributions on income shares	(1.31)	(1.28)	(1.13)
Closing net asset value per share	127.09	116.14	107.34
* After direct transaction costs of: ¹	0.03	0.05	0.04

Performance

Return after charges ²	10.56%	9.39%	1.68%
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Other Information

Closing net asset value (£'000)	3,725	4,553	5,827
Closing number of shares	2,931,291	3,920,024	5,428,152
Operating charges ³	1.17%	1.17%	1.08%
Direct transaction costs	0.03%	0.05%	0.04%

Prices

Highest share price	128.70	118.88	118.81
Lowest share price	115.65	95.01	101.15

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 124.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	119.84	109.48	107.70
Return before operating charges*	14.15	11.65	2.98
Operating charges (calculated on average price)	(1.50)	(1.29)	(1.20)
Return after operating charges*	12.65	10.36	1.78
Distributions	(1.34)	(1.29)	(1.14)
Retained distributions on accumulation shares	1.34	1.29	1.14
Closing net asset value per share	132.49	119.84	109.48
* After direct transaction costs of: ¹	0.04	0.05	0.04
Performance			
Return after charges ²	10.56%	9.46%	1.65%
Other Information			
Closing net asset value (£'000)	62,227	64,004	70,275
Closing number of shares	46,968,228	53,408,943	64,191,735
Operating charges ³	1.17%	1.17%	1.80%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	133.46	121.85	119.95
Lowest share price	119.29	96.91	102.62

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 124.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.08%	0.08%	0.08%	0.08%	0.08%
	1.48%	1.23%	0.98%	1.48%	0.73%
Collective investment scheme costs	0.44%	0.44%	0.44%	0.44%	0.44%
Ongoing Charges Figure	1.92%	1.67%	1.42%	1.92%	1.17%

As at 30 November 2016

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.08%	0.08%	0.08%	0.08%	0.08%
	1.48%	1.23%	0.98%	1.48%	0.73%
Collective investment scheme costs	0.44%	0.44%	0.44%	0.44%	0.44%
Ongoing Charges Figure	1.92%	1.67%	1.42%	1.92%	1.17%

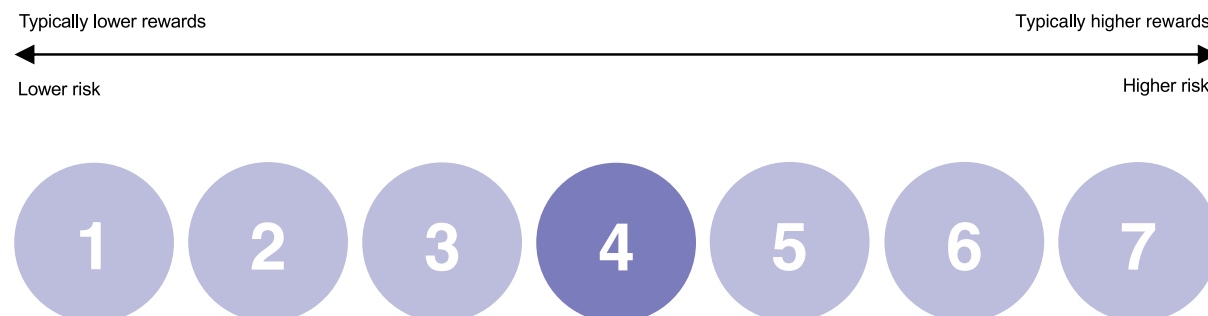
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 4.

Fund performance to 30 November 2017 (%)

	1 year	3 years	5 years
7IM Moderately Adventurous Fund ¹	10.39%	22.23%	57.39%

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 144 to 146.

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 12.77% (10.60%)			
24,473	Angel Oak Multi-Strategy Income UCITS Fund Acc ¹	2,129,870	0.48
61,357	AQR Managed Futures UCITS Fund 'G' ¹	4,497,092	1.01
6,100,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ²	4,729,093	1.05
1,252	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ²	47,997	0.01
15,200,000	Credit Suisse International Inflation Swap Transaction 2018 ²	11,647,171	2.59
2,001,656	Dexion Absolute EUR ³	—	—
14,739,370	F&C Global Equity Market Neutral 3 Acc ¹	9,052,921	2.02
54,088	KLS Zebra Global Equity Beta Neutral Fund 'SI' Acc ¹	4,025,146	0.90
43,024	Legg Mason Western Assets Macro Opportunities Bond USD Acc ¹	4,294,556	0.96
8,423	Morgan Stanley Index Linked Certificates 2020 ²	6,470,131	1.45
546,800	Neuberger Berman Multi Asset Risk Premia Fund 'I4' Acc ¹	4,002,017	0.89
1,066	NN (L) Multi Asset Factor Opportunities 'I' ¹	4,763,173	1.06
141	S&P 500 Index Put Options 2200 Jun 2018 ⁴	205,556	0.05
8,159	Societe Generale GBP/USD Warrants 13/04/2018 ²	1,350,315	0.30
		57,215,038	12.77
CASH 1.22% (5.36%)			
5,475,000	Northern Trust Global Sterling Fund ¹	5,475,000	1.22
COMMODITIES 4.88% (2.82%)			
117,303	iShares Physical Gold ETC ¹	2,198,695	0.49
211,162	Source Physical Gold P-ETC ¹	19,634,318	4.39
		21,833,013	4.88
DEBT SECURITIES 24.50% (21.57%)			
Corporate Bonds 0.92% (0.00%)			
£3,832,000	Nationwide Building Society 5.625% 2019	4,133,981	0.92
Emerging Market Bonds 6.05% (5.63%)			
221,828	Babson Capital Emerging Markets Local Debt ¹	17,575,269	3.93
139,130	iShares Emerging Markets Local Government Bond UCITS ETF ¹	6,761,689	1.51
4,044	TCW Emerging Markets ¹	2,726,575	0.61
		27,063,533	6.05
Gilts 0.50% (0.00%)			
£2,033,000	Network Rail Infrastructure Finance 4.625% 2020	2,235,507	0.50
Global Corporate Bonds 0.45% (2.12%)			
£2,000,000	Nestle Holdings 1.625% 2017	2,000,440	0.45
Global Government Bonds 4.77% (0.00%)			
US\$16,900,000	US Treasury Notes 2.25% 2027	12,433,695	2.78
US\$11,980,000	US Treasury Notes 2.375% 2027	8,903,399	1.99
		21,337,094	4.77
Global High Yield Bonds 3.25% (9.37%)			
90,088	Babson Capital US High Yield Bond ¹	8,501,913	1.90
9,127,683	Carador Income	4,650,572	1.04
1,824,224	Fair Oaks Income 2017	1,397,561	0.31
		14,550,046	3.25
Short Term Sterling Bonds 5.43% (1.31%)			
£1,500,000	Caisse des Depots et Consignations 0.5% 2020	1,485,296	0.33
£4,000,000	Canadian Imperial Bank of Commerce FRN 2022	4,033,456	0.90
£4,000,000	Commonwealth Bank of Australia 2.25% 2018	4,054,504	0.91

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Short Term Sterling Bonds (continued)			
£1,296,000	Coventry Building Society 1% 2020	1,288,867	0.29
£750,000	Coventry Building Society FRN 2020	753,016	0.17
£600,000	Dexia Credit Local 2% 2020	613,917	0.14
£3,200,000	FMS Wertmanagement 0.625% 2020	3,188,960	0.72
£200,000	FMS Wertmanagement 0.75% 2017	200,016	0.04
£120,000	GE Capital UK Funding 4.375% 2019	126,240	0.03
£1,739,000	Nordea Bank FRN 2019	1,745,636	0.39
£2,540,000	Royal Bank of Scotland FRN 2020	2,548,153	0.57
£3,800,000	Swedbank FRN 2019	3,813,802	0.85
£400,000	Yorkshire Building Society 4.75% 2018	405,958	0.09
		24,257,821	5.43
Sterling Corporate Bonds 3.13% (3.14%)			
£1,500,000	ASB Finance FRN 2018	1,502,040	0.34
£3,000,000	Bank of Montreal FRN 2018	3,000,450	0.67
£1,500,000	DNB Boligkreditt FRN 2020	1,504,950	0.34
£1,800,000	GE Capital UK Funding 5.625% 2019	1,908,617	0.43
£2,000,000	GE Capital UK Funding FRN 2018	2,000,408	0.45
£1,500,000	Royal Bank of Canada FRN 2018	1,502,325	0.34
£2,500,000	Royal Bank of Canada FRN 2019	2,508,575	0.56
		13,927,365	3.13
EQUITY 52.31% (51.60%)			
Asia & Emerging Markets 12.65% (15.95%)			
837,197	BlackRock Global Funds - Asian Growth Leaders ¹	9,465,128	2.12
774,679	Goldman Sachs India Equity Portfolio I Acc ¹	14,330,216	3.20
4,410,964	Hermes Asia Ex-Japan Equity 'F' ¹	11,823,147	2.64
3,680,292	Lazard Emerging Markets ¹	4,530,439	1.01
690,988	Mirae Asset Asia Great Consumer Equity 'I' ¹	8,911,992	1.99
(251)	MSCI AC Asia ex Japan Futures Dec 2017 ⁴	(443,546)	(0.10)
40,258	RWC Global Emerging Markets ¹	7,998,939	1.79
		56,616,315	12.65
Europe (ex UK) 11.92% (8.48%)			
4,470	ABB	84,989	0.02
139,517	Aegon	648,422	0.14
191	Aena SME	28,620	0.01
1,832	AerCap	70,503	0.02
562	Ageas	20,536	—
12	AP Moeller - Maersk 'A'	15,205	—
2,232	Atlas Copco	72,099	0.02
154	Baloise	17,629	—
871	Bayer	83,469	0.02
1,686	Bayerische Motoren Werke 'A'	126,927	0.03
1,029	BNP Paribas	58,550	0.01
5,387	Boliden	128,142	0.03
4,163	Boskalis Westminster	114,168	0.03
4,757,351	CF Miton European Opportunities ¹	7,750,200	1.73
1,444	Compagnie De St-Gobain	61,556	0.01
6,795	Continental European Selection ¹	8,722,287	1.95
1,629	Covestro	126,063	0.03
3,212	Daimler	198,684	0.04
10,861	Danske Bank	304,397	0.07
22,791	Deutsche Lufthansa	579,081	0.12
56,498	Deutsche Telekom	751,582	0.17
2,891	DNB	39,360	0.01
1,032	Electrolux 'B'	25,300	0.01
63,677	Engie	828,583	0.19
45,688	Eni	561,521	0.13
9,176	Ericsson 'B'	43,304	0.01
(137)	Euro Stoxx 50 Equity Index Futures Dec 2017 ⁴	(41,004)	(0.01)
51,930	Fiat Chrysler Automobiles	663,840	0.15

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Europe (ex UK) (continued)			
743	Frappat AG Frankfurt Airport Services Worldwide	54,875	0.01
7,273	Gemalto	204,420	0.05
189	Genmab	27,167	0.01
2,117	Hakon Invest	56,918	0.01
3,967,565	Henderson European Focus Fund 'I' Acc ¹	8,792,125	1.97
743	Hexagon	27,134	0.01
11,380	Holcim	462,671	0.10
61,896	Iberdrola	363,959	0.08
1,925	Industrivarden	35,005	0.01
1,053	Investor 'B'	36,810	0.01
558	Kone	21,340	–
535	Linde	88,221	0.02
4,738	Muenchener Rueckversicherungs	797,765	0.18
13,432	Nestle	863,939	0.19
23,537	NN Group	756,660	0.18
4,086	Nordea Bank	35,936	0.01
4,096	Norsk Hydro	20,866	–
6,041	Novartis	383,090	0.09
14,044	Novo Nordisk	538,320	0.12
592,337	Old Mutual European (Ex UK) Smaller Acc ¹	10,999,512	2.46
22,360	Orange	288,592	0.06
7,572	Pernod Ricard	874,294	0.20
10,961	Peugeot	169,889	0.04
3,077	Porsche Automobil	192,527	0.04
4,422	Renault	336,210	0.08
23,316	Repsol	318,071	0.07
792	Roche Holding	147,958	0.03
3,141	Safran	249,377	0.06
40,424	Saipem	122,570	0.03
1,609	Sandvik	20,744	–
9,028	Sanofi	614,318	0.14
2,483	SAP	209,749	0.05
2,437	Societe Generale	92,268	0.02
874	Swiss Life	218,735	0.05
11,674	Swiss Re	822,123	0.19
7,905	TeliaSonera 'A'	26,118	0.01
11,530	UPM-Kymmene	260,373	0.06
4,462	Vestas Wind Systems	209,779	0.05
12,727	Vinci	973,922	0.22
112	Volkswagen	17,137	–
1,484	Volkswagen non-voting preference shares	232,689	0.05
343	Zurich Insurance Group	77,183	0.02
		53,125,372	11.92
Frontier Markets Equity 3.97% (0.00%)			
862,659	Charlemagne Magna New Frontiers Fund 'G' Acc ¹	10,990,083	2.46
48,659	Emerging Markets Frontier Equity ¹	6,776,884	1.51
		17,766,967	3.97
Global Themes 0.84% (2.56%)			
351,108	THB U.S Opportunities ¹	3,749,836	0.84
Japan 7.44% (4.41%)			
278,217	Baillie Gifford Japanese Smaller Companies Fund 'B' Acc ¹	12,233,209	2.74
537,781	CF Morant Wright Nippon Yield ¹	2,445,936	0.55
10,103,453	GLG Japan CoreAlpha ¹	18,560,043	4.15
		33,239,188	7.44
North America 6.24% (12.30%)			
1,841	Activision Blizzard	84,912	0.02
511	Aetna	68,251	0.02

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	North America (continued)		
563	Agnc Investment	8,404	—
498	Alphabet 'C'	378,353	0.08
1,333	American International Group	59,777	0.01
523	American Tower	56,904	0.01
3,994	Amgen	511,738	0.11
31,426	Annaly Capital Management	274,884	0.07
236	Anthem	39,912	0.01
2,328	Apple	293,309	0.07
19,115	Applied Materials	752,259	0.17
522	Baker Hughes	11,640	—
414	Best Buy	18,113	—
3,392	Biogen	807,248	0.18
5,016	Boeing	1,004,581	0.22
217	Bunge	10,733	—
25,495	Cadence Design Systems	818,260	0.18
12,514	Capital One Financial	846,646	0.18
6,145	Chevron	535,542	0.12
1,257	Cigna	192,451	0.04
38,685	Cisco Systems	1,078,156	0.25
11,310	Citigroup	631,264	0.14
766	Citizens Financial Group	23,172	0.01
24,856	Comcast 'A'	687,747	0.15
7,298	ConocoPhillips	275,320	0.06
243	Cummins	29,732	0.01
2,847	CVS Health	155,410	0.03
656	Eaton	37,483	0.01
1,537	eBay	39,292	0.01
479	Electronic Arts	37,584	0.01
1,528	Eli Lilly & Company	96,559	0.02
745	EOG Resources	55,696	0.01
303	Estee Lauder	27,914	0.01
1,377	Exelon	42,689	0.01
3,109	Exxon Mobil	190,224	0.04
104	F5 Networks	10,045	—
5,540	FNF	165,650	0.04
92,903	Ford Motor	867,220	0.20
13,025	Gap	314,956	0.07
630	General Motors	20,524	—
16,221	Gilead Sciences	889,203	0.20
616	Hasbro	42,533	0.01
5,301	HCP	106,024	0.02
530	HP	8,444	—
4,443	Humana	826,472	0.18
343	Illinois Tool Works	42,315	0.01
31,349	Intel	1,024,797	0.23
175	JM Smucker	15,315	—
612	Kimco Realty	8,408	—
2,371	Kinder Morgan	29,539	0.01
754	Las Vegas Sands	37,889	0.01
5,454	Liberty Property Trust	180,928	0.04
813	Lincoln National	46,284	0.01
1,292	Lowe's Cos	80,050	0.02
534	LyondellBasell Industries	41,701	0.01
443	Maxim Integrated Products	17,170	—
4,073	Merck & Co	167,713	0.04
22,216	Michael Kors Holdings	968,981	0.21
4,223	Micron Technology	137,359	0.03
4,574	Microsoft	283,500	0.06
212	Mini Russell 2000 Futures Dec 2017 ⁴	626,224	0.14
3,338	Monsanto	292,101	0.07
699	Morgan Stanley	26,682	0.01
245	Motorola Solutions	17,161	—
414	NetApp	17,315	—
792	Newmont Mining	21,555	—
4,688	NextEra Energy	550,098	0.12
1,195	NXP Semiconductors	100,439	0.02

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
North America (continued)			
14,265	Occidental Petroleum	741,553	0.17
5,025	Palo Alto Networks	541,427	0.12
8,781	Pfizer	236,498	0.05
5,562	PNC Financial Services Group	578,023	0.13
463	Prologis	22,774	0.01
2,507	Prudential Financial	216,063	0.05
2,194	Qualcomm	108,554	0.02
1,847	Regions Financial	22,750	0.01
67	RenaissanceRe Holdings	6,798	–
370	Robert Half International	15,634	–
3,574	Rockwell Automation	505,191	0.11
2,653	Royal Caribbean Cruises	246,050	0.06
435	S&P Global	53,292	0.01
379	Simon Property	44,749	0.01
7,194	Southwest Airlines	315,007	0.07
29,164	Synchrony Financial	766,817	0.17
12,747	Synopsys	822,020	0.18
819	Target	37,568	0.01
1,232	Texas Instruments	88,786	0.02
16,594	T-Mobile	763,142	0.16
10,411	Union Pacific	952,009	0.21
124	United Rentals	14,558	–
16,730	Vereit	97,559	0.02
146	Vornado Realty	8,351	–
17,247	Walgreens Boots Alliance	922,482	0.21
14,550	Wal-Mart Stores	1,056,037	0.24
1,204	Western Digital	72,529	0.02
15,821	WestRock	709,000	0.16
		28,131,975	6.24
United Kingdom 9.25% (7.90%)			
30,649	Anglo American	419,737	0.10
9,940	AstraZeneca	481,146	0.11
87,181	Auto Trader Group	295,631	0.07
123,932	Aviva	645,686	0.14
36,449	Barratt Developments	222,339	0.05
1,800	Berkeley Group	68,904	0.02
4,733	BHP Billiton	63,683	0.01
157,142	BP	777,853	0.17
9,416	British American Tobacco	454,275	0.10
23,318	British Land	145,854	0.03
7,828	Burberry	134,250	0.03
6,620	Capita	32,226	0.01
1,506	Carnival	73,312	0.02
163,882	Centrica	236,973	0.05
7,133	Diageo	185,886	0.04
10,263	Direct Line Insurance Group	37,378	0.01
1,252	Easyjet	17,828	–
37,841	Experian	586,915	0.13
401	FTSE 100 Index Futures Dec 2017 ⁴	(265,241)	(0.06)
12,185	G4S	31,364	0.01
39,590	GlaxoSmithKline	515,462	0.12
86,097	Glencore	295,829	0.07
95,481	HSBC Holdings	713,624	0.15
17,763	Imperial Tobacco Group	550,031	0.12
1,313	Intertek Group	68,407	0.02
6,762	Intu Properties	13,240	–
29,217	ITV	46,923	0.01
12,500	J Sainsbury	29,413	0.01
2,450,025	Jupiter UK Growth Income Fund 'I' Acc ¹	8,719,395	1.95
12,068	Kingfisher	40,633	0.01
21,005	Land Securities	195,872	0.05
224,982	Legal & General Group	609,476	0.14
1,686	London Stock Exchange	63,647	0.01

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
United Kingdom (continued)			
9,244,390	Majedie UK Focus ¹	17,868,482	3.99
15,811	Marks & Spencer	49,346	0.01
36,983	Meggitt	179,922	0.04
30,210	National Grid	268,869	0.06
119,769	Old Mutual	240,137	0.05
19,589	Pearson	139,376	0.03
19,229	Persimmon	490,147	0.10
1,036	Provident Financial	9,272	–
5,588	Reckitt Benckiser Group	364,561	0.08
12,683	RELX	221,318	0.05
10,782	Rio Tinto	380,066	0.08
1,302	Rolls-Royce	11,236	–
26,761	Royal Bank of Scotland Group	75,305	0.02
36,372	Royal Dutch Shell 'A'	864,017	0.20
31,699	Royal Dutch Shell 'B'	768,225	0.17
72,608	Royal Mail	315,482	0.07
38,457	Smith & Nephew	504,171	0.11
79,451	Standard Life	342,593	0.08
3,612	Tate & Lyle	24,182	0.01
323,306	Tesco	642,894	0.14
275,647	Vodafone Group	625,581	0.14
225,032	WM Morrison Supermarkets	491,695	0.11
3,041	WPP	40,172	0.01
		41,425,000	9.25
PRIVATE EQUITY 3.27% (4.96%)			
193,544	HarbourVest Global Private Equity	2,415,429	0.54
549,918	NB Private Equity Partners	5,334,205	1.20
363,751	Pantheon International Participation	6,805,780	1.53
		14,555,414	3.27
REAL ESTATE 0.00% (3.03%)			
RISK MITIGATION 0.00% (0.07%)			
FORWARD CURRENCY CONTRACTS 0.62% (0.18%)			
€(13,550,000)	Vs £12,206,653 Expiry 16.02.2018	251,232	0.06
¥(1,300,000,000)	Vs £8,775,423 Expiry 15.12.2017	165,613	0.04
US\$(156,150,000)	Vs £118,098,624 Expiry 19.01.2018	2,172,148	0.48
US\$(11,000,000)	Vs £8,357,202 Expiry 19.01.2018	190,752	0.04
¥40,000,000	Vs £(273,669) Expiry 15.12.2017	(8,752)	–
		2,770,993	0.62
Portfolio of investment		445,409,898	99.57
Net other assets		1,911,046	0.43
Net assets		447,320,944	100.00

Comparative figures shown in brackets relate to 30 November 2016.

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

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

¹ Collective investment scheme

² Structured product

³ Delisted security

⁴ Derivative contract

	30.11.17	30.11.16
Credit Quality	%	%
Investment grade debt securities	15.18	4.91
Non-rated debt securities	3.66	8.41
Other investments	80.73	86.87
Net other assets/(liabilities)	0.43	(0.19)
	100.00	100.00

7IM MODERATELY ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

		30.11.17	30.11.16
	Notes	£	£
Income			
Net capital gains	4	39,847,349	33,243,050
Revenue	5	7,496,286	8,017,949
Expenses	6	(4,231,125)	(4,011,883)
Interest payable and similar charges	8	(51,432)	(115,640)
Net revenue before taxation for the year		3,213,729	3,890,426
Taxation	7	(142,431)	(207,683)
Net revenue after taxation for the year		3,071,298	3,682,743
Total return before distributions		42,918,647	36,925,793
Distributions	8	(3,519,733)	(3,855,777)
Change in net assets attributable to shareholders from investment activities		39,398,914	33,070,016

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

	30.11.17	30.11.16
	£	£
Opening net assets attributable to shareholders	425,572,219	425,646,963
Amounts received on creation of shares	64,662,135	58,583,938
Amounts paid on cancellation of shares	(85,384,851)	(94,999,836)
	(20,722,716)	(36,415,898)
Stamp Duty Reserve Tax	—	(32,637)
Change in net assets attributable to shareholders from investment activities	39,398,914	33,070,016
Retained distribution on accumulation shares	3,072,527	3,303,775
Closing net assets attributable to shareholders	447,320,944	425,572,219

The notes on pages 135 to 143 are an integral part of these Financial Statements.

7IM MODERATELY ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		446,168,441	428,841,015
Current assets:			
Debtors	9	1,852,854	3,906,391
Cash and bank balances	10	4,113,777	1,492,483
Total assets		452,135,072	434,239,889
LIABILITIES			
Investment liabilities		(758,543)	(2,463,725)
Creditors:			
Bank overdrafts	10	(1,861,284)	(1,979,888)
Distribution payable		(202,703)	(287,012)
Other creditors	11	(1,991,598)	(3,937,045)
Total liabilities		(4,814,128)	(8,667,670)
Net assets attributable to shareholders		447,320,944	425,572,219

The notes on pages 135 to 143 are an integral part of these Financial Statements.

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	30,305,973	54,912,230
Derivative contracts	3,444,993	(3,539,848)
Forward currency contracts	4,893,876	(19,017,893)
Currency gains	1,146,807	878,182
Transaction charges	(33,728)	(39,547)
AMC rebates from underlying investments	89,428	49,926
Net capital gains	39,847,349	33,243,050

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	4,339,272	5,028,182
Taxable dividends	2,182,883	2,086,660
Unfranked interest	828,769	852,604
AMC rebates from underlying investments	113,237	45,339
Bank interest	15,362	5,164
Stock lending revenue	16,763	—
Total revenue	7,496,286	8,017,949

* Prior year figures have been restated to be comparable with the current year figures.

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,930,818	3,711,609
Other expenses	8,026	8,440
	<u>3,938,844</u>	<u>3,720,049</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	60,088	54,742
Market risk fees	6,000	7,500
Safe custody and other bank charges	40,404	38,383
Stock lending fees	5,027	—
	<u>111,519</u>	<u>100,625</u>
Other Expenses:		
Advisory fees	127,789	116,748
Audit fee	8,760	8,760
Dealing and exchange fees	23,582	44,926
FCA and other Regulatory fees	275	276
Legal and professional fees	829	1,173
Printing, postage and distribution costs	13,812	13,326
Risk analysis fees	5,715	6,000
	<u>180,762</u>	<u>191,209</u>
Total expenses	<u>4,231,125</u>	<u>4,011,883</u>

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Overseas tax	142,431	207,683
Current tax charge (note 7b)	142,431	207,683
Total taxation	<u>142,431</u>	<u>207,683</u>
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	3,213,729	3,890,426
Corporation tax at 20%	642,746	778,085
Effects of:		
AMC rebates taken to capital	17,886	9,985
Double taxation relief expensed	(1,651)	(1,129)
FX loss non taxable	6,191	—
Movement in revenue accruals	1,160	(6,653)
Non-taxable dividends	(875,635)	(956,350)
Overseas tax	142,431	207,683
Tax effect on offshore funds	447,844	172,910
Unutilised excess management expenses	(238,541)	3,152
Current tax charge (note 7a)	<u>142,431</u>	<u>207,683</u>
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2016: none).		

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

7 Taxation (continued)

At the year end there is a potential deferred tax asset of £713,155 (2016: £951,696) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	1,676,120	1,475,625
Final	1,792,966	2,298,981
	<hr/> 3,469,086	<hr/> 3,774,606
Add: Revenue deducted on cancellation of shares	196,009	136,627
Deduct: Revenue received on issue of shares	(145,362)	(55,456)
	<hr/> 3,519,733	<hr/> 3,855,777
Net distributions for the year	3,519,733	3,855,777
Interest payable and similar charges	51,432	115,640
Total distribution	<hr/> 3,571,165	<hr/> 3,971,417

Details of the distributions per share are set out in the table on pages 144 to 146.

Distributions represented by:		
Net revenue after taxation	3,071,298	3,682,743
Allocations to capital:		
Equalisation on conversions ¹	633	106
Net movement in revenue account	(42)	18
Tax relief on Non Reporting Offshore Funds	447,844	172,910
	<hr/> 3,519,733	<hr/> 3,855,777
Net distributions for the year	3,519,733	3,855,777

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17 £	30.11.16 £
Amounts receivable for issue of shares	994,469	3,061,013
Accrued revenue	639,464	620,170
Income tax recoverable	–	61,765
AMC rebates from underlying investments	98,337	33,457
Withholding tax recoverable	120,496	129,888
Prepaid expenses	88	98
Total debtors	<hr/> 1,852,854	<hr/> 3,906,391

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

10 Cash and bank balances

	30.11.17 £	30.11.16 £
Cash and bank balances	2,051,849	1,492,483
Cash held at clearing houses	2,061,928	–
Total cash and bank balances	4,113,777	1,492,483
Bank overdrafts	(1,861,184)	(946,802)
Cash overdraft at clearing houses	(100)	(1,033,086)
Total bank overdrafts	(1,861,284)	(1,979,888)

11 Other Creditors

	30.11.17 £	30.11.16 £
Amounts payable for cancellation of shares	1,586,743	3,482,753
Purchases awaiting settlement	23,386	99,286
Accrued expenses	381,469	355,006
Total other creditors	1,991,598	3,937,045

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 133.

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

Pershing Nominees Limited 53.25% (2016: 50.03%)

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

13 Classes of Shares

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

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

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	13,441	–	–	–	13,441
Class A Accumulation	672,845	59,439	(90,162)	(1,508)	640,614
Class B Accumulation	11,393,973	259,404	(1,909,589)	–	9,743,788
Class C Income	22,043,318	1,183,036	(3,836,110)	27,662	19,417,906
Class C Accumulation	114,397,035	21,912,102	(21,922,506)	(416,306)	113,970,325
Class D Income	225,529	385	(24,546)	–	201,368
Class D Accumulation	5,748,911	668,553	(800,807)	(3,470)	5,613,187
Class S Income	3,920,024	155,247	(1,139,011)	(4,969)	2,931,291
Class S Accumulation	53,408,943	3,498,530	(10,719,982)	780,737	46,968,228

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	1,106,999	1,106,999
Euro	710,625	–	12,124,840	12,835,465
Japanese yen	–	–	264,917	264,917
Norwegian krone	–	–	68,213	68,213
Swedish krona	–	–	508,398	508,398
Swiss franc	110,489	–	3,143,193	3,253,682
US dollar	11,872,887	26,066,187	172,653,823	210,592,897
Pound sterling	33,454,758	21,642,304	313,330,514	368,427,576
	46,148,759	47,708,491	503,200,897	597,058,147

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(658,834)	(11,996,426)	(12,655,260)
Japanese yen	–	(8,609,810)	(8,609,810)
Swiss franc	(29,226)	–	(29,226)
US dollar	(168,416)	(124,536,472)	(124,704,888)
Pound sterling	(1,004,808)	(2,733,211)	(3,738,019)
	(1,861,284)	(147,875,919)	(149,737,203)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	970,479	970,479
Euro	631,426	–	22,513,763	23,145,189
Hong Kong dollar	38,080	–	–	38,080
Japanese yen	20,181	–	22,630,758	22,650,939
Norwegian krone	–	–	639,579	639,579
Swedish krona	–	–	784,257	784,257
Swiss franc	117,310	–	3,249,057	3,366,367
US dollar	13,552,118	17,893,479	175,282,316	206,727,913
Pound sterling	248,354,172	6,411,798	167,446,104	422,212,074
	262,713,287	24,305,277	393,516,313	680,534,877

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(570,904)	(36,103,734)	(36,674,638)
Hong Kong dollar	(38,080)	–	(38,080)
Japanese yen	(20,181)	(19,225,503)	(19,245,684)
Swiss franc	(30,693)	–	(30,693)
US dollar	(350,465)	(152,955,538)	(153,306,003)
Pound sterling	(969,565)	(44,697,995)	(45,667,560)
	(1,979,888)	(252,982,770)	(254,962,658)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	0.72	0.45	2	2
US dollar	1.20	(9.57)	6	2

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	12,131	1,094,868	1,106,999
Euro	85,801	94,404	180,205
Japanese yen	–	(8,344,893)	(8,344,893)
Norwegian krone	7,987	60,226	68,213
Swedish krona	888	507,510	508,398
Swiss franc	146,140	3,078,316	3,224,456
US dollar	200,211	85,687,798	85,888,009
	453,158	82,178,229	82,631,387
Pound sterling	6,932,888	357,756,669	364,689,557
Net assets	7,386,046	439,934,898	447,320,944

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	8,729	961,750	970,479
Euro	119,211	(13,648,660)	(13,529,449)
Japanese yen	–	3,405,255	3,405,255
Norwegian krone	8,444	631,135	639,579
Swedish krona	2,210	782,047	784,257
Swiss franc	142,047	3,193,627	3,335,674
US dollar	97,183	53,324,727	53,421,910
	377,824	48,649,881	49,027,705
Pound sterling	21,627,105	354,917,409	376,544,514
Net assets	22,004,929	403,567,290	425,572,219

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	21,337,094	62,931,378	–	84,268,472
Collective Investment Schemes	28,594,702	241,711,385	–	270,306,087
Derivatives	831,780	2,779,745	–	3,611,525
Equities	80,113,914	7,868,443	–	87,982,357
Total	130,877,490	315,290,951	–	446,168,441
Liabilities				
Derivatives	(749,791)	(8,752)	–	(758,543)

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	51,961,542	–	51,961,542
Collective Investment Schemes	45,181,369	224,491,567	–	269,672,936
Derivatives	4,850,767	2,855,453	–	7,706,220
Equities	99,500,317	–	–	99,500,317
Total	149,532,453	279,308,562	–	428,841,015
Liabilities				
Derivatives	(422,144)	(2,041,581)	–	(2,463,725)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 114.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	92,545	–	–	–	–	–
Collective Investment Schemes	283,182	–	–	–	–	–
Derivatives	8,789	–	–	–	–	–
Equities	100,164	14	71	85	0.01	0.07
Total	484,680	14	71	85	0.01	0.07
Sales						
Bonds	47,674	–	–	–	–	–
Collective Investment Schemes	294,384	–	–	–	–	–
Derivatives	–	–	–	–	–	–
Equities	144,951	(36)	(2)	(34)	0.02	–
Total	487,009	(36)	(2)	(34)	0.02	–
Total as a percentage of the average NAV		0.01%	0.02%	0.03%		

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	51,782	–	–	–	–	–
Collective Investment Schemes	320,464	–	–	–	–	–
Derivatives	4,821	–	–	–	–	–
Equities	249,411	37	137	174	0.01	0.05
Total	626,478	37	137	174	0.01	0.05

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	128,978	–	–	–	–	–
Collective Investment Schemes	343,589	–	–	–	–	–
Derivatives	4,348	–	–	–	–	–
Equities	200,749	(30)	(2)	(32)	0.01	–
Total	677,664	(30)	(2)	(32)	0.01	–

Total as a percentage of the average NAV **0.02%** **0.03%** **0.05%**

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.19% (2016: 0.17%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class A Income				
Group 1	0.3045	—	0.3045	0.1862
Group 2	0.3045	—	0.3045	0.1862
			Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	0.3290	—	0.3290	0.1944
Group 2	0.3290	—	0.3290	0.1944
			Allocated 31.07.17	Allocated 31.07.16
Class B Accumulation				
Group 1	0.6254	—	0.6254	0.4575
Group 2	0.1947	0.4307	0.6254	0.4575
			Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	0.8705	—	0.8705	0.6933
Group 2	0.3321	0.5384	0.8705	0.6933
			Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	0.9569	—	0.9569	0.7632
Group 2	0.3753	0.5816	0.9569	0.7632
			Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	0.3084	—	0.3084	—
Group 2	0.1427	0.1657	0.3084	—
			Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	0.3199	—	0.3199	—
Group 2	0.0571	0.2628	0.3199	—
			Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	0.6362	—	0.6362	0.5086
Group 2	0.1994	0.4368	0.6362	0.5086
			Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	0.6464	—	0.6464	0.5130
Group 2	0.2767	0.3697	0.6464	0.5130

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class A Income				
Group 1	0.3526	—	0.3526	0.6819
Group 2	0.3526	—	0.3526	0.6819
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	0.3627	—	0.3627	0.6506
Group 2	0.2646	0.0981	0.3627	0.6506
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class B Accumulation				
Group 1	0.6876	—	0.6876	0.9490
Group 2	0.3122	0.3754	0.6876	0.9490
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	0.9389	—	0.9389	1.1611
Group 2	0.4241	0.5148	0.9389	1.1611
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	1.0306	—	1.0306	1.2642
Group 2	0.4826	0.5480	1.0306	1.2642
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	0.3498	—	0.3498	0.2412
Group 2	0.1299	0.2199	0.3498	0.2412
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	0.3635	—	0.3635	0.5839
Group 2	0.1250	0.2385	0.3635	0.5839
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	0.6699	—	0.6699	0.7763
Group 2	0.2740	0.3959	0.6699	0.7763
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	0.6940	—	0.6940	0.7858
Group 2	0.2886	0.4054	0.6940	0.7858

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Equalisation

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

7IM ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

The 7IM Adventurous Fund (the 'Sub-fund') aims to provide capital growth. There is a risk of wide fluctuations in capital values. The Sub-fund invests predominantly in a range of collective investment vehicles and securities managed by selected Fund managers. Assets with scope for capital growth in real terms are likely to represent a major part of the portfolio. The Sub-fund may use different asset classes, with the comparison primarily in equities.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 12.86%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016 we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period. In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

Portfolio Review

In December 2016, we increased our European and, to a lesser extent, Japanese equity, reducing our Emerging Market (EM) allocation to do so. We expected the stronger Dollar to drive Yen lower, boosting the attractiveness of the Topix, while we thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. In the Emerging Markets space, we had had a good run but believed the region could be negatively impacted by Trump's rhetoric and policies. We thus allowed the MSCI China Future to expire and reduced Asia Pacific exposure, an asset class heavily weighted towards Taiwan and South Korea. Despite these views, we did also increase our allocation in Indian equity, seeing the region as relatively immune to Trump risk and the potential for the changes implemented by the Modi government to be beneficial. In January 2017, we cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our EuroStoxx Dividend 2018 future, having made over 10% in 10 months.

¹ Calculated using 7IM Adventurous C Acc. shares, NAV return. Source: NTRS

7IM ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

Our increase in US equity proved a good decision, but by March valuations looked high. This was especially the case in the 'Trump reflation trade' related stocks such as the Russell 2000 Index and Financials Index. As a result, we cut the remaining positions in US Financials, and the majority of our Russell 2000 Index holdings in our March review. At the same time, we increased our EM exposure, seeing a stable Chinese economy, robust commodity prices and a strong global macro scene boding well for the sector. Our allocation to Japanese equity was also increased – Japanese earnings surprised to the upside in Q4 2016, we believed the economy to be in good health and Prime Minister Abe and President Trump seemed to be working well together. Seeing uncertainty in the French elections we decided not to allocate to Europe at this time, despite strong macro data and attractive valuations. Following a positive result in the first round of elections, we increased our EuroStoxx holding in April. We also added a little to Frontier Market Equity in May, as we believed the conditions were good for strong returns and we were able to take a little more risk with the Sub-fund.

By June, the economic situation had altered and we reduced our equity allocation across our portfolio range, believing valuations were high across the marketplace. We slightly reduced our exposure to UK and US equity and, where we were more cautious, made a slightly larger reduction of our European and Japanese equity holdings. At the same time, we also increased our Frontier Market exposure again, believing this asset class to provide strong uncorrelated growth to other equity markets. In addition, believing that the growth story had improved for Emerging Markets, we increased our allocation to EM equity slightly. The asset class performed well in the period and so we decided to take some profits, reducing our holding in September. This good run of performance was largely due to the technology sector rallying, and this over-reliance on one sector reinforced our decision that this was a good time to decrease our allocation. In the summer we also increased our active weight in Europe, adding two new fund managers: the SYZ Oyster Continental European Selection Fund and the Miton European Opportunities Fund. By September, the macro story had improved further, with good earnings numbers and a fading of geopolitical risk. We took a more risk-on position, deciding to increase both the Japanese and European equity allocations, while continuing to diversify risk in the Sub-fund by allocating another small amount to Frontier Markets equity. Our views developed further in November, as we saw increased value in the UK in comparison to other regions, and so decided to add to the FTSE 100 index futures, cutting European equity to do so. As the majority of earnings in the FTSE 100 index are derived overseas, it has historically performed well when Sterling has fallen. Adding to it therefore provides us with further protection against a fall in Sterling, an increasing possibility with difficult upcoming Brexit talks.

In the fixed income space, our main changes were to our High Yield allocation. In December 2016, we decreased our holding in the Babson Capital US High Yield Fund and increased the allocation to the Carador Income Fund, as the latter had a discount to NAV. In February, we reduced our overall exposure to High Yield bonds as the spreads had narrowed considerably, taking profits. We reduced our High Yield exposure again in April, cutting our Collateralized Loan Obligation (CLO) position, believing that further upside was limited having had a very good run since our 2016 investment.

We also made some changes to our Alternatives allocation. In December 2016, we increased our Private Equity allocation, believing that the asset class would be a beneficiary of inflationary policy which could play out as a result of the Trump administration. In addition, we added a Credit Suisse Risk Premia Certificate alongside an active manager – NN – as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same time, we sold some of our Real Estate holding, due to concern over excessively high valuations, with Real Estate having been seen as a bond proxy. In January, we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures Fund. We also added an inflation position to the Sub-fund, largely as a risk-replacement following the sale of financials. In the following month, we decided to add a little protection in the Sub-fund in case of a no-Brexit scenario. To do so we added a GBPUSD Option, which would protect against a sharp rally in Sterling. In April, we decided to reduce exposure to inflation protection, as inflation expectations were unlikely to accelerate, selling the Bank of America Merrill Lynch (BAML) position, due to preferable exit terms. Our Private Equity allocation had had a very good run since we implemented our overweight in 2016, and, seeing some reduction in the discount, we reduced our holding in June and again in September, taking profits. In June, we also added to our alternatives strategies, replacing some of our equity holdings with an equity volatility strategy, an equity-like position which has less exposure to extreme tail-risk events, and added an S&P 500 put option, further diversifying our safe haven assets. In July, we added currency call positions to hedge against the impact of a stronger Pound; these aided the portfolio when Sterling rallied from mid-August. Our gold position varied throughout the period: we added to the asset class in June as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, and then took some profits from a successful holding in November. The profits from this were used to increase our allocation to UK equity mentioned above.

Over the year, we often used our ability to manage currency to express our market views. Last December, we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar. As geopolitical tensions increased in the year, we used Yen as a tail risk hedge. In March, we increased our Yen allocation, which also protected against the downside risk from a Topix overweight, and added to the position again in August, as the currency has proven in the past to act well in times of the elevation of geopolitical risk. Alongside this, after a very good run, we adjusted our zero Dollar position, adding the currency back into the Sub-fund.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

7IM ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

In the UK, there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 151 to 159 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 and research costs.

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

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	–	198.63	193.96
Return before operating charges*	–	33.95	8.43
Operating charges (calculated on average price)	–	(1.81)	(3.76)
Return after operating charges*	–	32.14	4.67
Distributions on income shares	–	–	–
Last quoted share price ¹	–	230.77	–
Closing net asset value per share	–	–	198.63
* After direct transaction costs of: ²	–	0.07	0.12
Performance			
Return after charges ³	–%	16.18%	2.41%
Other Information			
Closing net asset value (£'000)	–	–	14
Closing number of shares	–	–	7,031
Operating charges ⁴	–%	2.04%	1.86%
Direct transaction costs	–%	0.07%	0.06%
Prices			
Highest share price	–	230.77	218.49
Lowest share price	–	171.56	184.64

¹ As at the year end date, there are no shares in issue. Share class performance provided is as at 19 May 2016 being the last quoted price date before shares were reduced to zero.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 160.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	218.66	201.47	196.70
Return before operating charges*	31.63	21.30	8.58
Operating charges (calculated on average price)	(4.86)	(4.11)	(3.81)
Return after operating charges*	26.77	17.19	4.77
Distributions	(0.42)	(0.60)	–
Retained distributions on accumulation shares	0.42	0.60	–
Closing net asset value per share	245.43	218.66	201.47
* After direct transaction costs of: ¹	0.10	0.15	0.12
Performance			
Return after charges ²	12.24%	8.53%	2.43%
Other Information			
Closing net asset value (£'000)	467	446	492
Closing number of shares	190,262	204,124	244,271
Operating charges ³	2.06%	2.04%	1.86%
Direct transaction costs	0.04%	0.07%	0.06%
Prices			
Highest share price	247.80	222.58	221.58
Lowest share price	217.29	174.22	187.27

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 160.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	225.81	207.54	202.11
Return before operating charges*	32.69	21.98	8.82
Operating charges (calculated on average price)	(4.41)	(3.71)	(3.39)
Return after operating charges*	28.28	18.27	5.43
Distributions	(1.06)	(1.22)	(0.03)
Retained distributions on accumulation shares	1.06	1.22	0.03
Closing net asset value per share	254.09	225.81	207.54
* After direct transaction costs of: ¹	0.11	0.15	0.13
Performance			
Return after charges ²	12.52%	8.80%	2.69%
Other Information			
Closing net asset value (£'000)	6,472	6,178	6,479
Closing number of shares	2,547,112	2,736,117	3,121,758
Operating charges ³	1.81%	1.79%	1.61%
Direct transaction costs	0.04%	0.07%	0.06%
Prices			
Highest share price	256.50	299.80	227.88
Lowest share price	224.39	179.55	192.82

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 160.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	221.92	205.12	199.75
Return before operating charges*	32.13	21.67	8.75
Operating charges (calculated on average price)	(3.74)	(3.16)	(2.84)
Return after operating charges*	28.39	18.51	5.91
Distributions on income shares	(1.64)	(1.71)	(0.54)
Closing net asset value per share	248.67	221.92	205.12
* After direct transaction costs of: ¹	0.10	0.15	0.12
Performance			
Return after charges ²	12.79%	9.02%	2.96%
Other Information			
Closing net asset value (£'000)	22,257	23,047	25,713
Closing number of shares	8,950,467	10,385,545	12,535,757
Operating charges ³	1.56%	1.54%	1.36%
Direct transaction costs	0.04%	0.07%	0.06%
Prices			
Highest share price	251.87	226.82	225.46
Lowest share price	220.74	177.54	190.69

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 160.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	233.14	213.74	207.62
Return before operating charges*	33.79	22.70	9.07
Operating charges (calculated on average price)	(3.94)	(3.30)	(2.95)
Return after operating charges*	29.85	19.40	6.12
Distributions	(1.73)	(1.79)	(0.56)
Retained distributions on accumulation shares	1.73	1.79	0.56
Closing net asset value per share	262.99	233.14	213.74
* After direct transaction costs of: ¹	0.11	0.16	0.13
Performance			
Return after charges ²	12.80%	9.08%	2.95%
Other Information			
Closing net asset value (£'000)	76,578	69,451	71,845
Closing number of shares	29,117,826	29,789,200	33,613,568
Operating charges ³	1.56%	1.54%	1.36%
Direct transaction costs	0.04%	0.07%	0.06%
Prices			
Highest share price	265.45	237.18	234.31
Lowest share price	231.69	185.01	198.32

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 160.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	213.32	196.69	192.12
Return before operating charges*	30.63	20.58	8.29
Operating charges (calculated on average price)	(4.74)	(3.95)	(3.72)
Return after operating charges*	25.89	16.63	4.57
Distributions on income shares	(0.42)	–	–
Closing net asset value per share	238.79	213.32	196.69
* After direct transaction costs of: ¹	0.10	0.14	0.12
Performance			
Return after charges ²	12.14%	8.45%	2.38%
Other Information			
Closing net asset value (£'000)	31	28	79
Closing number of shares	12,972	12,972	39,920
Operating charges ³	2.06%	2.04%	1.86%
Direct transaction costs	0.04%	0.07%	0.06%
Prices			
Highest share price	241.33	217.14	216.41
Lowest share price	211.97	169.95	182.86

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 160.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	218.56	201.38	196.66
Return before operating charges*	31.62	21.29	8.52
Operating charges (calculated on average price)	(4.86)	(4.11)	(3.80)
Return after operating charges*	26.76	17.18	4.72
Distributions	(0.45)	(0.64)	–
Retained distributions on accumulation shares	0.45	0.64	–
Closing net asset value per share	245.32	218.56	201.38
* After direct transaction costs of: ¹	0.10	0.15	0.12
Performance			
Return after charges ²	12.24%	8.53%	2.40%
Other Information			
Closing net asset value (£'000)	12,766	10,396	11,476
Closing number of shares	5,204,081	4,756,413	5,698,304
Operating charges ³	2.06%	2.04%	1.86%
Direct transaction costs	0.04%	0.07%	0.06%
Prices			
Highest share price	247.68	222.48	221.47
Lowest share price	217.19	174.14	187.18

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 160.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	120.40	111.28	108.36
Return before operating charges*	17.43	11.76	4.72
Operating charges (calculated on average price)	(1.70)	(1.44)	(1.25)
Return after operating charges*	15.73	10.32	3.47
Distributions on income shares	(1.21)	(1.20)	(0.55)
Closing net asset value per share	134.92	120.40	111.28
* After direct transaction costs of: ¹	0.06	0.08	0.07
Performance			
Return after charges ²	13.06%	9.27%	3.20%
Other Information			
Closing net asset value (£'000)	143	185	193
Closing number of shares	105,652	153,513	173,751
Operating charges ³	1.31%	1.29%	1.11%
Direct transaction costs	0.04%	0.07%	0.06%
Prices			
Highest share price	136.80	123.18	122.42
Lowest share price	119.76	96.36	103.54

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 160.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	123.07	112.55	109.05
Return before operating charges*	17.86	11.98	4.77
Operating charges (calculated on average price)	(1.75)	(1.46)	(1.27)
Return after operating charges*	16.11	10.52	3.50
Distributions	(1.25)	(1.23)	(0.58)
Retained distributions on accumulation shares	1.25	1.23	0.58
Closing net asset value per share	139.18	123.07	112.55
* After direct transaction costs of: ¹	0.06	0.08	0.07
Performance			
Return after charges ²	13.09%	9.35%	3.21%
Other Information			
Closing net asset value (£'000)	17,900	18,368	16,388
Closing number of shares	12,860,755	14,924,349	14,561,064
Operating charges ³	1.31%	1.29%	1.11%
Direct transaction costs	0.04%	0.07%	0.06%
Prices			
Highest share price	140.46	125.19	123.19
Lowest share price	122.31	97.47	104.18

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 160.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.13%	0.13%	0.13%	0.13%	0.13%
	1.53%	1.28%	1.03%	1.53%	0.78%
Collective investment scheme costs	0.53%	0.53%	0.53%	0.53%	0.53%
Ongoing Charges Figure	2.06%	1.81%	1.56%	2.06%	1.31%

As at 30 November 2016

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.15%	0.15%	0.15%	0.15%	0.15%
	1.55%	1.30%	1.05%	1.55%	0.80%
Collective investment scheme costs	0.49%	0.49%	0.49%	0.49%	0.49%
Ongoing Charges Figure	2.04%	1.79%	1.54%	2.04%	1.29%

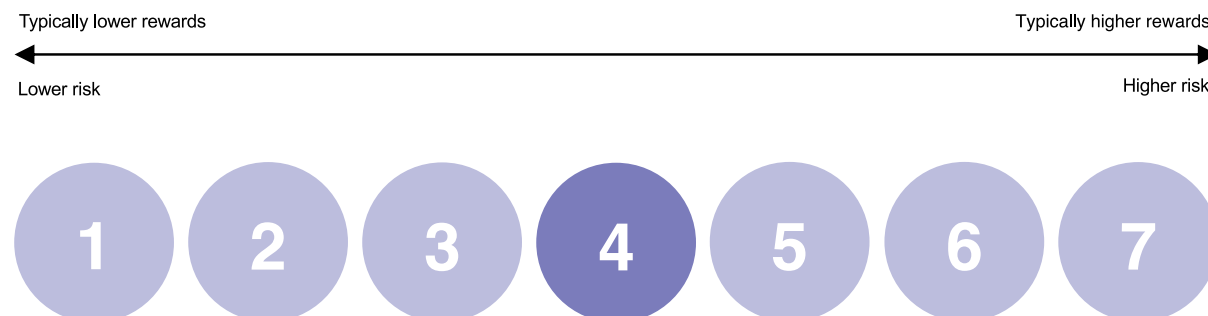
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 4.

Fund performance to 30 November 2017 (%)

	6 months	1 year	5 years
7IM Adventurous Fund ¹	12.86	26.76	71.70

¹Source: Bloomberg.

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 180 and 181.

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 9.99% (4.57%)			
8,565	Angel Oak Multi-Strategy Income UCITS Fund Acc ¹	745,455	0.55
19,432	AQR Managed Futures UCITS Fund 'G' ¹	1,424,219	1.04
1,900,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ²	1,472,997	1.08
380	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ²	14,568	0.01
4,560,236	F&C Global Equity Market Neutral 3 Acc ¹	2,800,897	2.05
16,540	KLS Zebra Global Equity Beta Neutral Fund 'SI' Acc ¹	1,230,852	0.90
3,579	Morgan Stanley Index Linked Certificates 2020 ²	2,749,210	2.02
604	NN (L) Multi Asset Factor Opportunities 'I' ¹	2,695,951	1.97
56	S&P 500 Index Put Options 2200 Jun 2018 ³	81,639	0.06
2,596	Societe Generale GBP/USD Warrants 13/04/2018 ²	429,638	0.31
		13,645,426	9.99
CASH 0.00% (3.60%)			
COMMODITIES 4.92% (2.87%)			
38,436	iShares Physical Gold ETC ¹	720,434	0.53
64,497	Source Physical Gold P-ETC ¹	5,997,076	4.39
		6,717,510	4.92
DEBT SECURITIES 12.83% (13.50%)			
Emerging Market Bonds 4.97% (2.85%)			
85,716	Babson Capital Emerging Markets Local Debt ¹	6,791,216	4.97
Global Corporate Bonds 0.37% (0.39%)			
£500,000	Nestle Holdings 1.625% 2017	500,110	0.37
Global High Yield Bonds 0.18% (7.01%)			
490,551	Carador Income	249,937	0.18
Short Term Sterling Bonds 5.77% (0.71%)			
£750,000	ASB Finance FRN 2020	750,930	0.55
£1,300,000	Bank Nederlandse Gemeenten 1.125% 2019	1,306,051	0.95
£939,000	Caisse d'Amortissement de la Dette Sociale 3.75% 2018	964,054	0.71
£1,000,000	Canadian Imperial Bank of Commerce FRN 2022	1,008,364	0.74
£1,000,000	Commonwealth Bank of Australia 2.25% 2018	1,013,626	0.74
£324,000	Coventry Building Society 1% 2020	322,217	0.24
£100,000	Coventry Building Society FRN 2020	100,402	0.07
£100,000	FMS Wertmanagement 0.75% 2017	100,008	0.07
£700,000	GE Capital UK Funding 4.375% 2019	736,401	0.54
£684,000	Santander UK FRN 2020	686,161	0.50
£900,000	Swedbank FRN 2019	903,269	0.66
		7,891,483	5.77
Sterling Corporate Bonds 1.54% (2.54%)			
£600,000	ASB Finance FRN 2018	600,816	0.44
£300,000	GE Capital UK Funding FRN 2018	300,061	0.22
£600,000	Royal Bank of Canada FRN 2018	600,930	0.44
£600,000	Royal Bank of Canada FRN 2019	602,058	0.44
		2,103,865	1.54
EQUITY 65.83% (61.27%)			
Asia & Emerging Markets 15.70% (20.34%)			
262,664	BlackRock Global Funds - Asian Growth Leaders ¹	2,969,613	2.17
239,577	Goldman Sachs India Equity Portfolio I Acc ¹	4,431,766	3.24
1,931,768	Hermes Asia Ex-Japan Equity 'F' ¹	5,177,911	3.79
1,122,446	Lazard Emerging Markets ¹	1,381,731	1.01
290,202	Mirae Asset Asia Great Consumer Equity 'I' ¹	3,742,870	2.74

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Asia & Emerging Markets (continued)			
(67)	MSCI AC Asia ex Japan Futures Dec 2017 ³	(118,397)	(0.09)
19,497	RWC Global Emerging Markets ¹	3,873,853	2.84
		21,459,347	15.70
Europe (ex UK) 13.69% (9.55%)			
1,328	ABB	25,250	0.02
41,444	Aegon	192,616	0.14
57	Aena SME	8,541	0.01
545	AerCap	20,974	0.02
167	Ageas	6,102	—
4	AP Moeller - Maersk 'A'	5,068	—
663	Atlas Copco	21,416	0.02
46	Baloise	5,266	—
259	Bayer	24,820	0.02
501	Bayerische Motoren Werke 'A'	37,717	0.03
305	BNP Paribas	17,355	0.01
1,601	Boliden	38,083	0.03
1,236	Boskalis Westminster	33,897	0.02
2,104,754	CF Miton European Opportunities ¹	3,428,854	2.51
429	Compagnie De St-Gobain	18,288	0.01
3,177	Continental European Selection ¹	4,077,496	2.98
484	Covestro	37,456	0.02
954	Daimler	59,011	0.04
3,226	Danske Bank	90,414	0.07
6,770	Deutsche Lufthansa	172,014	0.12
16,783	Deutsche Telekom	223,261	0.16
859	DNB	11,695	0.01
307	Electrolux 'B'	7,526	0.01
18,915	Engie	246,128	0.18
13,572	Eni	166,805	0.12
2,725	Ericsson 'B'	12,860	0.01
14	Euro Stoxx 50 Equity Index Futures Dec 2017 ³	(2,835)	—
15,426	Fiat Chrysler Automobiles	197,197	0.14
221	Fraport AG Frankfurt Airport Services Worldwide	16,322	0.01
2,160	Gemalto	60,710	0.04
57	Genmab	8,193	0.01
629	Hakon Invest	16,911	0.01
781,662	Henderson European Focus Fund 'I' Acc ¹	1,732,162	1.27
221	Hexagon	8,071	0.01
3,381	Holcim	137,460	0.10
18,387	Iberdrola	108,119	0.08
572	Industrivarden	10,402	0.01
313	Investor 'B'	10,942	0.01
165	Kone	6,310	—
159	Linde	26,219	0.02
1,408	Muenchener Rueckversicherungs	237,073	0.17
3,990	Nestle	256,634	0.19
6,992	NN Group	224,777	0.16
1,214	Nordea Bank	10,677	0.01
1,217	Norsk Hydro	6,200	—
1,795	Novartis	113,830	0.08
4,172	Novo Nordisk	159,917	0.12
239,512	Old Mutual European (Ex UK) Smaller Acc ¹	4,447,660	3.26
6,643	Orange	85,739	0.06
2,249	Pernod Ricard	259,679	0.19
3,256	Peugeot	50,466	0.04
915	Porsche Automobil	57,251	0.04
1,313	Renault	99,829	0.07
6,926	Repsol	94,483	0.07
235	Roche Holding	43,902	0.03
933	Safran	74,075	0.05
12,008	Saipem	36,410	0.03
477	Sandvik	6,150	—
2,682	Sanofi	182,499	0.13

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Europe (ex UK) (continued)			
738	SAP	62,342	0.05
724	Societe Generale	27,412	0.02
260	Swiss Life	65,070	0.05
3,468	Swiss Re	244,230	0.19
2,349	TeliaSonera 'A'	7,761	0.01
3,425	UPM-Kymmene	77,344	0.06
1,326	Vestas Wind Systems	62,341	0.05
3,780	Vinci	289,260	0.22
33	Volkswagen	5,049	–
440	Volkswagen non-voting preference shares	68,991	0.05
102	Zurich Insurance Group	22,952	0.02
		18,705,099	13.69
Frontier Markets Equity 5.94% (0.00%)			
434,360	Charlemagne Magna New Frontiers Fund 'G' Acc¹	5,533,648	4.05
18,532	Emerging Markets Frontier Equity¹	2,581,089	1.89
		8,114,737	5.94
Global Themes 4.54% (4.98%)			
188,715	THB U.S Opportunities¹	2,015,479	1.48
2,721,034	Wood Street Microcap Investment Fund¹	4,174,882	3.06
		6,190,361	4.54
Japan 7.58% (4.47%)			
104,738	Baillie Gifford Japanese Smaller Companies Fund 'B' Acc¹	4,605,339	3.37
3,134,368	GLG Japan CoreAlpha¹	5,757,833	4.21
		10,363,172	7.58
North America 6.36% (11.15%)			
570	Activision Blizzard	26,290	0.02
159	Aetna	21,237	0.02
175	Agnc Investment	2,612	–
154	Alphabet 'C'	117,001	0.09
413	American International Group	18,520	0.01
162	American Tower	17,626	0.01
1,237	Amgen	158,493	0.12
9,733	Annaly Capital Management	85,136	0.06
73	Anthem	12,346	0.01
721	Apple	90,840	0.07
5,920	Applied Materials	232,978	0.17
162	Baker Hughes	3,612	–
128	Best Buy	5,600	–
1,051	Biogen	250,123	0.18
1,554	Boeing	311,227	0.24
68	Bunge	3,363	–
7,896	Cadence Design Systems	253,421	0.19
3,876	Capital One Financial	262,234	0.19
1,904	Chevron	165,935	0.12
390	Cigna	59,710	0.04
11,981	Cisco Systems	333,913	0.25
3,503	Citigroup	195,519	0.14
237	Citizens Financial Group	7,169	0.01
7,698	Comcast 'A'	212,998	0.16
2,260	ConocoPhillips	85,260	0.06
76	Cummins	9,299	0.01
881	CVS Health	48,091	0.04
203	Eaton	11,599	0.01
476	eBay	12,169	0.01
149	Electronic Arts	11,691	0.01
473	Eli Lilly & Company	29,890	0.02
231	EOG Resources	17,269	0.01

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	North America (continued)		
94	Estee Lauder	8,660	0.01
427	Exelon	13,238	0.01
963	Exxon Mobil	58,921	0.04
33	F5 Networks	3,187	—
1,715	FNF	51,280	0.04
28,773	Ford Motor	268,587	0.21
4,034	Gap	97,546	0.07
196	General Motors	6,385	—
5,024	Gilead Sciences	275,406	0.21
191	Hasbro	13,188	0.01
1,642	HCP	32,841	0.02
165	HP	2,629	—
1,377	Humana	256,144	0.19
107	Illinois Tool Works	13,200	0.01
9,709	Intel	317,388	0.24
54	JM Smucker	4,726	—
190	Kimco Realty	2,610	—
735	Kinder Morgan	9,157	0.01
234	Las Vegas Sands	11,759	0.01
1,689	Liberty Property Trust	56,030	0.04
252	Lincoln National	14,346	0.01
400	Lowe's Cos	24,783	0.02
166	LyondellBasell Industries	12,963	0.01
137	Maxim Integrated Products	5,310	—
1,262	Merck & Co	51,965	0.04
6,881	Michael Kors Holdings	300,124	0.21
1,308	Micron Technology	42,544	0.03
1,417	Microsoft	87,827	0.06
64	Mini Russell 2000 Futures Dec 2017 ³	187,427	0.14
1,034	Monsanto	90,483	0.07
217	Morgan Stanley	8,283	0.01
76	Motorola Solutions	5,323	—
128	NetApp	5,353	—
246	Newmont Mining	6,695	—
1,452	NextEra Energy	170,379	0.12
355	NXP Semiconductors	29,837	0.02
4,418	Occidental Petroleum	229,666	0.17
1,556	Palo Alto Networks	167,654	0.12
2,720	Pfizer	73,258	0.05
1,723	PNC Financial Services Group	179,060	0.13
144	Prologis	7,083	0.01
777	Prudential Financial	66,965	0.05
680	Qualcomm	33,645	0.02
572	Regions Financial	7,045	0.01
21	RenaissanceRe Holdings	2,131	—
115	Robert Half International	4,859	—
1,107	Rockwell Automation	156,476	0.11
822	Royal Caribbean Cruises	76,236	0.06
135	S&P Global	16,539	0.01
118	Simon Property	13,932	0.01
2,228	Southwest Airlines	97,558	0.07
9,032	Synchrony Financial	237,481	0.17
3,948	Synopsys	254,596	0.18
254	Target	11,651	0.01
382	Texas Instruments	27,529	0.02
5,140	T-Mobile	236,384	0.17
3,225	Union Pacific	294,902	0.21
39	United Rentals	4,579	—
5,182	Vereit	30,218	0.02
46	Vornado Realty	2,631	—
5,342	Walgreens Boots Alliance	285,725	0.21
4,506	Wal-Mart Stores	327,045	0.24
373	Western Digital	22,470	0.02

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	North America (continued)		
4,900	WestRock	219,588	0.16
		8,706,601	6.36
	United Kingdom 12.02% (10.78%)		
14,171	Anglo American	194,072	0.15
4,596	AstraZeneca	222,469	0.16
40,309	Auto Trader Group	136,688	0.10
57,301	Aviva	298,538	0.22
16,852	Barratt Developments	102,797	0.08
832	Berkeley Group	31,849	0.02
2,188	BHP Billiton	29,440	0.02
72,656	BP	359,647	0.26
4,353	British American Tobacco	210,010	0.15
10,781	British Land	67,435	0.05
3,619	Burberry	62,066	0.05
3,061	Capita	14,901	0.01
696	Carnival	33,881	0.02
75,772	Centrica	109,566	0.08
3,298	Diageo	85,946	0.06
4,745	Direct Line Insurance Group	17,281	0.01
579	Easyjet	8,245	0.01
17,496	Experian	271,363	0.21
110	FTSE 100 Index Futures Dec 2017 ³	(80,619)	(0.06)
5,634	G4S	14,502	0.01
18,305	GlaxoSmithKline	238,331	0.17
39,808	Glencore	136,780	0.10
44,147	HSBC Holdings	329,954	0.23
8,213	Imperial Tobacco Group	254,316	0.19
607	Intertek Group	31,625	0.02
3,126	Intu Properties	6,121	—
13,508	ITV	21,694	0.02
5,779	J Sainsbury	13,598	0.01
943,173	Jupiter UK Growth Income Fund 'I' Acc ¹	3,356,657	2.46
5,579	Kingfisher	18,784	0.01
9,712	Land Securities	90,565	0.08
104,022	Legal & General Group	281,796	0.21
780	London Stock Exchange	29,445	0.02
3,184,122	Majedie UK Focus ¹	6,154,589	4.51
7,310	Marks & Spencer	22,815	0.02
17,100	Meggitt	83,192	0.06
13,968	National Grid	124,315	0.09
55,376	Old Mutual	111,029	0.08
9,057	Pearson	64,441	0.05
8,890	Persimmon	226,607	0.16
479	Provident Financial	4,287	—
2,584	Reckitt Benckiser Group	168,580	0.12
5,864	RELX	102,327	0.07
4,985	Rio Tinto	175,721	0.13
602	Rolls-Royce	5,195	—
12,373	Royal Bank of Scotland Group	34,818	0.03
16,817	Royal Dutch Shell 'A'	399,487	0.30
14,656	Royal Dutch Shell 'B'	355,188	0.26
33,570	Royal Mail	145,862	0.11
17,781	Smith & Nephew	233,109	0.17
36,735	Standard Life	158,401	0.12
1,670	Tate & Lyle	11,181	0.01
149,482	Tesco	297,246	0.21
127,447	Vodafone Group	289,241	0.21
104,045	WM Morrison Supermarkets	227,338	0.17
1,407	WPP	18,586	0.01
		16,413,298	12.02

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
PRIVATE EQUITY 6.06% (10.22%)			
167,204	HarbourVest Global Private Equity	2,086,706	1.53
816,236	IP Group	1,214,558	0.90
180,030	NB Private Equity Partners	1,746,291	1.28
148,934	Pantheon International Participation	2,786,554	2.05
2,112	Partners Group Listed Private Equity ¹	415,594	0.30
		8,249,703	6.06
REAL ESTATE 0.00% (4.04%)			
FORWARD CURRENCY CONTRACTS 0.57% (0.15%)			
€(6,000,000)	Vs £5,405,160 Expiry 16.02.2018	111,247	0.08
¥(573,000,000)	Vs £3,920,308 Expiry 15.12.2017	125,368	0.09
¥(410,000,000)	Vs £2,767,634 Expiry 15.12.2017	52,232	0.04
US\$(23,750,000)	Vs £17,962,486 Expiry 19.01.2018	330,377	0.24
US\$(9,200,000)	Vs £6,989,660 Expiry 19.01.2018	159,538	0.12
		778,762	0.57
Portfolio of investment		136,880,627	100.20
Net other liabilities		(266,967)	(0.20)
Net assets		136,613,660	100.00

Comparative figures shown in brackets relate to 30 November 2016.

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

¹ Collective investment scheme
² Structured product
³ Derivative contract

Credit Quality	30.11.17 %	30.11.16 %
Investment grade debt securities	7.69	3.65
Non-rated debt securities	1.08	1.22
Other investments	91.43	95.35
Net other liabilities	(0.20)	(0.22)
	100.00	100.00

7IM ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

		30.11.17	30.11.16
	Notes	£	£
Income			
Net capital gains	4	15,437,698	10,003,012
Revenue	5	2,168,482	2,337,688
Expenses	6	(1,397,450)	(1,325,157)
Interest payable and similar charges	8	(27,236)	(43,965)
Net revenue before taxation for the year		743,796	968,566
Taxation	7	(33,276)	(63,329)
Net revenue after taxation for the year		710,520	905,237
Total return before distributions		16,148,218	10,908,249
Distributions	8	(897,382)	(1,028,077)
Change in net assets attributable to shareholders from investment activities		15,250,836	9,880,172

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

	30.11.17	30.11.16
	£	£
Opening net assets attributable to shareholders	128,099,548	132,678,582
Amounts received on creation of shares	23,460,580	21,653,455
Amounts paid on cancellation of shares	(30,931,687)	(36,920,041)
	(7,471,107)	(15,266,586)
Stamp Duty Reserve Tax	—	(4,433)
Change in net assets attributable to shareholders from investment activities	15,250,836	9,880,172
Retained distribution on accumulation shares	734,383	811,813
Closing net assets attributable to shareholders	136,613,660	128,099,548

The notes on pages 170 to 179 are an integral part of these Financial Statements.

7IM ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		137,082,478	129,199,190
Current assets:			
Debtors	9	649,427	551,222
Cash and bank balances	10	920,746	250,162
Total assets		138,652,651	130,000,574
LIABILITIES			
Investment liabilities		(201,851)	(811,870)
Creditors:			
Bank overdrafts	10	(744,687)	(478,588)
Distribution payable		(78,512)	(106,735)
Other creditors	11	(1,013,941)	(503,833)
Total liabilities		(2,038,991)	(1,901,026)
Net assets attributable to shareholders		136,613,660	128,099,548

The notes on pages 170 to 179 are an integral part of these Financial Statements.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	13,470,597	16,501,030
Derivative contracts	912,398	(2,695,329)
Forward currency contracts	877,641	(4,015,086)
Currency gains	170,438	235,115
Transaction charges	(31,520)	(39,207)
AMC rebates from underlying investments	38,144	16,489
Net capital gains	15,437,698	10,003,012

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	1,533,223	1,829,162
Taxable dividends	444,606	246,779
Unfranked interest	123,986	215,590
AMC rebates from underlying investments	51,272	43,309
Bank interest	10,130	2,848
Stock lending revenue	5,265	—
Total revenue	2,168,482	2,337,688

* Prior year figures have been restated to be comparable with the current year figures.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,256,659	1,173,767
Other expenses	6,605	7,203
	<u>1,263,264</u>	<u>1,180,970</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	21,919	19,786
Market risk fees	6,000	7,500
Safe custody and other bank charges	28,141	29,220
Stock lending fees	1,577	—
	<u>57,637</u>	<u>56,506</u>
Other Expenses:		
Advisory fees	39,768	39,245
Audit fee	8,760	8,760
Dealing and exchange fees	13,281	25,094
FCA and other Regulatory fees	275	276
Legal and professional fees	829	1,173
Printing, postage and distribution costs	7,921	7,133
Risk analysis fees	5,715	6,000
	<u>76,549</u>	<u>87,681</u>
Total expenses	<u>1,397,450</u>	<u>1,325,157</u>

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Overseas tax	33,276	63,147
Irrecoverable CIS income tax	–	182
Current tax charge (note 7b)	33,276	63,329
Total taxation	33,276	63,329
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	743,796	968,566
Corporation tax at 20%	148,759	193,713
Effects of:		
AMC rebates taken to capital	7,628	3,298
Double taxation relief expensed	–	(827)
FX loss non taxable	(919)	–
Irrecoverable CIS income tax w/off	–	182
Movement in revenue accruals	3,305	–
Non-taxable dividends	(301,993)	(359,300)
Overseas tax	33,276	63,147
Tax effect on non-reporting offshore funds	187,298	122,773
Tax on stock dividends	(7,042)	–
Unutilised excess management expenses	(37,036)	40,343
Current tax charge (note 7a)	33,276	63,329

c) *Deferred tax*

There is no deferred tax provision in the current year (2016: none).

At the year end there is a potential deferred tax asset of £584,109 (2016: £615,441) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	433,148	424,916
Final	455,974	576,019
	889,122	1,000,935
Add: Revenue deducted on cancellation of shares	37,454	44,341
Deduct: Revenue received on issue of shares	(29,194)	(17,199)
Net distributions for the year	897,382	1,028,077
Interest payable and similar charges	27,236	43,965
Total distribution	924,618	1,072,042

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 180 and 181.

Distributions represented by:		
Net revenue after taxation	710,520	905,237
Allocations to capital:		
Equalisation on conversions ¹	(424)	(178)
Income deficit	–	239
Net movement in revenue account	(12)	6
Tax relief on Non Reporting Offshore Funds	187,298	122,773
Net distributions for the year	897,382	1,028,077

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17	30.11.16
	£	£
Amounts receivable for issue of shares	425,301	293,682
Sales awaiting settlement	–	17
Accrued revenue	133,065	187,501
Income tax recoverable	182	258
AMC rebates from underlying investments	47,348	23,586
Withholding tax recoverable	43,443	46,080
Prepaid expenses	88	98
Total debtors	649,427	551,222

10 Cash and bank balances

	30.11.17	30.11.16
	£	£
Cash and bank balances	421,656	250,161
Cash held at clearing houses	499,090	1
Total cash and bank balances	920,746	250,162
Bank overdrafts	(744,687)	(222,887)
Cash overdraft at clearing houses	–	(255,701)
Total bank overdrafts	(744,687)	(478,588)

11 Other Creditors

	30.11.17	30.11.16
	£	£
Amounts payable for cancellation of shares	881,210	364,859
Purchases awaiting settlement	–	18,962
Accrued expenses	132,731	120,012
Total other creditors	1,013,941	503,833

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 168.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

12 Related party transactions (continued)

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

Pershing Nominees Limited 43.08% (2016: 41.52%)

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

13 Classes of Shares

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

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

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Accumulation	204,124	–	(13,862)	–	190,262
Class B Accumulation	2,736,117	114,926	(303,931)	–	2,547,112
Class C Income	10,385,545	430,183	(1,828,735)	(36,526)	8,950,467
Class C Accumulation	29,789,200	6,625,877	(7,464,611)	167,360	29,117,826
Class D Income	12,972	–	–	–	12,972
Class D Accumulation	4,756,413	1,090,007	(642,339)	–	5,204,081
Class S Income	153,513	1,924	(49,785)	–	105,652
Class S Accumulation	14,924,349	2,148,560	(3,961,632)	(250,522)	12,860,755

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	330,063	330,063
Euro	141,587	–	4,019,448	4,161,035
Norwegian krone	–	–	20,800	20,800
Swedish krona	–	–	151,032	151,032
Swiss franc	35,153	–	938,659	973,812
US dollar	47,151	1,472,996	50,687,983	52,208,130
Pound sterling	6,249,847	4,942,467	105,881,950	117,074,264
	6,473,738	6,415,463	162,029,935	174,919,136

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(141,587)	(5,296,748)	(5,438,335)
Japanese yen	–	(6,510,341)	(6,510,341)
Swiss franc	(13,210)	–	(13,210)
US dollar	(12,430)	(24,580,628)	(24,593,058)
Pound sterling	(577,460)	(1,173,072)	(1,750,532)
	(744,687)	(37,560,789)	(38,305,476)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	303,904	303,904
Euro	114,242	–	9,748,410	9,862,652
Hong Kong dollar	12,463	–	–	12,463
Japanese yen	9,497	–	7,519,938	7,529,435
Norwegian krone	–	–	200,104	200,104
Swedish krona	–	–	245,744	245,744
Swiss franc	37,262	–	1,021,120	1,058,382
US dollar	17,225	1,545,390	49,086,404	50,649,019
Pound sterling	7,817,479	1,542,257	124,201,743	133,561,479
	8,008,168	3,087,647	192,327,367	203,423,182

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(111,249)	(13,397,418)	(13,508,667)
Hong Kong dollar	(12,463)	–	(12,463)
Japanese yen	(9,497)	(6,381,306)	(6,390,803)
Swiss franc	(13,873)	–	(13,873)
US dollar	(17,218)	(43,100,330)	(43,117,548)
Pound sterling	(314,288)	(11,965,992)	(12,280,280)
	(478,588)	(74,845,046)	(75,323,634)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	0.69	0.43	2	2
US dollar	(1.20)	(0.29)	3	4

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	4,130	325,933	330,063
Euro	12,290	(1,289,590)	(1,277,300)
Japanese yen	–	(6,510,341)	(6,510,341)
Norwegian krone	2,905	17,895	20,800
Swedish krona	233	150,799	151,032
Swiss franc	46,010	914,592	960,602
US dollar	50,151	27,564,921	27,615,072
	115,719	21,174,209	21,289,928
Pound sterling	(382,686)	115,706,418	115,323,732
Net assets	(266,967)	136,880,627	136,613,660

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	3,084	300,820	303,904
Euro	33,169	(3,679,184)	(3,646,015)
Japanese yen	–	1,138,632	1,138,632
Norwegian krone	3,246	196,858	200,104
Swedish krona	1,765	243,979	245,744
Swiss franc	45,871	998,638	1,044,509
US dollar	16,908	7,514,563	7,531,471
	104,043	6,714,306	6,818,349
Pound sterling	4,227,185	117,054,014	121,281,199
Net assets	4,331,228	123,768,320	128,099,548

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	11,968,455	–	11,968,455
Collective Investment Schemes	11,590,771	85,547,616	–	97,138,387
Derivatives	269,066	778,762	–	1,047,828
Equities	23,734,392	3,193,416	–	26,927,808
Total	35,594,229	101,488,249	–	137,082,478
Liabilities				
Derivatives	(201,851)	–	–	(201,851)

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	6,226,651	–	6,226,651
Collective Investment Schemes	15,629,560	74,980,320	–	90,609,880
Derivatives	1,733,910	880,679	–	2,614,589
Equities	29,748,070	–	–	29,748,070
Total	47,111,540	82,087,650	–	129,199,190
Liabilities				
Derivatives	(118,839)	(693,031)	–	(811,870)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 150.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	23,352	–	–	–	–	–
Collective Investment Schemes	99,394	–	–	–	–	–
Derivatives	3,489	–	–	–	–	–
Equities	35,381	7	33	40	0.02	0.09
Total	161,616	7	33	40	0.02	0.09

Sales	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	18,409	–	–	–	–	–
Collective Investment Schemes	100,481	–	–	–	–	–
Derivatives	–	–	–	–	–	–
Equities	48,289	(16)	(1)	(17)	0.03	–
Total	167,179	(16)	(1)	(17)	0.03	–

Total as a percentage of the average NAV	0.02%	0.02%	0.04%
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7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	3,909	–	–	–	–	–
Collective Investment Schemes	112,063	–	–	–	–	–
Derivatives	1,315	–	–	–	–	–
Equities	86,506	18	61	79	0.02	0.07
Total	203,793	18	61	79	0.02	0.07

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	38,480	–	–	–	–	–
Collective Investment Schemes	108,342	–	–	–	–	–
Derivatives	1,317	–	–	–	–	–
Equities	75,485	(16)	(1)	(17)	0.02	–
Total	223,624	(16)	(1)	(17)	0.02	–

Total as a percentage of the average NAV **0.02%** **0.05%** **0.07%**

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.15% (2016: 0.19%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	0.1712	—	0.1712	0.1306
Group 2	0.1712	—	0.1712	0.1306
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class B Accumulation				
Group 1	0.4910	—	0.4910	0.4682
Group 2	0.3667	0.1243	0.4910	0.4682
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	0.7706	—	0.7706	0.7022
Group 2	0.5053	0.2653	0.7706	0.7022
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	0.8162	—	0.8162	0.7276
Group 2	0.4726	0.3436	0.8162	0.7276
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	0.1798	—	0.1798	—
Group 2	0.1798	—	0.1798	—
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	0.1956	—	0.1956	0.1764
Group 2	0.1250	0.0706	0.1956	0.1764
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	0.5757	—	0.5757	0.5107
Group 2	0.3494	0.2263	0.5757	0.5107
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	0.5908	—	0.5908	0.5239
Group 2	0.3572	0.2336	0.5908	0.5239

7IM ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	0.2520	—	0.2520	0.4714
Group 2	0.2520	—	0.2520	0.4714
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class B Accumulation				
Group 1	0.5699	—	0.5699	0.7571
Group 2	0.4374	0.1325	0.5699	0.7571
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	0.8693	—	0.8693	1.0174
Group 2	0.5738	0.2955	0.8693	1.0174
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	0.9092	—	0.9092	1.0716
Group 2	0.6363	0.2729	0.9092	1.0716
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	0.2409	—	0.2409	—
Group 2	0.2409	—	0.2409	—
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	0.2592	—	0.2592	0.4689
Group 2	0.1906	0.0686	0.2592	0.4689
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	0.6387	—	0.6387	0.6987
Group 2	0.4161	0.2226	0.6387	0.6987
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	0.6550	—	0.6550	0.7108
Group 2	0.4255	0.2295	0.6550	0.7108

Equalisation

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

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

The 7IM Sustainable Balance Fund (the 'Sub-fund') aims to provide a balance of income and capital appreciation. There may be some risk to capital. The Sub-fund invests predominantly in a range of securities and collective investment vehicles managed by selected fund managers.

The Sub-fund will only invest in individual securities where the underlying companies, countries and institutions score well on social and environmental criteria.

To measure these criteria, the industry from which an investment has been made and the position of the investment relative to its peer group are analysed. The social aspects of companies' relationships with suppliers, the general public, employees, clients and competitors are considered. The environmental aspects of pre-production sourcing, production processes, products and services, as well as the environmental strategy/policy and environmental management systems are also examined.

Certain products and manufacturing processes are so high-risk that they are not rated as being compatible with the criteria. Companies from certain industries or with significant exposure to certain activities are precluded, such as:

Tobacco industry
Armaments
Pornography
Nuclear power generation
Chlorine, agrochemicals and GMOs in agriculture

The Sub-fund may also invest in collective investment vehicles (including exchange traded funds and open or closed ended funds) that track recognised ethical or socially responsible indices or are managed with appropriate ethical, social or environmental criteria.

The Sub-fund will comprise a mixture of income-generating assets and assets with scope for capital growth in real terms. The Sub-fund may use different asset classes, with investment primarily in equities and fixed interest securities with no long term preponderance to either class. The Sub-fund may also invest in money market instruments, warrants, deposits, cash and near cash, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 7.12%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2. The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emmanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

¹Calculated using 7IM Sustainable Balance C Acc shares, NAV return Source: NTRS

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT (continued)
for the year ended 30 November 2017

Investment Manager's Report (continued)

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016 we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period. In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

Portfolio Review

The portfolio was reasonably cautiously positioned going into 2017 looking to avoid volatility rather than making a directional call on the markets. Once it became clear that Trump's presidency was, for the time being, positive for equities, we added back some equity risk in Developed Markets but with the protectionist rhetoric that the Trump campaign was espousing we felt it prudent to reduce equity risk in Emerging Markets equity. In addition we added some risk mitigation buying a small insurance premium against a significant increase in the value of Sterling against the US Dollar which should it happen would likely lead to potentially dampening demand for UK exports. We also bought a significant holding in US Treasuries. US Treasury yields pushed higher during much of the first quarter as markets moved to price in more rate hikes. But with more risk around the planned tax cuts and spending programmes in the US we thought these could at least mark time and have some scope to contract. We added to the US equity short position – taking US equity risk out of the portfolio – feeling that US equity valuations had become quite demanding and appear to price in a fair degree of optimism around tax cuts and infrastructure spending. Meanwhile, we topped up UK, European and Emerging Markets equity.

We have been looking for alternative investments uncorrelated, or relatively, uncorrelated with equities or bonds which at the same time offer sustainable or impact qualities. We invested in a couple of social housing REITs where the company does not take development risk. Civitas and Residential Secure Income (ReSI) have contracts with Housing Associations or Local Authorities which are quasi government backed with long term rent/leases in place in general needs housing and supported living housing. In addition ReSI is looking to sign contracts with shared ownership providers which help first time buyers get on the property ladder.

We also participated in capital raisings in the renewable energy infrastructure companies held in the Sub-fund thus raising the allocation to this sector. The year has been one of mixed fortunes for these companies with a low wholesale energy price dampening the long term price assumptions which are used to calculate the net asset values. On the other hand the companies have been able to extract more efficiencies from their portfolios which helped to offset the net asset value decline based on the long term power price assumptions. Competition for wind and solar installations has been keen and both Foresight and NextEnergy have recently bought solar farms outside the UK to find better value, in Australia and Italy, respectively. This has raised the risk profile in these funds a little as the regulatory framework for renewables is slightly different to that in the UK and there is a currency risk to take account of. We continue to view these companies as providing a good source of uncorrelated return. Towards the end of the year a number of problems with gas supplies emerged in particular from a gas hub in Austria which had to close down due to a leaking pipe, throwing into sharp relief the benefits of renewable energy which does not need to be extracted or transported across country borders and share prices in the renewable infrastructure companies consequently jumped back up. We are also excited by the prospects for energy storage as this will considerably enhance renewable energy providers where the energy produced is intermittent.

With bond yields rising we also looked for alternatives to conventional fixed income products, such as loans, and made a small investment in a direct lending proposition which follows environmental, social and governance guidelines but should not be confused with peer to peer lending which we view as more risky. It is in the business of traditional asset backed lending to small enterprises where full financial and credit analysis has been undertaken.

The direct equity portfolio is invested along global thematic lines such as the consequences of ageing (Amgen), internet integration, machine intelligence and data explosion (Tencent), getting more for less (Associated British Foods) and expanding horizons (Shimano). Tencent was a very strong performer having doubled over the last year on the back of a growing market in China for internet services while Associated British Foods which includes the Primark and Fortnum and Masons brands had a good quarter following strong interim results from the low cost Primark chain.

We still see a slow steady expansion being the most likely scenario for the next twelve months, but cannot rule out the possibility of a sharp negative shock at some point and so we have positioned the Sub-fund to protect capital which does mean sacrificing some potential gains. The current features of global financial markets we see as worrying include seeing most of the strength of performance from US equities is coming from a few very big technology companies such as Amazon, Apple and Facebook, so we are happy to have an S&P 500 short equity position in place to reduce risk from US equities. Talk of rising interest rates and an exit from emergency monetary policy also concern us because, although it is reasonable to expect rates to move back to a more normal level at some point, that does not necessarily happen without some market volatility.

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT (continued)
for the year ended 30 November 2017

Investment Manager's Report (continued)

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

In the UK there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION

The Comparative Tables on pages 186 to 194 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 and research costs.

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

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	112.92	108.38	106.56
Return before operating charges*	9.79	9.00	6.30
Operating charges (calculated on average price)	(2.27)	(2.18)	(2.20)
Return after operating charges*	7.52	6.82	4.10
Distributions on income shares	(2.26)	(2.28)	(2.28)
Closing net asset value per share	118.18	112.92	108.38
* After direct transaction costs of: ¹	0.05	0.03	0.06
Performance			
Return after charges ²	6.66%	6.29%	3.85%
Other Information			
Closing net asset value (£'000)	90	94	97
Closing number of shares	75,950	83,255	89,870
Operating charges ³	1.92%	1.99%	2.01%
Direct transaction costs	0.04%	0.02%	0.06%
Prices			
Highest share price	120.59	117.18	114.64
Lowest share price	111.98	99.58	102.69

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 195.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	139.50	131.17	126.36
Return before operating charges*	12.08	10.95	7.43
Operating charges (calculated on average price)	(2.81)	(2.62)	(2.62)
Return after operating charges*	9.27	8.33	4.81
Distributions	(2.81)	(2.82)	(2.69)
Retained distributions on accumulation shares	2.81	2.82	2.69
Closing net asset value per share	148.77	139.50	131.17
* After direct transaction costs of: ¹	0.06	0.03	0.07
Performance			
Return after charges ²	6.65%	6.35%	3.81%
Other Information			
Closing net asset value (£'000)	172	189	384
Closing number of shares	115,362	135,411	292,955
Operating charges ³	1.92%	1.99%	2.01%
Direct transaction costs	0.04%	0.02%	0.06%
Prices			
Highest share price	150.31	142.99	136.10
Lowest share price	138.32	120.50	122.86

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 195.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	140.96	132.49	127.49
Return before operating charges*	12.23	10.97	7.51
Operating charges (calculated on average price)	(2.70)	(2.50)	(2.51)
Return after operating charges*	9.53	8.47	5.00
Distributions	(2.84)	(2.80)	(2.72)
Retained distributions on accumulation shares	2.84	2.80	2.72
Closing net asset value per share	150.49	140.96	132.49
* After direct transaction costs of: ¹	0.06	0.03	0.07
Performance			
Return after charges ²	6.76%	6.39%	3.92%
Other Information			
Closing net asset value (£'000)	23	20	100
Closing number of shares	15,544	13,926	73,792
Operating charges ³	1.82%	1.89%	1.94%
Direct transaction costs	0.04%	0.02%	0.01%
Prices			
Highest share price	152.04	144.51	137.38
Lowest share price	139.78	121.74	123.97

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 195.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	117.23	111.93	109.51
Return before operating charges*	10.11	9.35	6.45
Operating charges (calculated on average price)	(1.74)	(1.69)	(1.70)
Return after operating charges*	8.37	7.66	4.75
Distributions on income shares	(2.35)	(2.36)	(2.33)
Closing net asset value per share	123.25	117.23	111.93
* After direct transaction costs of: ¹	0.05	0.03	0.06
Performance			
Return after charges ²	7.14%	6.84%	4.34%
Other Information			
Closing net asset value (£'000)	24,945	24,456	23,188
Closing number of shares	20,238,861	20,862,335	20,716,740
Operating charges ³	1.42%	1.49%	1.51%
Direct transaction costs	0.04%	0.02%	0.06%
Prices			
Highest share price	125.71	121.58	118.04
Lowest share price	116.26	102.96	105.99

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

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

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7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	146.88	137.41	131.70
Return before operating charges*	12.68	11.56	7.76
Operating charges (calculated on average price)	(2.20)	(2.09)	(2.05)
Return after operating charges*	10.48	9.47	5.71
Distributions	(2.96)	(2.91)	(2.78)
Retained distributions on accumulation shares	2.96	2.91	2.78
Closing net asset value per share	157.36	146.88	137.41
* After direct transaction costs of: ¹	0.06	0.03	0.08
Performance			
Return after charges ²	7.14%	6.89%	4.34%
Other Information			
Closing net asset value (£'000)	45,947	34,839	27,203
Closing number of shares	29,199,076	23,719,467	19,797,916
Operating charges ³	1.42%	1.49%	1.51%
Direct transaction costs	0.04%	0.02%	0.06%
Prices			
Highest share price	158.93	150.48	142.12
Lowest share price	145.65	126.37	128.09

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 195.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	111.32	106.90	105.22
Return before operating charges*	9.67	8.87	6.18
Operating charges (calculated on average price)	(2.35)	(2.19)	(2.27)
Return after operating charges*	7.32	6.68	3.91
Distributions on income shares	(2.23)	(2.26)	(2.23)
Closing net asset value per share	116.41	111.32	106.90
* After direct transaction costs of: ¹	0.05	0.03	0.06
Performance			
Return after charges ²	6.58%	6.25%	3.72%
Other Information			
Closing net asset value (£'000)	24	19	177
Closing number of shares	20,539	16,687	165,717
Operating charges ³	2.02%	2.09%	2.11%
Direct transaction costs	0.04%	0.02%	0.06%
Prices			
Highest share price	118.78	115.53	113.16
Lowest share price	110.40	98.21	101.32

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 195.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	138.12	129.98	125.34
Return before operating charges*	11.98	10.83	7.36
Operating charges (calculated on average price)	(2.92)	(2.69)	(2.72)
Return after operating charges*	9.06	8.14	4.64
Distributions	(2.78)	(2.79)	(2.70)
Retained distributions on accumulation shares	2.78	2.79	2.70
Closing net asset value per share	147.18	138.12	129.98
* After direct transaction costs of: ¹	0.06	0.03	0.07
Performance			
Return after charges ²	6.56%	6.26%	3.70%
Other Information			
Closing net asset value (£'000)	71	95	872
Closing number of shares	48,204	69,096	671,013
Operating charges ³	2.02%	2.09%	2.11%
Direct transaction costs	0.04%	0.02%	0.06%
Prices			
Highest share price	148.71	141.60	134.95
Lowest share price	136.96	119.39	121.87

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

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

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7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	112.96	107.60	105.00
Return before operating charges*	9.73	9.00	6.20
Operating charges (calculated on average price)	(1.39)	(1.36)	(1.36)
Return after operating charges*	8.34	7.64	4.84
Distributions on income shares	(2.27)	(2.28)	(2.24)
Closing net asset value per share	119.03	112.96	107.60
* After direct transaction costs of: ¹	0.05	0.03	0.06
Performance			
Return after charges ²	7.38%	7.10%	4.61%
Other Information			
Closing net asset value (£'000)	641	610	474
Closing number of shares	538,873	539,758	440,354
Operating charges ³	1.17%	1.24%	1.26%
Direct transaction costs	0.04%	0.02%	0.06%
Prices			
Highest share price	121.39	117.13	113.28
Lowest share price	112.02	99.01	101.83

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 195.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	119.62	111.63	106.73
Return before operating charges*	10.32	9.40	6.29
Operating charges (calculated on average price)	(1.48)	(1.41)	(1.39)
Return after operating charges*	8.84	7.99	4.90
Distributions	(2.42)	(2.37)	(2.25)
Retained distributions on accumulation shares	2.42	2.37	2.25
Closing net asset value per share	128.46	119.62	111.63
* After direct transaction costs of: ¹	0.05	0.03	0.06
Performance			
Return after charges ²	7.39%	7.16%	4.59%
Other Information			
Closing net asset value (£'000)	9,043	8,679	7,915
Closing number of shares	7,039,641	7,255,299	7,090,620
Operating charges ³	1.17%	1.24%	1.26%
Direct transaction costs	0.04%	0.02%	0.06%
Prices			
Highest share price	129.72	122.52	115.28
Lowest share price	118.61	102.71	103.81

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 195.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.75%	1.65%	1.25%	1.85%	1.00%
Other expenses	0.10%	0.10%	0.10%	0.10%	0.10%
	1.85%	1.75%	1.35%	1.95%	1.10%
Collective investment scheme costs	0.07%	0.07%	0.07%	0.07%	0.07%
Ongoing Charges Figure	1.92%	1.82%	1.42%	2.02%	1.17%

As at 30 November 2016

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.75%	1.65%	1.25%	1.85%	1.00%
Other expenses	0.13%	0.13%	0.13%	0.13%	0.13%
	1.88%	1.78%	1.38%	1.98%	1.13%
Collective investment scheme costs	0.11%	0.11%	0.11%	0.11%	0.11%
Ongoing Charges Figure	1.99%	1.89%	1.49%	2.09%	1.24%

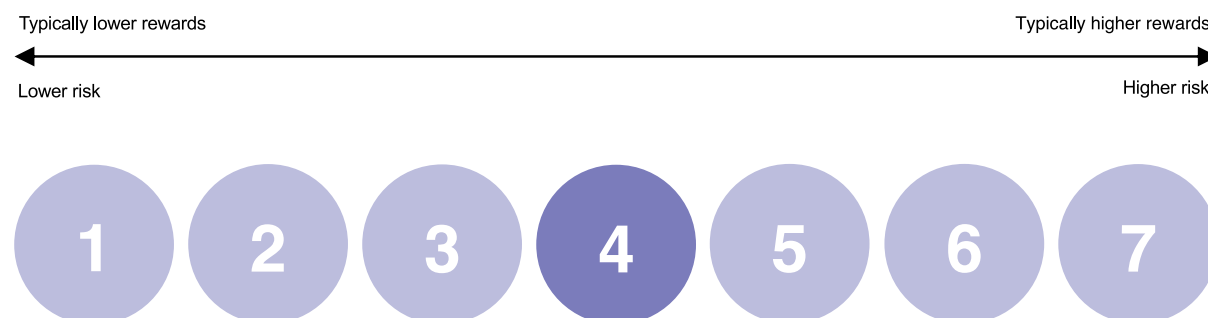
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 4.

Fund performance to 30 November 2017 (%)

	1 year	3 years	5 years
7IM Sustainable Balance Fund ¹	7.12	19.56	43.10

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 212 to 214.

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 3.10% (5.54%)			
202	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ¹	7,744	0.01
3,000,000	Credit Suisse International Inflation Swap Transaction 2018 ¹	2,298,783	2.85
20	S&P 500 Index Put Options 2200 Jun 2018 ²	29,157	0.04
959	Societe Generale GBP/USD Warrants 13/04/2018 ¹	158,714	0.20
		2,494,398	3.10
CASH 4.49% (10.40%)			
2,000,000	Goldman Sachs Sterling Liquid Reserves ³	2,000,000	2.47
1,633,000	Northern Trust Global Sterling Fund ³	1,633,000	2.02
		3,633,000	4.49
DEBT SECURITIES 27.44% (23.00%)			
Corporate Bonds 1.30% (0.53%)			
£100,000	ABN AMRO Bank 1% 2020	99,391	0.12
£150,000	Bunzl Finance 2.25% 2025	149,138	0.18
£150,000	Bupa Finance 2% 2024	149,065	0.18
£150,000	Coventry Building Society 1.875% 2023	148,170	0.18
£179,717	Greater Gabbard OFTO 4.137% 2032	205,465	0.25
£200,000	PRS Finance 1.75% 2026	201,249	0.25
£100,000	Welltower 4.50% 2034	113,474	0.14
		1,065,952	1.30
Gilts 7.25% (6.42%)			
£100,000	Credit Suisse FRN 2025	97,893	0.12
£200,000	Deutsche Bahn Finance 1.375% 2025	195,784	0.24
£650,000	UK Gilt 3.25% 2044	823,524	1.02
£350,000	UK Gilt 3.75% 2052	521,698	0.64
£700,000	UK Gilt 4.00% 2022	795,984	0.98
£765,000	UK Gilt 4.50% 2034	1,066,296	1.32
£700,000	UK Gilt 4.75% 2038	1,048,572	1.30
£500,000	UK Gilt 5.00% 2018	506,185	0.63
£550,000	UK Gilt 6.00% 2028	807,194	1.00
		5,863,130	7.25
Global Corporate Bonds 0.00% (0.45%)			
Global Government Bonds 7.39% (0.00%)			
US\$2,750,000	US Treasury Notes 1.625% 2026	1,932,226	2.39
US\$2,750,000	US Treasury Notes 2.25% 2025	2,033,542	2.50
US\$2,750,000	US Treasury Notes 2.25% 2027	2,023,234	2.50
		5,989,002	7.39
Short Term Sterling Bonds 2.33% (1.46%)			
£150,000	A2Dominion Housing 3.5% 2028	152,221	0.19
£305,000	Bank Nederlandse Gemeenten 5.375% 2021	350,302	0.43
£150,000	Digital Stout Holding 4.25% 2025	165,506	0.20
£400,000	KFW 1.625% 2020	408,275	0.51
£100,000	Nederlandse Water 5.375% 2032	140,215	0.17
£200,000	Reseau Ferre de France 5.5% 2021	232,808	0.29
£191,505	UPP Bond 1 Issuer 4.9023% 2040	232,543	0.29
£186,757	Wods Transmission 3.446% 2034	202,795	0.25
		1,884,665	2.33
Sterling Corporate Bonds 9.17% (14.14%)			
£120,000	AA Bond 2.75% 2023	118,619	0.15
£250,000	Affordable Housing 2.893% 2043	280,110	0.35
£100,000	Anglian Water Services Financing PLC 1.625% 2025	97,352	0.12
£150,000	BASF 1.75% 2025	148,833	0.18

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Sterling Corporate Bonds (continued)			
£100,000	Cardiff University 3% 2055	113,175	0.14
£100,000	Comcast Corp 5.50% 2029	131,047	0.16
£295,000	Dignity Finance 4.6956% 2049	363,503	0.45
£150,000	Dwr Cymru Financing 6.015% 2028	201,938	0.25
£120,000	France Telecom 5.625% 2034	158,221	0.20
£100,000	Go-Ahead Group 2.50% 2024	98,702	0.12
£100,000	High Speed Rail Finance 4.375% 2038	123,616	0.15
£100,000	Koninklijke 5.75% 2029	126,362	0.16
£150,000	Legal & General Group 5.375% 2045	168,231	0.21
£100,000	Lloyds TSB Bank 7.5% 2024	132,817	0.16
£100,000	London & Quadrant Housing Trust 2.75% 2057	94,749	0.12
£200,000	National Grid Gas Finance 2.625% 2038	186,273	0.23
£150,000	Network Rail Infrastructure Finance 3% 2023	164,963	0.20
£100,000	Notting Hill Housing Trust 3.25% 2048	99,011	0.12
£150,000	Scottish Widows 5.50% 2023	169,421	0.21
£200,000	Tennessee Valley Authority 5.625% 2032	275,490	0.34
£190,000	Thames Water Utilities Cayman Finance 3.5% 2028	204,066	0.25
2,670,292	Threadneedle UK Social Bond ³	2,995,000	3.70
£500,000	Transport for London 3.875% 2042	622,432	0.78
£250,000	Wellcome Trust Finance 4.625% 2036	339,948	0.42
		7,413,879	9.17
EQUITY 56.50% (53.76%)			
Asia & Emerging Markets 3.01% (12.81%)			
3,962	Credicorp	629,582	0.78
49,500	ICICI Bank ADR	357,135	0.44
126,900	Samsonite International	389,783	0.48
17,610	Taiwan Semiconductor Manufacturing ADR	516,204	0.63
14,400	Tencent	545,855	0.68
		2,438,559	3.01
Europe (ex UK) 9.27% (4.74%)			
3,120	ASML Holding	409,691	0.51
7,877	Drillisch	449,381	0.56
5,951	Essilor International	569,244	0.70
7,831	Frenius	577,957	0.72
7,706	Henkel	694,038	0.86
2,237	Roche Holding	417,908	0.52
10,939	Schneider Electric	700,342	0.87
21,496	SES	261,354	0.32
15,804	Total	665,845	0.82
23,553	UBS MSCI EMU Socially Responsible UCITS ETF ³	1,946,184	2.40
23,416	Umicore	801,526	0.99
		7,493,470	9.27
Far East (ex Japan) 1.52% (1.51%)			
112,000	AIA	675,233	0.83
6,960	CSL	561,471	0.69
		1,236,704	1.52
Japan 6.07% (3.27%)			
35,800	Kubota	502,430	0.62
2,900	Shimano	297,831	0.37
16,800	Shionogi	695,930	0.86
202,233	UBS MSCI Japan Socially Responsible UCITS ETF ³	3,414,704	4.22
		4,910,895	6.07
North America 17.97% (23.46%)			
4,670	3M	826,668	1.02

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
North America (continued)			
13,296	Activision Blizzard	613,250	0.76
5,946	Air Products & Chemicals	719,163	0.89
590	Alphabet 'C'	448,250	0.55
419	Amazon.com	361,846	0.45
10,184	AmerisourceBergen	641,211	0.79
6,622	Amgen	848,455	1.05
1,713	BlackRock	638,032	0.79
5,343	Canadian Pacific Railway	688,674	0.85
13,492	Carmax	687,321	0.85
2,113	Charter Communications	520,985	0.65
6,291	CME	691,638	0.85
13,727	Colgate-Palmolive	735,231	0.91
4,589	Costco Wholesale	605,927	0.75
8,055	Ecolab	808,825	1.00
1,272	Equinix	443,083	0.55
8,067	First Republic Bank	578,961	0.72
8,161	MasterCard	900,384	1.11
5,421	Moody's	604,134	0.75
500	Priceline	644,550	0.80
(50)	S&P 500 E-mini Dec 2017 ²	(286,084)	(0.35)
21,439	Service International	586,824	0.72
4,727	Simon Property	558,120	0.69
18,237	Zions Bancorporation	671,044	0.82
		14,536,492	17.97
United Kingdom 18.66% (7.97%)			
26,296	Associated British Foods	785,724	0.97
1,500,000	Civitas Social Housing	1,672,500	2.06
55,864	Just Eat	443,839	0.55
86,337	National Grid	768,399	0.95
933,403	NextEnergy Solar	1,003,408	1.23
25,009	Prudential	476,797	0.59
1,000,000	Residential Secure Income	987,500	1.21
500,000	RM Secured Direct Lending	502,500	0.62
250,000	RM Secured Direct Lending 'C'	252,500	0.31
515,510	UBS (Irl) MSCI United Kingdom IMI Socially Responsible ³	8,243,006	10.17
		15,136,173	18.66
INFRASTRUCTURE 4.33% (4.06%)			
500,000	Bluefield Solar Income Fund	575,000	0.71
800,000	Foresight Solar Fund	840,000	1.04
1,171,800	Greencoat UK Wind	1,396,786	1.72
667,200	Renewables Infrastructure Group (The)	695,222	0.86
		3,507,008	4.33
PRIVATE EQUITY 0.00% (0.00%)			
337,642	Low Carbon Accelerator ⁴	—	—
PROPERTY 0.50% (0.00%)			
400,000	Civitas Social Housing Preference	404,000	0.50
RISK MITIGATION 0.00% (0.11%)			
FORWARD CURRENCY CONTRACTS 0.41% (-0.02%)			
€(5,200,000)	Vs £4,684,472 Expiry 16.02.2018	96,414	0.12
¥(193,000,000)	Vs £1,320,453 Expiry 15.12.2017	42,227	0.05
US\$(12,200,000)	Vs £9,227,046 Expiry 19.01.2018	169,710	0.21

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	FORWARD CURRENCY CONTRACTS (continued)		
US\$(1,300,000)	Vs £987,669 Expiry 19.01.2018	22,543	0.03
		330,894	0.41

Portfolio of investment	78,338,221	96.77
Net other assets	2,617,305	3.23
Net assets	80,955,526	100.00

Comparative figures shown in brackets relate to 30 November 2016.

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

¹ Structured product

² Derivative contract

³ Collective investment scheme

⁴ Delisted security

Credit Quality	30.11.17 %	30.11.16 %
Investment grade debt securities	23.56	18.40
Non-rated debt securities	3.02	5.89
Other investments	70.19	72.56
Net other assets	3.23	3.15
	100.00	100.00

7IM SUSTAINABLE BALANCE FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

		30.11.17	30.11.16
	Notes	£	£
Income			
Net capital gains	4	4,443,131	3,783,306
Revenue	5	1,681,600	1,566,117
Expenses	6	(992,697)	(856,137)
Interest payable and similar charges	8	(10,630)	(249)
Net revenue before taxation for the year		678,273	709,731
Taxation	7	(52,520)	(38,819)
Net revenue after taxation for the year		625,753	670,912
Total return before distributions		5,068,884	4,454,218
Distributions	8	(1,444,927)	(1,341,644)
Change in net assets attributable to shareholders from investment activities		3,623,957	3,112,574

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

	30.11.17	30.11.16
	£	£
Opening net assets attributable to shareholders	69,000,115	60,411,214
Amounts received on creation of shares	17,435,879	14,360,431
Amounts paid on cancellation of shares	(10,106,999)	(9,735,944)
	7,328,880	4,624,487
Stamp Duty Reserve Tax	(354)	—
Change in net assets attributable to shareholders from investment activities	3,623,957	3,112,574
Retained distribution on accumulation shares	1,002,928	851,840
Closing net assets attributable to shareholders	80,955,526	69,000,115

The notes on pages 203 to 211 are an integral part of these Financial Statements.

7IM SUSTAINABLE BALANCE FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		78,624,305	67,172,083
Current assets:			
Debtors	9	557,446	716,779
Cash and bank balances	10	2,790,981	2,073,401
Total assets		81,972,732	69,962,263
LIABILITIES			
Investment liabilities		(286,084)	(345,009)
Creditors:			
Bank overdrafts	10	(120,366)	(124,484)
Distribution payable		(254,824)	(310,148)
Other creditors	11	(355,932)	(182,507)
Total liabilities		(1,017,206)	(962,148)
Net assets attributable to shareholders		80,955,526	69,000,115

The notes on pages 203 to 211 are an integral part of these Financial Statements.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	4,997,840	6,522,023
Derivative contracts	(698,051)	(35,849)
Forward currency contracts	165,870	(2,766,498)
Currency (losses)/gains	(12,750)	69,555
Transaction charges	(10,796)	(13,834)
AMC rebates from underlying investments	1,018	7,909
Net capital gains	4,443,131	3,783,306

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	1,059,964	950,299
Taxable dividends	156,838	182,784
Unfranked interest	457,156	430,414
Bank interest	7,642	2,620
Total revenue	1,681,600	1,566,117

* Prior year figures have been restated to be comparable with the current year figures.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	927,448	783,828
Other expenses	5,135	5,260
	<u>932,583</u>	<u>789,088</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	12,893	11,183
Market risk fees	6,000	7,500
Safe custody and other bank charges	12,686	13,361
	<u>31,579</u>	<u>32,044</u>
Other Expenses:		
Audit fee	8,760	8,160
Dealing and exchange fees	8,775	14,298
FCA and other Regulatory fees	275	136
Legal and professional fees	829	1,329
Printing, postage and distribution costs	4,181	5,082
Risk analysis fees	5,715	6,000
	<u>28,535</u>	<u>35,005</u>
Total expenses	<u>992,697</u>	<u>856,137</u>

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Overseas tax	52,520	38,819
Current tax charge (note 7b)	52,520	38,819
Total taxation	<u>52,520</u>	<u>38,819</u>
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	678,273	709,731
Corporation tax at 20%	135,655	141,946
Effects of:		
AMC rebates taken to capital	203	1,582
Double taxation relief expensed	(944)	–
Movement in revenue accruals	4,718	(1,962)
Non-taxable dividends	(216,353)	(185,720)
Overseas tax	52,520	38,819
Unutilised excess management expenses	76,721	44,154
Current tax charge (note 7a)	<u>52,520</u>	<u>38,819</u>

c) *Deferred tax*

There is no deferred tax provision in the current year (2016: none).

At the year end there is a potential deferred tax asset of £254,005 (2016: £177,284) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	701,961	520,007
Final	797,292	843,048
	<hr/> 1,499,253	<hr/> 1,363,055
Add: Revenue deducted on cancellation of shares	61,470	57,800
Deduct: Revenue received on issue of shares	(115,796)	(79,211)
	<hr/> 1,444,927	<hr/> 1,341,644
Net distributions for the year	1,444,927	1,341,644
Interest payable and similar charges	10,630	249
Total distribution	<hr/> 1,455,557	<hr/> 1,341,893

Details of the distributions per share are set out in the table on pages 212 to 214.

Distributions represented by:		
Net revenue after taxation	625,753	670,912
Allocations to capital:		
Expenses, net of tax relief	819,187	670,729
Equalisation on conversions ¹	2	–
Net movement in revenue account	(15)	3
	<hr/> 1,444,927	<hr/> 1,341,644
Net distributions for the year		

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17 £	30.11.16 £
Amounts receivable for issue of shares	81,257	381,685
Sales awaiting settlement	170,214	–
Accrued revenue	270,074	264,970
Income tax recoverable	4,230	33,459
AMC rebates from underlying investments	16,007	15,383
Withholding tax recoverable	15,576	21,184
Prepaid expenses	88	98
Total debtors	<hr/> 557,446	<hr/> 716,779

10 Cash and bank balances

	30.11.17 £	30.11.16 £
Cash and bank balances	2,380,026	1,972,003
Cash held at clearing houses	410,955	101,398
Total cash and bank balances	<hr/> 2,790,981	<hr/> 2,073,401
Bank overdrafts	(120,366)	(97,109)
Cash overdraft at clearing houses	–	(27,375)
Total bank overdrafts	<hr/> (120,366)	<hr/> (124,484)

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

11 Other Creditors

	30.11.17	30.11.16
	£	£
Amounts payable for cancellation of shares	109,594	99,805
Purchases awaiting settlement	149,138	–
Accrued expenses	97,200	82,702
Total other creditors	355,932	182,507

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 201.

7IM and its associates (including other authorised investment funds managed by 7IM) had no shareholdings in the Sub-fund (2016: none).

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

Pershing Nominees Limited 56.05% (2016: 61.06%)

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

13 Classes of Shares

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

Class A	1.75%
Class B	1.65%
Class C	1.25%
Class D	1.85%
Class S	1.00%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	83,255	9,774	(17,079)	–	75,950
Class A Accumulation	135,411	1,741	(21,790)	–	115,362
Class B Accumulation	13,926	1,618	–	–	15,544
Class C Income	20,862,335	900,295	(1,523,769)	–	20,238,861
Class C Accumulation	23,719,467	9,313,116	(4,128,433)	294,926	29,199,076
Class D Income	16,687	3,852	–	–	20,539
Class D Accumulation	69,096	4,792	(25,684)	–	48,204
Class S Income	539,758	62,901	(63,786)	–	538,873
Class S Accumulation	7,255,299	1,572,499	(1,426,756)	(361,401)	7,039,641

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	–	–	561,471	561,471
Canadian dollar	–	–	66	66
Danish krone	–	–	1,342	1,342
Euro	21,482	–	5,138,049	5,159,531
Hong Kong dollar	–	–	1,610,872	1,610,872
Japanese yen	–	–	1,499,248	1,499,248
Swiss franc	72,600	–	423,404	496,004
US dollar	2,330,696	5,989,002	16,386,754	24,706,452
Pound sterling	6,297,987	13,232,626	44,295,878	63,826,491
	8,722,765	19,221,628	69,917,084	97,861,477

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(21,482)	(4,588,058)	(4,609,540)
Japanese yen	–	(1,278,226)	(1,278,226)
Swiss franc	(72,600)	–	(72,600)
US dollar	(26,284)	(10,308,545)	(10,334,829)
Pound sterling	–	(610,756)	(610,756)
	(120,366)	(16,785,585)	(16,905,951)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	–	–	408,278	408,278
Canadian dollar	–	–	69	69
Danish krone	–	–	1,303	1,303
Euro	20,888	–	4,001,892	4,022,780
Hong Kong dollar	–	–	950,394	950,394
Japanese yen	–	–	5,425,680	5,425,680
Norwegian krone	–	–	384	384
Swedish krona	–	–	392	392
Swiss franc	76,243	–	411,073	487,316
US dollar	1,945,165	2,112,252	16,949,892	21,007,309
Pound sterling	9,146,148	12,706,499	40,742,234	62,594,881
	11,188,444	14,818,751	68,891,591	94,898,786

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(20,866)	(3,512,398)	(3,533,264)
Japanese yen	–	(2,624,884)	(2,624,884)
Swiss franc	(76,243)	–	(76,243)
US dollar	(27,375)	(14,283,505)	(14,310,880)
Pound sterling	–	(5,353,400)	(5,353,400)
	(124,484)	(25,774,187)	(25,898,671)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	1.97	2.02	16	14
US dollar	1.70	(11.39)	6	1

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Australian dollar	–	561,471	561,471
Canadian dollar	66	–	66
Danish krone	1,342	–	1,342
Euro	8,672	541,319	549,991
Hong Kong dollar	–	1,610,872	1,610,872
Japanese yen	3,057	217,965	221,022
Swiss franc	5,496	417,908	423,404
US dollar	37,730	14,333,893	14,371,623
	56,363	17,683,428	17,739,791
Pound sterling	6,193,942	57,021,793	63,215,735
Net assets	6,250,305	74,705,221	80,955,526

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Australian dollar	–	408,278	408,278
Canadian dollar	69	–	69
Danish krone	1,303	–	1,303
Euro	8,800	480,716	489,516
Hong Kong dollar	–	950,394	950,394
Japanese yen	1,206	2,799,590	2,800,796
Norwegian krone	384	–	384
Swedish krona	392	–	392
Swiss franc	10,258	400,815	411,073
US dollar	(2,623)	6,699,052	6,696,429
	19,789	11,738,845	11,758,634
Pound sterling	9,326,252	47,915,229	57,241,481
Net assets	9,346,041	59,654,074	69,000,115

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	11,558,455	9,961,956	–	21,520,411
Collective Investment Schemes	14,178,894	6,628,000	–	20,806,894
Derivatives	29,157	330,894	–	360,051
Equities	35,770,491	166,458	–	35,936,949
Total	61,536,997	17,087,308	–	78,624,305
Liabilities				
Derivatives	(286,084)	–	–	(286,084)

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	3,920,799	12,839,997	–	16,760,796
Collective Investment Schemes	9,725,260	11,475,999	–	21,201,259
Derivatives	4,278,013	322,028	–	4,600,041
Equities	24,609,987	–	–	24,609,987
Total	42,534,059	24,638,024	–	67,172,083
Liabilities				
Derivatives	(10,279)	(334,730)	–	(345,009)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 185.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	14,301	–	–	–	–	–
Collective Investment Schemes	21,624	–	–	–	–	–
Derivatives	363	–	–	–	–	–
Equities	38,832	19	–	19	0.05	–
Total	75,120	19	–	19	0.05	–
Sales						
Bonds	6,959	–	–	–	–	–
Collective Investment Schemes	26,527	–	–	–	–	–
Derivatives	–	–	–	–	–	–
Equities	33,036	(12)	–	(12)	0.04	–
Total	66,522	(12)	–	(12)	0.04	–
Total as a percentage of the average NAV		0.04%	0.00%	0.04%		

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	11,455	–	–	–	–	–
Collective Investment Schemes	42,082	–	–	–	–	–
Derivatives	156	–	–	–	–	–
Equities	10,205	8	–	8	0.08	–
Total	63,898	8	–	8	0.08	–

Sales	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	8,762	–	–	–	–	–
Collective Investment Schemes	47,291	–	–	–	–	–
Derivatives	32	–	–	–	–	–
Equities	7,118	(7)	–	(7)	0.10	–
Total	63,203	(7)	–	(7)	0.10	–

Total as a percentage of the average NAV	0.00%	0.00%	0.00%
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Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.30% (2016: 0.41%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM SUSTAINABLE BALANCE FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class A Income				
Group 1	1.0898	—	1.0898	0.8941
Group 2	1.0898	—	1.0898	0.8941
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	1.3453	—	1.3453	1.1187
Group 2	0.3453	1.0000	1.3453	1.1187
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class B Accumulation				
Group 1	1.3575	—	1.3575	1.0934
Group 2	0.3747	0.9828	1.3575	1.0934
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	1.1322	—	1.1322	0.9252
Group 2	0.1857	0.9465	1.1322	0.9252
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	1.4183	—	1.4183	1.1268
Group 2	0.2551	1.1632	1.4183	1.1268
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	1.0741	—	1.0741	0.8926
Group 2	0.1521	0.9220	1.0741	0.8926
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	1.3317	—	1.3317	1.1094
Group 2	1.3317	—	1.3317	1.1094
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	1.0915	—	1.0915	0.8903
Group 2	0.5431	0.5484	1.0915	0.8903
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	1.1555	—	1.1555	0.9220
Group 2	0.0782	1.0773	1.1555	0.9220

7IM SUSTAINABLE BALANCE FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class A Income				
Group 1	1.1743	—	1.1743	1.3949
Group 2	0.6242	0.5501	1.1743	1.3949
			Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	1.4624	—	1.4624	1.7023
Group 2	0.7142	0.7482	1.4624	1.7023
			Allocated 31.01.18	Allocated 31.01.17
Class B Accumulation				
Group 1	1.4799	—	1.4799	1.7161
Group 2	0.8135	0.6664	1.4799	1.7161
			Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	1.2221	—	1.2221	1.4440
Group 2	0.6769	0.5452	1.2221	1.4440
			Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	1.5450	—	1.5450	1.7859
Group 2	0.6871	0.8579	1.5450	1.7859
			Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	1.1533	—	1.1533	1.3716
Group 2	0.6247	0.5286	1.1533	1.3716
			Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	1.4474	—	1.4474	1.6835
Group 2	0.9800	0.4674	1.4474	1.6835
			Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	1.1796	—	1.1796	1.3906
Group 2	0.5544	0.6252	1.1796	1.3906
			Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	1.2604	—	1.2604	1.4553
Group 2	0.7027	0.5577	1.2604	1.4553

7IM SUSTAINABLE BALANCE FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Equalisation

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

7IM AAP INCOME FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

7IM AAP (Asset Allocated Passives) Income Fund (the 'Sub-fund') aims to provide an above average level of income, while seeking to maintain capital over the longer term. There may be some risk to capital. The Sub-fund invests in a range of securities and collective investment vehicles using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). Such investments may be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

While income-generating assets are likely to represent a significant part of the portfolio, the portfolio may also include assets with scope for capital growth in real terms. The Sub-fund may use different asset classes, with the emphasis on fixed interest. A significant proportion of the Sub-fund may be maintained in or hedged back to sterling at any time. Forward foreign exchange transactions may be used to hedge currency risk.

Investment may also be made in warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

The Sub-fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 5.30%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emmanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016, we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period.

In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

¹ Calculated using 7IM AAP Income C Acc shares, NAV return Source: NTRS

7IM AAP INCOME FUND

ACD'S REPORT (continued)
for the year ended 30 November 2017

Investment Manager's Report (continued)

Portfolio Review

We altered our equity allocation over the period, rotating towards Europe and away from the US.

In December 2016 we increased European equity holdings, marginally reducing our US allocation to do so. We thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. In January 2017, we then cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our EuroStoxx Dividend 2018 future, having made over 10% in 10 months. By September, we saw the macro story improving with good earnings numbers and a fading of geopolitical risk. We took a slightly more risk-on position, deciding to increase both our Japanese and European equity, and at the same time taking some profits from our holding in Emerging Markets equity. We believed that much of the recent good performance in EM had been as a result of the technology sector rallying; such an over-reliance on one sector reinforced our view that this was a good time to decrease our allocation.

In the fixed income space, we bought some tail risk protection here and there throughout the year, as well reducing positions to take profits. In December 2016, we bought some protection for the weak UK outlook by adding to our Gilds allocation – rising yields had resulted in favourable pricing, and the potential for increased reward as a result. We took profits from this position in February, cutting our holding as a resilient economic environment meant that the Bank of England was unlikely to extend QE. We additionally reduced our High Yield bonds allocation as the spreads had narrowed considerably, again taking profits. In August, we decreased our exposure to EM Local Market debt – a holding more volatile than the Dollar denominated version – to help to protect the Sub-fund against the potential for a market reaction to any geopolitical shocks following increased tensions between North and South Korea.

We also made some changes to our Alternatives allocation. In December 2016, we added a Credit Suisse Risk Premia Certificate alongside as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same time we sold some of our Real Estate holding, due to concern over excessively high valuations, with Real Estate having been seen as a bond proxy. Our Private Equity allocation was also increased slightly, as we thought this asset class would be a beneficiary of inflationary policy which would likely play out from the Trump Presidency, taking advantage of cheap valuations to do so. This position was reduced 9 months later in September 2017, as the case for further outperformance fell. In January, we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures Fund. In the following month, we decided to add some protection in the Sub-fund in case of a no-Brexit scenario. To do so we added a GBPUSD Option, which would protect against a sharp rally in Sterling. We added some Infrastructure in April, making an initial investment in the BBGI Sicav Fund, as listed infrastructure funds offer exposure to long-term, government-backed, inflation-linked cash flows. In July, we added currency call options to hedge against the impact of a stronger Pound; these aided the portfolio when Sterling rallied from mid-August. Throughout the period we also increased our gold allocation, adding to the asset class as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, particularly important given the Sub-fund's low risk profile.

Over the year, we often used our ability to manage currency to express our market views. Last December we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar, a currency which also has beneficial tail-risk properties. As geopolitical tensions increased in the summer, we used Yen as a tail risk hedge, adding to the position in August as the currency has proven in the past to act well in times of the elevation of geopolitical risk.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

In the UK there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM AAP INCOME FUND

FUND INFORMATION

The Comparative Tables on pages 218 to 227 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 and research costs.

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

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	100.26	95.59	101.02
Return before operating charges*	6.39	9.51	(0.44)
Operating charges (calculated on average price)	(1.82)	(1.74)	(1.81)
Return after operating charges*	4.57	7.77	(2.25)
Distributions on income shares	(3.41)	(3.10)	(3.18)
Closing net asset value per share	101.42	100.26	95.59
* After direct transaction costs of: ¹	0.03	0.03	0.02
Performance			
Return after charges ²	4.56%	8.13%	(2.23)%
Other Information			
Closing net asset value (£'000)	226	277	280
Closing number of shares	222,942	276,049	293,443
Operating charges ³	1.76%	1.81%	1.81%
Direct transaction costs	0.03%	0.03%	0.02%
Prices			
Highest share price	104.71	103.27	105.93
Lowest share price	100.08	89.64	93.19

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	156.97	144.94	148.35
Return before operating charges*	10.00	14.71	(0.74)
Operating charges (calculated on average price)	(2.88)	(2.68)	(2.67)
Return after operating charges*	7.12	12.03	(3.41)
Distributions	(5.41)	(4.79)	(4.75)
Retained distributions on accumulation shares	5.41	4.79	4.75
Closing net asset value per share	164.09	156.97	144.94
* After direct transaction costs of: ¹	0.05	0.04	0.03
Performance			
Return after charges ²	4.54%	8.30%	(2.30)%
Other Information			
Closing net asset value (£'000)	182	180	232
Closing number of shares	110,967	114,406	160,266
Operating charges ³	1.76%	1.81%	1.81%
Direct transaction costs	0.03%	0.03%	0.02%
Prices			
Highest share price	166.48	160.51	156.94
Lowest share price	156.66	135.94	140.57

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	–	99.12	104.60
Return before operating charges*	–	9.88	(0.50)
Operating charges (calculated on average price)	–	(1.36)	(1.72)
Return after operating charges*	–	8.52	(2.22)
Distributions on income shares	–	(2.45)	(3.26)
Last quoted share price ¹	–	105.19	–
Closing net asset value per share	–	–	99.12
* After direct transaction costs of: ²	–	0.02	0.02
Performance			
Return after charges ³	–%	8.60%	(2.12)%
Other Information			
Closing net asset value (£'000)	–	–	19
Closing number of shares	–	–	19,512
Operating charges ⁴	–%	1.66%	1.66%
Direct transaction costs	–%	0.03%	0.02%
Prices			
Highest share price	–	106.06	109.73
Lowest share price	–	93.00	96.61

¹ As at the year end date, there are no shares in issue. Share class performance provided is as at 29 September 2016 being the last quoted price date before shares were reduced to zero.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	160.33	147.87	151.18
Return before operating charges*	10.18	14.97	(0.79)
Operating charges (calculated on average price)	(2.70)	(2.51)	(2.52)
Return after operating charges*	7.48	12.46	(3.31)
Distributions	(5.53)	(4.85)	(4.77)
Retained distributions on accumulation shares	5.53	4.85	4.77
Closing net asset value per share	167.81	160.33	147.87
* After direct transaction costs of: ¹	0.05	0.04	0.03
Performance			
Return after charges ²	4.67%	8.43%	(2.19)%
Other Information			
Closing net asset value (£'000)	5,766	7,160	8,432
Closing number of shares	3,436,233	4,465,529	5,702,460
Operating charges ³	1.61%	1.66%	1.66%
Direct transaction costs	0.03%	0.03%	0.02%
Prices			
Highest share price	170.21	163.93	160.00
Lowest share price	160.02	138.72	143.38

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	107.60	101.73	106.51
Return before operating charges*	6.67	10.01	(0.70)
Operating charges (calculated on average price)	(0.85)	(0.84)	(0.86)
Return after operating charges*	5.82	9.17	(1.56)
Distributions on income shares	(3.68)	(3.30)	(3.22)
Closing net asset value per share	109.74	107.60	101.73
* After direct transaction costs of: ¹	0.03	0.03	0.02
Performance			
Return after charges ²	5.41%	9.02%	(1.46)%
Other Information			
Closing net asset value (£'000)	45,419	43,435	44,755
Closing number of shares	41,388,781	40,366,016	43,992,253
Operating charges ³	0.76%	0.81%	0.81%
Direct transaction costs	0.03%	0.03%	0.02%
Prices			
Highest share price	112.73	110.74	112.04
Lowest share price	107.43	95.58	99.03

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	168.21	154.09	156.46
Return before operating charges*	10.38	15.41	(1.10)
Operating charges (calculated on average price)	(1.34)	(1.29)	(1.27)
Return after operating charges*	9.04	14.12	(2.37)
Distributions	(5.82)	(5.06)	(4.79)
Retained distributions on accumulation shares	5.82	5.06	4.79
Closing net asset value per share	177.25	168.21	154.09
* After direct transaction costs of: ¹	0.05	0.04	0.03
Performance			
Return after charges ²	5.37%	9.16%	(1.51)%
Other Information			
Closing net asset value (£'000)	19,303	16,029	16,238
Closing number of shares	10,890,207	9,529,415	10,538,545
Operating charges ³	0.76%	0.81%	0.81%
Direct transaction costs	0.03%	0.03%	0.02%
Prices			
Highest share price	179.51	171.87	165.99
Lowest share price	167.90	144.75	149.23

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	100.66	95.94	101.44
Return before operating charges*	6.44	9.74	(0.42)
Operating charges (calculated on average price)	(1.88)	(1.80)	(1.88)
Return after operating charges*	4.56	7.94	(2.30)
Distributions on income shares	(3.43)	(3.22)	(3.20)
Closing net asset value per share	101.79	100.66	95.94
* After direct transaction costs of: ¹	0.03	0.03	0.02
Performance			
Return after charges ²	4.53%	8.28%	(2.27)%
Other Information			
Closing net asset value (£'000)	496	561	1,994
Closing number of shares	487,628	557,666	2,078,691
Operating charges ³	1.81%	1.86%	1.86%
Direct transaction costs	0.03%	0.03%	0.02%
Prices			
Highest share price	105.12	103.70	106.35
Lowest share price	100.49	90.04	93.54

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	155.89	144.00	147.45
Return before operating charges*	9.95	14.61	(0.70)
Operating charges (calculated on average price)	(2.95)	(2.72)	(2.75)
Return after operating charges*	7.00	11.89	(3.45)
Distributions	(5.37)	(4.79)	(4.72)
Retained distributions on accumulation shares	5.37	4.79	4.72
Closing net asset value per share	162.89	155.89	144.00
* After direct transaction costs of: ¹	0.05	0.04	0.03
Performance			
Return after charges ²	4.49%	8.26%	(2.34)%
Other Information			
Closing net asset value (£'000)	924	543	1,226
Closing number of shares	567,475	348,198	851,433
Operating charges ³	1.81%	1.86%	1.86%
Direct transaction costs	0.03%	0.03%	0.02%
Prices			
Highest share price	165.29	159.42	155.97
Lowest share price	155.59	135.05	139.66

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	105.19	99.26	103.70
Return before operating charges*	6.46	9.72	(0.72)
Operating charges (calculated on average price)	(0.56)	(0.57)	(0.58)
Return after operating charges*	5.90	9.15	(1.30)
Distributions on income shares	(3.60)	(3.22)	(3.14)
Closing net asset value per share	107.49	105.19	99.26
* After direct transaction costs of: ¹	0.03	0.03	0.02
Performance			
Return after charges ²	5.61%	9.22%	(1.25)%
Other Information			
Closing net asset value (£'000)	16,028	17,143	19,881
Closing number of shares	14,910,645	16,296,734	20,029,370
Operating charges ³	0.51%	0.56%	0.56%
Direct transaction costs	0.03%	0.03%	0.02%
Prices			
Highest share price	110.37	108.23	109.16
Lowest share price	105.03	93.28	96.59

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	114.65	104.82	106.22
Return before operating charges*	7.02	10.43	(0.80)
Operating charges (calculated on average price)	(0.61)	(0.60)	(0.60)
Return after operating charges*	6.41	9.83	(1.40)
Distributions	(3.97)	(3.44)	(3.25)
Retained distributions on accumulation shares	3.97	3.44	3.25
Closing net asset value per share	121.06	114.65	104.82
* After direct transaction costs of: ¹	0.03	0.03	0.02
Performance			
Return after charges ²	5.59%	9.38%	(1.32)%
Other Information			
Closing net asset value (£'000)	3,716	3,360	4,102
Closing number of shares	3,069,078	2,930,932	3,913,650
Operating charges ³	0.51%	0.56%	0.56%
Direct transaction costs	0.03%	0.03%	0.02%
Prices			
Highest share price	122.55	117.13	112.77
Lowest share price	114.45	98.51	101.48

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 228.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.50%	1.35%	0.50%	1.55%	0.25%
Other expenses	0.11%	0.11%	0.11%	0.11%	0.11%
	1.61%	1.46%	0.61%	1.66%	0.36%
Collective investment scheme costs	0.15%	0.15%	0.15%	0.15%	0.15%
Ongoing Charges Figure	1.76%	1.61%	0.76%	1.81%	0.51%

As at 30 November 2016

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.50%	1.35%	0.50%	1.55%	0.25%
Other expenses	0.13%	0.13%	0.13%	0.13%	0.13%
	1.63%	1.48%	0.63%	1.68%	0.38%
Collective investment scheme costs	0.18%	0.18%	0.18%	0.18%	0.18%
Ongoing Charges Figure	1.81%	1.66%	0.81%	1.86%	0.56%

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

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

7IM AAP INCOME FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 4.

Fund performance to 30 November 2017 (%)

	1 year	3 years	5 years
7IM AAP Income Fund ¹	5.30	13.37	27.91

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 247 to 251.

7IM AAP INCOME FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 8.73% (8.88%)			
11,688	Angel Oak Multi-Strategy Income UCITS Fund Inc ¹	896,187	0.97
11,705	AQR Managed Futures UCITS Fund 'G' ¹	857,920	0.93
1,400,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ²	1,085,366	1.18
260	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ²	9,967	0.01
2,220,000	Credit Suisse International ARP Custom 7 Index ²	1,676,827	1.82
3,400,000	Credit Suisse International Inflation Swap Transaction 2018 ²	2,605,288	2.82
20	S&P 500 Index Put Options 2200 Jun 2018 ³	29,157	0.03
849	Societe Generale GBP/USD Warrants 13/04/2018 ²	140,510	0.15
831,156	UK Mortgages	752,196	0.82
		8,053,418	8.73
CASH 1.50% (8.63%)			
1,378,000	Northern Trust Global Sterling Fund ¹	1,378,000	1.50
COMMODITIES 2.95% (2.03%)			
25,864	iShares Physical Gold ETC ¹	484,788	0.53
23,979	Source Physical Gold P-ETC ¹	2,229,621	2.42
		2,714,409	2.95
DEBT SECURITIES 67.07% (56.50%)			
Convertible Bonds 2.95% (4.13%)			
332	NN (L) Global Convertible Opportunities Dist ¹	1,393,755	1.51
49,940	SSgA SPDR Thomson Reuters Global Convertible Bond UCITS ETF ¹	1,326,087	1.44
		2,719,842	2.95
Emerging Market Bonds 14.87% (12.88%)			
487,357	ETFS Lombard Odier IM Emerging Market Local Government Bond Fundamental GO UCITS ¹	3,872,051	4.20
22,403	iShares Emerging Markets Local Government Bond UCITS ETF ¹	1,088,781	1.18
7,910,171	Legal & General Emerging Markets Government Bond Local Currency Index Fund Dist ¹	4,668,583	5.08
5,405,992	Legal & General Emerging Markets Government Bond USD Index Fund ¹	3,621,474	3.93
661	TCW Emerging Markets Local Currency ¹	445,131	0.48
		13,696,020	14.87
Gilts 1.16% (1.24%)			
£620,000	Reseau Ferre de France 5.5% 2021	721,705	0.78
£350,000	UK Gilt 1.25% 2018	351,718	0.38
		1,073,423	1.16
Global Corporate Bonds 9.52% (6.17%)			
£350,000	Bank Nederlandse Gemeenten 1.875% 2018	354,318	0.38
3,526,139	BlackRock Overseas Corporate Bond Tracker ¹	5,155,216	5.61
28,524	PFS TwentyFour Dynamic Bond ¹	3,246,093	3.53
		8,755,627	9.52
Global Government Bonds 9.99% (3.40%)			
US\$2,400,000	US Treasury Notes 1.625% 2026	1,686,307	1.83
US\$1,492,000	US Treasury Notes 2.25% 2025	1,103,289	1.20
US\$4,300,000	US Treasury Notes 2.25% 2027	3,163,603	3.44
US\$4,360,000	US Treasury Notes 2.375% 2027	3,240,301	3.52
		9,193,500	9.99
Global High Yield Bonds 13.45% (17.62%)			
1,757,941	Alcentra European Floating Rate Note	1,731,572	1.88
10,000	Barings U.S. High Yield Bond Fund 'A' Inc ¹	747,443	0.81

7IM AAP INCOME FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Global High Yield Bonds (continued)			
2,028,038	Blackstone GSO Loan Financing (Jersey)	1,758,697	1.91
5,089,626	Carador Income	2,593,174	2.82
794,000	CVC Credit Partners European Opportunities EUR	761,949	0.83
925,334	CVC Credit Partners European Opportunities GBP	1,027,121	1.12
3,737,588	Fair Oaks Income 2017	2,863,412	3.10
960,205	NB Global Floating Rate Income	901,152	0.98
		12,384,520	13.45
Short Term Sterling Bonds 3.55% (3.40%)			
£300,000	ASB Finance 1% 2020	297,539	0.32
£750,000	KFW 1.375% 2021	760,591	0.83
£700,000	National Australia Bank 1.875% 2020	710,521	0.77
£700,000	Rabobank Nederland 4.625% 2021	771,404	0.84
£700,000	Svenska Handelsbanken 4.00% 2019	723,156	0.79
		3,263,211	3.55
Sterling Corporate Bonds 11.58% (7.66%)			
£350,000	Coventry Building Society 4.625% 2018	355,346	0.39
£360,000	DNB Boligkreditt FRN 2020	361,188	0.39
£600,000	Nordea Bank 2.125% 2019	612,626	0.67
40,209	PFS TwentyFour Monument Bond ¹	4,539,793	4.94
£70,000	Total Capital International FRN 2019	70,108	0.08
11,024	UBS Sterling Corporate Bond Indexed ¹	1,205,918	1.31
34,284	Vanguard U.K. Short-Term Investment Grade Bond Index ¹	3,494,600	3.80
		10,639,579	11.58
EQUITY 13.98% (16.58%)			
Asia & Emerging Markets 2.13% (3.01%)			
200,000	7IM Emerging Markets Equity Value Fund 'Z' Inc ^{1,4}	268,800	0.29
81,520	SSgA SPDR S&P Emerging Markets Dividend UCITS ETF ¹	963,785	1.05
84,715	Wisdomtree Emerging Asia Equity Income UCITS ¹	727,461	0.79
		1,960,046	2.13
Europe (ex UK) 4.12% (3.43%)			
995	ABB	18,918	0.01
31,046	Aegon	144,290	0.16
43	Aena SME	6,443	0.01
408	AerCap	15,702	0.02
125	Ageas	4,568	—
3	AP Moeller - Maersk 'A'	3,801	—
496	Atlas Copco	16,022	0.02
35	Baloise	4,006	—
194	Bayer	18,591	0.02
375	Bayerische Motoren Werke 'A'	28,231	0.03
229	BNP Paribas	13,030	0.01
1,199	Boliden	28,521	0.03
926	Boskalis Westminster	25,395	0.03
322	Compagnie De St-Gobain	13,726	0.01
363	Covestro	28,092	0.03
715	Daimler	44,228	0.05
2,417	Danske Bank	67,740	0.07
5,071	Deutsche Lufthansa	128,845	0.14
12,572	Deutsche Telekom	167,242	0.18
644	DNB	8,768	0.01
230	Electrolux 'B'	5,639	0.01
14,169	Engie	184,372	0.21
10,167	Eni	124,956	0.13
2,041	Ericsson 'B'	9,632	0.01
(31)	Euro Stoxx 50 Equity Index Futures Dec 2017 ³	(9,278)	(0.01)
11,555	Fiat Chrysler Automobiles	147,711	0.16
166	Fraport AG Frankfurt Airport Services Worldwide	12,260	0.01
			231

7IM AAP INCOME FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Europe (ex UK) (continued)			
1,618	Gemalto	45,477	0.05
42	Genmab	6,037	0.01
472	Hakon Invest	12,690	0.01
165	Hexagon	6,026	0.01
2,533	Holcim	102,983	0.11
13,774	Iberdrola	80,994	0.09
429	Industrialden	7,801	0.01
235	Investor 'B'	8,215	0.01
124	Kone	4,742	0.01
119	Linde	19,623	0.02
1,055	Muenchener Rueckversicherungs	177,637	0.19
2,989	Nestle	192,251	0.21
5,238	NN Group	168,391	0.18
909	Nordea Bank	7,994	0.01
912	Norsk Hydro	4,646	0.01
1,345	Novartis	85,293	0.09
3,125	Novo Nordisk	119,785	0.13
4,976	Orange	64,223	0.07
1,685	Pernod Ricard	194,557	0.21
2,439	Peugeot	37,803	0.04
685	Porsche Automobil	42,860	0.05
984	Renault	74,815	0.08
5,189	Repsol	70,787	0.08
177	Roche Holding	33,066	0.04
1,933	Rocket Internet	33,781	0.04
699	Safran	55,496	0.06
8,996	Saipem	27,277	0.03
358	Sandvik	4,616	0.01
2,009	Sanofi	136,705	0.14
553	SAP	46,714	0.05
543	Societe Generale	20,559	0.02
195	Swiss Life	48,802	0.05
2,598	Swiss Re	182,960	0.21
1,760	TeliaSonera 'A'	5,815	0.01
2,566	UPM-Kymmene	57,946	0.06
993	Vestas Wind Systems	46,686	0.05
2,832	Vinci	216,717	0.24
25	Volkswagen	3,825	—
330	Volkswagen non-voting preference shares	51,744	0.06
77	Zurich Insurance Group	17,327	0.02
		3,787,117	4.12
Far East (ex Japan) 0.00% (1.23%)			
Japan 0.22% (0.00%)			
25	TOPIX Index Futures Dec 2017 ³	201,129	0.22
North America 2.11% (3.09%)			
1,455,229	7IM US Equity Value Fund 'Z' Inc ^{1,4}	1,908,388	2.07
2,995	FS Investment	17,821	0.02
266	NXP Semiconductors	22,357	0.02
		1,948,566	2.11
United Kingdom 5.40% (5.82%)			
3,473,855	7IM UK Equity Value Fund 'Z' Inc ^{1,4}	3,693,056	4.01
2,573	Anglo American	35,237	0.04
835	AstraZeneca	40,418	0.04
7,317	Auto Trader Group	24,811	0.04
10,402	Aviva	54,194	0.06
3,059	Barratt Developments	18,660	0.02
151	Berkeley Group	5,780	0.01
397	BHP Billiton	5,342	0.01

7IM AAP INCOME FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
United Kingdom (continued)			
13,189	BP	65,286	0.07
790	British American Tobacco	38,114	0.04
1,957	British Land	12,241	0.01
656	Burberry	11,250	0.01
556	Capita	2,707	—
126	Carnival	6,134	0.01
13,754	Centrica	19,888	0.02
598	Diageo	15,584	0.02
861	Direct Line Insurance Group	3,136	—
105	Easyjet	1,495	—
3,175	Experian	49,244	0.06
20	FTSE 100 Index Futures Dec 2017 ³	(6,600)	(0.01)
1,023	G4S	2,633	—
3,323	GlaxoSmithKline	43,265	0.05
7,226	Glencore	24,829	0.03
8,014	HSBC Holdings	59,897	0.07
1,491	Imperial Tobacco Group	46,168	0.05
110	Intertek Group	5,731	0.01
567	Intu Properties	1,110	—
2,452	ITV	3,938	—
1,049	J Sainsbury	2,468	—
1,012	Kingfisher	3,407	—
1,762	Land Securities	16,431	0.02
18,882	Legal & General Group	51,151	0.06
142	London Stock Exchange	5,361	0.01
1,327	Marks & Spencer	4,142	0.01
3,104	Meggitt	15,101	0.02
2,536	National Grid	22,570	0.02
10,051	Old Mutual	20,152	0.02
1,644	Pearson	11,697	0.01
1,613	Persimmon	41,115	0.04
87	Provident Financial	779	—
469	Reckitt Benckiser Group	30,598	0.03
1,064	RELX	18,567	0.02
905	Rio Tinto	31,901	0.03
109	Rolls-Royce	941	—
2,246	Royal Bank of Scotland Group	6,320	0.01
3,053	Royal Dutch Shell 'A'	72,524	0.08
2,660	Royal Dutch Shell 'B'	64,465	0.07
6,093	Royal Mail	26,474	0.03
3,227	Smith & Nephew	42,306	0.05
6,668	Standard Life	28,752	0.03
304	Tate & Lyle	2,035	—
27,133	Tesco	53,954	0.07
23,134	Vodafone Group	52,503	0.06
18,886	WM Morrison Supermarkets	41,266	0.04
255	WPP	3,369	—
		4,953,897	5.40
INFRASTRUCTURE 1.60% (0.00%)			
148,273	BBGI	204,246	0.22
529,819	HICL Infrastructure	825,988	0.90
293,298	International Public Partnerships	446,106	0.48
		1,476,340	1.60
PRIVATE EQUITY 2.42% (4.62%)			
10,268	3i Group	93,593	0.10
2,363	Apollo Global Management	54,292	0.06
2,678	Apollo Investment	12,031	0.01
5,203	Ares Capital	62,887	0.07
364	Aurelius	17,356	0.02
3,819	Blackstone Group (The)	89,506	0.10
6,114	Brait	15,171	0.02

7IM AAP INCOME FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
PRIVATE EQUITY (continued)			
1,033	Carlyle Group (The)	15,559	0.02
857	Eurazeo	55,577	0.06
303	Gimv	13,687	0.01
714	Golub Capital	10,149	0.01
1,026	Hercules Technology Growth Capital	10,264	0.01
3,485	Intermediate Capital Group	37,115	0.04
8,202	IP Group	12,205	0.01
552	Jafco	21,492	0.02
5,613	KKR & Company	82,539	0.09
677	Main Street Capital	20,374	0.02
138,206	NB Private Equity Partners	1,340,598	1.46
1,232	Onex	65,246	0.07
199	Partners Group	100,401	0.10
4,437	Prospect Capital	22,673	0.02
2,874	Ratos	9,473	0.01
727	TPG Specialty Lending	11,139	0.01
557	Wendel	69,291	0.08
		2,242,618	2.42
REAL ESTATE 1.02% (2.84%)			
907,320	LXI REIT	945,880	1.02
RISK MITIGATION 0.00% (0.07%)			
FORWARD CURRENCY CONTRACTS 0.65% (0.25%)			
€(2,910,000)	Vs £2,621,503 Expiry 16.02.2018	53,955	0.06
US\$(47,500,000)	Vs £35,924,974 Expiry 19.01.2018	660,756	0.72
¥40,000,000	Vs £(270,013) Expiry 15.12.2017	(5,096)	(0.01)
¥491,399,999	Vs £(3,362,023) Expiry 15.12.2017	(107,515)	(0.12)
		602,100	0.65
Portfolio of investment		91,989,242	99.92
Net other assets		71,488	0.08
Net assets		92,060,730	100.00
Comparative figures shown in brackets relate to 30 November 2016.			
All investments are ordinary shares listed on a regulated market unless stated otherwise.			
¹ Collective investment scheme			
² Structured product			
³ Derivative contract			
⁴ Related party holding (see note 12 of the Financial Statements)			
Credit Quality		30.11.17 %	30.11.16 %
Investment grade debt securities		16.60	7.95
Non-rated debt securities		5.83	11.07
Other investments		77.49	81.39
Net other assets/(liabilities)		0.08	(0.41)
		100.00	100.00

7IM AAP INCOME FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

		30.11.17	30.11.16
	Notes	£	£
Income			
Net capital gains	4	2,158,401	5,500,176
Revenue	5	3,441,931	3,260,257
Expenses	6	(557,047)	(578,972)
Interest payable and similar charges	8	(50,443)	(8,348)
Net revenue before taxation for the year		2,834,441	2,672,937
Taxation	7	(280,835)	(184,485)
Net revenue after taxation for the year		2,553,606	2,488,452
Total return before distributions		4,712,007	7,988,628
Distributions	8	(3,001,757)	(2,952,360)
Change in net assets attributable to shareholders from investment activities		1,710,250	5,036,268

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

	30.11.17	30.11.16
£	£	£
Opening net assets attributable to shareholders	88,687,532	97,161,549
Amounts received on creation of shares	22,971,903	12,658,324
Amounts paid on cancellation of shares	(22,272,181)	(27,053,339)
	699,722	(14,395,015)
Stamp Duty Reserve Tax	2,274	—
Change in net assets attributable to shareholders from investment activities	1,710,250	5,036,268
Retained distribution on accumulation shares	960,899	884,730
Unclaimed distribution	53	—
Closing net assets attributable to shareholders	92,060,730	88,687,532

The notes on pages 237 to 246 are an integral part of these Financial Statements.

7IM AAP INCOME FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		92,117,731	89,279,882
Current assets:			
Debtors	9	806,017	734,567
Cash and bank balances	10	541,799	815,538
Total assets		93,465,547	90,829,987
LIABILITIES			
Investment liabilities		(128,489)	(228,075)
Creditors:			
Bank overdrafts	10	(451,775)	(566,402)
Distribution payable		(433,256)	(443,664)
Other creditors	11	(391,297)	(904,314)
Total liabilities		(1,404,817)	(2,142,455)
Net assets attributable to shareholders		92,060,730	88,687,532

The notes on pages 237 to 246 are an integral part of these Financial Statements.

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	852,071	11,281,149
Derivative contracts	(387,227)	(1,080,006)
Forward currency contracts	1,332,960	(4,616,077)
Currency gains/(losses)	374,227	(54,309)
Transaction charges	(26,312)	(34,405)
AMC rebates from underlying investments	12,682	3,824
Net capital gains	2,158,401	5,500,176

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	1,485,898	1,815,839
Taxable dividends	1,624,928	1,125,034
Unfranked interest	243,001	257,828
AMC rebates from underlying investments	34,372	21,305
Bank interest	45,004	40,251
Stock lending revenue	8,728	—
Total revenue	3,441,931	3,260,257

* Prior year figures have been restated to be comparable with the current year figures.

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	480,007	490,883
Other expenses	5,214	5,465
	<u>485,221</u>	<u>496,348</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	15,196	15,261
Market risk fees	6,000	7,500
Safe custody and other bank charges	16,609	17,126
Stock lending fees	2,616	—
	<u>40,421</u>	<u>39,887</u>
Other Expenses:		
Audit fee	8,760	9,336
Dealing and exchange fees	9,966	18,403
FCA and other Regulatory fees	275	280
Legal and professional fees	829	3,018
Printing, postage and distribution costs	5,864	5,596
Risk analysis fees	5,711	6,104
	<u>31,405</u>	<u>42,737</u>
Total expenses	<u>557,047</u>	<u>578,972</u>

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	271,156	172,184
Overseas tax	9,679	12,301
Current tax charge (note 7b)	280,835	184,485
Total taxation	280,835	184,485
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	2,834,441	2,672,937
Corporation tax at 20%	566,888	534,587
Effects of:		
AMC rebates taken to capital	2,536	765
Franked CIS revenue	(34,146)	(29,170)
Franked REIT income	(768)	(23)
Movement in revenue accruals	(2)	3,191
Non-taxable dividends	(232,978)	(277,858)
Offshore CIS revenue	(30,376)	(59,308)
Overseas tax	9,679	12,301
Current tax charge (note 7a)	280,835	184,485
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2016: none).		

8 Distributions

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

	30.11.17 £	30.11.16 £
First Interim	880,356	666,657
Interim	561,661	646,791
Third Interim	917,128	941,508
Final	640,153	639,800
	2,999,298	2,894,756
Add: Revenue deducted on cancellation of shares	94,209	106,460
Deduct: Revenue received on issue of shares	(91,750)	(48,856)
Net distributions for the year	3,001,757	2,952,360
Interest payable and similar charges	50,443	8,348
Total distribution	3,052,200	2,960,708

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 247 to 251.

Distributions represented by:		
Net revenue after taxation	2,553,606	2,488,452
Allocations to capital:		
Expenses, net of tax relief	430,214	463,942
Equalisation on conversions ¹	–	(26)
Tax on Stock dividends	17,961	–
Net movement in revenue account	(24)	(8)
Net distributions for the year	3,001,757	2,952,360

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17	30.11.16
	£	£
Amounts receivable for issue of shares	288,739	195,370
Sales awaiting settlement	6,389	17
Accrued revenue	439,124	349,187
Income tax recoverable	89	142,717
AMC rebates from underlying investments	37,814	27,761
Withholding tax recoverable	33,774	19,417
Prepaid expenses	88	98
Total debtors	806,017	734,567

10 Cash and bank balances

	30.11.17	30.11.16
	£	£
Cash and bank balances	503,791	631,433
Cash held at clearing houses	38,008	184,105
Total cash and bank balances	541,799	815,538
Bank overdrafts	(451,644)	(506,178)
Cash overdraft at clearing houses	(131)	(60,224)
Total bank overdrafts	(451,775)	(566,402)

11 Other Creditors

	30.11.17	30.11.16
	£	£
Amounts payable for cancellation of shares	108,239	678,698
Purchases awaiting settlement	95,882	–
Accrued expenses	56,821	53,431
Corporation tax payable	130,355	172,185
Total other creditors	391,297	904,314

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 235.

The Sub-fund has the following shareholdings in the 7IM Specialist Investment Funds ICVC:

	Held at 30.11.17	Held at 30.11.16
7IM Emerging Markets Equity Value Fund 'Z' Inc	200,000	200,000
7IM UK Equity Value Fund 'Z' Inc	3,473,855	3,473,855
7IM US Equity Value Fund 'Z' Inc	1,455,229	1,827,732

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

Pershing Nominees Limited	44.07% (2016: 51.39%)
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Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

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

Class A	1.50%
Class B	1.35%
Class C	0.50%
Class D	1.55%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	276,049	—	(53,107)	—	222,942
Class A Accumulation	114,406	45	(3,484)	—	110,967
Class B Income	—	—	—	—	—
Class B Accumulation	4,465,529	169,081	(1,198,377)	—	3,436,233
Class C Income	40,366,016	11,112,654	(9,848,597)	(241,292)	41,388,781
Class C Accumulation	9,529,415	3,353,668	(2,136,715)	143,839	10,890,207
Class D Income	557,666	7,153	(77,191)	—	487,628
Class D Accumulation	348,198	244,799	(25,522)	—	567,475
Class S Income	16,296,734	3,030,685	(4,427,484)	10,710	14,910,645
Class S Accumulation	2,930,932	639,472	(501,326)	—	3,069,078

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	220	–	65,247	65,467
Danish krone	5	–	245,795	245,800
Euro	9,509	–	5,406,721	5,416,230
Japanese yen	1	–	3,742,047	3,742,048
Norwegian krone	–	–	13,659	13,659
Polish zloty	–	–	14,312	14,312
South African rand	–	–	15,171	15,171
Swedish krona	–	–	122,688	122,688
Swiss franc	36,511	–	797,679	834,190
US dollar	2,683,382	11,955,693	17,094,035	31,733,110
Pound sterling	2,226,755	5,658,925	84,728,383	92,614,063
	4,956,383	17,614,618	112,245,737	134,816,738

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(220)	–	(220)
Danish krone	(5)	–	(5)
Euro	(9,509)	(2,576,826)	(2,586,335)
Swiss franc	(23,805)	–	(23,805)
US dollar	(39,055)	(35,264,218)	(35,303,273)
Pound sterling	(379,181)	(4,463,189)	(4,842,370)
	(451,775)	(42,304,233)	(42,756,008)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	228	–	123,052	123,280
Danish krone	–	–	187,475	187,475
Euro	53,396	–	5,744,043	5,797,439
Japanese yen	2,359	–	1,766,856	1,769,215
Norwegian krone	–	–	132,606	132,606
Polish zloty	–	–	13,166	13,166
South African rand	–	–	58,282	58,282
Swedish krona	–	–	182,042	182,042
Swiss franc	38,543	–	775,015	813,558
US dollar	3,093,222	7,040,706	25,158,696	35,292,624
Pound sterling	9,035,845	21,243,210	55,660,065	85,939,120
	12,223,593	28,283,916	89,801,298	130,308,807

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(230)	–	(230)
Euro	(42,154)	(7,883,059)	(7,925,213)
Japanese yen	(2,359)	(262,488)	(264,847)
Swiss franc	(24,999)	–	(24,999)
US dollar	(48,887)	(26,233,756)	(26,282,643)
Pound sterling	(447,773)	(6,675,570)	(7,123,343)
	(566,402)	(41,054,873)	(41,621,275)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	0.98	0.90	2	2.94
US dollar	1.59	(4.46)	7	4.86

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Canadian dollar	–	65,247	65,247
Danish krone	1,747	244,048	245,795
Euro	5,515	2,824,380	2,829,895
Japanese yen	1	3,742,047	3,742,048
Norwegian krone	246	13,413	13,659
Polish zloty	14,312	–	14,312
South African rand	–	15,171	15,171
Swedish krona	245	122,443	122,688
Swiss franc	24,376	786,009	810,385
US dollar	39,078	(3,609,241)	(3,570,163)
	85,520	4,203,517	4,289,037
Pound sterling	1,363,968	86,407,725	87,771,693
Net assets	1,449,488	90,611,242	92,060,730

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Canadian dollar	(2)	123,052	123,050
Danish krone	1,127	186,348	187,475
Euro	46,409	(2,174,183)	(2,127,774)
Japanese yen	–	1,504,368	1,504,368
Norwegian krone	1,339	131,267	132,606
Polish zloty	13,166	–	13,166
South African rand	–	58,282	58,282
Swedish krona	833	181,209	182,042
Swiss franc	23,040	765,519	788,559
US dollar	35,865	8,974,116	9,009,981
	121,777	9,749,978	9,871,755
Pound sterling	7,171,946	71,643,831	78,815,777
Net assets	7,293,723	81,393,809	88,687,532

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	9,545,218	11,105,983	–	20,651,201
Collective Investment Schemes	10,692,574	37,520,357	–	48,212,931
Derivatives	230,286	714,711	–	944,997
Equities	22,158,125	150,477	–	22,308,602
Total	42,626,203	49,491,528	–	92,117,731
Liabilities				
Derivatives	(15,878)	(112,611)	–	(128,489)

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	3,365,902	12,997,604	–	16,363,506
Collective Investment Schemes	22,731,857	30,396,103	–	53,127,960
Derivatives	558,917	885,037	–	1,443,954
Equities	18,344,462	–	–	18,344,462
Total	45,001,138	44,278,744	–	89,279,882
Liabilities				
Derivatives	(74,266)	(153,809)	–	(228,075)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 217.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	13,476	–	–	–	–	–
Collective Investment Schemes	56,158	–	–	–	–	–
Derivatives	406	–	–	–	–	–
Equities	17,505	4	9	13	0.02	0.05
Total	87,545	4	9	13	0.02	0.05
Sales						
Bonds	5,447	–	–	–	–	–
Collective Investment Schemes	49,174	–	–	–	–	–
Derivatives	–	–	–	–	–	–
Equities	27,863	(13)	–	(13)	0.05	–
Total	82,484	(13)	–	(13)	0.05	–
Total as a percentage of the average NAV		0.02%	0.01%	0.03%		

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	19,250	–	–	–	–	–
Collective Investment Schemes	78,822	–	–	–	–	–
Derivatives	1,101	–	–	–	–	–
Equities	30,934	11	9	20	0.04	0.03
Total	130,107	11	9	20	0.04	0.03

Sales	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	25,210	–	–	–	–	–
Collective Investment Schemes	94,288	–	–	–	–	–
Derivatives	991	–	–	–	–	–
Equities	29,704	(5)	–	(5)	0.02	–
Total	150,193	(5)	–	(5)	0.02	–

Total as a percentage of the average NAV	0.02%	0.01%	0.03%
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Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.44% (2016: 0.71%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM AAP INCOME FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

First Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 28 February 2017

	Net Revenue	Equalisation	Paid 30.04.17	Paid 30.04.16
Class A Income				
Group 1	1.0182	—	1.0182	0.6820
Group 2	1.0182	—	1.0182	0.6820
			Allocated 30.04.17	Allocated 30.04.16
Class A Accumulation				
Group 1	1.5938	—	1.5938	1.0571
Group 2	1.5938	—	1.5938	1.0571
			Paid 30.04.17	Paid 30.04.16
Class B Income				
Group 1	—	—	—	0.7162
Group 2	—	—	—	0.7162
			Allocated 30.04.17	Allocated 30.04.16
Class B Accumulation				
Group 1	1.6282	—	1.6282	1.0686
Group 2	1.2179	0.4103	1.6282	1.0686
			Paid 30.04.17	Paid 30.04.16
Class C Income				
Group 1	1.0938	—	1.0938	0.7099
Group 2	0.6264	0.4674	1.0938	0.7099
			Allocated 30.04.17	Allocated 30.04.16
Class C Accumulation				
Group 1	1.7095	—	1.7095	1.0764
Group 2	0.6089	1.1006	1.7095	1.0764
			Paid 30.04.17	Paid 30.04.16
Class D Income				
Group 1	1.0223	—	1.0223	0.7768
Group 2	0.0318	0.9905	1.0223	0.7768
			Allocated 30.04.17	Allocated 30.04.16
Class D Accumulation				
Group 1	1.5828	—	1.5828	1.0682
Group 2	0.7401	0.8427	1.5828	1.0682
			Paid 30.04.17	Paid 30.04.16
Class S Income				
Group 1	1.0695	—	1.0695	0.6914
Group 2	0.2263	0.8432	1.0695	0.6914

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

	Net Revenue	Equalisation	Allocated 30.04.17	Allocated 30.04.16
Class S Accumulation				
Group 1	1.1655	—	1.1655	0.7314
Group 2	0.5430	0.6225	1.1655	0.7314

Second Interim - in pence per share

Group 1 - Shares purchased prior to 1 March 2017

Group 2 - Shares purchased on or after 1 March 2017 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class A Income				
Group 1	0.6529	—	0.6529	0.6720
Group 2	0.6529	—	0.6529	0.6720

	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	1.0318	—	1.0318	1.0258
Group 2	1.0318	—	1.0318	1.0258

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class B Income				
Group 1	—	—	—	0.6896
Group 2	—	—	—	0.6896

	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class B Accumulation				
Group 1	1.0544	—	1.0544	1.0360
Group 2	0.9515	0.1029	1.0544	1.0360

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	0.7027	—	0.7027	0.7172
Group 2	0.2904	0.4123	0.7027	0.7172

	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	1.1091	—	1.1091	1.0939
Group 2	0.5532	0.5559	1.1091	1.0939

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	0.6553	—	0.6553	0.6763
Group 2	0.0435	0.6118	0.6553	0.6763

	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	1.0246	—	1.0246	1.0255
Group 2	0.6112	0.4134	1.0246	1.0255

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	0.6876	—	0.6876	0.7002
Group 2	0.1682	0.5194	0.6876	0.7002
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	0.7566	—	0.7566	0.7447
Group 2	0.2098	0.5468	0.7566	0.7447
Third Interim - in pence per share				
Group 1 - Shares purchased prior to 1 June 2017				
Group 2 - Shares purchased on or after 1 June 2017 and on or before 31 August 2017				
	Net Revenue	Equalisation	Paid 31.10.17	Paid 31.10.16
Class A Income				
Group 1	1.0361	—	1.0361	1.0167
Group 2	1.0361	—	1.0361	1.0167
	Net Revenue	Equalisation	Allocated 31.10.17	Allocated 31.10.16
Class A Accumulation				
Group 1	1.6481	—	1.6481	1.5650
Group 2	1.6481	—	1.6481	1.5650
	Net Revenue	Equalisation	Paid 31.10.17	Paid 31.10.16
Class B Income				
Group 1	—	—	—	1.0490
Group 2	—	—	—	1.0490
	Net Revenue	Equalisation	Allocated 31.10.17	Allocated 31.10.16
Class B Accumulation				
Group 1	1.6858	—	1.6858	1.5858
Group 2	0.0434	1.6424	1.6858	1.5858
	Net Revenue	Equalisation	Paid 31.10.17	Paid 31.10.16
Class C Income				
Group 1	1.1171	—	1.1171	1.0960
Group 2	0.5956	0.5215	1.1171	1.0960
	Net Revenue	Equalisation	Allocated 31.10.17	Allocated 31.10.16
Class C Accumulation				
Group 1	1.7742	—	1.7742	1.6841
Group 2	1.0333	0.7409	1.7742	1.6841
	Net Revenue	Equalisation	Paid 31.10.17	Paid 31.10.16
Class D Income				
Group 1	1.0402	—	1.0402	1.0230
Group 2	0.0269	1.0133	1.0402	1.0230

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

	Net Revenue	Equalisation	Allocated 31.10.17	Allocated 31.10.16
Class D Accumulation				
Group 1	1.6339	—	1.6339	1.5544
Group 2	1.3891	0.2448	1.6339	1.5544
			Paid 31.10.17	Paid 31.10.16
Class S Income				
Group 1	1.0937	—	1.0937	1.0704
Group 2	0.6781	0.4156	1.0937	1.0704
			Allocated 31.10.17	Allocated 31.10.16
Class S Accumulation				
Group 1	1.2105	—	1.2105	1.1469
Group 2	0.8533	0.3572	1.2105	1.1469
Final - in pence per share				
Group 1 - Shares purchased prior to 1 September 2017				
Group 2 - Shares purchased on or after 1 September 2017 and on or before 30 November 2017				
			Paid 31.01.18	Paid 31.01.17
Class A Income				
Group 1	0.7076	—	0.7076	0.7386
Group 2	0.7076	—	0.7076	0.7386
			Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	1.1369	—	1.1369	1.1480
Group 2	0.0996	1.0373	1.1369	1.1480
			Allocated 31.01.18	Allocated 31.01.17
Class B Accumulation				
Group 1	1.1633	—	1.1633	1.1604
Group 2	1.0706	0.0927	1.1633	1.1604
			Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	0.7646	—	0.7646	0.7771
Group 2	0.3430	0.4216	0.7646	0.7771
			Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	1.2263	—	1.2263	1.2060
Group 2	0.6108	0.6155	1.2263	1.2060
			Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	0.7104	—	0.7104	0.7443
Group 2	0.0688	0.6416	0.7104	0.7443

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	1.1287	—	1.1287	1.1439
Group 2	0.6012	0.5275	1.1287	1.1439
			Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	0.7495	—	0.7495	0.7596
Group 2	0.4501	0.2994	0.7495	0.7596
			Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	0.8377	—	0.8377	0.8222
Group 2	0.3294	0.5083	0.8377	0.8222

Equalisation

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

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

The 7IM AAP (Asset Allocated Passives) Moderately Cautious Fund (the 'Sub-fund') aims to provide a total return, substantially by way of income though with some capital appreciation. There may be a moderate risk to capital.

The Investment Manager will invest the majority of the portfolio in fixed interest and equity instruments using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Investment Manager will also make investments in other asset classes such as property, commodities and private equities. Such investments will be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

While income-generating assets are likely to represent a significant part of the portfolio, the portfolio may also include assets with scope for capital growth in real terms. The Sub-fund may use different asset classes, with a substantial proportion in fixed interest, or instruments that track the returns of fixed interest.

Investment may also be made in equities, exchange traded funds, warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

The Sub-fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 3.64%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emmanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016, we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

¹Calculated using 7IM AAP Moderately Cautious C Acc shares published prices. Source NTRS

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2017

Investment Manager's Report (continued)

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period. In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

Portfolio Review

In December 2016, we increased our Japanese and European equity holdings, reducing our Emerging Market (EM) and, marginally, US allocations to do so. We expected the stronger Dollar to drive Yen lower, boosting the attractiveness of the Topix, while we thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. In the EM space, we had had a good run but believed the region could be negatively impacted by Trump's rhetoric and policies. We thus allowed the MSCI China Future to expire and reduced Asia Pacific exposure, an asset class heavily weighted towards Taiwan and South Korea. Despite these views, we did also increase our allocation in Indian equity, seeing the region as relatively immune to Trump risk and the potential for the changes implemented by the Modi government to be beneficial. In January 2017, we cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our EuroStoxx Dividend 2018 future, having made over 10% in 10 months.

Come March, valuations in the US looked high, while we also saw some political risk in Europe. Valuations were especially high in the 'Trump reflation trade' related stocks such as the Russell 2000 Index and Financials Index. As a result, we cut the remaining positions in US Financials, and the majority of our Russell 2000 Index holdings in our March review. At the same time, we reduced European exposure, as the result of the French elections remained uncertain. Following a positive result in the first round, alongside strong macro data and attractive valuations, we then increased our EuroStoxx exposure in April. In March, we also increased our EM exposure, seeing a stable Chinese economy, robust commodity prices and a strong global macro scene boding well for the sector. Our allocation to Japanese equity was also increased – Japanese earnings surprised to the upside in Q4 2016, we believed the economy to be in good health and Prime Minister Abe and President Trump seemed to be working well together.

In June, we reduced our equity allocation across our portfolio range, believing valuations were high across the marketplace. In line with this decision, and our more cautious stance in a time of geo-political uncertainty, we reduced slightly our exposure to European and Japanese equity. By September, the macro story had improved, with good earnings numbers and a fading of geopolitical risk. We took a more risk-on position, deciding to increase our equity allocation, in both Japan and Europe, and at the same time taking some profits from our holding in EM equity. We believed that much of the recent good performance in EM had been as a result of the technology sector rallying; such an over-reliance on one sector reinforced our view that this was a good time to decrease our allocation. Our views developed further in November, as we saw increased value in the UK in comparison to other regions, and so decided to add to the FTSE 100 index futures, cutting European equity to do so. As the majority of earnings in the FTSE 100 index are derived overseas, it has historically performed well when Sterling has fallen. Adding to it therefore provides us with further protection against a fall in Sterling, an increasing possibility with difficult upcoming Brexit talks.

In the fixed income space, we bought some tail risk protection for the weak UK outlook in December 2016. We added to our Gilts allocation to do so, as rising yields had resulted in favourable pricing, and the potential for increased reward as a result. In the month, we also trimmed convertibles, as the asset class had had a good run, and this provided cash for other investments. In February, we cut the allocation to Gilts, taking profits, as a resilient economic environment meant that the Bank of England was unlikely to extend QE. We additionally reduced our High Yield bonds as the spreads had narrowed considerably, again taking profits. In March, we increased our Global Government Bond exposure through a US 10 year Treasury, believing the asset to be a good tail-risk hedge, and following on from a substantial increase in US Treasury yields. We also increased our Emerging Market Local Currency Debt, believing that the sell-off following the US elections was overdone, and seeing some value in the asset. We added further to our global government bond exposure through US Treasuries in June, to add downside protection to the Sub-fund. At the same time, we added a little EM Dollar debt exposure, as we liked this asset class and believed the Dollar denominated version had less volatility. This was useful in the coming months as the North Korean threat escalated. As tensions increased, we reduced our exposure to EM Local Market debt – a holding more volatile than the Dollar denominated version – to help to protect the Sub-fund against the potential for a market reaction to geopolitical shocks. In September, also we cut some of our High Yield allocation, due to spreads narrowing, taking some profits.

We also made some changes to our Alternatives allocation. In December 2016, we added a Credit Suisse Risk Premia Certificate as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same time we sold some of our Real Estate holding, due to concern over excessively high valuations, with Real Estate having been seen as a bond proxy. In January, we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures Fund. In the following month, we decided to add some protection in the Sub-fund in case of a no-Brexit scenario. To do so we added a GBPUSD Option, which would protect against a sharp rally in Sterling. In April, we decided to reduce exposure to inflation protection, as inflation expectations were unlikely to accelerate, selling the Bank of America Merrill Lynch (BAML) position, due to preferable exit terms. In June, we replaced some of our equity holdings with an equity volatility strategy, an equity-like position which has less exposure to extreme tail-risk events, and added an S&P 500 put option, further diversifying our safe haven assets. In July, we added currency call options to hedge against the impact of a stronger Pound; these aided the portfolio when Sterling rallied from mid-August. Our gold position varied throughout the period: we added to the asset class in March and June as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, and then took some profits from a successful holding in November. The profits from this were used to increase our allocation to UK equity mentioned above.

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2017

Investment Manager's Report (continued)

Over the year, we often used our ability to manage currency to express our market views. Last December, we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar. As geopolitical tensions increased in the year, we used Yen as a tail risk hedge. In March, we increased our Yen allocation, which also protected against the downside risk from a Topix overweight, and added to the position again in August, as the currency has proven in the past to act well in times of the elevation of geopolitical risk. We additionally altered our currency positions in April, increasing Euro exposure, reflecting our more bullish view following the first round of the French elections discussed above, funded by reducing our Dollar allocation, foreseeing continued weakness in the currency. After a very good run, we adjusted our zero Dollar position in August, increasing our allocation alongside our increase in Yen.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

In the UK, there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION

The Comparative Tables on pages 256 to 264 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 and research costs.

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

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	115.13	111.27	113.46
Return before operating charges*	5.11	7.00	1.09
Operating charges (calculated on average price)	(1.35)	(1.34)	(1.25)
Return after operating charges*	3.76	5.66	(0.16)
Distributions on income shares	(1.58)	(1.80)	(2.03)
Closing net asset value per share	117.31	115.13	111.27
* After direct transaction costs of: ¹	0.03	0.04	0.05

Performance

Return after charges ²	3.27%	5.09%	(0.14)%
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Other Information

Closing net asset value (£'000)	335	433	629
Closing number of shares	285,363	375,638	565,354
Operating charges ³	1.15%	1.19%	1.09%
Direct transaction costs	0.02%	0.04%	0.04%

Prices

Highest share price	118.81	118.32	120.48
Lowest share price	114.58	105.65	107.81

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 265.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	137.96	131.25	131.50
Return before operating charges*	6.15	8.30	1.20
Operating charges (calculated on average price)	(1.63)	(1.59)	(1.45)
Return after operating charges*	4.52	6.71	(0.25)
Distributions	(1.90)	(2.15)	(2.37)
Retained distributions on accumulation shares	1.90	2.15	2.37
Closing net asset value per share	142.48	137.96	131.25
* After direct transaction costs of: ¹	0.03	0.05	0.05
Performance			
Return after charges ²	3.28%	5.11%	(0.19)%
Other Information			
Closing net asset value (£'000)	3,579	4,095	6,572
Closing number of shares	2,511,681	2,968,100	5,007,002
Operating charges ³	1.15%	1.19%	1.09%
Direct transaction costs	0.02%	0.04%	0.04%
Prices			
Highest share price	143.29	140.61	139.62
Lowest share price	137.54	124.61	126.35

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 265.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	120.24	115.74	117.52
Return before operating charges*	5.23	7.20	1.01
Operating charges (calculated on average price)	(0.80)	(0.81)	(0.70)
Return after operating charges*	4.43	6.39	0.31
Distributions on income shares	(1.66)	(1.89)	(2.09)
Closing net asset value per share	123.01	120.24	115.74
* After direct transaction costs of: ¹	0.03	0.05	0.05
Performance			
Return after charges ²	3.68%	5.52%	0.26%
Other Information			
Closing net asset value (£'000)	56,470	59,531	63,400
Closing number of shares	45,908,628	49,511,445	54,780,013
Operating charges ³	0.65%	0.69%	0.59%
Direct transaction costs	0.02%	0.04%	0.04%
Prices			
Highest share price	124.54	123.51	124.97
Lowest share price	119.67	109.99	112.05

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 265.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	143.29	135.76	135.47
Return before operating charges*	6.24	8.49	1.10
Operating charges (calculated on average price)	(0.96)	(0.96)	(0.81)
Return after operating charges*	5.28	7.53	0.29
Distributions	(1.97)	(2.22)	(2.42)
Retained distributions on accumulation shares	1.97	2.22	2.42
Closing net asset value per share	148.57	143.29	135.76
* After direct transaction costs of: ¹	0.03	0.05	0.06
Performance			
Return after charges ²	3.68%	5.55%	0.21%
Other Information			
Closing net asset value (£'000)	550,258	573,748	556,555
Closing number of shares	370,379,885	400,419,859	409,955,223
Operating charges ³	0.65%	0.69%	0.59%
Direct transaction costs	0.02%	0.04%	0.04%
Prices			
Highest share price	149.37	145.96	144.05
Lowest share price	142.86	128.99	130.06

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 265.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	111.85	108.52	111.10
Return before operating charges*	5.05	6.93	1.17
Operating charges (calculated on average price)	(1.77)	(1.74)	(1.67)
Return after operating charges*	3.28	5.19	(0.50)
Distributions on income shares	(1.56)	(1.86)	(2.08)
Closing net asset value per share	113.57	111.85	108.52
* After direct transaction costs of: ¹	0.03	0.04	0.05

Performance

Return after charges ²	2.93%	4.78%	(0.45)%
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Other Information

Closing net asset value (£'000)	581	898	1,672
Closing number of shares	511,790	803,045	1,540,436
Operating charges ³	1.55%	1.59%	1.49%
Direct transaction costs	0.02%	0.04%	0.04%

Prices

Highest share price	115.27	115.02	117.83
Lowest share price	111.31	103.01	105.23

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 265.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	134.01	127.89	128.55
Return before operating charges*	6.06	8.19	1.28
Operating charges (calculated on average price)	(2.12)	(2.07)	(1.94)
Return after operating charges*	3.94	6.12	(0.66)
Distributions	(1.88)	(2.17)	(2.41)
Retained distributions on accumulation shares	1.88	2.17	2.41
Closing net asset value per share	137.95	134.01	127.89
* After direct transaction costs of: ¹	0.03	0.05	0.05
Performance			
Return after charges ²	2.94%	4.79%	(0.51)%
Other Information			
Closing net asset value (£'000)	42,993	46,078	63,602
Closing number of shares	31,166,252	34,384,454	49,730,551
Operating charges ³	1.55%	1.59%	1.49%
Direct transaction costs	0.02%	0.04%	0.04%
Prices			
Highest share price	138.84	136.63	136.32
Lowest share price	133.59	121.34	123.18

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 265.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class O Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	–	127.06	127.81
Return before operating charges*	–	8.41	1.30
Operating charges (calculated on average price)	–	(2.18)	(2.05)
Return after operating charges*	–	6.23	(0.75)
Distributions	–	(1.01)	(2.42)
Retained distributions on accumulation shares	–	1.01	2.42
Last quoted share price ¹	–	133.29	–
Closing net asset value per share	–	–	127.06
* After direct transaction costs of: ²	–	0.05	0.05
Performance			
Return after charges ³	–%	4.90%	(0.59)%
Other Information			
Closing net asset value (£'000)	–	–	16
Closing number of shares	–	–	12,621
Operating charges ⁴	–%	1.69%	1.59%
Direct transaction costs	–%	0.04%	0.04%
Prices			
Highest share price	–	135.65	135.50
Lowest share price	–	120.54	122.39

¹ As at the year end date, there are no shares in issue. Share class performance provided is as at 30 November 2016 being the last quoted price date before shares were reduced to zero.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 265.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	107.32	103.10	104.47
Return before operating charges*	4.60	6.35	0.85
Operating charges (calculated on average price)	(0.44)	(0.46)	(0.36)
Return after operating charges*	4.16	5.89	0.49
Distributions on income shares	(1.47)	(1.67)	(1.86)
Closing net asset value per share	110.01	107.32	103.10
* After direct transaction costs of: ¹	0.02	0.04	0.04

Performance

Return after charges ²	3.88%	5.71%	0.47%
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Other Information

Closing net asset value (£'000)	14,221	12,263	10,070
Closing number of shares	12,926,556	11,425,765	9,767,213
Operating charges ³	0.40%	0.44%	0.34%
Direct transaction costs	0.02%	0.04%	0.04%

Prices

Highest share price	111.37	110.21	111.18
Lowest share price	108.60	98.00	99.78

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 265.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	112.62	106.49	106.05
Return before operating charges*	4.84	6.61	0.81
Operating charges (calculated on average price)	(0.46)	(0.48)	(0.37)
Return after operating charges*	4.38	6.13	0.44
Distributions	(1.55)	(1.73)	(1.89)
Retained distributions on accumulation shares	1.55	1.73	1.89
Closing net asset value per share	117.00	112.62	106.49
* After direct transaction costs of: ¹	0.03	0.04	0.04
Performance			
Return after charges ²	3.89%	5.76%	0.41%
Other Information			
Closing net asset value (£'000)	125,771	114,913	105,882
Closing number of shares	107,500,881	102,037,789	99,431,160
Operating charges ³	0.40%	0.44%	0.34%
Direct transaction costs	0.02%	0.04%	0.04%
Prices			
Highest share price	117.61	114.70	112.85
Lowest share price	112.28	101.22	102.40

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 265.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class C	Class D	Class O¹	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	-	0.25%
Other expenses	0.04%	0.04%	0.04%	-	0.04%
	1.04%	0.54%	1.44%	-	0.29%
Collective investment scheme costs	0.11%	0.11%	0.11%	-	0.11%
Ongoing Charges Figure	1.15%	0.65%	1.55%	-	0.40%

As at 30 November 2016

	Class A	Class C	Class D	Class O¹	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	1.50%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%	0.04%
	1.04%	0.54%	1.44%	1.54%	0.29%
Collective investment scheme costs	0.15%	0.15%	0.15%	0.15%	0.15%
Ongoing Charges Figure	1.19%	0.69%	1.59%	1.69%	0.44%

¹Class O shares were fully redeemed on 30 November 2016.

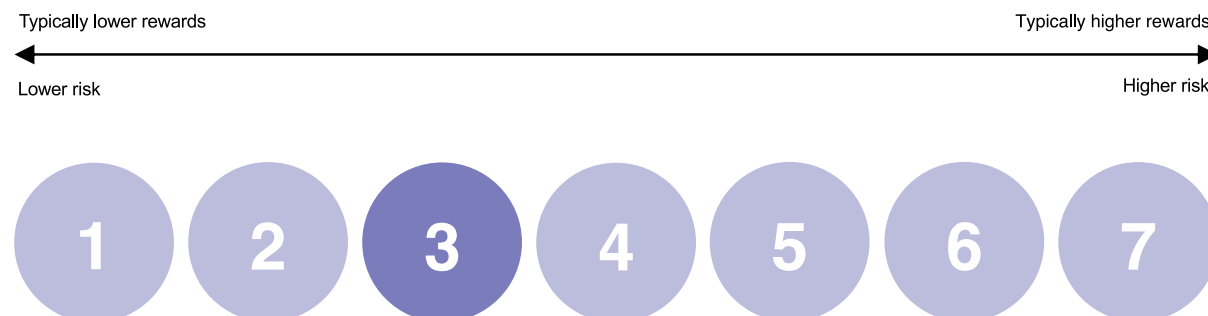
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 3.

Fund performance to 30 November 2017 (%)

	1 year	3 years	5 years
7IM AAP Moderately Cautious Fund ¹	3.64	9.71	24.46

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 284 and 285.

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 19.27% (14.30%)			
1,493	Absolute Return Trust ¹	—	—
216,216	AQR Managed Futures UCITS Fund 'G' ²	15,847,291	2.00
21,174	Bank of America Merrill Lynch Vortex Alpha Index 29/09/2020 ³	15,800,913	1.99
20,800,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ³	16,125,432	2.03
1,747	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ³	66,973	0.01
40,540,000	Credit Suisse International ARP Custom 7 Index ³	30,620,972	3.87
31,000,000	Credit Suisse International Inflation Swap Transaction 2018 ³	23,754,098	2.99
1,263,843	Dexion Absolute EUR ¹	—	—
47,697	Dexion Equity Alternative ¹	—	—
33,801,097	F&C Global Equity Market Neutral 3 Acc ²	20,760,635	2.60
13,388	Goldman Sachs International Euro Stoxx 50 Index Warrants 15/12/2017 ³	12,860,931	1.62
20,573	Morgan Stanley Index Linked Certificates 2020 ³	15,803,160	1.99
126	S&P 500 Index Put Options 2200 Jun 2018 ⁴	183,688	0.02
7,350	Societe Generale GBP/USD Warrants 13/04/2018 ³	1,216,425	0.15
		153,040,518	19.27
CASH 12.35% (15.36%)			
30,000,777	Deutsche Global Liquidity Managed Sterling Fund Platinum ²	30,000,777	3.78
68,055,000	Northern Trust Global Sterling Fund ²	68,055,000	8.57
		98,055,777	12.35
COMMODITIES 5.87% (3.79%)			
502,038	Source Physical Gold P-ETC ²	46,680,623	5.87
DEBT SECURITIES 49.02% (47.06%)			
Convertible Bonds 2.93% (4.05%)			
59,431	NN (L) Global Convertible Opportunities Acc ²	6,641,342	0.84
623,896	SSgA SPDR Thomson Reuters Global Convertible Bond UCITS ETF ²	16,566,689	2.09
		23,208,031	2.93
Emerging Market Bonds 6.85% (5.71%)			
475,653	iShares Emerging Markets Local Government Bond UCITS ETF ²	23,116,638	2.91
25,165,734	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ²	16,257,064	2.05
22,371,046	Legal & General Emerging Markets Government Bond USD Index Fund ²	14,986,364	1.89
		54,360,066	6.85
Gilts 3.35% (4.12%)			
£1,872,000	Kingdom of Belgium 1.125% 2018	1,880,856	0.24
£2,607,000	Tennessee Valley Authority 5.35% 2021	2,958,340	0.37
£3,745,023	UK Gilt 1.75% 2019	3,819,171	0.48
£3,745,023	UK Gilt 3.75% 2020	4,071,964	0.51
£3,745,023	UK Gilt 3.75% 2021	4,172,023	0.53
£4,802,991	UK Gilt 4.00% 2022	5,461,577	0.69
£4,138,250	UK Gilt 5.00% 2018	4,189,440	0.53
		26,553,371	3.35
Global Corporate Bonds 4.25% (5.08%)			
9,111,787	BlackRock Overseas Corporate Bond Tracker ²	13,321,432	1.68
£5,618,000	Deutsche Bahn Finance 2.75% 2022	5,978,389	0.75
7,490	Fair Oaks Dynamic Credit Fund 'M' Acc ²	7,970,184	1.00
277	Most Diversified TOBAM Anti-Benchmark US Credit ²	2,375,777	0.30
£4,000,000	Nordea Bank 2.375% 2022	4,167,504	0.52
		33,813,286	4.25
Global Government Bonds 11.92% (4.66%)			
US\$11,843,700	US Treasury Notes 1.625% 2026	8,321,712	1.05

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Global Government Bonds (continued)			
US\$26,050,300	US Treasury Notes 2.25% 2025	19,263,405	2.43
US\$42,000,000	US Treasury Notes 2.25% 2027	30,900,307	3.89
US\$48,750,000	US Treasury Notes 2.375% 2027	36,230,444	4.55
		94,715,868	11.92
Global High Yield Bonds 5.01% (10.46%)			
1,003	Most Diversified TOBAM Anti-Benchmark Global High Yield ²	8,056,974	1.01
260,376	PIMCO Short-Term High Yield Corporate Source ²	19,738,569	2.49
128,321	Robeco Quant High Yield ²	11,958,253	1.51
		39,753,796	5.01
Short Term Sterling Bonds 9.68% (0.79%)			
£7,155,000	Bank Nederlandse Gemeenten 1.00% 2022	7,117,422	0.90
£5,100,000	Bayerische Landesbank 1.25% 2021	5,091,310	0.64
£7,850,000	Commonwealth Bank of Australia 1.125% 2021	7,807,390	0.98
£5,000,000	European Investment Bank 2.50% 2022	5,319,450	0.67
£8,100,000	FMS Wertmanagement 0.875% 2022	8,046,443	1.02
£3,000,000	Lloyds Bank 1.75% 2022	3,064,110	0.39
£8,500,000	National Australia Bank 1.875% 2020	8,627,755	1.09
£2,817,000	Nederlandse Water 0.875% 2018	2,819,231	0.35
£7,000,000	Rabobank Nederland 2.25% 2022	7,229,908	0.91
£5,044,000	Royal Bank of Canada 1.125% 2021	5,029,539	0.63
£4,000,000	Westpac Banking 2.625% 2022	4,191,000	0.53
£3,075,000	Westpac Securities NZ 2.50% 2021	3,180,863	0.40
£9,156,000	Yorkshire Building Society 4.75% 2018	9,292,388	1.17
		76,816,809	9.68
Sterling Corporate Bonds 5.03% (12.19%)			
£6,554,000	Asian Development Bank 1.50% 2017	6,555,966	0.83
£1,935,000	Canadian Imperial Bank of Commerce FRN 2018	1,935,445	0.24
£1,512,000	GE Capital UK Funding 6.75% 2018	1,570,487	0.20
£3,756,000	GE Capital UK Funding FRN 2018	3,756,766	0.47
£4,320,000	Network Rail Infrastructure Finance 1.00% 2017	4,320,190	0.54
£5,268,000	Toronto-Dominion Bank FRN 2018	5,269,106	0.66
£561,000	Total Capital International FRN 2019	561,862	0.07
61,658	Vanguard Investment Series - UK Investment Grade Bond Index Fund ²	5,795,001	0.73
100,578	Vanguard U.K. Short-Term Investment Grade Bond Index ²	10,251,943	1.29
		40,016,766	5.03
EQUITY 13.04% (18.88%)			
Asia & Emerging Markets 1.21% (2.12%)			
1,591,635	7IM Emerging Markets Equity Value Fund 'Z' Inc ^{2,5}	2,139,157	0.27
876	Most Diversified TOBAM Anti-Benchmark Emerging Markets ²	7,254,404	0.91
180	MSCI AC Asia ex Japan Futures Dec 2017 ⁴	222,006	0.03
		9,615,567	1.21
Europe (ex UK) 3.99% (2.71%)			
4,363,693	7IM European (ex UK) Equity Value Fund 'Z' Inc ^{2,5}	5,184,504	0.65
6,988	ABB	132,864	0.03
218,122	Aegon	1,013,747	0.13
298	Aena SME	44,653	0.01
2,864	AerCap	110,219	0.01
880	Ageas	32,156	—
19	AP Moeller - Maersk 'A'	24,074	—
3,490	Atlas Copco	112,735	0.01
240	Baloise	27,473	—
1,362	Bayer	130,522	0.02
2,635	Bayerische Motoren Werke 'A'	198,370	0.02
1,609	BNP Paribas	91,552	0.01

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Europe (ex UK) (continued)			
8,422	Boliden	200,336	0.03
6,509	Boskalis Westminster	178,505	0.02
2,258	Compagnie De St-Gobain	96,256	0.01
2,546	Covestro	197,027	0.02
5,021	Daimler	310,583	0.04
16,981	Danske Bank	475,919	0.06
35,632	Deutsche Lufthansa	905,347	0.12
88,330	Deutsche Telekom	1,175,036	0.15
4,520	DNB	61,538	0.01
1,614	Electrolux 'B'	39,568	—
99,553	Engie	1,295,411	0.16
71,429	Eni	877,887	0.11
14,346	Ericsson 'B'	67,703	0.01
81,188	Fiat Chrysler Automobiles	1,037,856	0.13
1,162	Fraport AG Frankfurt Airport Services Worldwide	85,821	0.01
11,371	Gemalto	319,601	0.04
295	Genmab	42,404	0.01
3,310	Hakon Invest	88,993	0.01
1,161	Hexagon	42,400	0.01
17,791	Holcim	723,319	0.09
96,768	Iberdrola	569,013	0.07
3,009	Industrivarden	54,717	0.01
1,646	Investor 'B'	57,540	0.01
872	Kone	33,349	—
836	Linde	137,855	0.02
7,408	Muenchener Rueckversicherungs	1,247,329	0.16
20,999	Nestle	1,350,642	0.16
36,797	NN Group	1,182,939	0.15
6,389	Nordea Bank	56,190	0.01
6,403	Norsk Hydro	32,619	—
9,444	Novartis	598,892	0.08
21,957	Novo Nordisk	841,633	0.11
34,958	Orange	451,190	0.06
11,838	Pernod Ricard	1,366,864	0.17
17,136	Peugeot	265,598	0.03
4,811	Porsche Automobil	301,023	0.04
6,913	Renault	525,603	0.07
36,452	Repsol	497,269	0.06
1,237	Roche Holding	231,092	0.03
4,911	Safran	389,905	0.05
63,198	Saipem	191,621	0.03
2,515	Sandvik	32,425	—
14,115	Sanofi	960,468	0.12
3,882	SAP	327,928	0.04
3,810	Societe Generale	144,252	0.02
1,367	Swiss Life	342,118	0.04
18,250	Swiss Re	1,285,228	0.15
12,359	TeliaSonera 'A'	40,833	0.01
18,026	UPM-Kymmene	407,066	0.05
6,976	Vestas Wind Systems	327,974	0.04
19,898	Vinci	1,522,677	0.20
176	Volkswagen	26,930	—
2,320	Volkswagen non-voting preference shares	363,773	0.05
536	Zurich Insurance Group	120,613	0.02
		31,609,547	3.99
Japan 0.40% (0.00%)			
254	TOPIX Index Futures Dec 2017 ⁴	3,154,940	0.40
North America 3.17% (8.62%)			
4,324,691	7IM US Equity Value Fund 'Z' Inc ^{2,5}	5,671,400	0.71
1,278	Activision Blizzard	58,945	0.01
354	Aetna	47,282	0.01

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	North America (continued)		
391	Agnc Investment	5,837	—
345	Alphabet 'C'	262,112	0.03
925	American International Group	41,480	0.01
363	American Tower	39,495	—
2,774	Amgen	355,424	0.04
21,832	Annaly Capital Management	190,966	0.02
163	Anthem	27,566	—
1,616	Apple	203,603	0.03
13,279	Applied Materials	522,587	0.07
363	Baker Hughes	8,095	—
288	Best Buy	12,600	—
2,357	Biogen	560,932	0.07
3,484	Boeing	697,758	0.09
151	Bunge	7,469	—
17,712	Cadence Design Systems	568,465	0.07
8,694	Capital One Financial	588,201	0.07
4,270	Chevron	372,134	0.05
873	Cigna	133,659	0.02
26,876	Cisco Systems	749,038	0.09
7,857	Citigroup	438,536	0.06
532	Citizens Financial Group	16,093	—
17,268	Comcast 'A'	477,794	0.06
5,070	ConocoPhillips	191,268	0.02
168	Cummins	20,556	—
1,978	CVS Health	107,974	0.01
456	Eaton	26,055	—
1,067	eBay	27,277	—
332	Electronic Arts	26,050	—
1,061	Eli Lilly & Company	67,048	0.01
518	EOG Resources	38,725	—
210	Estee Lauder	19,347	—
956	Exelon	29,637	—
2,160	Exxon Mobil	132,159	0.02
72	F5 Networks	6,954	—
3,849	FNF	115,088	0.01
64,542	Ford Motor	602,478	0.08
9,049	Gap	218,813	0.03
437	General Motors	14,237	—
11,268	Gilead Sciences	617,689	0.08
427	Hasbro	29,483	—
3,683	HCP	73,663	0.01
368	HP	5,863	—
3,087	Humana	574,233	0.07
238	Illinois Tool Works	29,361	—
21,779	Intel	711,954	0.09
121	JM Smucker	10,589	—
425	Kimco Realty	5,839	—
1,648	Kinder Morgan	20,532	—
524	Las Vegas Sands	26,332	—
3,789	Liberty Property Trust	125,694	0.02
565	Lincoln National	32,166	—
896	Lowe's Cos	55,515	0.01
370	LyondellBasell Industries	28,894	—
307	Maxim Integrated Products	11,899	—
2,829	Merck & Co	116,489	0.01
15,433	Michael Kors Holdings	673,131	0.09
2,934	Micron Technology	95,432	0.01
3,177	Microsoft	196,913	0.02
133	Mini Russell 2000 Futures Dec 2017 ⁴	584,906	0.07
2,319	Monsanto	202,931	0.03
485	Morgan Stanley	18,513	—
169	Motorola Solutions	11,837	—
286	NetApp	11,962	—
550	Newmont Mining	14,969	—
3,256	NextEra Energy	382,064	0.05
1,868	NXP Semiconductors	157,004	0.02

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
North America (continued)			
9,910	Occidental Petroleum	515,162	0.06
3,491	Palo Alto Networks	376,144	0.05
6,100	Pfizer	164,291	0.02
3,863	PNC Financial Services Group	401,457	0.05
321	Prologis	15,789	–
1,741	Prudential Financial	150,046	0.02
1,524	Qualcomm	75,404	0.01
1,283	Regions Financial	15,803	–
45	RenaissanceRe Holdings	4,566	–
257	Robert Half International	10,860	–
2,483	Rockwell Automation	350,976	0.05
1,842	Royal Caribbean Cruises	170,835	0.02
302	S&P Global	36,998	–
264	Simon Property	31,171	–
4,997	Southwest Airlines	218,806	0.03
20,261	Synchrony Financial	532,728	0.07
8,856	Synopsys	571,100	0.08
568	Target	26,054	–
856	Texas Instruments	61,689	0.01
11,529	T-Mobile	530,208	0.07
7,233	Union Pacific	661,404	0.09
86	United Rentals	10,097	–
11,622	Vereit	67,772	0.01
102	Vornado Realty	5,834	–
11,981	Walgreens Boots Alliance	640,822	0.08
10,107	Wal-Mart Stores	733,564	0.10
836	Western Digital	50,361	0.01
10,990	WestRock	492,505	0.07
		25,449,440	3.17
United Kingdom 4.27% (5.43%)			
2,585,983	7IM UK Equity Value Fund 'Z' Inc ^{2,5}	2,749,158	0.35
63,173	Anglo American	865,154	0.10
20,488	AstraZeneca	991,721	0.12
179,697	Auto Trader Group	609,352	0.07
255,450	Aviva	1,330,895	0.17
75,130	Barratt Developments	458,293	0.06
3,711	Berkeley Group	142,057	0.02
9,756	BHP Billiton	131,267	0.02
323,902	BP	1,603,315	0.21
19,408	British American Tobacco	936,339	0.12
48,065	British Land	300,647	0.04
16,135	Burberry	276,715	0.03
13,645	Capita	66,424	0.01
3,105	Carnival	151,151	0.02
337,794	Centrica	488,450	0.06
14,703	Diageo	383,160	0.05
21,154	Direct Line Insurance Group	77,043	0.01
2,581	Easyjet	36,753	–
77,998	Experian	1,209,748	0.15
295	FTSE 100 Index Futures Dec 2017 ⁴	(101,288)	(0.01)
25,115	G4S	64,646	0.01
81,603	GlaxoSmithKline	1,062,470	0.13
177,463	Glencore	609,763	0.08
196,807	HSBC Holdings	1,470,936	0.18
36,612	Imperial Tobacco Group	1,133,691	0.14
2,707	Intertek Group	141,035	0.02
13,939	Intu Properties	27,293	–
60,222	ITV	96,717	0.01
25,766	J Sainsbury	60,627	0.01
24,874	Kingfisher	83,751	0.01
43,297	Land Securities	403,744	0.06
463,735	Legal & General Group	1,256,258	0.16
3,475	London Stock Exchange	131,181	0.02

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
United Kingdom (continued)			
32,591	Marks & Spencer	101,717	0.01
76,230	Meggitt	370,859	0.05
62,269	National Grid	554,194	0.07
246,869	Old Mutual	494,972	0.06
40,377	Pearson	287,282	0.04
39,635	Persimmon	1,010,296	0.13
2,134	Provident Financial	19,099	–
11,517	Reckitt Benckiser Group	751,369	0.09
26,142	RELX	456,178	0.06
22,223	Rio Tinto	783,361	0.10
2,685	Rolls-Royce	23,172	–
55,161	Royal Bank of Scotland Group	155,223	0.02
74,969	Royal Dutch Shell 'A'	1,780,889	0.23
65,339	Royal Dutch Shell 'B'	1,583,491	0.21
149,660	Royal Mail	650,273	0.08
79,269	Smith & Nephew	1,039,217	0.13
163,764	Standard Life	706,151	0.09
7,445	Tate & Lyle	49,844	0.01
666,403	Tesco	1,325,143	0.17
568,166	Vodafone Group	1,289,453	0.15
463,838	WM Morrison Supermarkets	1,013,486	0.13
6,269	WPP	82,813	0.01
		33,776,948	4.27
REAL ESTATE 0.00% (2.07%)			
RISK MITIGATION 0.00% (0.14%)			
FORWARD CURRENCY CONTRACTS 0.71% (0.24%)			
€(16,750,000)	Vs £15,089,405 Expiry 16.02.2018	310,564	0.04
US\$(435,400,000)	Vs £329,299,652 Expiry 19.01.2018	6,056,698	0.76
US\$(12,700,000)	Vs £9,648,770 Expiry 19.01.2018	220,231	0.03
¥4,402,000,000	Vs £(30,117,267) Expiry 15.12.2017	(963,125)	(0.12)
		5,624,368	0.71
Portfolio of investment		796,245,721	100.26
Net other liabilities		(2,038,074)	(0.26)
Net assets		794,207,647	100.00
Comparative figures shown in brackets relate to 30 November 2016.			
All investments are ordinary shares listed on a regulated market unless stated otherwise.			
¹ Delisted security			
² Collective investment scheme			
³ Structured product			
⁴ Derivative contract			
⁵ Related party holding (see note 12 of the Financial Statements)			
Credit Quality		30.11.17 %	30.11.16 %
Investment grade debt securities		29.24	19.14
Non-rated debt securities		8.88	9.80
Other investments		62.14	72.90
Net other liabilities		(0.26)	(1.84)
		100.00	100.00

7IM AAP MODERATELY CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

			30.11.17		30.11.16
	Notes	£	£	£	£
Income					
Net capital gains	4		21,827,117		32,464,966
Revenue	5	13,160,741		15,615,738	
Expenses	6	(4,329,064)		(4,501,270)	
Interest payable and similar charges	8	(58,614)		(217,796)	
Net revenue before taxation for the year		8,773,063		10,896,672	
Taxation	7	(1,291,578)		(1,477,258)	
Net revenue after taxation for the year			7,481,485		9,419,414
Total return before distributions			29,308,602		41,884,380
Distributions	8		(10,776,644)		(12,809,323)
Change in net assets attributable to shareholders from investment activities			18,531,958		29,075,057

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

		30.11.17		30.11.16
		£	£	£
Opening net assets attributable to shareholders		811,958,547		808,396,987
Amounts received on creation of shares	212,000,894		222,283,877	
Amounts paid on cancellation of shares	(204,990,644)		(259,429,485)	
Amounts payable on in-specie transactions	(52,907,765)		–	
		(45,897,515)		(37,145,608)
Stamp Duty Reserve Tax		–		47,251
Change in net assets attributable to shareholders from investment activities		18,531,958		29,075,057
Retained distribution on accumulation shares		9,612,369		11,584,860
Unclaimed distribution		2,288		–
Closing net assets attributable to shareholders		794,207,647		811,958,547

In-specie transactions are the transfer of assets to the new 7IM AAP Dublin Funds range launched in February 2017.

The notes on pages 275 to 283 are an integral part of these Financial Statements.

7IM AAP MODERATELY CAUTIOUS FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		797,310,134	831,026,391
Current assets:			
Debtors	9	6,495,339	6,210,168
Cash and bank balances	10	6,592,249	8,459,271
Total assets		810,397,722	845,695,830
LIABILITIES			
Investment liabilities		(1,064,413)	(4,161,501)
Creditors:			
Bank overdrafts	10	(10,410,168)	(11,012,383)
Distribution payable		(503,134)	(610,661)
Other creditors	11	(4,212,360)	(17,952,738)
Total liabilities		(16,190,075)	(33,737,283)
Net assets attributable to shareholders		794,207,647	811,958,547

The notes on pages 275 to 283 are an integral part of these Financial Statements.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	(780,702)	90,636,425
Derivative contracts	8,636,371	(10,962,457)
Forward currency contracts	10,164,464	(47,584,725)
Currency gains	3,749,980	389,336
Transaction charges	(26,217)	(36,590)
AMC rebates from underlying investments	83,221	22,977
Net capital gains	21,827,117	32,464,966

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	2,985,873	4,864,303
Taxable dividends	6,710,279	7,828,544
Unfranked interest	3,372,853	2,499,188
AMC rebates from underlying investments	35,991	371,987
Bank interest	19,479	51,716
Stock lending revenue	36,266	—
Total revenue	13,160,741	15,615,738

* Prior year figures have been restated to be comparable with the current year figures.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,063,936	4,197,177
Other expenses	6,491	6,854
	<u>4,070,427</u>	<u>4,204,031</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	101,314	102,738
Market risk fees	6,000	7,500
Safe custody and other bank charges	40,295	39,130
Stock lending fees	9,494	—
	<u>157,103</u>	<u>149,368</u>
Other Expenses:		
Advisory fees	33,931	37,065
Audit fee	8,760	8,809
Dealing and exchange fees	39,906	82,188
FCA and other Regulatory fees	275	287
Legal and professional fees	829	1,173
Printing, postage and distribution costs	12,118	12,349
Risk analysis fees	5,715	6,000
	<u>101,534</u>	<u>147,871</u>
Total expenses	<u>4,329,064</u>	<u>4,501,270</u>

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	1,166,244	1,249,812
Overseas tax	125,334	227,446
	<u>1,291,578</u>	<u>1,477,258</u>
Current tax charge (note 7b)	<u>1,291,578</u>	<u>1,477,258</u>
Total taxation	<u>1,291,578</u>	<u>1,477,258</u>
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	8,773,063	10,896,672
Corporation tax at 20%	1,754,613	2,179,334
Effects of:		
AMC rebates taken to capital	16,644	4,595
Double taxation relief expensed	(8,004)	(1,089)
Movement in revenue accruals	9,692	(10,361)
Non-taxable dividends	(574,532)	(883,710)
Overseas tax	125,334	227,446
Tax on stock dividends	(32,169)	(38,958)
Current tax charge (note 7a)	<u>1,291,578</u>	<u>1,477,258</u>
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2016: none).		

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	5,020,229	6,027,695
Final	5,546,147	6,739,949
	10,566,376	12,767,644
Add: Revenue deducted on cancellation of shares	775,740	1,146,687
Add: Revenue deducted on in-specie transactions	232,945	–
Deduct: Revenue received on issue of shares	(798,417)	(1,105,008)
Net distributions for the year	10,776,644	12,809,323
Interest payable and similar charges	58,614	217,796
Total distribution	10,835,258	13,027,119

Details of the distributions per share are set out in the table on pages 71 to 73.

Distributions represented by:		
Net revenue after taxation	7,481,485	9,419,414
Allocations to capital:		
Expenses, net of tax relief	3,294,938	3,391,989
Equalisation on conversions ¹	5	(1,946)
Net movement in revenue account	216	(134)
Net distributions for the year	10,776,644	12,809,323

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17 £	30.11.16 £
Amounts receivable for issue of shares	3,408,728	2,820,563
Accrued revenue	2,719,967	2,022,190
Income tax recoverable	1,020	808,250
AMC rebates from underlying investments	192,918	342,066
Withholding tax recoverable	169,853	217,001
Prepaid expenses	2,853	98
Total debtors	6,495,339	6,210,168

10 Cash and bank balances

	30.11.17 £	30.11.16 £
Cash and bank balances	6,545,270	8,459,267
Cash held at clearing houses	46,979	4
Total cash and bank balances	6,592,249	8,459,271
Bank overdrafts	(6,380,406)	(8,242,135)
Cash overdraft at clearing houses	(4,029,762)	(2,770,248)
Total bank overdrafts	(10,410,168)	(11,012,383)

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

11 Other Creditors

	30.11.17	30.11.16
	£	£
Amounts payable for cancellation of shares	2,692,016	3,942,695
Purchases awaiting settlement	579,372	12,226,546
Accrued expenses	377,090	384,137
Corporation tax payable	563,882	1,399,360
Total other creditors	4,212,360	17,952,738

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 133.

The Sub-fund has the following shareholdings in the 7IM Specialist Investment Funds ICVC:

	Held at 30.11.17	Held at 30.11.16
7IM Emerging Markets Equity Value Fund 'Z' Inc	1,591,635	1,700,000
7IM European (ex UK) Equity Value Fund 'Z' Inc	4,363,693	4,660,792
7IM UK Equity Value Fund 'Z' Inc	2,585,983	2,762,048
7IM US Equity Value Fund 'Z' Inc	4,324,691	4,619,135

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

Pershing Nominees Limited	26.56% (2016: 30.31%)
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Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

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

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class O	1.50%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	375,638	—	(90,275)	—	285,363
Class A Accumulation	2,968,100	185,591	(640,325)	(1,685)	2,511,681
Class C Income	49,511,445	13,468,658	(17,485,937)	414,462	45,908,628
Class C Accumulation	400,419,859	105,503,428	(134,803,427)	(739,975)	370,379,885
Class D Income	803,045	9,972	(282,221)	(19,006)	511,790
Class D Accumulation	34,384,454	2,830,550	(6,048,752)	—	31,166,252
Class O Accumulation	—	—	—	—	—
Class S Income	11,425,765	5,157,368	(3,364,133)	(292,444)	12,926,556
Class S Accumulation	102,037,789	27,138,805	(22,476,632)	800,919	107,500,881

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	1,730,191	1,730,191
Euro	443,967	–	31,809,963	32,253,930
Japanese yen	–	–	32,309,081	32,309,081
Norwegian krone	–	–	109,246	109,246
Swedish krona	–	–	794,917	794,917
Swiss franc	172,461	–	4,901,294	5,073,755
US dollar	23,936,715	141,462,272	210,169,313	375,568,300
Pound sterling	115,372,160	125,962,716	497,827,902	739,162,778
	139,925,303	267,424,988	779,651,907	1,187,002,198

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(443,967)	(14,778,842)	(15,222,809)
Swiss franc	(25,354)	–	(25,354)
US dollar	(117,985)	(332,671,492)	(332,789,477)
Pound sterling	(9,822,862)	(34,934,049)	(44,756,911)
	(10,410,168)	(382,384,383)	(392,794,551)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	110	–	–	110
Danish krone	–	–	1,161,756	1,161,756
Euro	325,412	–	73,158,755	73,484,167
Hong Kong dollar	15,423	–	–	15,423
Japanese yen	26,451	–	23,056,414	23,082,865
Norwegian krone	–	–	823,647	823,647
Swedish krona	–	–	1,021,626	1,021,626
Swiss franc	183,424	–	3,818,266	4,001,690
US dollar	24,881,283	65,608,543	302,153,296	392,643,122
Pound sterling	161,604,340	120,763,620	486,415,549	768,783,509
	187,036,443	186,372,163	891,609,309	1,265,017,915

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(110)	–	(110)
Euro	(325,413)	(66,971,210)	(67,296,623)
Hong Kong dollar	(15,423)	–	(15,423)
Japanese yen	(26,451)	(4,114,683)	(4,141,134)
Swiss franc	(26,627)	–	(26,627)
US dollar	(67,231)	(279,750,483)	(279,817,714)
Pound sterling	(10,551,128)	(91,210,609)	(101,761,737)
	(11,012,383)	(442,046,985)	(453,059,368)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	0.98	0.53	3	2
US dollar	1.52	(3.81)	7	5

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	18,187	1,712,004	1,730,191
Euro	46,047	16,985,074	17,031,121
Japanese yen	–	32,309,081	32,309,081
Norwegian krone	15,089	94,157	109,246
Swedish krona	1,477	793,440	794,917
Swiss franc	236,160	4,812,241	5,048,401
US dollar	99,361	42,679,462	42,778,823
	416,321	99,385,459	99,801,780
Pound sterling	95,601,382	598,804,485	694,405,867
Net assets	96,017,703	698,189,944	794,207,647

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	14,153	1,147,603	1,161,756
Euro	80,861	6,106,683	6,187,544
Japanese yen	–	18,941,731	18,941,731
Norwegian krone	14,612	809,035	823,647
Swedish krona	8,375	1,013,251	1,021,626
Swiss franc	255,376	3,719,687	3,975,063
US dollar	109,005	112,716,403	112,825,408
	482,382	144,454,393	144,936,775
Pound sterling	100,446,275	566,575,497	667,021,772
Net assets	100,928,657	711,029,890	811,958,547

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	116,430,043	186,272,222	–	302,702,265
Collective Investment Schemes	106,102,519	255,276,660	–	361,379,179
Derivatives	4,145,540	6,587,493	–	10,733,033
Equities	76,747,255	45,748,402	–	122,495,657
Total	303,425,357	493,884,777	–	797,310,134
Liabilities				
Derivatives	(101,288)	(963,125)	–	(1,064,413)

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	56,794,848	155,656,245	–	212,451,093
Collective Investment Schemes	185,853,918	235,045,743	–	420,899,661
Derivatives	15,218,093	26,527,311	–	41,745,404
Equities	121,770,091	34,160,142	–	155,930,233
Total	379,636,950	451,389,441	–	831,026,391
Liabilities				
Derivatives	(2,121,177)	(2,040,324)	–	(4,161,501)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 41.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	227,180	–	–	–	–	–
Collective Investment Schemes	681,393	–	–	–	–	–
Derivatives	35,224	–	–	–	–	–
Equities	139,808	12	142	154	0.01	0.10
Total	1,083,605	12	142	154	0.01	0.10

Sales	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	106,291	–	–	–	–	–
Collective Investment Schemes	637,333	–	–	–	–	–
Derivatives	842	–	–	–	–	–
Equities	274,589	(19)	(2)	(21)	0.01	–
In-specie Transactions	52,569	–	–	–	–	–
Total	1,071,624	(19)	(2)	(21)	0.01	–

Total as a percentage of the average NAV	0.00%	0.02%	0.02%
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7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	159,985	–	–	–	–	–
Collective Investment Schemes	739,861	–	–	–	–	–
Derivatives	22,400	–	–	–	–	–
Equities	236,984	35	257	292	0.01	0.11
Total	1,159,230	35	257	292	0.01	0.11

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	273,978	–	–	–	–	–
Collective Investment Schemes	727,789	–	–	–	–	–
Derivatives	8,443	–	–	–	–	–
Equities	226,005	(32)	(2)	(34)	0.01	–
Total	1,236,215	(32)	(2)	(34)	0.01	–

Total as a percentage of the average NAV **0.01%** **0.03%** **0.04%**

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.21% (2016: 0.16%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM AAP MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class A Income				
Group 1	0.7505	—	0.7505	0.8408
Group 2	0.7505	—	0.7505	0.8408
			Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	0.9093	—	0.9093	1.0093
Group 2	0.7033	0.2060	0.9093	1.0093
			Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	0.7931	—	0.7931	0.8940
Group 2	0.2744	0.5187	0.7931	0.8940
			Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	0.9313	—	0.9313	1.0387
Group 2	0.3609	0.5704	0.9313	1.0387
			Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	0.7584	—	0.7584	0.8993
Group 2	0.2399	0.5185	0.7584	0.8993
			Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	0.9099	—	0.9099	1.0289
Group 2	0.3865	0.5234	0.9099	1.0289
			Allocated 31.07.17	Allocated 31.07.16
Class O Accumulation				
Group 1	—	—	—	1.0127
Group 2	—	—	—	1.0127
			Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	0.7004	—	0.7004	0.7758
Group 2	0.3031	0.3973	0.7004	0.7758
			Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	0.7308	—	0.7308	0.8032
Group 2	0.2348	0.4960	0.7308	0.8032

7IM AAP MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class A Income				
Group 1	0.8251	—	0.8251	0.9640
Group 2	0.8251	—	0.8251	0.9640
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	0.9950	—	0.9950	1.1441
Group 2	0.4882	0.5068	0.9950	1.1441
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	0.8643	—	0.8643	1.0040
Group 2	0.4705	0.3938	0.8643	1.0040
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	1.0366	—	1.0366	1.1865
Group 2	0.5059	0.5307	1.0366	1.1865
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	0.8026	—	0.8026	0.9626
Group 2	0.4403	0.3623	0.8026	0.9626
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	0.9676	—	0.9676	1.1434
Group 2	0.4567	0.5109	0.9676	1.1434
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	0.7727	—	0.7727	0.8946
Group 2	0.4183	0.3544	0.7727	0.8946
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	0.8159	—	0.8159	0.9322
Group 2	0.4062	0.4097	0.8159	0.9322

Equalisation

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

7IM AAP BALANCED FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

The 7IM AAP (Asset Allocated Passives) Balanced Fund (the 'Sub-fund') aims, by applying active asset allocation techniques to predominantly passive strategies, to provide a balance of income and capital appreciation. There may be some risk to capital.

The Investment Manager will invest the majority of the portfolio in fixed interest and equity instruments using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Investment Manager will also make investments in other asset classes such as property, commodities and private equities. Such investments will be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

The Sub-fund invests predominantly in a range of equities and fixed interest investments or instruments that track the returns of equity and fixed interest indices. The Sub-fund will comprise a mixture of income-generating assets and assets with scope for capital growth in real terms. The Sub-fund may use different asset classes, with investment primarily in equities and fixed interest investments, or instruments that track the returns of equity and fixed interest indices, with no long-term preponderance to either class.

Investment may also be made in exchange traded funds, warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that is permitted in the stated investment and borrowing powers of the Company.

The Sub-fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 7.02%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility. They are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year. In the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emanuel Macron's popularity, although French business confidence remains strong and political turmoil in Spain with an independence referendum in Catalonia. In Asia, the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly and following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI Index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields and thus – inversely – prices. At the end of 2016 we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

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

7IM AAP BALANCED FUND

ACD'S REPORT (continued)
for the year ended 30 November 2017

Investment Manager's Report (continued)

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period. In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

Portfolio Review

In December 2016 we increased our Japanese, European and US equity, reducing our Emerging Market (EM) allocation to do so. We expected the stronger Dollar to drive Yen lower, boosting the attractiveness of the Topix, while we thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. The US allocation increase was marginal, including a rotation towards Small Cap – companies likely to benefit from Trump policies with less exposure to protectionism. In the Emerging Markets space, we had had a good run but believed the region could be negatively impacted by Trump's rhetoric and policies. We thus allowed the MSCI China Future to expire and reduced Asia Pacific exposure, an asset class heavily weighted towards Taiwan and South Korea. Despite these views, we did also increase our allocation in Indian equity, seeing the region as relatively immune to Trump risk and the potential for the changes implemented by the Modi government to be beneficial. In January 2017, we cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our EuroStoxx Dividend 2018 future, having made over 10% in 10 months.

Our increase in US equity proved a good decision, but by March valuations looked high, while we also saw some political risk in Europe. Valuations were especially high in the 'Trump reflation trade' related stocks such as the Russell 2000 Index and Financials Index. As a result, we cut the remaining positions in US Financials, and the majority of our Russell 2000 Index holdings in our March review. At the same time we reduced European exposure, as the result of the French elections remained uncertain. Following a positive result in the first round, alongside strong macro data and attractive valuations, we then increased our EuroStoxx exposure in April. In March we also increased our EM exposure, seeing a stable Chinese economy, robust commodity prices and a strong global macro scene boding well for the sector. Our allocation to Japanese equity was also increased – Japanese earnings surprised to the upside in Q4 2016, we believed the economy to be in good health and Prime Minister Abe and President Trump seemed to be working well together.

In June we reduced our equity allocation across our portfolio range, believing valuations were high across the marketplace. We slightly reduced our exposure to UK, US, and European equity and, where we were more cautious, made a slightly larger reduction of our Japanese equity holding. Believing that the growth story was better for Emerging Markets, we increased our allocation to EM equity slightly. The asset class performed well in the period and so we decided to take some profits, reducing our holding in September. This good run of performance was largely due to the technology sector rallying, and this over-reliance on one sector reinforced our decision that this was a good time to decrease our allocation. By September the macro story had improved, with good earnings numbers and a fading of geopolitical risk. We took a more risk-on position, deciding to increase both our Japanese and European equity, while diversifying risk in the portfolio by allocating a small amount to Frontier Markets equity. Our views developed further in November, as we saw increased value in the UK in comparison to other regions, and so decided to add to the FTSE 100 Index Futures Dec 2017, cutting European equity to do so. As the majority of earnings in the FTSE 100 Index are derived overseas, it has historically performed well when Sterling has fallen. Adding to it therefore provides us with further protection against a fall in Sterling, an increasing possibility with difficult upcoming Brexit talks.

In the fixed income space, we bought some tail risk protection for the weak UK outlook in December 2016. We added to our Gilts allocation to do so, as rising yields had resulted in favourable pricing, and the potential for increased reward as a result. In the month we also trimmed convertibles, as the asset class had had a good run, and this provided cash for other investments. In February we cut the allocation to Gilts, taking profits, as a resilient economic environment meant that the Bank of England was unlikely to extend QE. We additionally reduced our High Yield bonds as the spreads had narrowed considerably, again taking profits. In March we increased our Global Government Bond exposure through a US 10 year Treasury, believing the asset to be a good tail-risk hedge, and following on from a substantial increase in US Treasury yields. We also increased our Emerging Market Local Currency Debt, believing that the sell-off following the US elections was overdone, and seeing some value in the asset. We added further to US Treasuries in June, to provide additional downside protection, and reduced our High Yield allocation again, once more taking profits at a time when spreads had tightened. The latter was reduced further at the end of September, taking more profits, driven by the additional tightening. The escalation of the North Korean threat, and its potential to shock markets, prompted us to reduce our exposure to Emerging Market debt, denominated in the more volatile local currencies, in August.

We also made some changes to our Alternatives allocation. In December 2016 we added a Credit Suisse Risk Premia Certificate as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same time we sold some of our Real Estate holding, due to concern over excessively high valuations, with Real Estate having been seen as a bond proxy. In January we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures Fund. In the following month we decided to add some protection in the Sub-fund in case of a no-Brexit scenario. To do so we added a GBPUSD Option, which would protect against a sharp rally in Sterling. At the same time, a spike in index volatility allowed us the opportunity to extend the SX5E dispersion trade at a favourable entry point. In April we decided to reduce exposure to inflation protection, as inflation expectations were unlikely to accelerate, selling the Bank of America Merrill Lynch (BAML) position, due to preferable exit terms. Our Private Equity allocation had had a very good run since we implemented our overweight in 2016, and, seeing some reduction in the discount, we reduced our holding in June and again in September, taking profits. In June we added again to our alternatives strategies, replacing some of our equity holdings with an equity volatility strategy, an equity-like position which has less exposure to extreme tail-risk events. Our gold position varied throughout the period: we added to the asset class in March and June as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, and then took some profits from a successful holding in November. The profits from this were used to increase our allocation to UK equity mentioned above.

7IM AAP BALANCED FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

Over the year we often used our ability to manage currency to express our market views. Last December we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar. As geopolitical tensions increased in the year, we used Yen as a tail risk hedge. In March we increased our Yen allocation, which also protected against the downside risk from a Topix overweight, and added to the position again in August, as the currency has proven in the past to act well in times of the elevation of geopolitical risk. We additionally altered our currency positions in April, increasing Euro exposure, reflecting our more bullish view following the first round of the French elections discussed above, funded by reducing our Dollar allocation, foreseeing continued weakness in the currency.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

In the UK there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM AAP BALANCED FUND

FUND INFORMATION

The Comparative Tables on pages 290 to 298 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 and research costs.

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

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	127.95	120.99	122.35
Return before operating charges*	9.69	10.17	1.74
Operating charges (calculated on average price)	(1.52)	(1.42)	(1.36)
Return after operating charges*	8.17	8.75	0.38
Distributions on income shares	(1.65)	(1.79)	(1.74)
Closing net asset value per share	134.47	127.95	120.99
* After direct transaction costs of: ¹	0.05	0.07	0.07
Performance			
Return after charges ²	6.39%	7.23%	0.31%
Other Information			
Closing net asset value (£'000)	323	360	524
Closing number of shares	240,182	281,108	432,683
Operating charges ³	1.14%	1.17%	1.09%
Direct transaction costs	0.04%	0.06%	0.05%
Prices			
Highest share price	136.31	131.71	133.40
Lowest share price	126.99	109.89	114.68

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 299.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	147.02	137.02	136.67
Return before operating charges*	11.17	11.61	1.87
Operating charges (calculated on average price)	(1.75)	(1.61)	(1.52)
Return after operating charges*	9.42	10.00	0.35
Distributions	(1.90)	(2.04)	(1.95)
Retained distributions on accumulation shares	1.90	2.04	1.95
Closing net asset value per share	156.44	147.02	137.02
* After direct transaction costs of: ¹	0.06	0.08	0.08
Performance			
Return after charges ²	6.41%	7.30%	0.26%
Other Information			
Closing net asset value (£'000)	6,226	6,937	11,551
Closing number of shares	3,979,818	4,718,649	8,430,664
Operating charges ³	1.14%	1.17%	1.09%
Direct transaction costs	0.04%	0.06%	0.05%
Prices			
Highest share price	157.62	150.21	149.00
Lowest share price	145.93	124.43	129.25

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 299.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	130.77	123.40	124.45
Return before operating charges*	9.76	10.30	1.64
Operating charges (calculated on average price)	(0.87)	(0.84)	(0.75)
Return after operating charges*	8.89	9.46	0.89
Distributions on income shares	(1.96)	(2.09)	(1.94)
Closing net asset value per share	137.70	130.77	123.40
* After direct transaction costs of: ¹	0.05	0.07	0.07
Performance			
Return after charges ²	6.80%	7.67%	0.71%
Other Information			
Closing net asset value (£'000)	112,797	115,890	135,700
Closing number of shares	81,913,819	88,621,372	109,965,098
Operating charges ³	0.64%	0.67%	0.59%
Direct transaction costs	0.04%	0.06%	0.05%
Prices			
Highest share price	139.69	134.71	135.89
Lowest share price	129.79	112.71	116.96

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 299.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	152.65	141.70	140.77
Return before operating charges*	11.46	11.91	1.78
Operating charges (calculated on average price)	(1.02)	(0.96)	(0.85)
Return after operating charges*	10.44	10.95	0.93
Distributions	(2.30)	(2.41)	(2.20)
Retained distributions on accumulation shares	2.30	2.41	2.20
Closing net asset value per share	163.09	152.65	141.70
* After direct transaction costs of: ¹	0.06	0.08	0.08
Performance			
Return after charges ²	6.84%	7.73%	0.66%
Other Information			
Closing net asset value (£'000)	1,148,637	1,385,302	1,401,774
Closing number of shares	704,302,616	907,486,939	989,287,945
Operating charges ³	0.64%	0.67%	0.59%
Direct transaction costs	0.04%	0.06%	0.05%
Prices			
Highest share price	164.26	155.90	153.70
Lowest share price	151.53	128.78	133.57

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 299.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	125.76	119.19	120.82
Return before operating charges*	9.60	10.11	1.80
Operating charges (calculated on average price)	(2.01)	(1.87)	(1.83)
Return after operating charges*	7.59	8.24	(0.03)
Distributions on income shares	(1.47)	(1.67)	(1.60)
Closing net asset value per share	131.88	125.76	119.19
* After direct transaction costs of: ¹	0.05	0.07	0.07
Performance			
Return after charges ²	6.04%	6.91%	(0.02)%
Other Information			
Closing net asset value (£'000)	1,728	1,477	3,218
Closing number of shares	1,310,487	1,174,424	2,699,448
Operating charges ³	1.54%	1.57%	1.49%
Direct transaction costs	0.04%	0.06%	0.05%
Prices			
Highest share price	133.63	129.44	131.57
Lowest share price	124.80	108.20	112.99

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 299.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	142.79	133.49	133.59
Return before operating charges*	10.95	11.41	1.93
Operating charges (calculated on average price)	(2.29)	(2.11)	(2.03)
Return after operating charges*	8.66	9.30	(0.10)
Distributions	(1.67)	(1.88)	(1.78)
Retained distributions on accumulation shares	1.67	1.88	1.78
Closing net asset value per share	151.45	142.79	133.49
* After direct transaction costs of: ¹	0.06	0.08	0.07
Performance			
Return after charges ²	6.06%	6.96%	(0.07)%
Other Information			
Closing net asset value (£'000)	60,800	64,054	90,221
Closing number of shares	40,146,306	44,860,256	67,585,908
Operating charges ³	1.54%	1.57%	1.49%
Direct transaction costs	0.04%	0.06%	0.05%
Prices			
Highest share price	152.61	145.93	145.47
Lowest share price	141.72	121.15	126.00

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 299.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class O Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	–	125.04	125.22
Return before operating charges*	–	10.80	1.85
Operating charges (calculated on average price)	–	(2.12)	(2.03)
Return after operating charges*	–	8.68	(0.18)
Distributions	–	(0.76)	(1.67)
Retained distributions on accumulation shares	–	0.76	1.67
Last quoted share price ¹	–	133.72	–
Closing net asset value per share	–	–	125.04
* After direct transaction costs of: ²	–	0.07	0.07
Performance			
Return after charges ³	–%	6.94%	(0.14)%
Other Information			
Closing net asset value (£'000)	–	–	5
Closing number of shares	–	–	3,767
Operating charges ⁴	–%	1.67%	1.59%
Direct transaction costs	–%	0.06%	0.05%
Prices			
Highest share price	–	136.61	136.31
Lowest share price	–	113.46	118.03

¹ As at the year end date, there are no shares in issue. Share class performance provided is as at 30 November 2016 being the last quoted price date before shares were reduced to zero.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 299.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	111.28	104.91	105.69
Return before operating charges*	8.26	8.70	1.35
Operating charges (calculated on average price)	(0.45)	(0.45)	(0.37)
Return after operating charges*	7.81	8.25	0.98
Distributions on income shares	(1.79)	(1.88)	(1.76)
Closing net asset value per share	117.30	111.28	104.91
* After direct transaction costs of: ¹	0.04	0.06	0.06
Performance			
Return after charges ²	7.02%	7.86%	0.93%
Other Information			
Closing net asset value (£'000)	31,488	22,596	19,306
Closing number of shares	26,844,614	20,305,178	18,403,300
Operating charges ³	0.39%	0.42%	0.34%
Direct transaction costs	0.04%	0.06%	0.05%
Prices			
Highest share price	119.03	114.67	115.49
Lowest share price	110.45	95.39	99.45

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 299.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	116.81	108.21	107.28
Return before operating charges*	8.71	9.06	1.30
Operating charges (calculated on average price)	(0.48)	(0.46)	(0.37)
Return after operating charges*	8.23	8.60	0.93
Distributions	(1.88)	(1.95)	(1.79)
Retained distributions on accumulation shares	1.88	1.95	1.79
Closing net asset value per share	125.04	116.81	108.21
* After direct transaction costs of: ¹	0.05	0.06	0.06
Performance			
Return after charges ²	7.05%	7.95%	0.87%
Other Information			
Closing net asset value (£'000)	235,290	218,400	204,256
Closing number of shares	188,170,511	186,976,540	188,766,364
Operating charges ³	0.39%	0.42%	0.34%
Direct transaction costs	0.04%	0.06%	0.05%
Prices			
Highest share price	125.92	119.27	117.23
Lowest share price	115.95	98.39	101.97

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 299.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class C	Class D	Class O¹	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	—	0.25%
Other expenses	0.03%	0.03%	0.03%	—	0.03%
	1.03%	0.53%	1.43%	—	0.28%
Collective investment scheme costs	0.11%	0.11%	0.11%	—	0.11%
Ongoing Charges Figure	1.14%	0.64%	1.54%	—	0.39%

As at 30 November 2016

	Class A	Class C	Class D	Class O¹	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	1.50%	0.25%
Other expenses	0.03%	0.03%	0.03%	0.03%	0.03%
	1.03%	0.53%	1.43%	1.53%	0.28%
Collective investment scheme costs	0.14%	0.14%	0.14%	0.14%	0.14%
Ongoing Charges Figure	1.17%	0.67%	1.57%	1.67%	0.42%

¹Class O shares were fully redeemed on 30 November 2016.

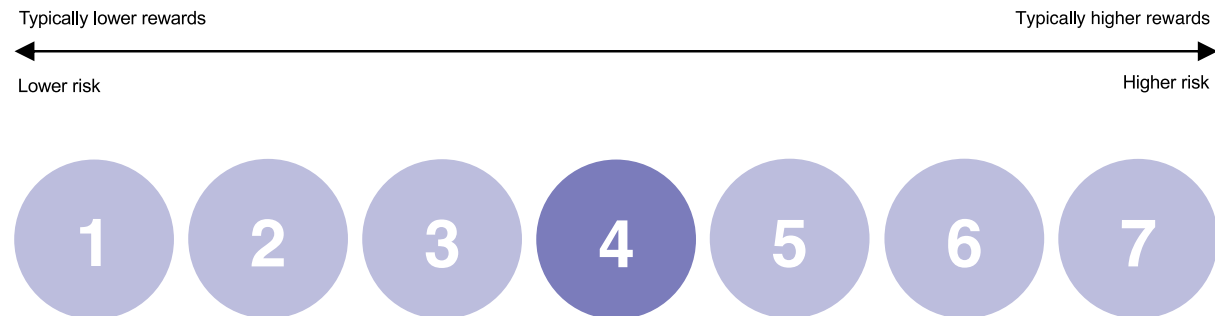
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 4.

Fund performance to 30 November 2017 (%)

	1 year	3 years	5 years
7IM AAP Balanced Fund ¹	7.02	16.00	39.28

¹ Source: Bloomberg.

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 320 to 322.

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 15.75% (9.50%)			
7,879	Absolute Return Trust ¹	—	—
445,011	AQR Managed Futures UCITS Fund 'G' ²	32,616,610	2.04
22,300,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ³	17,288,324	1.08
4,573	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ³	175,311	0.01
62,330,000	Credit Suisse International ARP Custom 7 Index ³	47,079,555	2.95
63,700,000	Credit Suisse International Inflation Swap Transaction 2018 ³	48,810,839	3.05
2,441,469	Dexion Absolute EUR ¹	—	—
5,870	Dexion Equity Alternative ¹	—	—
60,504,243	F&C Global Equity Market Neutral 3 Acc ²	37,161,707	2.32
32,640	Merrill Lynch BV ³	24,357,315	1.52
31,239	Morgan Stanley Index Linked Certificates 2020 ³	23,996,252	1.50
434	S&P 500 Index Put Options 2200 Jun 2018 ⁴	632,705	0.04
19,001	SG Issuer Bucket of Underlyings Warrants 15/12/2017 ³	16,413,095	1.03
20,156	Societe Generale GBP/USD Warrants 13/04/2018 ³	3,335,818	0.21
		251,867,531	15.75
CASH 9.24% (8.12%)			
937	Deutsche Global Liquidity Managed Sterling Fund Platinum ²	937	—
147,526,000	Northern Trust Global Sterling Fund ²	147,526,000	9.24
		147,526,937	9.24
COMMODITIES 5.90% (3.77%)			
1,013,581	Source Physical Gold P-ETC ²	94,245,042	5.90
DEBT SECURITIES 43.97% (47.39%)			
Convertible Bonds 2.06% (3.06%)			
1,238,979	SSgA SPDR Thomson Reuters Global Convertible Bond UCITS ETF ²	32,899,361	2.06
Corporate Bonds 0.85% (0.00%)			
£12,648,000	Nationwide Building Society 5.625% 2019	13,644,726	0.85
Emerging Market Bonds 8.00% (7.10%)			
3,429,573	ETFS Lombard Odier IM Emerging Market Local Government Bond Fundamental GO UCITS ²	27,247,957	1.71
980,840	iShares Emerging Markets Local Government Bond UCITS ETF ²	47,668,622	2.98
46,543,360	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ²	30,067,010	1.88
34,197,777	Legal & General Emerging Markets Government Bond USD Index Fund ²	22,909,091	1.43
		127,892,680	8.00
Gilts 1.98% (1.65%)			
£1,824,000	Export Development Canada 1.875% 2018	1,847,340	0.12
£5,186,000	Kingdom of Belgium 1.125% 2018	5,210,535	0.33
£7,512,000	Network Rail Infrastructure Finance 4.625% 2020	8,260,270	0.52
£2,593,039	UK Gilt 1.75% 2019	2,644,379	0.17
£2,593,039	UK Gilt 3.75% 2020	2,819,411	0.18
£2,593,039	UK Gilt 3.75% 2021	2,888,692	0.18
£4,382,236	UK Gilt 4.00% 2022	4,983,128	0.31
£2,636,256	UK Gilt 5.00% 2018	2,668,866	0.17
		31,322,621	1.98
Global Corporate Bonds 2.54% (3.89%)			
12,742,063	BlackRock Overseas Corporate Bond Tracker ²	18,628,896	1.17
£472,000	Deutsche Bahn Finance 2.75% 2022	502,278	0.03
1,498	Most Diversified TOBAM Anti-Benchmark US Credit ²	12,855,596	0.80

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Global Corporate Bonds (continued)			
£8,644,000	Nestle Holdings 1.625% 2017	8,645,902	0.54
		40,632,672	2.54
Global Government Bonds 8.11% (2.93%)			
US\$37,659,600	US Treasury Notes 1.625% 2026	26,460,681	1.66
US\$11,069,700	US Treasury Notes 2.25% 2025	8,185,707	0.51
US\$56,000,000	US Treasury Notes 2.25% 2027	41,200,409	2.58
US\$72,465,000	US Treasury Notes 2.375% 2027	53,855,161	3.36
		129,701,958	8.11
Global High Yield Bonds 4.08% (8.93%)			
1,850	Most Diversified TOBAM Anti-Benchmark Global High Yield ²	14,865,908	0.93
405,829	PIMCO Short-Term High Yield Corporate Source ²	30,765,062	1.93
209,375	Robeco Quant High Yield ²	19,511,810	1.22
		65,142,780	4.08
Short Term Sterling Bonds 7.95% (5.29%)			
£3,255,000	Abbey National Treasury Services 1.875% 2020	3,306,104	0.21
£1,540,000	Caisse d'Amortissement de la Dette Sociale 3.75% 2018	1,581,090	0.10
£4,532,000	Coventry Building Society 1% 2020	4,507,056	0.28
£1,780,000	Coventry Building Society FRN 2020	1,787,159	0.11
£1,400,000	Dexia Credit Local FRN 2019	1,402,324	0.09
£12,965,000	European Investment Bank 1.50% 2019	13,096,491	0.82
£864,000	European Investment Bank 4.75% 2018	895,344	0.06
£14,611,000	Export Development Canada 1.375% 2019	14,786,917	0.92
£1,100,000	FMS Wertmanagement 0.625% 2020	1,096,205	0.07
£1,200,000	FMS Wertmanagement 0.75% 2017	1,200,097	0.08
£8,900,000	FMS Wertmanagement 1.25% 2019	8,961,855	0.56
£1,200,000	GE Capital UK Funding 2.375% 2018	1,216,670	0.08
£8,684,000	Lloyds Bank FRN 2017	8,713,248	0.55
£3,155,000	National Australia Bank 1.875% 2020	3,202,420	0.20
£6,352,000	Nederlandse Waterschapsbank 2% Senior Notes 2018	6,440,261	0.40
£9,062,000	Nordea Bank FRN 2019	9,096,581	0.57
£9,451,000	Royal Bank of Scotland FRN 2020	9,481,338	0.59
£8,421,000	Santander UK FRN 2020	8,447,610	0.53
£6,860,000	Skandinaviska Enskilda Banken FRN 2018	6,884,079	0.43
£14,328,000	Stadshypotek AB FRN 2018	14,353,217	0.90
£6,218,000	Yorkshire Building Society 4.75% 2018	6,310,623	0.40
		126,766,689	7.95
Sterling Corporate Bonds 8.40% (14.54%)			
£8,684,000	ASB Finance FRN 2018	8,695,810	0.54
£1,729,000	Asian Development Bank 1.50% 2017	1,729,519	0.11
£3,560,000	Bank of Montreal FRN 2018	3,560,534	0.22
£5,401,000	Canadian Imperial Bank of Commerce FRN 2018	5,402,242	0.34
£5,297,000	Commonwealth Bank of Australia FRN 2018	5,298,324	0.33
£9,509,000	DNB Boligkreditt FRN 2020	9,540,380	0.60
£1,400,000	FMS Wertmanagement 1.875% 2018	1,417,592	0.09
£1,909,000	GE Capital UK Funding 6.75% 2018	1,982,844	0.12
£4,420,000	GE Capital UK Funding FRN 2018	4,420,902	0.28
£3,995,000	Network Rail Infrastructure Finance 1.00% 2017	3,995,176	0.25
£1,500,000	NRW Bank 0.875% 2017	1,500,165	0.09
£7,294,000	Royal Bank of Canada FRN 2018	7,305,306	0.46
£8,858,000	Royal Bank of Canada FRN 2019	8,888,383	0.56
£6,079,000	Shell International Finance 2% 2019	6,206,775	0.39
£11,984,000	Swedbank Hypotek FRN 2018	11,989,153	0.75
£10,777,000	Toronto-Dominion Bank FRN 2018	10,779,263	0.67
£9,301,000	Total Capital International FRN 2019	9,315,286	0.58
190,295	UBS Sterling Corporate Bond Indexed ²	20,816,217	1.30

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Sterling Corporate Bonds (continued)			
112,972	Vanguard U.K. Short-Term Investment Grade Bond Index ²	11,515,251	0.72
		134,359,122	8.40
EQUITY 25.50% (27.03%)			
Asia & Emerging Markets 1.94% (3.71%)			
3,370,951	7IM Emerging Markets Equity Value Fund 'Z' Inc ^{2,5}	4,530,558	0.28
2,827	Most Diversified TOBAM Anti-Benchmark Emerging Markets ²	23,414,427	1.47
344	MSCI AC Asia ex Japan Futures Dec 2017 ⁴	424,278	0.03
448	MSCI INDIA Futures Mar 2018 ⁴	2,574,238	0.16
		30,943,501	1.94
Europe (ex UK) 8.10% (5.03%)			
8,866,242	7IM European (ex UK) Equity Value Fund 'Z' Inc ^{2,5}	10,533,982	0.66
31,232	ABB	593,821	0.04
974,926	Aegon	4,531,082	0.28
1,332	Aena SME	199,592	0.01
12,801	AerCap	492,635	0.03
3,933	Ageas	143,715	0.01
85	AP Moeller - Maersk 'A'	107,699	0.01
15,601	Atlas Copco	503,950	0.03
1,070	Baloise	122,484	0.01
6,085	Bayer	583,133	0.04
11,775	Bayerische Motoren Werke 'A'	886,454	0.06
7,195	BNP Paribas	409,396	0.03
37,639	Boliden	895,329	0.06
29,097	Boskalis Westminster	797,967	0.05
10,090	Compagnie De St-Gobain	430,125	0.03
11,377	Covestro	880,431	0.05
22,439	Daimler	1,388,003	0.09
75,901	Danske Bank	2,127,245	0.13
159,263	Deutsche Lufthansa	4,046,597	0.26
394,803	Deutsche Telekom	5,251,985	0.33
20,201	DNB	275,029	0.02
7,210	Electrolux 'B'	176,756	0.01
444,966	Engie	5,790,017	0.36
319,258	Eni	3,923,791	0.25
64,123	Ericsson 'B'	302,614	0.02
475	Euro Stoxx 50 Equity Index Futures Dec 2017 ⁴	81,566	0.01
362,883	Fiat Chrysler Automobiles	4,638,867	0.29
5,191	Fraport AG Frankfurt Airport Services Worldwide	383,389	0.02
50,826	Gemalto	1,428,550	0.09
1,318	Genmab	189,451	0.01
14,791	Hakom Invest	397,672	0.02
5,188	Hexagon	189,466	0.01
79,516	Holcim	3,232,839	0.20
432,513	Iberdrola	2,543,250	0.16
13,445	Industrivarden	244,491	0.02
7,354	Investor 'B'	257,076	0.02
3,900	Kone	149,153	0.01
3,733	Linde	615,566	0.04
33,106	Muenchener Rueckversicherungs	5,574,254	0.35
93,853	Nestle	6,036,565	0.38
164,466	NN Group	5,287,205	0.33
28,559	Nordea Bank	251,171	0.02
28,618	Norsk Hydro	145,788	0.01
42,206	Novartis	2,676,495	0.17
98,142	Novo Nordisk	3,761,879	0.24
156,246	Orange	2,016,608	0.13
52,909	Pernod Ricard	6,109,090	0.38
76,587	Peugeot	1,187,052	0.07
21,500	Porsche Automobil	1,345,251	0.08
30,900	Renault	2,349,361	0.15
162,924	Repsol	2,222,569	0.14

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Europe (ex UK) (continued)			
5,527	Roche Holding	1,032,533	0.06
21,952	Safran	1,742,862	0.11
282,470	Saipem	856,475	0.05
11,243	Sandvik	144,951	0.01
63,093	Sanofi	4,293,221	0.28
17,350	SAP	1,465,626	0.09
17,028	Societe Generale	644,705	0.04
6,106	Swiss Life	1,528,142	0.10
81,569	Swiss Re	5,744,373	0.36
55,237	TeliaSonera 'A'	182,500	0.01
80,566	UPM-Kymmene	1,819,356	0.11
31,176	Vestas Wind Systems	1,465,727	0.09
88,939	Vinci	6,805,979	0.43
788	Volkswagen	120,574	0.01
10,373	Volkswagen non-voting preference shares	1,626,473	0.10
2,393	Zurich Insurance Group	538,481	0.03
		128,720,434	8.10
Frontier Markets Equity 1.01% (0.00%)			
1,819,423	T. Rowe Price Frontier Markets Equity Fund 'I' ²	16,077,018	1.01
Japan 0.61% (0.32%)			
767	TOPIX Index Futures Dec 2017 ⁴	9,937,761	0.61
North America 6.34% (10.71%)			
9,120,755	7IM US Equity Value Fund 'Z' Inc ^{2,5}	11,960,958	0.75
5,932	Activision Blizzard	273,601	0.01
1,647	Aetna	219,980	0.01
1,815	Agnc Investment	27,094	—
1,603	Alphabet 'C'	1,217,872	0.08
4,296	American International Group	192,648	0.01
1,686	American Tower	183,442	0.01
12,873	Amgen	1,649,375	0.10
101,296	Annaly Capital Management	886,043	0.06
760	Anthem	128,529	0.01
7,502	Apple	945,192	0.06
61,614	Applied Materials	2,424,781	0.15
1,680	Baker Hughes	37,462	—
1,332	Best Buy	58,275	—
10,933	Biogen	2,601,898	0.16
16,167	Boeing	3,237,849	0.19
699	Bunge	34,574	—
82,180	Cadence Design Systems	2,637,559	0.17
40,336	Capital One Financial	2,728,969	0.17
19,808	Chevron	1,726,284	0.11
4,051	Cigna	620,222	0.04
124,697	Cisco Systems	3,475,321	0.23
36,457	Citigroup	2,034,834	0.13
2,467	Citizens Financial Group	74,627	—
80,122	Comcast 'A'	2,216,920	0.14
23,522	ConocoPhillips	887,378	0.06
782	Cummins	95,681	0.01
9,177	CVS Health	500,948	0.03
2,113	Eaton	120,734	0.01
4,953	eBay	126,620	0.01
1,541	Electronic Arts	120,912	0.01
4,923	Eli Lilly & Company	311,100	0.02
2,402	EOG Resources	179,572	0.01
974	Estee Lauder	89,732	0.01
4,439	Exelon	137,616	0.01
10,021	Exxon Mobil	613,134	0.04
335	F5 Networks	32,358	—

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
North America (continued)			
17,859	FNF	533,997	0.03
299,460	Ford Motor	2,795,361	0.18
41,985	Gap	1,015,235	0.06
2,030	General Motors	66,134	—
52,285	Gilead Sciences	2,866,156	0.18
1,983	Hasbro	136,920	0.01
17,087	HCP	341,753	0.02
1,708	HP	27,212	—
14,322	Humana	2,664,129	0.17
1,106	Illinois Tool Works	136,443	0.01
101,049	Intel	3,303,286	0.21
562	JM Smucker	49,184	—
1,971	Kimco Realty	27,078	—
7,643	Kinder Morgan	95,221	0.01
2,430	Las Vegas Sands	122,110	0.01
17,579	Liberty Property Trust	583,155	0.04
2,620	Lincoln National	149,157	0.01
4,162	Lowe's Cos	257,871	0.02
1,720	LyondellBasell Industries	134,317	0.01
1,426	Maxim Integrated Products	55,271	—
13,127	Merck & Co	540,526	0.03
71,610	Michael Kors Holdings	3,123,366	0.19
13,615	Micron Technology	442,846	0.03
14,742	Microsoft	913,720	0.06
526	Mini Russell 2000 Futures Dec 2017 ⁴	963,866	0.06
10,759	Monsanto	941,497	0.06
2,253	Morgan Stanley	86,001	0.01
788	Motorola Solutions	55,194	—
1,332	NetApp	55,709	—
2,551	Newmont Mining	69,427	—
15,111	NextEra Energy	1,773,150	0.11
8,347	NXP Semiconductors	701,559	0.04
45,980	Occidental Petroleum	2,390,228	0.15
16,201	Palo Alto Networks	1,745,603	0.11
28,303	Pfizer	762,283	0.05
17,926	PNC Financial Services Group	1,862,933	0.12
1,491	Prologis	73,338	—
8,081	Prudential Financial	696,452	0.04
7,070	Qualcomm	349,806	0.02
5,953	Regions Financial	73,325	—
214	RenaissanceRe Holdings	21,714	—
1,192	Robert Half International	50,368	—
11,520	Rockwell Automation	1,628,369	0.09
8,551	Royal Caribbean Cruises	793,056	0.05
1,400	S&P Global	171,515	0.01
1,222	Simon Property	144,282	0.01
23,189	Southwest Airlines	1,015,386	0.06
94,010	Synchrony Financial	2,471,831	0.15
41,086	Synopsys	2,649,527	0.16
2,639	Target	121,051	0.01
3,972	Texas Instruments	286,249	0.02
53,489	T-Mobile	2,459,909	0.15
33,556	Union Pacific	3,068,448	0.20
398	United Rentals	46,726	—
53,925	Vereit	314,457	0.02
470	Vornado Realty	26,883	—
55,594	Walgreens Boots Alliance	2,973,531	0.19
46,898	Wal-Mart Stores	3,403,851	0.21
3,880	Western Digital	233,732	0.01
50,996	WestRock	2,285,327	0.14
		101,957,125	6.34
United Kingdom 7.50% (7.26%)			
5,380,103	7IM UK Equity Value Fund 'Z' Inc ^{2,5}	5,719,587	0.36

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
United Kingdom (continued)			
231,884	Anglo American	3,175,651	0.20
75,201	AstraZeneca	3,640,104	0.23
659,602	Auto Trader Group	2,236,710	0.14
937,663	Aviva	4,885,225	0.31
275,778	Barratt Developments	1,682,246	0.11
13,621	Berkeley Group	521,412	0.03
35,812	BHP Billiton	481,850	0.03
1,188,925	BP	5,885,179	0.37
71,242	British American Tobacco	3,437,070	0.22
176,430	British Land	1,103,570	0.07
59,228	Burberry	1,015,760	0.06
50,086	Capita	243,819	0.02
11,399	Carnival	554,903	0.03
1,239,917	Centrica	1,792,920	0.11
53,972	Diageo	1,406,510	0.09
77,649	Direct Line Insurance Group	282,798	0.02
9,476	Easyjet	134,938	0.01
5,789	Electric & General Investment Trust	—	—
286,303	Experian	4,440,559	0.29
1,200	FTSE 100 Index Futures Dec 2017 ⁴	(395,113)	(0.02)
92,185	G4S	237,284	0.01
299,532	GlaxoSmithKline	3,899,907	0.24
651,401	Glencore	2,238,214	0.14
722,403	HSBC Holdings	5,399,241	0.33
134,387	Imperial Tobacco Group	4,161,294	0.26
9,938	Intertek Group	517,770	0.03
51,165	Intu Properties	100,181	0.01
221,054	ITV	355,013	0.02
94,580	J Sainsbury	222,547	0.01
91,305	Kingfisher	307,424	0.02
158,927	Land Securities	1,481,995	0.09
1,702,198	Legal & General Group	4,611,254	0.29
12,755	London Stock Exchange	481,501	0.03
119,632	Marks & Spencer	373,371	0.02
279,810	Meggitt	1,361,276	0.09
228,565	National Grid	2,034,229	0.13
906,168	Old Mutual	1,816,867	0.11
148,211	Pearson	1,054,521	0.07
145,485	Persimmon	3,708,412	0.23
7,834	Provident Financial	70,114	—
42,272	Reckitt Benckiser Group	2,757,825	0.17
95,959	RELX	1,674,485	0.10
81,570	Rio Tinto	2,875,343	0.18
9,856	Rolls-Royce	85,057	0.01
202,478	Royal Bank of Scotland Group	569,773	0.04
275,182	Royal Dutch Shell 'A'	6,536,947	0.41
239,836	Royal Dutch Shell 'B'	5,812,425	0.36
549,349	Royal Mail	2,386,922	0.15
290,969	Smith & Nephew	3,814,604	0.24
601,118	Standard Life	2,592,021	0.16
27,327	Tate & Lyle	182,954	0.01
2,446,121	Tesco	4,864,112	0.31
872	Thames River Multi Hedge preference shares	—	—
2,085,526	Vodafone Group	4,733,101	0.30
1,702,582	WM Morrison Supermarkets	3,720,142	0.23
23,008	WPP	303,936	0.02
		119,587,760	7.50
PRIVATE EQUITY 0.01% (3.05%)			
1	Main Street Capital	30	—
1,042,957	Marfin Investment	82,639	0.01
33	Prospect Capital	171	—
		82,840	0.01

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	REAL ESTATE 0.00% (1.93%)		
	RISK MITIGATION 0.00% (0.11%)		
	FORWARD CURRENCY CONTRACTS 0.50% (-0.03%)		
€(28,600,000)	Vs £25,764,596 Expiry 16.02.2018	530,276	0.03
US\$(752,250,000)	Vs £568,938,133 Expiry 19.01.2018	10,464,287	0.66
¥12,250,000,000	Vs £(83,811,114) Expiry 15.12.2017	(2,680,208)	(0.17)
US\$(16,714,404)	Vs \$22,000,000 Expiry 19.01.2018	(381,503)	(0.02)
		7,932,852	0.50
	Portfolio of investment	1,611,241,410	100.87
	Net other liabilities	(13,952,041)	(0.87)
	Net assets	1,597,289,369	100.00

Comparative figures shown in brackets relate to 30 November 2016.

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

¹ Delisted security

² Collective investment scheme

³ Structured product

⁴ Derivative contract

⁵ Related party holding (see note 12 of the Financial Statements)

Credit Quality	30.11.17 %	30.11.16 %
Investment grade debt securities	25.83	25.30
Non-rated debt securities	7.09	10.41
Other investments	67.95	65.16
Net other liabilities	(0.87)	(0.87)
	100.00	100.00

7IM AAP BALANCED FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

			30.11.17		30.11.16
	Notes	£	£	£	£
Income					
Net capital gains	4		92,779,987		100,794,734
Revenue	5	32,296,285		39,770,903	
Expenses	6	(8,699,838)		(9,624,064)	
Interest payable and similar charges	8	(88,041)		(358,926)	
Net revenue before taxation for the year		23,508,406		29,787,913	
Taxation	7	(2,855,523)		(3,541,171)	
Net revenue after taxation for the year			20,652,883		26,246,742
Total return before distributions			113,432,870		127,041,476
Distributions	8		(24,001,371)		(29,932,711)
Change in net assets attributable to shareholders from investment activities			89,431,499		97,108,765

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

		30.11.17		30.11.16
		£	£	£
Opening net assets attributable to shareholders		1,815,015,824		1,866,555,025
Amounts received on creation of shares	362,991,795		393,340,369	
Amounts paid on cancellation of shares	(439,526,094)		(569,094,124)	
Amounts payable on in-specie transactions	(251,566,653)		—	
		(328,100,952)		(175,753,755)
Stamp Duty Reserve Tax		22,794		—
Change in net assets attributable to shareholders from investment activities		89,431,499		97,108,765
Retained distribution on accumulation shares		20,920,204		27,105,789
Closing net assets attributable to shareholders		1,597,289,369		1,815,015,824

In-specie transactions are the transfer of assets to the new 7IM AAP Dublin Funds range launched in February 2017.

The notes on pages 310 to 319 are an integral part of these Financial Statements.

7IM AAP BALANCED FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		1,614,698,234	1,844,383,406
Current assets:			
Debtors	9	8,778,463	10,679,742
Cash and bank balances	10	10,856,901	15,008,679
Total assets		1,634,333,598	1,870,071,827
LIABILITIES			
Investment liabilities		(3,456,824)	(13,634,363)
Creditors:			
Bank overdrafts	10	(24,725,497)	(29,695,079)
Distribution payable		(1,062,817)	(1,224,337)
Other creditors	11	(7,799,091)	(10,502,224)
Total liabilities		(37,044,229)	(55,056,003)
Net assets attributable to shareholders		1,597,289,369	1,815,015,824

The notes on pages 310 to 319 are an integral part of these Financial Statements.

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	30,719,307	178,084,110
Derivative contracts	40,983,249	(20,556,927)
Forward currency contracts	11,728,804	(54,250,591)
Currency gains/(losses)	9,218,246	(2,514,179)
Transaction charges	(29,756)	(39,213)
AMC rebates from underlying investments	160,137	71,534
Net capital gains	92,779,987	100,794,734

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	12,257,854	18,004,082
Taxable dividends	14,233,215	14,412,430
Unfranked interest	5,395,035	6,227,859
AMC rebates from underlying investments	323,958	1,094,422
Bank interest	—	32,110
Stock lending revenue	86,223	—
Total revenue	32,296,285	39,770,903

* Prior year figures have been restated to be comparable with the current year figures.

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	8,218,708	9,062,807
Other expenses	6,962	7,772
	<u>8,225,670</u>	<u>9,070,579</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	208,819	217,327
Market risk fees	6,000	7,500
Safe custody and other bank charges	68,013	81,751
Stock lending fees	25,860	—
	<u>308,692</u>	<u>306,578</u>
Other Expenses:		
Advisory fees	70,607	82,624
Audit fee	8,760	8,809
Dealing and exchange fees	59,243	133,317
FCA and other Regulatory fees	275	276
Legal and professional fees	829	1,173
Printing, postage and distribution costs	20,047	14,708
Risk analysis fees	5,715	6,000
	<u>165,476</u>	<u>246,907</u>
Total expenses	<u>8,699,838</u>	<u>9,624,064</u>

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	2,249,064	2,494,305
Overseas tax	606,459	1,046,866
Current tax charge (note 7b)	2,855,523	3,541,171
Total taxation	2,855,523	3,541,171
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	23,508,406	29,787,913
Corporation tax at 20%	4,701,681	5,957,583
Effects of:		
AMC rebates taken to capital	32,027	14,307
Double taxation relief expensed	(33,026)	(3,945)
Franked CIS revenue	(174,712)	–
Franked REIT income	(3,835)	–
FX loss non taxable	32,304	–
Movement in revenue accruals	15,718	(8,315)
Non-taxable dividends	(2,060,620)	(1,209,429)
Non-taxable overseas dividends	(231,928)	(2,255,896)
Offshore CIS revenue	(28,545)	–
Overseas tax	606,459	1,046,866
Current tax charge (note 7a)	2,855,523	3,541,171
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2016: none).		

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	11,589,318	13,828,142
Final	11,412,565	15,606,568
	23,001,883	29,434,710
Add: Revenue deducted on cancellation of shares	1,702,647	2,193,759
Add: Revenue deducted on in-specie transactions	629,902	–
Deduct: Revenue received on issue of shares	(1,333,061)	(1,695,758)
Net distributions for the year	24,001,371	29,932,711
Interest payable and similar charges	88,041	358,926
Total distribution	24,089,412	30,291,637

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 320 to 322.

Distributions represented by:		
Net revenue after taxation	20,652,883	26,246,742
Allocations to capital:		
Expenses, net of tax relief	3,347,753	3,672,480
Equalisation on conversions ¹	1,184	12,735
Net movement in revenue account	(449)	754
Net distributions for the year	24,001,371	29,932,711

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17	30.11.16
	£	£
Amounts receivable for issue of shares	3,291,874	4,350,174
Accrued revenue	4,246,985	4,080,521
Income tax recoverable	2,276	697,448
AMC rebates from underlying investments	483,603	683,745
Withholding tax recoverable	753,637	867,756
Prepaid expenses	88	98
Total debtors	8,778,463	10,679,742

10 Cash and bank balances

	30.11.17	30.11.16
	£	£
Cash and bank balances	10,824,319	15,008,679
Cash held at clearing houses	32,582	–
Total cash and bank balances	10,856,901	15,008,679
Bank overdrafts	(10,294,700)	(14,392,939)
Cash overdraft at clearing houses	(14,430,797)	(15,302,140)
Total bank overdrafts	(24,725,497)	(29,695,079)

11 Other Creditors

	30.11.17	30.11.16
	£	£
Amounts payable for cancellation of shares	5,059,827	7,458,076
Purchases awaiting settlement	978,544	31,524
Accrued expenses	730,266	800,718
Corporation tax payable	1,030,454	2,211,906
Total other creditors	7,799,091	10,502,224

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 308.

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

12 Related party transactions (continued)

The Sub-fund has the following shareholdings in the 7IM Specialist Investment Funds ICVC:

	Held at 30.11.17	Held at 30.11.16
7IM Emerging Markets Equity Value Fund 'Z' Inc	3,370,951	3,900,000
7IM European (ex UK) Equity Value Fund 'Z' Inc	8,866,242	10,257,743
7IM UK Equity Value Fund 'Z' Inc	5,380,103	6,224,477
7IM US Equity Value Fund 'Z' Inc	9,120,755	10,552,200

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

Pershing Nominees Limited	31.66% (2016: 38.97%)
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Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

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

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class O	1.50%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	281,108	3,027	(43,953)	–	240,182
Class A Accumulation	4,718,649	601,367	(1,271,197)	(69,001)	3,979,818
Class C Income	88,621,372	17,537,366	(24,868,962)	624,043	81,913,819
Class C Accumulation	907,486,939	172,626,958	(373,613,468)	(2,197,813)	704,302,616
Class D Income	1,174,424	195,565	(59,502)	–	1,310,487
Class D Accumulation	44,860,256	2,673,241	(7,248,427)	(138,764)	40,146,306
Class O Accumulation	–	–	–	–	–
Class S Income	20,305,178	10,483,635	(4,356,286)	412,087	26,844,614
Class S Accumulation	186,976,540	39,579,503	(40,422,161)	2,036,629	188,170,511

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown on the next pages.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	8,152	–	–	8,152
Danish krone	2	–	7,701,644	7,701,646
Euro	1,021,496	–	101,264,895	102,286,391
Japanese yen	47	–	91,068,667	91,068,714
Norwegian krone	–	–	428,937	428,937
South African rand	247	–	–	247
Swedish krona	–	–	3,550,914	3,550,914
Swiss franc	388,604	–	21,996,794	22,385,398
US dollar	50,638,444	224,834,898	453,628,416	729,101,758
Pound sterling	339,943,937	137,548,731	881,480,745	1,358,973,413
	392,000,929	362,383,629	1,561,121,012	2,315,505,570

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(8,152)	–	(8,152)
Danish krone	(2)	–	(2)
Euro	(849,712)	(25,234,320)	(26,084,032)
South African rand	(67)	–	(67)
US dollar	(1,826,623)	(558,473,845)	(560,300,468)
Pound sterling	(22,040,941)	(109,782,539)	(131,823,480)
	(24,725,497)	(693,490,704)	(718,216,201)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	8,486	–	4,595,130	4,603,616
Danish krone	–	–	5,053,559	5,053,559
Euro	559,366	–	79,308,991	79,868,357
Hong Kong dollar	74,928	–	–	74,928
Japanese yen	126,349	–	99,847,603	99,973,952
Norwegian krone	–	–	3,580,536	3,580,536
South African rand	5	–	2,079,475	2,079,480
Swedish krona	–	–	5,043,718	5,043,718
Swiss franc	414,195	–	22,618,229	23,032,424
US dollar	57,047,878	176,678,943	642,144,584	875,871,405
Pound sterling	394,197,511	208,141,685	966,476,776	1,568,815,972
	452,428,718	384,820,628	1,830,748,601	2,667,997,947

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(8,486)	–	(8,486)
Euro	(429,026)	(102,862,104)	(103,291,130)
Hong Kong dollar	(74,928)	–	(74,928)
Japanese yen	(126,349)	(11,705,564)	(11,831,913)
South African rand	(4)	–	(4)
US dollar	(1,540,368)	(548,412,514)	(549,952,882)
Pound sterling	(27,515,918)	(160,306,862)	(187,822,780)
	(29,695,079)	(823,287,044)	(852,982,123)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	0.68	0.50	1	2
US dollar	1.46	(3.53)	6	7

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	49,642	7,652,002	7,701,644
Euro	371,658	75,830,701	76,202,359
Japanese yen	47	91,068,667	91,068,714
Norwegian krone	8,121	420,816	428,937
South African rand	180	–	180
Swedish krona	4,939	3,545,975	3,550,914
Swiss franc	879,665	21,505,733	22,385,398
US dollar	668,306	168,132,984	168,801,290
	1,982,558	368,156,878	370,139,436
Pound sterling	131,592,338	1,095,557,595	1,227,149,933
Net assets	133,574,896	1,463,714,473	1,597,289,369

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Canadian dollar	268	4,594,862	4,595,130
Danish krone	41,724	5,011,835	5,053,559
Euro	403,228	(23,826,001)	(23,422,773)
Japanese yen	–	88,142,039	88,142,039
Norwegian krone	48,456	3,532,080	3,580,536
South African rand	1	2,079,475	2,079,476
Swedish krona	32,600	5,011,118	5,043,718
Swiss franc	877,663	22,154,761	23,032,424
US dollar	585,715	325,332,808	325,918,523
	1,989,655	432,032,977	434,022,632
Pound sterling	121,055,126	1,259,938,066	1,380,993,192
Net assets	123,044,781	1,691,971,043	1,815,015,824

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	145,706,434	380,084,112	–	525,790,546
Collective Investment Schemes	232,826,044	440,711,563	–	673,537,607
Derivatives	14,614,414	10,994,563	–	25,608,977
Equities	321,483,313	68,277,791	–	389,761,104
Total	714,630,205	900,068,029	–	1,614,698,234
Liabilities				
Derivatives	(395,113)	(3,061,711)	–	(3,456,824)

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	64,302,118	475,951,902	–	540,254,020
Collective Investment Schemes	414,350,768	370,515,099	–	784,865,867
Derivatives	38,808,025	57,841,400	–	96,649,425
Equities	422,614,094	–	–	422,614,094
Total	940,075,005	904,308,401	–	1,844,383,406
Liabilities				
Derivatives	(5,183,228)	(8,451,135)	–	(13,634,363)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 289.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	316,213	–	–	–	–	–
Collective Investment Schemes	1,149,978	–	–	–	–	–
Derivatives	73,326	–	–	–	–	–
Equities	457,638	52	497	549	0.01	0.11
Total	1,997,155	52	497	549	0.01	0.11
Sales						
Bonds	229,644	–	–	–	–	–
Collective Investment Schemes	971,182	–	–	–	–	–
Equities	745,688	(66)	(5)	(71)	0.01	–
In-specie Transactions	250,019	–	–	–	–	–
Total	2,196,533	(66)	(5)	(71)	0.01	–
Total as a percentage of the average NAV		0.01%	0.03%	0.04%		

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	339,472	—	—	—	—	—
Collective Investment Schemes	1,057,889	—	—	—	—	—
Derivatives	22,105	—	—	—	—	—
Equities	1,185,751	107	816	923	0.01	0.07
Total	2,605,217	107	816	923	0.01	0.07

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	523,505	—	—	—	—	—
Collective Investment Schemes	1,290,632	—	—	—	—	—
Derivatives	18,892	—	—	—	—	—
Equities	1,003,984	(105)	(6)	(111)	0.01	—
Total	2,837,013	(105)	(6)	(111)	0.01	—

Total as a percentage of the average NAV **0.01%** **0.05%** **0.06%**

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.21% (2016: 0.17%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM AAP BALANCED FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class A Income				
Group 1	0.8207	—	0.8207	0.8339
Group 2	0.4544	0.3663	0.8207	0.8339
			Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	0.9436	—	0.9436	0.9421
Group 2	0.5007	0.4429	0.9436	0.9421
			Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	0.9746	—	0.9746	0.9653
Group 2	0.4892	0.4854	0.9746	0.9653
			Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	1.1394	—	1.1394	1.1073
Group 2	0.5870	0.5524	1.1394	1.1073
			Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	0.7384	—	0.7384	0.7881
Group 2	0.5676	0.1708	0.7384	0.7881
			Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	0.8395	—	0.8395	0.8765
Group 2	0.5719	0.2676	0.8395	0.8765
			Allocated 31.07.17	Allocated 31.07.16
Class O Accumulation				
Group 1	—	—	—	0.7693
Group 2	—	—	—	0.7693
			Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	0.8869	—	0.8869	0.8643
Group 2	0.3665	0.5204	0.8869	0.8643
			Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	0.9311	—	0.9311	0.8920
Group 2	0.5192	0.4119	0.9311	0.8920

7IM AAP BALANCED FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class A Income				
Group 1	0.8309	—	0.8309	0.9652
Group 2	0.3398	0.4911	0.8309	0.9652
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	0.9612	—	0.9612	1.0996
Group 2	0.4387	0.5225	0.9612	1.0996
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	0.9882	—	0.9882	1.1333
Group 2	0.4451	0.5431	0.9882	1.1333
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	1.1620	—	1.1620	1.3112
Group 2	0.5490	0.6130	1.1620	1.3112
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	0.7274	—	0.7274	0.8915
Group 2	0.5848	0.1426	0.7274	0.8915
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	0.8316	—	0.8316	1.0035
Group 2	0.4070	0.4246	0.8316	1.0035
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.07.17
Class O Accumulation				
Group 1	—	—	—	—
Group 2	—	—	—	—
	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	0.9008	—	0.9008	1.0185
Group 2	0.3732	0.5276	0.9008	1.0185
	Net Revenue	Equalisation	Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	0.9532	—	0.9532	1.0596
Group 2	0.4280	0.5252	0.9532	1.0596

7IM AAP BALANCED FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Equalisation

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

7IM AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

The 7IM AAP (Asset Allocated Passives) Moderately Adventurous Fund (the 'Sub-fund') aims, by applying active asset allocation techniques to predominantly passive strategies, to provide a total return primarily by way of growth in capital. There is a risk of fluctuations in capital values.

The Investment Manager will invest the majority of the portfolio in fixed interest and equity instruments using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Investment Manager will also make investments in other asset classes such as property, commodities and private equities. Such investments will be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

The Sub-fund invests predominantly in equities or instruments that track the returns of equity indices. While assets with scope for capital growth in real terms are likely to represent a significant part of the portfolio, the portfolio may also include other assets held primarily for income generation. The Sub-fund may use different asset classes, with a substantial proportion in equities or instruments that track the returns of equity indices.

Investment may also be made in exchange traded funds, warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

The Sub-fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 10.35%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emmanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia, the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016, we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

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

7IM AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period. In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

Portfolio Review

In December 2016, we increased our Japanese, European and US equity, reducing our Emerging Market (EM) allocation to do so. We expected the stronger Dollar to drive Yen lower, boosting the attractiveness of the Topix, while we thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. The US allocation increase was marginal, including a rotation towards Small Cap – companies likely to benefit from Trump policies with less exposure to protectionism. In the Emerging Markets space, we had had a good run but believed the region could be negatively impacted by Trump's rhetoric and policies. We thus allowed the MSCI China Future to expire and reduced Asia Pacific exposure, an asset class heavily weighted towards Taiwan and South Korea. Despite these views, we did also increase our allocation in Indian equity, seeing the region as relatively immune to Trump risk and the potential for the changes implemented by the Modi government to be beneficial. In January 2017, we cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our EuroStoxx Dividend 2018 future, having made over 10% in 10 months.

Our increase in US equity proved a good decision, but by March valuations looked high, while we also saw some political risk in Europe. Valuations were especially high in the 'Trump reflation trade' related stocks such as the Russell 2000 Index and Financials Index. As a result, we cut the remaining positions in US Financials, and the majority of our Russell 2000 Index holdings in our March review. At the same time, we increased our EM exposure, seeing a stable Chinese economy, robust commodity prices and a strong global macro scene boding well for the sector. Our allocation to Japanese equity was also increased – Japanese earnings surprised to the upside in Q4 2016, we believed the economy to be in good health and Prime Minister Abe and President Trump seemed to be working well together. Seeing uncertainty in the French elections we decided not to allocate to Europe at this time, despite strong macro data and attractive valuations. Following a positive result in the first round of elections, we increased our EuroStoxx holding in April.

By June, the economic situation had altered and we reduced our equity allocation across our portfolio range, believing valuations were high across the marketplace. We slightly reduced our exposure to UK and US equity and, where we were more cautious, made a slightly larger reduction of our European and Japanese equity holdings. At the same time, we also introduced some Frontier Market exposure, believing this asset class to provide strong uncorrelated growth to other equity markets. Come September, the macro story had improved, with good earnings numbers and a fading of geopolitical risk. We took a more risk-on position, deciding to increase both the Japanese and European equity allocations, while continuing to diversify risk in the Sub-fund by allocating another small amount to Frontier Markets equity. At the same time, we took some profits from our Emerging Markets equity holding, as the asset class had performed well in the period. This good run of performance was largely due to the technology sector rallying, and this over-reliance on one sector reinforced our decision that this was a good time to decrease our allocation. Our views developed further in November, as we saw increased value in the UK in comparison to other regions, and so decided to add to the FTSE 100 index futures, cutting European equity to do so. As the majority of earnings in the FTSE 100 index are derived overseas, it has historically performed well when Sterling has fallen. Adding to it therefore provides us with further protection against a fall in Sterling, an increasing possibility with difficult upcoming Brexit talks.

In the fixed income space, our main changes came in 2017, leaving the allocation as it stood in December 2016, given the risk level of the Sub-fund. In February, we reduced our High Yield bonds as the spreads had narrowed considerably, taking profits. In March, we increased our Global Government Bond exposure through a US 10 year Treasury, believing the asset to be a good tail-risk hedge, and following on from a substantial increase in US Treasury yields. We also increased our Emerging Market Local Currency Debt, believing that the sell-off following the US elections was overdone, and seeing some value in the asset. These purchases were funded by cutting both our Global Corporate Bonds and High Yield allocations. We added further to US Treasuries in June, to provide additional downside protection, and reduced our High Yield allocation again, once more taking profits at a time when spreads had tightened. The latter was reduced further at the end of September, taking more profits, driven by the additional tightening. The escalation of the North Korean threat, and its potential to shock markets, prompted us to reduce our exposure to Emerging Market debt, denominated in the more volatile local currencies, in August.

We also made some changes to our Alternatives allocation. In December 2016, we increased our Private Equity allocation, believing that the asset class would be a beneficiary of inflationary policy which could play out as a result of the Trump administration. In addition, we added a Credit Suisse Risk Premia Certificate as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same, time we sold some of our Real Estate holding, due to concern over bond proxies. In January, we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures Fund. In the following month, we decided to add a little protection in the Sub-fund in case of a no-Brexit scenario. To do so, we added a GBPUSD Option, which would protect against a sharp rally in Sterling. In April, we decided to reduce exposure to inflation protection, as inflation expectations were unlikely to accelerate, selling the Bank of America Merrill Lynch (BAML) position, due to preferable exit terms. Our Private Equity allocation had had a very good run since we implemented our overweight in 2016, and, seeing some reduction in the discount, we reduced our holding in June and again in September, taking profits. In June, we also added to our alternatives strategies, replacing some of our equity holdings with an equity volatility strategy, an equity-like position which has less exposure to extreme tail-risk events, and added an S&P 500 put option, further diversifying our safe haven assets. In July, we added currency call options to hedge against the impact of a stronger Pound; these aided the portfolio when Sterling rallied from mid-August. Our gold position varied throughout the period: we added to the asset class in June as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, and then took some profits from a successful holding in November. The profits from this were used to increase our allocation to UK equity mentioned above.

7IM AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

Over the year, we often used our ability to manage currency to express our market views. Last December we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar. As geopolitical tensions increased in the year, we used Yen as a tail risk hedge. In March, we increased our Yen allocation, which also protected against the downside risk from a Topix overweight, and added to the position again in August, as the currency has proven in the past to act well in times of the elevation of geopolitical risk. We additionally altered our currency positions in April, increasing Euro exposure, reflecting our more bullish view following the first round of the French elections discussed above, funded by reducing our Dollar allocation, foreseeing continued weakness in the currency. After a very good run we adjusted our zero Dollar position in August, increasing our allocation alongside our increase in Yen.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

In the UK, there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 327 to 334 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 and research costs.

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

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	138.67	129.10	128.70
Return before operating charges*	14.92	12.70	3.12
Operating charges (calculated on average price)	(1.68)	(1.50)	(1.45)
Return after operating charges*	13.24	11.20	1.67
Distributions on income shares	(1.52)	(1.63)	(1.27)
Closing net asset value per share	150.39	138.67	129.10
* After direct transaction costs of: ¹	0.08	0.11	0.10

Performance

Return after charges ²	9.55%	8.67%	1.30%
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Other Information

Closing net asset value (£'000)	343	533	694
Closing number of shares	228,022	384,189	537,741
Operating charges ³	1.15%	1.16%	1.09%
Direct transaction costs	0.05%	0.08%	0.08%

Prices

Highest share price	152.72	142.55	143.18
Lowest share price	137.45	114.20	120.42

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 335.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	151.96	139.73	138.00
Return before operating charges*	16.43	13.86	3.28
Operating charges (calculated on average price)	(1.85)	(1.63)	(1.55)
Return after operating charges*	14.58	12.23	1.73
Distributions	(1.67)	(1.77)	(1.37)
Retained distributions on accumulation shares	1.67	1.77	1.37
Closing net asset value per share	166.54	151.96	139.73
* After direct transaction costs of: ¹	0.09	0.12	0.11
Performance			
Return after charges ²	9.59%	8.75%	1.25%
Other Information			
Closing net asset value (£'000)	1,454	2,118	2,663
Closing number of shares	873,235	1,394,021	1,905,636
Operating charges ³	1.15%	1.16%	1.09%
Direct transaction costs	0.05%	0.08%	0.08%
Prices			
Highest share price	168.29	155.24	153.53
Lowest share price	150.66	123.60	129.96

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 335.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	139.71	130.06	129.64
Return before operating charges*	14.91	12.69	3.14
Operating charges (calculated on average price)	(0.96)	(0.87)	(0.79)
Return after operating charges*	13.95	11.82	2.35
Distributions on income shares	(2.13)	(2.17)	(1.93)
Closing net asset value per share	151.53	139.71	130.06
* After direct transaction costs of: ¹	0.08	0.11	0.10
Performance			
Return after charges ²	9.98%	9.09%	1.81%
Other Information			
Closing net asset value (£'000)	39,941	51,944	54,266
Closing number of shares	26,358,928	37,180,990	41,724,976
Operating charges ³	0.65%	0.66%	0.59%
Direct transaction costs	0.05%	0.08%	0.08%
Prices			
Highest share price	154.12	143.84	144.50
Lowest share price	138.48	115.15	121.51

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 335.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	158.50	145.16	142.68
Return before operating charges*	17.00	14.31	3.35
Operating charges (calculated on average price)	(1.10)	(0.97)	(0.87)
Return after operating charges*	15.90	13.34	2.48
Distributions	(2.42)	(2.43)	(2.13)
Retained distributions on accumulation shares	2.42	2.43	2.13
Closing net asset value per share	174.40	158.50	145.16
* After direct transaction costs of: ¹	0.09	0.12	0.11
Performance			
Return after charges ²	10.03%	9.19%	1.74%
Other Information			
Closing net asset value (£'000)	473,960	622,196	628,872
Closing number of shares	271,764,514	392,543,655	433,212,920
Operating charges ³	0.65%	0.66%	0.59%
Direct transaction costs	0.05%	0.08%	0.08%
Prices			
Highest share price	176.18	161.86	159.03
Lowest share price	157.15	128.53	134.91

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 335.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	138.34	128.80	128.39
Return before operating charges*	15.01	12.76	3.13
Operating charges (calculated on average price)	(2.27)	(2.01)	(1.96)
Return after operating charges*	12.74	10.75	1.17
Distributions on income shares	(1.04)	(1.21)	(0.76)
Closing net asset value per share	150.04	138.34	128.80
* After direct transaction costs of: ¹	0.08	0.11	0.10
Performance			
Return after charges ²	9.21%	8.35%	0.91%
Other Information			
Closing net asset value (£'000)	995	862	1,492
Closing number of shares	663,349	623,108	1,158,660
Operating charges ³	1.55%	1.56%	1.49%
Direct transaction costs	0.05%	0.08%	0.08%
Prices			
Highest share price	152.14	142.04	142.63
Lowest share price	137.12	113.84	119.99

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 335.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	147.09	135.68	134.51
Return before operating charges*	16.02	13.54	3.23
Operating charges (calculated on average price)	(2.42)	(2.13)	(2.06)
Return after operating charges*	13.60	11.41	1.17
Distributions	(1.11)	(1.28)	(0.80)
Retained distributions on accumulation shares	1.11	1.28	0.80
Closing net asset value per share	160.69	147.09	135.68
* After direct transaction costs of: ¹	0.08	0.11	0.10
Performance			
Return after charges ²	9.25%	8.41%	0.87%
Other Information			
Closing net asset value (£'000)	25,778	27,509	39,370
Closing number of shares	16,042,798	18,701,992	29,016,421
Operating charges ³	1.55%	1.56%	1.49%
Direct transaction costs	0.05%	0.08%	0.08%
Prices			
Highest share price	162.41	150.31	149.44
Lowest share price	145.82	119.93	126.28

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 335.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	114.49	106.58	106.25
Return before operating charges*	12.17	10.34	2.51
Operating charges (calculated on average price)	(0.49)	(0.44)	(0.37)
Return after operating charges*	11.68	9.90	2.14
Distributions on income shares	(1.99)	(1.99)	(1.81)
Closing net asset value per share	124.18	114.49	106.58
* After direct transaction costs of: ¹	0.07	0.09	0.08

Performance

Return after charges ²	10.20%	9.29%	2.01%
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Other Information

Closing net asset value (£'000)	7,669	8,387	8,136
Closing number of shares	6,175,287	7,324,858	7,633,317
Operating charges ³	0.40%	0.41%	0.34%
Direct transaction costs	0.05%	0.08%	0.08%

Prices

Highest share price	126.42	117.97	118.51
Lowest share price	113.50	94.41	99.65

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 335.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	120.27	109.93	107.83
Return before operating charges*	12.84	10.80	2.48
Operating charges (calculated on average price)	(0.51)	(0.46)	(0.38)
Return after operating charges*	12.33	10.34	2.10
Distributions	(2.10)	(2.06)	(1.85)
Retained distributions on accumulation shares	2.10	2.06	1.85
Closing net asset value per share	132.60	120.27	109.93
* After direct transaction costs of: ¹	0.07	0.09	0.08
Performance			
Return after charges ²	10.25%	9.41%	1.95%
Other Information			
Closing net asset value (£'000)	110,355	96,291	80,856
Closing number of shares	83,222,727	80,059,199	73,549,770
Operating charges ³	0.40%	0.41%	0.34%
Direct transaction costs	0.05%	0.08%	0.08%
Prices			
Highest share price	133.94	122.80	120.28
Lowest share price	119.25	97.38	102.13

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 335.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%
	1.04%	0.54%	1.44%	0.29%
Collective investment scheme costs	0.11%	0.11%	0.11%	0.11%
Ongoing Charges Figure	1.15%	0.65%	1.55%	0.40%

As at 30 November 2016

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%
	1.04%	0.54%	1.44%	0.29%
Collective investment scheme costs	0.12%	0.12%	0.12%	0.12%
Ongoing Charges Figure	1.16%	0.66%	1.56%	0.41%

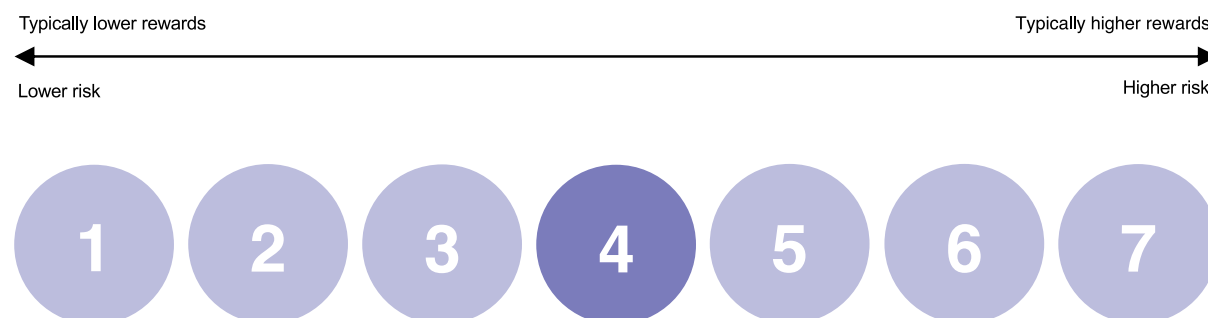
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 4.

Fund performance to 30 November 2017 (%)

	1 year	3 years	5 years
7IM AAP Moderately Adventurous Fund ¹	10.35	22.49	54.71

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 356 and 357.

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	ALTERNATIVE STRATEGIES 12.63% (9.35%)		
97,324	AQR Managed Futures UCITS Fund 'G' ¹	7,133,256	1.08
9,479	Bank of America Merrill Lynch Vortex Alpha Index 29/09/2020 ²	7,073,621	1.07
9,700,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ²	7,520,033	1.14
1,973	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ²	75,637	0.01
20,910,000	Credit Suisse International ARP Custom 7 Index ²	15,793,895	2.39
27,600,000	Credit Suisse International Inflation Swap Transaction 2018 ²	21,148,809	3.20
1,171,008	Dexion Absolute EUR ³	—	—
30,098	Dexion Absolute GBP ³	—	—
25,132,588	F&C Global Equity Market Neutral 3 Acc ¹	15,436,436	2.34
8,774	Morgan Stanley Index Linked Certificates 2020 ²	6,739,752	1.02
227	S&P 500 Index Put Options 2200 Jun 2018 ⁴	330,931	0.05
13,216	Societe Generale GBP/USD Warrants 13/04/2018 ²	2,187,248	0.33
		83,439,618	12.63
	CASH 7.22% (6.57%)		
47,709,000	Northern Trust Global Sterling Fund ¹	47,709,000	7.22
	COMMODITIES 4.95% (2.85%)		
351,335	Source Physical Gold P-ETC ¹	32,667,918	4.95
	DEBT SECURITIES 35.47% (35.85%)		
	Corporate Bonds 1.10% (1.11%)		
£6,732,000	Nationwide Building Society 5.625% 2019	7,262,515	1.10
	Emerging Market Bonds 6.06% (7.58%)		
1,433,567	ETFS Lombard Odier IM Emerging Market Local Government Bond Fundamental GO UCITS ¹	11,389,690	1.72
44,392,282	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ¹	28,677,413	4.34
		40,067,103	6.06
	Gilts 0.55% (0.00%)		
£3,284,000	Network Rail Infrastructure Finance 4.625% 2020	3,611,119	0.55
	Global Corporate Bonds 0.63% (2.68%)		
£4,189,000	Nestle Holdings 1.625% 2017	4,189,922	0.63
	Global Government Bonds 5.34% (0.86%)		
US\$26,900,000	US Treasury Notes 2.25% 2027	19,790,911	3.00
US\$20,815,000	US Treasury Notes 2.375% 2027	15,469,470	2.34
		35,260,381	5.34
	Global High Yield Bonds 2.12% (6.94%)		
31,563	iShares \$ High Yield Corporate Bond UCITS ETF ¹	2,434,045	0.37
152,414	PIMCO Short-Term High Yield Corporate Source ¹	11,554,192	1.75
		13,988,237	2.12
	Short Term Sterling Bonds 11.63% (5.19%)		
£3,790,000	ASB Finance FRN 2020	3,794,700	0.57
£7,253,000	Bank Nederlandse Gemeenten 1.125% 2019	7,286,754	1.09
£2,000,000	Caisse des Depots et Consignations 1.5% 2019	2,026,140	0.31
£4,207,000	Canadian Imperial Bank of Commerce FRN 2022	4,242,187	0.64
£799,000	Coventry Building Society FRN 2020	802,214	0.12
£5,800,000	Deutsche Pfandbriefbank FRN 2020	5,823,374	0.88
£6,500,000	Dexia Credit Local 2% 2020	6,650,768	1.01
£7,200,000	Dexia Credit Local FRN 2019	7,211,952	1.09
			337

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Short Term Sterling Bonds (continued)			
£2,150,000	DNB Bank 4.25% 2020	2,293,579	0.35
£5,400,000	FMS Wertmanagement 0.625% 2020	5,381,370	0.81
£800,000	FMS Wertmanagement 0.75% 2017	800,065	0.12
£300,000	Lloyds Bank FRN 2019	301,116	0.05
£1,683,000	Nederlandse Water 0.875% 2018	1,684,333	0.26
£6,500,000	Nederlandse Waterschapsbank 2% Senior Notes 2018	6,590,318	1.00
£3,903,000	Nordea Bank FRN 2019	3,917,894	0.59
£6,203,000	Royal Bank of Scotland FRN 2020	6,222,912	0.94
£2,945,000	Skandinaviska Enskilda Banken FRN 2018	2,955,337	0.45
£4,336,000	UBS 6.625% 2018	4,425,452	0.67
£4,207,000	Westpac Banking 5% 2019	4,508,516	0.68
		76,918,981	11.63
Sterling Corporate Bonds 8.04% (11.49%)			
£3,366,000	Abbey National Treasury Services FRN 2018	3,369,063	0.51
£841,000	ASB Finance FRN 2018	842,144	0.13
£2,095,000	Bank Nederlandse Gemeenten 4.5% 2018	2,112,705	0.32
£1,599,000	Bank of Montreal FRN 2018	1,599,240	0.24
£6,400,000	BNP Paribas 2.375% 2019	6,571,955	1.00
£2,407,000	Canadian Imperial Bank of Commerce FRN 2018	2,407,554	0.36
£4,544,000	Commonwealth Bank of Australia FRN 2018	4,545,136	0.69
£5,108,000	Coventry Building Society 4.625% 2018	5,186,025	0.79
£3,400,000	DNB Boligkreditt FRN 2020	3,411,220	0.52
£1,676,000	GE Capital UK Funding 6.75% 2018	1,740,831	0.26
£2,104,000	GE Capital UK Funding FRN 2018	2,104,429	0.32
£1,675,000	General Electric Capital Corporation 6.25% 2017	1,677,925	0.25
£1,010,000	Network Rail Infrastructure Finance 1.00% 2017	1,010,044	0.15
£700,000	NRW Bank 0.875% 2017	700,077	0.11
£6,277,000	Royal Bank of Canada FRN 2018	6,286,729	0.95
£5,385,000	Swedbank Hypotek FRN 2018	5,387,316	0.82
£4,063,000	Total Capital International FRN 2019	4,069,241	0.62
		53,021,634	8.04
EQUITY 37.06% (38.39%)			
Asia & Emerging Markets 4.19% (6.39%)			
1,424,180	7IM Emerging Markets Equity Value Fund 'Z' Inc ^{1,5}	1,914,098	0.29
2,781	Most Diversified TOBAM Anti-Benchmark Emerging Markets ¹	23,035,467	3.49
591	MSCI AC Asia ex Japan Futures Dec 2017 ⁴	728,920	0.11
363	MSCI INDIA Futures Mar 2018 ⁴	2,012,830	0.30
		27,691,315	4.19
Europe (ex UK) 11.81% (7.01%)			
3,818,847	7IM European (ex UK) Equity Value Fund 'Z' Inc ^{1,5}	4,537,172	0.69
19,189	ABB	364,844	0.06
598,998	Aegon	2,783,913	0.43
818	Aena SME	122,572	0.02
7,865	AerCap	302,678	0.05
2,416	Ageas	88,283	0.01
52	AP Moeller - Maersk 'A'	65,887	0.01
9,585	Atlas Copco	309,618	0.05
657	Baloise	75,208	0.01
3,739	Bayer	358,313	0.05
7,234	Bayerische Motoren Werke 'A'	544,595	0.08
4,420	BNP Paribas	251,498	0.04
23,125	Boliden	550,081	0.08
17,877	Boskalis Westminster	490,265	0.07
6,199	Compagnie De St-Gobain	264,256	0.04
6,990	Covestro	540,935	0.08
13,786	Daimler	852,757	0.13
46,634	Danske Bank	1,306,991	0.21
97,851	Deutsche Lufthansa	2,486,224	0.38
242,568	Deutsche Telekom	3,226,834	0.49

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Europe (ex UK) (continued)			
12,412	DNB	168,984	0.03
4,430	Electrolux 'B'	108,603	0.02
273,389	Engie	3,557,412	0.54
196,154	Eni	2,410,800	0.36
39,397	Ericsson 'B'	185,925	0.03
(176)	Euro Stoxx 50 Equity Index Futures Dec 2017 ⁴	(52,677)	(0.01)
222,956	Fiat Chrysler Automobiles	2,850,129	0.43
3,189	Fraport AG Frankfurt Airport Services Worldwide	235,528	0.04
31,227	Gemalto	877,687	0.13
809	Genmab	116,287	0.02
9,088	Hakon Invest	244,341	0.04
3,187	Hexagon	116,389	0.02
48,855	Holcim	1,986,272	0.30
265,737	Iberdrola	1,562,580	0.23
8,261	Industrivarden	150,222	0.02
4,518	Investor 'B'	157,937	0.02
2,396	Kone	91,634	0.01
2,293	Linde	378,112	0.06
20,340	Muenchener Rueckversicherungs	3,424,766	0.52
57,664	Nestle	3,708,912	0.57
101,049	NN Group	3,248,492	0.50
17,546	Nordea Bank	154,314	0.02
17,583	Norsk Hydro	89,572	0.01
25,932	Novartis	1,644,479	0.25
60,299	Novo Nordisk	2,311,320	0.34
95,998	Orange	1,239,010	0.19
32,507	Pernod Ricard	3,753,391	0.57
47,055	Peugeot	729,324	0.11
13,210	Porsche Automobil	826,547	0.13
18,985	Renault	1,443,451	0.22
100,101	Repsol	1,365,553	0.21
3,396	Roche Holding	634,428	0.10
38,036	Rocket Internet	664,713	0.10
13,487	Safran	1,070,790	0.16
173,552	Saipem	526,224	0.08
6,908	Sandvik	89,062	0.01
38,764	Sanofi	2,637,730	0.39
10,660	SAP	900,494	0.14
10,462	Societe Generale	396,107	0.06
3,751	Swiss Life	938,759	0.14
50,116	Swiss Re	3,529,342	0.54
33,938	TeliaSonera 'A'	112,129	0.02
49,500	UPM-Kymmene	1,117,818	0.17
19,156	Vestas Wind Systems	900,612	0.14
54,644	Vinci	4,181,584	0.64
484	Volkswagen	74,058	0.01
6,373	Volkswagen non-voting preference shares	999,278	0.15
1,470	Zurich Insurance Group	330,785	0.05
		77,712,133	11.81
Frontier Markets Equity 4.11% (0.00%)			
3,073,732	T. Rowe Price Frontier Markets Equity Fund 'I' ¹	27,160,502	4.11
Japan 0.69% (0.43%)			
375	TOPIX Index Futures Dec 2017 ⁴	4,544,202	0.69
North America 6.94% (14.20%)			
8,711,337	7IM US Equity Value Fund 'Z' Inc ^{1,5}	11,424,048	1.73
2,192	Activision Blizzard	101,101	0.01
608	Aetna	81,207	0.01
671	Agnc Investment	10,017	—
593	Alphabet 'C'	450,529	0.07

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	North America (continued)		
1,587	American International Group	71,167	0.01
622	American Tower	67,675	0.01
4,757	Amgen	609,499	0.09
37,433	Annaly Capital Management	327,429	0.05
280	Anthem	47,353	0.01
2,773	Apple	349,376	0.05
22,768	Applied Materials	896,021	0.14
621	Baker Hughes	13,848	—
493	Best Buy	21,569	—
4,040	Biogen	961,463	0.15
5,974	Boeing	1,196,443	0.18
259	Bunge	12,811	—
30,369	Cadence Design Systems	974,690	0.15
14,906	Capital One Financial	1,008,479	0.15
7,320	Chevron	637,944	0.10
1,497	Cigna	229,196	0.03
46,079	Cisco Systems	1,284,227	0.20
13,471	Citigroup	751,879	0.11
911	Citizens Financial Group	27,558	—
29,608	Comcast 'A'	819,233	0.12
8,692	ConocoPhillips	327,910	0.05
288	Cummins	35,238	0.01
3,391	CVS Health	185,106	0.03
781	Eaton	44,625	0.01
1,831	eBay	46,808	0.01
569	Electronic Arts	44,646	0.01
1,820	Eli Lilly & Company	115,011	0.02
888	EOG Resources	66,386	0.01
360	Estee Lauder	33,166	0.01
1,640	Exelon	50,842	0.01
3,703	Exxon Mobil	226,568	0.03
123	F5 Networks	11,881	—
6,599	FNF	197,315	0.03
110,662	Ford Motor	1,032,993	0.16
58,961	FS Investment	350,841	0.05
15,515	Gap	375,167	0.06
750	General Motors	24,434	—
19,321	Gilead Sciences	1,059,138	0.16
733	Hasbro	50,611	0.01
6,315	HCP	126,305	0.02
631	HP	10,053	—
5,293	Humana	984,586	0.15
408	Illinois Tool Works	50,334	0.01
37,342	Intel	1,220,708	0.19
208	JM Smucker	18,203	—
729	Kimco Realty	10,015	—
2,825	Kinder Morgan	35,196	0.01
898	Las Vegas Sands	45,125	0.01
6,496	Liberty Property Trust	215,494	0.03
969	Lincoln National	55,166	0.01
1,538	Lowe's Cos	95,292	0.01
635	LyondellBasell Industries	49,588	0.01
526	Maxim Integrated Products	20,387	—
4,851	Merck & Co	199,748	0.03
26,462	Michael Kors Holdings	1,154,176	0.17
5,031	Micron Technology	163,640	0.02
5,447	Microsoft	337,609	0.05
286	Mini Russell 2000 Futures Dec 2017 ⁴	1,257,768	0.19
3,976	Monsanto	347,931	0.05
832	Morgan Stanley	31,759	—
291	Motorola Solutions	20,383	—
491	NetApp	20,535	—
943	Newmont Mining	25,664	—
5,583	NextEra Energy	655,118	0.10
5,129	NXP Semiconductors	431,089	0.07
16,992	Occidental Petroleum	883,313	0.13

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
North America (continued)			
5,986	Palo Alto Networks	644,971	0.10
10,459	Pfizer	281,692	0.04
6,624	PNC Financial Services Group	688,389	0.10
551	Prologis	27,102	—
2,985	Prudential Financial	257,259	0.04
2,613	Qualcomm	129,285	0.02
2,199	Regions Financial	27,086	—
79	RenaissanceRe Holdings	8,016	—
441	Robert Half International	18,635	—
4,257	Rockwell Automation	601,733	0.08
3,160	Royal Caribbean Cruises	293,072	0.04
518	S&P Global	63,461	0.01
452	Simon Property	53,368	0.01
8,570	Southwest Airlines	375,258	0.06
34,739	Synchrony Financial	913,402	0.14
15,183	Synopsys	979,112	0.14
974	Target	44,677	0.01
1,467	Texas Instruments	105,722	0.02
19,767	T-Mobile	909,066	0.14
12,401	Union Pacific	1,133,980	0.17
147	United Rentals	17,258	—
19,928	Vereit	116,208	0.02
174	Vornado Realty	9,952	—
20,544	Walgreens Boots Alliance	1,098,828	0.17
17,330	Wal-Mart Stores	1,257,809	0.19
1,433	Western Digital	86,324	0.01
18,844	WestRock	844,472	0.13
		46,104,770	6.94
United Kingdom 9.32% (10.36%)			
2,390,671	7IM UK Equity Value Fund 'Z' Inc ^{1,5}	2,541,523	0.38
120,462	Anglo American	1,649,726	0.25
39,067	AstraZeneca	1,891,038	0.29
342,659	Auto Trader Group	1,161,957	0.19
487,109	Aviva	2,537,838	0.38
143,265	Barratt Developments	873,917	0.13
7,076	Berkeley Group	270,869	0.04
18,604	BHP Billiton	250,317	0.04
617,638	BP	3,057,308	0.46
37,010	British American Tobacco	1,785,547	0.27
91,654	British Land	573,296	0.09
30,769	Burberry	527,688	0.08
26,019	Capita	126,660	0.02
5,922	Carnival	288,283	0.04
644,128	Centrica	931,409	0.14
28,039	Diageo	730,696	0.11
40,339	Direct Line Insurance Group	146,915	0.02
4,923	Easyjet	70,104	0.01
15,111	Electric & General Investment Trust	—	—
148,733	Experian	2,306,849	0.35
684	FTSE 100 Index Futures Dec 2017 ⁴	(359,198)	(0.05)
47,890	G4S	123,269	0.02
155,605	GlaxoSmithKline	2,025,977	0.31
338,398	Glencore	1,162,736	0.18
375,283	HSBC Holdings	2,804,866	0.43
69,813	Imperial Tobacco Group	2,161,760	0.33
5,163	Intertek Group	268,992	0.04
26,581	Intu Properties	52,046	0.01
114,837	ITV	184,428	0.03
49,134	J Sainsbury	115,612	0.02
47,433	Kingfisher	159,707	0.02
82,562	Land Securities	769,891	0.12
884,279	Legal & General Group	2,395,512	0.36
6,627	London Stock Exchange	250,169	0.04

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
United Kingdom (continued)			
62,148	Marks & Spencer	193,964	0.03
145,359	Meggitt	707,172	0.11
118,738	National Grid	1,056,768	0.16
470,748	Old Mutual	943,850	0.14
76,995	Pearson	547,819	0.08
75,579	Persimmon	1,926,509	0.29
4,070	Provident Financial	36,427	0.01
21,960	Reckitt Benckiser Group	1,432,670	0.22
49,850	RELX	869,883	0.13
42,375	Rio Tinto	1,493,719	0.23
5,121	Rolls-Royce	44,194	0.01
105,186	Royal Bank of Scotland Group	295,993	0.04
142,955	Royal Dutch Shell 'A'	3,395,895	0.52
124,594	Royal Dutch Shell 'B'	3,019,536	0.46
285,383	Royal Mail	1,239,989	0.18
151,156	Smith & Nephew	1,981,655	0.30
312,276	Standard Life	1,346,534	0.20
14,196	Tate & Lyle	95,042	0.01
1,270,742	Tesco	2,526,870	0.37
1,083,415	Vodafone Group	2,458,810	0.37
884,479	WM Morrison Supermarkets	1,932,587	0.29
11,953	WPP	157,899	0.02
		61,541,492	9.32
PRIVATE EQUITY 2.70% (4.50%)			
202,077	3i Group	1,841,931	0.27
46,521	Apollo Global Management	1,068,864	0.16
52,686	Apollo Investment	236,694	0.04
102,387	Ares Capital	1,237,524	0.19
7,183	Aurelius	342,502	0.05
75,172	Blackstone Group (The)	1,761,813	0.27
120,317	Brait	298,541	0.05
20,317	Carlyle Group (The)	306,013	0.05
16,861	Eurazeo	1,093,437	0.17
5,976	Gimv	269,955	0.04
14,040	Golub Capital	199,564	0.03
20,215	Hercules Technology Growth Capital	202,233	0.03
68,600	Intermediate Capital Group	730,590	0.11
161,435	IP Group	240,215	0.04
11,471	Jafco	446,620	0.07
110,487	KKR & Company	1,624,700	0.25
13,311	Main Street Capital	400,582	0.06
632,606	Marfin Investment	50,125	0.01
24,261	Onex	1,284,861	0.18
3,898	Partners Group	1,966,665	0.29
87,151	Prospect Capital	445,333	0.07
56,581	Ratos	186,488	0.03
14,291	TPG Specialty Lending	218,970	0.03
10,950	Wendel	1,362,181	0.21
		17,816,401	2.70
REAL ESTATE 0.00% (2.84%)			
RISK MITIGATION 0.00% (0.07%)			
FORWARD CURRENCY CONTRACTS 0.18% (-0.12%)			
€(9,100,000)	Vs £8,197,826 Expiry 16.02.2018	168,724	0.03
US\$(151,900,000)	Vs £114,884,284 Expiry 19.01.2018	2,113,028	0.32

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	FORWARD CURRENCY CONTRACTS (continued)		
¥4,992,000,000	Vs £(34,153,884) Expiry 15.12.2017	(1,092,212)	(0.17)
		1,189,540	0.18

Portfolio of investment	661,896,783	100.21
Net other liabilities	(1,401,373)	(0.21)
Net assets	660,495,410	100.00

Comparative figures shown in brackets relate to 30 November 2016.

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

¹ Collective investment scheme

² Structured product

³ Delisted security

⁴ Derivative contract

⁵ Related party holding (see note 12 of the Financial Statements)

Credit Quality	30.11.17 %	30.11.16 %
Investment grade debt securities	27.29	19.81
Non-rated debt securities	6.73	7.23
Other investments	66.19	73.26
Net other liabilities	(0.21)	(0.30)
	100.00	100.00

7IM AAP MODERATELY ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

			30.11.17		30.11.16
	Notes	£	£	£	£
Income					
Net capital gains	4		61,615,335		55,845,743
Revenue	5	15,218,163		18,967,021	
Expenses	6	(3,829,833)		(4,333,143)	
Interest payable and similar charges	8	(19,552)		(298,610)	
Net revenue before taxation for the year		11,368,778		14,335,268	
Taxation	7	(1,121,126)		(1,288,556)	
Net revenue after taxation for the year			10,247,652		13,046,712
Total return before distributions			71,862,987		68,892,455
Distributions	8		(10,262,446)		(13,066,996)
Change in net assets attributable to shareholders from investment activities			61,600,541		55,825,459

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

		30.11.17		30.11.16
		£	£	£
Opening net assets attributable to shareholders		809,839,548		816,348,575
Amounts received on creation of shares	146,029,810		137,515,244	
Amounts paid on cancellation of shares	(231,365,811)		(211,642,851)	
Amounts payable on in-specie transactions	(134,531,024)		–	
		(219,867,025)		(74,127,607)
Stamp Duty Reserve Tax		–		(6,991)
Change in net assets attributable to shareholders from investment activities		61,600,541		55,825,459
Retained distribution on accumulation shares		8,922,346		11,800,112
Closing net assets attributable to shareholders		660,495,410		809,839,548

In-specie transactions are the transfer of assets to the new 7IM AAP Dublin Funds range launched in February 2017.

The notes on pages 346 to 355 are an integral part of these Financial Statements.

7IM AAP MODERATELY ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		663,400,870	817,274,443
Current assets:			
Debtors	9	5,223,655	5,866,725
Cash and bank balances	10	4,550,431	5,669,698
Total assets		673,174,956	828,810,866
LIABILITIES			
Investment liabilities		(1,504,087)	(5,025,986)
Creditors:			
Bank overdrafts	10	(6,790,868)	(9,621,446)
Distribution payable		(339,206)	(512,506)
Other creditors	11	(4,045,385)	(3,811,380)
Total liabilities		(12,679,546)	(18,971,318)
Net assets attributable to shareholders		660,495,410	809,839,548

The notes on pages 346 to 355 are an integral part of these Financial Statements.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	31,669,275	74,721,805
Derivative contracts	26,660,758	(7,026,466)
Forward currency contracts	(837,956)	(12,351,428)
Currency gains	4,085,231	510,054
Transaction charges	(29,783)	(38,417)
AMC rebates from underlying investments	67,810	30,195
Net capital gains	61,615,335	55,845,743

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	7,623,989	10,999,808
Taxable dividends	5,039,236	4,970,624
Unfranked interest	2,076,866	2,448,214
AMC rebates from underlying investments	409,740	536,561
Bank interest	2,510	11,814
Stock lending revenue	65,822	—
Total revenue	15,218,163	18,967,021

* Prior year figures have been restated to be comparable with the current year figures.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,570,282	4,025,250
Other expenses	6,375	6,684
	<u>3,576,657</u>	<u>4,031,934</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	92,855	100,495
Market risk fees	6,000	7,500
Safe custody and other bank charges	36,152	46,451
Stock lending fees	19,742	—
	<u>154,749</u>	<u>154,446</u>
Other Expenses:		
Advisory fees	30,824	36,555
Audit fee	8,760	8,809
Dealing and exchange fees	39,401	84,708
FCA and other Regulatory fees	275	280
Legal and professional fees	829	1,173
Printing, postage and distribution costs	12,623	9,338
Risk analysis fees	5,715	5,900
	<u>98,427</u>	<u>146,763</u>
Total expenses	<u>3,829,833</u>	<u>4,333,143</u>

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	747,713	735,536
Overseas tax	373,413	552,465
Irrecoverable CIS income tax	–	555
Current tax charge (note 7b)	1,121,126	1,288,556
Total taxation	1,121,126	1,288,556
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	11,368,778	14,335,268
Corporation tax at 20%	2,273,756	2,867,054
Effects of:		
AMC rebates taken to capital	13,562	6,039
Double taxation relief expensed	(14,850)	(11,759)
Franked CIS revenue	(96,010)	(67,766)
Franked REIT income	(2,557)	(1,109)
Irrecoverable CIS income tax w/off	–	555
Movement in revenue accruals	20,841	(18,204)
Non-taxable dividends	(1,401,337)	(1,869,638)
Offshore CIS revenue	(45,692)	(169,081)
Overseas tax	373,413	552,465
Current tax charge (note 7a)	1,121,126	1,288,556
c) <i>Deferred tax</i>		
There is no deferred tax provision in the current year (2016: none).		

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	5,179,983	6,183,070
Final	4,518,750	6,610,174
	9,698,733	12,793,244
Add: Revenue deducted on cancellation of shares	938,746	766,817
Add: Revenue deducted on in-specie transactions	208,750	–
Deduct: Revenue received on issue of shares	(583,783)	(493,065)
Net distributions for the year	10,262,446	13,066,996
Interest payable and similar charges	19,552	298,610
Total distribution	10,281,998	13,365,606

Details of the distributions per share are set out in the table on pages 356 and 357.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

8 Distributions (continued)

	30.11.17 £	30.11.16 £
Distributions represented by:		
Net revenue after taxation	10,247,652	13,046,712
Allocations to capital:		
Expenses, net of tax relief	13,564	6,039
Equalisation on conversions ¹	1,379	14,000
Net movement in revenue account	(149)	245
Net distributions for the year	10,262,446	13,066,996

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17 £	30.11.16 £
Amounts receivable for issue of shares	2,293,713	1,980,805
Accrued revenue	2,245,987	2,891,215
Income tax recoverable	1,121	220,218
AMC rebates from underlying investments	220,947	253,372
Withholding tax recoverable	461,799	521,017
Prepaid expenses	88	98
Total debtors	5,223,655	5,866,725

10 Cash and bank balances

	30.11.17 £	30.11.16 £
Cash and bank balances	4,513,427	5,669,698
Cash held at clearing houses	37,004	—
Total cash and bank balances	4,550,431	5,669,698
Bank overdrafts	(4,229,008)	(5,370,745)
Cash overdraft at clearing houses	(2,561,860)	(4,250,701)
Total bank overdrafts	(6,790,868)	(9,621,446)

11 Other Creditors

	30.11.17 £	30.11.16 £
Amounts payable for cancellation of shares	3,001,548	2,240,700
Purchases awaiting settlement	387,250	446,932
Accrued expenses	310,874	366,133
Corporation tax payable	345,713	757,615
Total other creditors	4,045,385	3,811,380

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 344.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

12 Related party transactions (continued)

The Sub-fund has the following shareholdings in the 7IM Specialist Investment Funds ICVC:

	Held at 30.11.17	Held at 30.11.16
7IM Emerging Markets Equity Value Fund 'Z' Inc	1,424,180	1,700,000
7IM European (ex UK) Equity Value Fund 'Z' Inc	3,818,847	4,558,441
7IM UK Equity Value Fund 'Z' Inc	2,390,671	2,853,671
7IM US Equity Value Fund 'Z' Inc	8,711,337	10,398,457

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

Pershing Nominees Limited	37.64% (2016: 42.58%)
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Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

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

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	384,189	1,572	(157,739)	–	228,022
Class A Accumulation	1,394,021	15,772	(536,558)	–	873,235
Class C Income	37,180,990	4,955,813	(15,821,451)	43,576	26,358,928
Class C Accumulation	392,543,655	66,853,381	(186,096,868)	(1,535,654)	271,764,514
Class D Income	623,108	103,815	(63,574)	–	663,349
Class D Accumulation	18,701,992	706,975	(3,366,169)	–	16,042,798
Class S Income	7,324,858	704,832	(1,965,849)	111,446	6,175,287
Class S Accumulation	80,059,199	19,055,512	(17,757,151)	1,865,167	83,222,727

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	7,400	–	1,284,860	1,292,260
Danish krone	–	–	4,736,211	4,736,211
Euro	577,282	–	55,829,976	56,407,258
Japanese yen	41	–	38,052,493	38,052,534
Norwegian krone	–	–	291,762	291,762
South African rand	3	–	298,541	298,544
Swedish krona	–	–	2,368,360	2,368,360
Swiss franc	697,423	–	15,432,872	16,130,295
US dollar	22,662,925	58,574,310	163,888,203	245,125,438
Pound sterling	118,756,923	75,710,413	267,866,988	462,334,324
	142,701,997	134,284,723	550,050,266	827,036,986

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(7,400)	–	(7,400)
Euro	(553,807)	(8,081,779)	(8,635,586)
South African rand	(3)	–	(3)
Swiss franc	(453,477)	–	(453,477)
US dollar	(1,463,559)	(112,771,256)	(114,234,815)
Pound sterling	(4,312,622)	(38,897,673)	(43,210,295)
	(6,790,868)	(159,750,708)	(166,541,576)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	7,704	–	3,069,137	3,076,841
Danish krone	–	–	3,377,060	3,377,060
Euro	305,084	–	49,153,055	49,458,139
Hong Kong dollar	77,177	–	–	77,177
Japanese yen	93,528	–	45,685,393	45,778,921
New Zealand dollar	342	–	–	342
Norwegian krone	–	–	2,395,970	2,395,970
South African rand	1	–	1,365,289	1,365,290
Swedish krona	–	–	3,412,709	3,412,709
Swiss franc	736,262	–	14,945,971	15,682,233
US dollar	25,961,455	33,771,266	273,462,351	333,195,072
Pound sterling	157,207,378	101,179,321	428,507,348	686,894,047
	184,388,931	134,950,587	825,374,283	1,144,713,801

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(7,704)	–	(7,704)
Euro	(284,017)	(57,546,570)	(57,830,587)
Hong Kong dollar	(77,177)	–	(77,177)
Japanese yen	(93,529)	(3,901,855)	(3,995,384)
New Zealand dollar	(342)	–	(342)
South African rand	(1)	–	(1)
Swiss franc	(476,232)	–	(476,232)
US dollar	(1,090,624)	(197,527,441)	(198,618,065)
Pound sterling	(7,591,820)	(66,276,941)	(73,868,761)
	(9,621,446)	(325,252,807)	(334,874,253)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	0.73	0.63	1	1
US dollar	1.17	(9.57)	6	2

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Canadian dollar	–	1,284,860	1,284,860
Danish krone	35,115	4,701,096	4,736,211
Euro	161,592	47,610,080	47,771,672
Japanese yen	41	38,052,493	38,052,534
Norwegian krone	33,205	258,557	291,762
South African rand	–	298,541	298,541
Swedish krona	3,251	2,365,109	2,368,360
Swiss franc	497,178	15,179,640	15,676,818
US dollar	381,637	130,508,986	130,890,623
	1,112,019	240,259,362	241,371,381
Pound sterling	45,195,608	373,928,421	419,124,029
Net assets	46,307,627	614,187,783	660,495,410

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Canadian dollar	220	3,068,917	3,069,137
Danish krone	27,053	3,350,007	3,377,060
Euro	204,841	(8,577,289)	(8,372,448)
Japanese yen	(1)	41,783,538	41,783,537
Norwegian krone	35,107	2,360,863	2,395,970
South African rand	–	1,365,289	1,365,289
Swedish krona	21,384	3,391,325	3,412,709
Swiss franc	513,813	14,692,188	15,206,001
US dollar	317,627	134,259,380	134,577,007
	1,120,044	195,694,218	196,814,262
Pound sterling	47,176,047	565,849,239	613,025,286
Net assets	48,296,091	761,543,457	809,839,548

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	35,260,381	189,466,908	–	224,727,289
Collective Investment Schemes	58,045,845	169,568,915	–	227,614,760
Derivatives	8,874,651	2,281,752	–	11,156,403
Equities	183,826,160	16,076,258	–	199,902,418
Total	286,007,037	377,393,833	–	663,400,870
Liabilities				
Derivatives	(411,875)	(1,092,212)	–	(1,504,087)

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	218,981,320	–	218,981,320
Collective Investment Schemes	130,117,210	184,867,102	–	314,984,312
Derivatives	21,747,390	2,777,170	–	24,524,560
Equities	258,784,251	–	–	258,784,251
Total	410,648,851	406,625,592	–	817,274,443
Liabilities				
Derivatives	(1,315,594)	(3,710,392)	–	(5,025,986)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 326.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	200,171	–	–	–	–	–
Collective Investment Schemes	381,082	–	–	–	–	–
Derivatives	19,484	–	–	–	–	–
Equities	246,457	30	316	346	0.01	0.13
Total	847,194	30	316	346	0.01	0.13

Sales	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	126,878	–	–	–	–	–
Collective Investment Schemes	350,237	–	–	–	–	–
Derivatives	2,019	–	–	–	–	–
Equities	385,087	(40)	(3)	(43)	0.01	–
In-specie Transactions	136,382	–	–	–	–	–
Total	1,000,603	(40)	(3)	(43)	0.01	–

Total as a percentage of the average NAV	0.01%	0.04%	0.05%
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7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	149,893	–	–	–	–	–
Collective Investment Schemes	622,711	–	–	–	–	–
Derivatives	9,110	–	–	–	–	–
Equities	499,135	64	534	598	0.01	0.10
Total	1,280,849	64	534	598	0.01	0.10

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	246,341	–	–	–	–	–
Collective Investment Schemes	640,164	–	–	–	–	–
Derivatives	8,347	–	–	–	–	–
Equities	458,692	(61)	(3)	(64)	0.01	–
Total	1,353,544	(61)	(3)	(64)	0.01	–

Total as a percentage of the average NAV **0.02%** **0.06%** **0.08%**

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.22% (2016: 0.17%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM AAP MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class A Income				
Group 1	0.7871	—	0.7871	0.7620
Group 2	0.4225	0.3646	0.7871	0.7620
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	0.8629	—	0.8629	0.8268
Group 2	0.5703	0.2926	0.8629	0.8268
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	1.0868	—	1.0868	1.0209
Group 2	0.4927	0.5941	1.0868	1.0209
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	1.2334	—	1.2334	1.1405
Group 2	0.5853	0.6481	1.2334	1.1405
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	0.5563	—	0.5563	0.5562
Group 2	0.3171	0.2392	0.5563	0.5562
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	0.5906	—	0.5906	0.5896
Group 2	0.3473	0.2433	0.5906	0.5896
	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	1.0101	—	1.0101	0.9406
Group 2	0.6128	0.3973	1.0101	0.9406
	Net Revenue	Equalisation	Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	1.0615	—	1.0615	0.9706
Group 2	0.4477	0.6138	1.0615	0.9706

7IM AAP MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class A Income				
Group 1	0.7339	—	0.7339	0.8717
Group 2	0.2973	0.4366	0.7339	0.8717
			Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	0.8075	—	0.8075	0.9476
Group 2	0.2565	0.5510	0.8075	0.9476
			Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	1.0395	—	1.0395	1.1508
Group 2	0.3413	0.6982	1.0395	1.1508
			Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	1.1879	—	1.1879	1.2934
Group 2	0.5309	0.6570	1.1879	1.2934
			Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	0.4878	—	0.4878	0.6573
Group 2	0.0918	0.3960	0.4878	0.6573
			Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	0.5216	—	0.5216	0.6926
Group 2	0.1590	0.3626	0.5216	0.6926
			Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	0.9764	—	0.9764	1.0537
Group 2	0.4367	0.5397	0.9764	1.0537
			Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	1.0340	—	1.0340	1.0964
Group 2	0.4731	0.5609	1.0340	1.0964

Equalisation

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

7IM AAP ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2017

Investment Objective and Policy

The 7IM AAP (Asset Allocated Passives) Adventurous Fund (the 'Sub-fund') aims, by applying active asset allocation techniques to predominantly passive strategies, to provide capital growth. There is a risk of wide fluctuations in capital values.

The Investment Manager will invest the majority of the portfolio in fixed interest and equity instruments using predominantly passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Investment Manager will also make investments in other asset classes such as property, commodities and private equities. Such investments will be made indirectly through holdings in investment trusts, exchange traded funds or other intermediary vehicles with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The asset allocation for the entire portfolio will be actively managed.

The Sub-fund invests predominantly in equities or instruments that track the returns of equity indices. Assets with scope for capital growth in real terms are likely to represent a major part of the portfolio. The Sub-fund may use different asset classes, with a substantial proportion primarily in equities or instruments that track the returns of equity indices.

Investment may also be made in fixed interest, warrants, deposits, cash and near cash, money market instruments, other transferable securities, derivatives and forward transactions and other investments to the extent that each is permitted in the stated investment and borrowing powers of the Company.

The Sub-fund may rely on third party advice on quantitative investment techniques or use third party quantitative investment software in the portfolio's construction.

There is no guarantee that a positive return will be delivered.

Investment Manager's Report

Performance Report

In the reporting period, 1 December 2016 to 30 November 2017, the portfolio delivered a total return of 12.60%¹.

Investment Background

The period began in the immediate aftermath of the election of Donald Trump in the US, with investors taking most of the new President's claims and ambitions at face value. As a result, the fourth quarter of 2016 was strong for domestically-oriented US companies and for bank stocks, as investors focused on pro-growth policies such as infrastructure spending, tax cuts and loosening of financial regulation. At the same time, credibility was given to Trump's anti-globalisation policies, resulting in equity and currency volatility in Asia, and China in particular – regions which could be threatened by the new administration. This uncertainty was brushed aside in Q1 2017, as equity markets rallied. The most surprising news at this time came from the Mexican Bolsa Index, which rose around 5%, and continued to rise in Q2.

The markets continued not to be rattled, despite many a cause to be so. US stocks are still grinding upwards with unprecedentedly low volatility: they are in the middle of their longest winning streak ever, with November being the 13th consecutive positive month for the S&P 500. Such a lack of market volatility barely reflects the political turmoil we have seen during the year: in the US, a white supremacist rally in Virginia threw the social divisions in the country into sharp relief, around the same time that a series of hurricanes hammered the Southern states, while the elections in Germany saw the right-wing nationalist 'Alternative for Germany' (AfD) party enter parliament for the first time, campaigning on an anti-Islam and anti-immigration platform. More recently, it seems that German political uncertainty is once again raising its head, although the markets are not reacting strongly. Alongside this, we had a fall in French President Emanuel Macron's popularity, although French business confidence remains strong, and political turmoil in Spain with an independence referendum in Catalonia. In Asia the 19th Chinese National Party Congress signalled a policy emphasis on more sustainable growth and a consolidation of General Secretary Xi Jinping's power, with Mr Xi written into the Chinese constitution. The North Korean threat remained, although market reaction was muted, and Emerging Markets continued to rally. In Latin America, we saw Brazil move out of recession, with the market rallying accordingly, and, following a strong first half of the year, attention in Mexico has recently turned towards NAFTA uncertainty, reflected in a market downturn.

Turning briefly to the UK, we saw Brexit uncertainty continue. Article 50 was triggered, Theresa May declared, and arguably 'lost' a snap election, and the technical challenges of Brexit have become more and more evident. The first signs of inflation began to appear in March, with the CPI index rising above the Bank of England's 2% target for the first time since 2013, while evidence also emerged that the UK economy is starting to slow. The Pound saw some sharp moves across the year, most notably during the two weeks from the end of August, when it rallied from \$1.28 up to \$1.36. Bank of England Governor Mark Carney stepped into the spotlight making it clear that an interest rate rise was far more likely than not; a suggestion that materialised with a hike in November.

In fixed income markets, central bank policies continued to be key in influencing yields, and thus – inversely – prices. At the end of 2016 we saw markets coming to terms with the Federal Reserve hiking interest rates, correctly pricing in the December hike. Over the quarter, US Government bond yields rose sharply as, alongside inflation, the expectation of gradual monetary policy tightening aided fears that the 30 year bull market in bonds was coming to an end. Yields remained high, relative to the recent past, as the Federal Reserve hiked interest rates in Q1, on the back of strong employment data, and again in Q2. While geo-political tensions did impact bond markets during the summer – with US Treasury yields falling in August, at a time of increased tension between the US and North Korea – investor focus continues to be primarily based on the prospect of interest rate rises. Looking to the UK, yields have moved off 2016 lows. Yields rose sharply in June and again September, as inflation peaked higher; indeed, in September UK corporate bonds, Gilts and inflation-linked Gilts prices all fell and have remained largely depressed since.

¹ Calculated using 7IM AAP Adventurous C Acc. shares published prices. Source: NTRS

7IM AAP ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

The potential for rate rises has also affected the FX markets. Here the main story has been Dollar weakness, but the recent prospect of a UK rate rise and further tightening in the US has led to Sterling strength, against both the Dollar and Euro, despite continued volatility for much of the period. In the alternatives space, gold rallied at the start of the year, following a late 2016 sell-off, and has been relatively flat since, albeit with volatility. Commodities, in contrast, fell off in the first half of the year, but have been making up ground since June lows.

Portfolio Review

In December 2016 we increased our European and, to a lesser extent, Japanese equity, reducing our Emerging Market (EM) allocation to do so. We expected the stronger Dollar to drive Yen lower, boosting the attractiveness of the Topix, while we thought the European macro story looked positive, with attractive valuations alongside a lack of near-term political risk. In the Emerging Markets space, we had had a good run but believed the region could be negatively impacted by Trump's rhetoric and policies. We thus allowed the MSCI China Future to expire and reduced Asia Pacific exposure, an asset class heavily weighted towards Taiwan and South Korea. Despite these views, we did also increase our allocation in Indian equity, seeing the region as relatively immune to Trump risk and the potential for the changes implemented by the Modi government to be beneficial. In January 2017, we cut our exposure to US Financials, taking profits while we waited for Trump regulation announcements, and also sold our EuroStoxx Dividend 2018 future, having made over 10% in 10 months.

Our increase in US equity proved a good decision, but by March valuations looked high, while we also saw some political risk in Europe. Valuations were especially high in the 'Trump reflation trade' related stocks such as the Russell 2000 Index and Financials Index. As a result, we cut the remaining positions in US Financials, and the majority of our Russell 2000 Index holdings in our March review. At the same time we increased our EM exposure, seeing a stable Chinese economy, robust commodity prices and a strong global macro scene boding well for the sector. Our allocation to Japanese equity was also increased – Japanese earnings surprised to the upside in Q4 2016, we believed the economy to be in good health and Prime Minister Abe and President Trump seemed to be working well together. Seeing uncertainty in the French elections we decided not to allocate to Europe at this time, despite strong macro data and attractive valuations. Following a positive result in the first round of elections, we increased our EuroStoxx holding in April. We also added a little to Frontier Market Equity in May, as we believed the conditions were good for strong returns and we were able to take a little more risk with the Sub-fund.

By June the economic situation had altered and we reduced our equity allocation across our portfolio range, believing valuations were high across the marketplace. We slightly reduced our exposure to UK and US equity and, where we were more cautious, made a slightly larger reduction of our European and Japanese equity holdings. At the same time we also increased our Frontier Market exposure again, believing this asset class to provide strong uncorrelated growth to other equity markets. In addition, believing that the growth story had improved for Emerging Markets, we increased our allocation to EM equity slightly. The asset class performed well in the period and so we decided to take some profits, reducing our holding in September. This good run of performance was largely due to the technology sector rallying, and this over-reliance on one sector reinforced our decision that this was a good time to decrease our allocation. By September the macro story had improved, with good earnings numbers and a fading of geopolitical risk. We took a more risk-on position, deciding to increase both the Japanese and European equity allocations, while continuing to diversify risk in the Sub-fund by allocating another small amount to Frontier Markets equity. Our views developed further in November, as we saw increased value in the UK in comparison to other regions, and so decided to add to the FTSE 100 index futures, cutting European equity to do so. As the majority of earnings in the FTSE 100 index are derived overseas, it has historically performed well when Sterling has fallen. Adding to it therefore provides us with further protection against a fall in Sterling, an increasing possibility with difficult upcoming Brexit talks.

In the fixed income space, our main changes came in 2017, leaving the allocation as it stood in December 2016, given the risk level of the Sub-fund. In February, we reduced our High Yield bonds as the spreads had narrowed considerably, taking profits. We reduced our High Yield exposure again in April, cutting our Collateralized Loan Obligation (CLO) position, believing that further upside was limited having had a very good run since our 2016 investment.

We also made some changes to our Alternatives allocation. In December 2016 we increased our Private Equity allocation, believing that the asset class would be a beneficiary of inflationary policy which could play out as a result of the Trump administration. In addition, we added a Credit Suisse Risk Premia Certificate as part of our increase in Alternative Risk Premia Strategies, non-traditional sources of risk which aim to provide stable, low volatility returns. At the same time we sold some of our Real Estate holding, due to concern over bond proxies. In January we further increased our allocation to 'market neutral' strategies, in order to diversify the return stream, adding an AQR Managed Futures Fund. We also added an inflation position to the Sub-fund, largely as a risk-replacement following the sale of financials. In the following month we decided to add a little protection in the Sub-fund in case of a no-Brexit scenario. To do so we added a GBPUSD Option, which would protect against a sharp rally in Sterling. In April we decided to reduce exposure to inflation protection, as inflation expectations were unlikely to accelerate, selling the Bank of America Merrill Lynch (BAML) position, due to preferable exit terms. Our Private Equity allocation had had a very good run since we implemented our overweight in 2016, and, seeing some reduction in the discount, we reduced our holding in June and again in September, taking profits. In June we also added to our alternatives strategies, replacing some of our equity holdings with an equity volatility strategy, an equity-like position which has less exposure to extreme tail-risk events, and added an S&P 500 put option, further diversifying our safe haven assets. In July we added currency call options to hedge against the impact of a stronger Pound; these aided the portfolio when Sterling rallied from mid-August. Our gold position varied throughout the period: we added to the asset class in June as we saw it as a good hedge against 'Trump risk' that would benefit from falling real yields, and then took some profits from a successful holding in November. The profits from this were used to increase our allocation to UK equity mentioned above.

7IM AAP ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2017

Investment Manager's Report (continued)

Over the year we often used our ability to manage currency to express our market views. Last December we sold our Japanese Yen position, which had been purchased as a Trump hedge. We believed that the Bank of Japan was likely to continue with easy monetary policy, while Sterling could potentially rally on a softer Brexit stance; as a result we preferred to own the domestic currency rather than Yen. Following a Sterling rally, we then reduced our position in the currency, buying the Dollar. As geopolitical tensions increased in the year, we used Yen as a tail risk hedge. In March we increased our Yen allocation, which also protected against the downside risk from a Topix overweight, and added to the position again in August, as the currency has proven in the past to act well in times of the elevation of geopolitical risk. Alongside this, after a very good run, we adjusted our zero Dollar position, adding the currency back into the Sub-fund.

Investment Outlook

Moving into 2018, it looks as though economic growth is set to continue, albeit at a potentially slower rate than we have seen this year. This growth is expected to be broad-based, not only across regions but economic sectors also, seen in a stronger labour market, wages ticking higher, and healthy consumer and business confidence. Such an environment is supportive for corporate profits – despite analysts' estimates usually trending too high, we have a greater than usual degree of confidence that corporate earnings can come close to the levels being forecast. Concerns have been voiced that the business cycle is close to an end and that we are about to enter the next bear market. While we believe we are in the later stages of the growth cycle, we do not see its end as imminent. Indeed, signals of recession are largely absent: there is no sharp increase in corporate capital spending or mergers and acquisitions, no excess run up in corporate profits, no blow out in credit markets nor signs of investor euphoria, and no weakening of corporate confidence surveys. The yield curve has flattened over the last year, but it is still some way from inverting – something which has preceded every other US recession in the last few decades.

In the UK there are greater economic challenges, and our focus is on Brexit as a source of potential headwinds. Since the vote, consumer confidence has suffered, real wages fallen, inflation risen, following Sterling's fall in 2016, and corporate confidence is less robust in the face of uncertainty. Nevertheless, we see potential for this uncertainty to fade: we have long discussed a 'Hard Road to Soft Brexit' as our central scenario, believing that economic headwinds and political realities would lead the government to soften its position, and this scenario seems increasingly likely. Greater certainty for businesses provides a positive investment outlook for the UK, which is vital for both long-term growth prospects and in underpinning the Pound.

Alongside positive indicators, we also see some potential headwinds to growth, which keep us wary of taking too much risk in the portfolio. Firstly, there is the potential for the current Chinese slowdown to be deeper than expected by investors, and for this to spread through global supply chains. In addition, there may be a return of inflation, globally. If investors start to see a less benign balance between growth and inflation, markets could start to price in a more aggressive tightening from central banks, which could destabilise equities and bonds. Furthermore, the extraordinary lack of volatility markets have been experiencing could come to an end. Such a transition to normality, alongside a backdrop of elevated market valuations, could result in a correction of investor sentiment. Therefore, while we do have a positive growth outlook for 2018, we remain wary of potential downside risks.

Seven Investment Management LLP
Investment Manager
December 2017

7IM AAP ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 362 to 369 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 and research costs.

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

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	139.11	129.45	127.05
Return before operating charges*	18.00	12.76	4.94
Operating charges (calculated on average price)	(1.77)	(1.53)	(1.46)
Return after operating charges*	16.23	11.23	3.48
Distributions on income shares	(1.22)	(1.57)	(1.08)
Closing net asset value per share	154.12	139.11	129.45
* After direct transaction costs of: ¹	0.10	0.13	0.10
Performance			
Return after charges ²	11.67%	8.67%	2.74%
Other Information			
Closing net asset value (£'000)	281	300	297
Closing number of shares	182,491	215,970	229,708
Operating charges ³	1.19%	1.18%	1.11%
Direct transaction costs	0.07%	0.10%	0.08%
Prices			
Highest share price	156.47	143.25	143.46
Lowest share price	137.56	111.45	119.09

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 370.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	150.59	138.47	134.81
Return before operating charges*	19.52	13.76	5.21
Operating charges (calculated on average price)	(1.92)	(1.64)	(1.55)
Return after operating charges*	17.60	12.12	3.66
Distributions	(1.32)	(1.68)	(1.16)
Retained distributions on accumulation shares	1.32	1.68	1.16
Closing net asset value per share	168.19	150.59	138.47
* After direct transaction costs of: ¹	0.11	0.14	0.11
Performance			
Return after charges ²	11.69%	8.75%	2.71%
Other Information			
Closing net asset value (£'000)	1,071	1,104	1,169
Closing number of shares	636,674	732,916	844,518
Operating charges ³	1.19%	1.18%	1.11%
Direct transaction costs	0.07%	0.10%	0.08%
Prices			
Highest share price	170.13	154.21	152.26
Lowest share price	148.91	119.22	127.09

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

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

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7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	139.00	129.38	126.96
Return before operating charges*	18.02	12.73	4.88
Operating charges (calculated on average price)	(1.03)	(0.89)	(0.80)
Return after operating charges*	16.99	11.84	4.08
Distributions on income shares	(1.98)	(2.22)	(1.66)
Closing net asset value per share	154.01	139.00	129.38
* After direct transaction costs of: ¹	0.10	0.13	0.10
Performance			
Return after charges ²	12.22%	9.15%	3.21%
Other Information			
Closing net asset value (£'000)	9,098	8,385	7,878
Closing number of shares	5,907,397	6,032,588	6,089,535
Operating charges ³	0.69%	0.68%	0.61%
Direct transaction costs	0.07%	0.10%	0.08%
Prices			
Highest share price	156.70	143.39	143.56
Lowest share price	137.46	111.48	119.22

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 370.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	157.07	143.75	139.35
Return before operating charges*	20.40	14.31	5.29
Operating charges (calculated on average price)	(1.17)	(0.99)	(0.89)
Return after operating charges*	19.23	13.32	4.40
Distributions	(2.24)	(2.48)	(1.84)
Retained distributions on accumulation shares	2.24	2.48	1.84
Closing net asset value per share	176.30	157.07	143.75
* After direct transaction costs of: ¹	0.11	0.14	0.11
Performance			
Return after charges ²	12.24%	9.27%	3.16%
Other Information			
Closing net asset value (£'000)	200,264	188,136	188,599
Closing number of shares	113,592,594	119,776,431	131,195,476
Operating charges ³	0.69%	0.68%	0.61%
Direct transaction costs	0.07%	0.10%	0.08%
Prices			
Highest share price	178.27	160.74	157.58
Lowest share price	155.33	123.86	131.84

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

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

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7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	139.73	128.65	126.27
Return before operating charges*	18.59	13.00	4.97
Operating charges (calculated on average price)	(2.44)	(1.92)	(1.98)
Return after operating charges*	16.15	11.08	2.99
Distributions on income shares	(1.97)	–	(0.61)
Closing net asset value per share	153.91	139.73	128.65
* After direct transaction costs of: ¹	0.10	0.12	0.10
Performance			
Return after charges ²	11.56%	8.62%	2.37%
Other Information			
Closing net asset value (£'000)	–	–	130
Closing number of shares	287	42	100,997
Operating charges ³	1.59%	1.58%	1.51%
Direct transaction costs	0.07%	0.10%	0.08%
Prices			
Highest share price	156.97	142.61	142.43
Lowest share price	138.34	110.71	118.20

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 370.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	145.66	134.45	131.37
Return before operating charges*	18.85	13.33	5.14
Operating charges (calculated on average price)	(2.48)	(2.12)	(2.06)
Return after operating charges*	16.37	11.21	3.08
Distributions	(0.66)	(1.08)	(0.63)
Retained distributions on accumulation shares	0.66	1.08	0.63
Closing net asset value per share	162.03	145.66	134.45
* After direct transaction costs of: ¹	0.10	0.13	0.11
Performance			
Return after charges ²	11.24%	8.34%	2.34%
Other Information			
Closing net asset value (£'000)	8,279	8,015	12,698
Closing number of shares	5,109,132	5,502,498	9,444,887
Operating charges ³	1.59%	1.58%	1.51%
Direct transaction costs	0.07%	0.10%	0.08%
Prices			
Highest share price	163.95	149.25	148.19
Lowest share price	144.03	115.68	123.48

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

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7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	116.05	108.01	106.00
Return before operating charges*	15.05	10.63	4.05
Operating charges (calculated on average price)	(0.55)	(0.47)	(0.40)
Return after operating charges*	14.50	10.16	3.65
Distributions on income shares	(1.96)	(2.12)	(1.64)
Closing net asset value per share	128.59	116.05	108.01
* After direct transaction costs of: ¹	0.08	0.11	0.09
Performance			
Return after charges ²	12.49%	9.41%	3.44%
Other Information			
Closing net asset value (£'000)	1,788	1,527	2,003
Closing number of shares	1,390,682	1,315,852	1,854,734
Operating charges ³	0.44%	0.43%	0.36%
Direct transaction costs	0.07%	0.10%	0.08%
Prices			
Highest share price	130.97	119.82	119.95
Lowest share price	114.77	93.11	99.61

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

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7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	121.98	111.35	107.71
Return before operating charges*	15.85	11.11	4.05
Operating charges (calculated on average price)	(0.58)	(0.48)	(0.41)
Return after operating charges*	15.27	10.63	3.64
Distributions	(2.07)	(2.20)	(1.67)
Retained distributions on accumulation shares	2.07	2.20	1.67
Closing net asset value per share	137.25	121.98	111.35
* After direct transaction costs of: ¹	0.09	0.11	0.09
Performance			
Return after charges ²	12.52%	9.55%	3.38%
Other Information			
Closing net asset value (£'000)	37,906	33,561	30,538
Closing number of shares	27,618,080	27,514,118	27,424,106
Operating charges ³	0.44%	0.43%	0.36%
Direct transaction costs	0.07%	0.10%	0.08%
Prices			
Highest share price	138.76	124.79	121.90
Lowest share price	120.63	95.98	102.09

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding 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 370.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2017

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.06%	0.06%	0.06%	0.06%
	1.06%	0.56%	1.46%	0.31%
Collective investment scheme costs	0.13%	0.13%	0.13%	0.13%
Ongoing Charges Figure	1.19%	0.69%	1.59%	0.44%

As at 30 November 2016

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.08%	0.08%	0.08%	0.08%
	1.08%	0.58%	1.48%	0.33%
Collective investment scheme costs	0.10%	0.10%	0.10%	0.10%
Ongoing Charges Figure	1.18%	0.68%	1.58%	0.43%

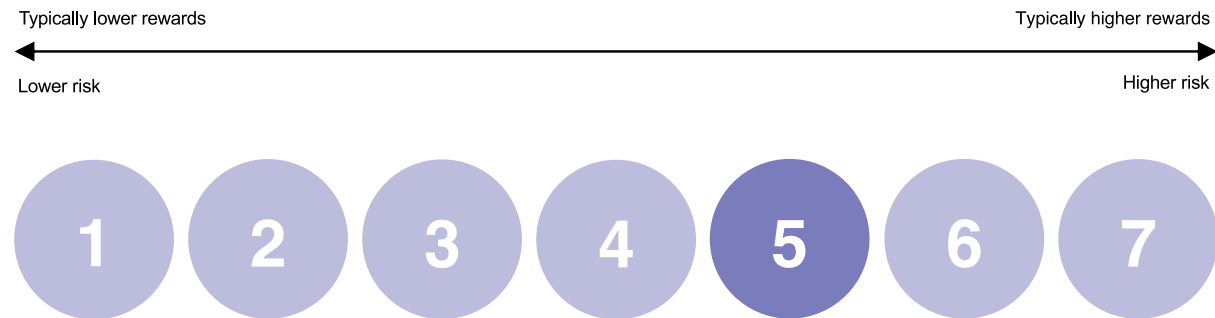
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Sub-fund, expressed as a percentage of the average net assets during the accounting year.

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

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

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 fund's returns have varied. It is a measure of a fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2017 was 5.

Fund performance to 30 November 2017 (%)

	1 year	3 years	5 years
7IM AAP Adventurous Fund ¹	12.60	26.83	65.33

¹ Source: Bloomberg.

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 391 and 392.

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
ALTERNATIVE STRATEGIES 11.76% (3.30%)			
51,502	AQR Managed Futures UCITS Fund 'G' ¹	3,774,769	1.46
6,776	Bank of America Merrill Lynch Vortex Alpha Index 29/09/2020 ²	5,056,530	1.96
3,400,000	BNP Paribas DR Alpha ex-Agriculture & Livestock Index 2021 ²	2,635,888	1.02
708	Citigroup Global Markets Luxembourg GBP/USD Warrants 16/02/2018 ²	27,142	0.01
8,360,000	Credit Suisse International ARP Custom 7 Index ²	6,314,537	2.43
20,321	Dexion Equity Alternative ³	—	—
10,871,682	F&C Global Equity Market Neutral 3 Acc ¹	6,677,387	2.58
6,546	Morgan Stanley Index Linked Certificates 2020 ²	5,028,313	1.94
102	S&P 500 Index Put Options 2200 Jun 2018 ⁴	148,700	0.06
4,735	Societe Generale GBP/USD Warrants 13/04/2018 ²	783,974	0.30
		30,447,240	11.76
CASH 3.48% (5.31%)			
9,005,000	Northern Trust Global Sterling Fund ¹	9,005,000	3.48
COMMODITIES 4.87% (2.87%)			
135,440	Source Physical Gold P-ETC ¹	12,593,516	4.87
DEBT SECURITIES 28.10% (31.57%)			
Corporate Bonds 0.42% (1.16%)			
£1,000,000	Nationwide Building Society 5.625% 2019	1,078,805	0.42
Emerging Market Bonds 4.84% (4.97%)			
634,000	ETFs Lombard Odier IM Emerging Market Local Government Bond Fundamental GO UCITS ¹	5,037,130	1.95
11,573,822	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ¹	7,476,689	2.89
		12,513,819	4.84
Global Corporate Bonds 0.00% (0.41%)			
Global Government Bonds 0.00% (0.83%)			
Global High Yield Bonds 0.00% (5.20%)			
Short Term Sterling Bonds 16.58% (7.19%)			
£4,300,000	Abbey National Treasury Services 1.875% 2020	4,367,510	1.69
£2,400,000	ABN AMRO Bank 4.875% 2019	2,500,942	0.97
£1,400,000	ASB Finance FRN 2020	1,401,736	0.54
£1,300,000	Caisse des Depots et Consignations 0.5% 2020	1,287,256	0.50
£700,000	Caisse des Depots et Consignations 1.5% 2019	709,149	0.27
£1,000,000	Canadian Imperial Bank of Commerce FRN 2022	1,008,364	0.39
£270,000	Coventry Building Society FRN 2020	271,086	0.10
£2,000,000	Deutsche Pfandbriefbank 1.875% 2019	2,031,802	0.79
£2,000,000	Deutsche Pfandbriefbank FRN 2020	2,008,060	0.78
£2,400,000	Dexia Credit Local 2% 2020	2,455,668	0.94
£2,600,000	Dexia Credit Local FRN 2019	2,604,316	1.01
£1,100,000	DNB Bank 4.25% 2020	1,173,459	0.45
£233,000	European Bank for Reconstruction & Development 1.875% 2018	235,969	0.09
£1,000,000	European Investment Bank 1.50% 2019	1,010,142	0.39
£1,600,000	FMS Wertmanagement 0.625% 2020	1,594,480	0.62
£1,000,000	FMS Wertmanagement 0.75% 2017	1,000,081	0.39
£1,000,000	FMS Wertmanagement 1.25% 2019	1,006,950	0.39
£1,449,000	Nordea Bank FRN 2019	1,454,529	0.56
£2,186,000	Royal Bank of Scotland FRN 2020	2,193,017	0.85
£1,100,000	Skandinaviska Enskilda Banken FRN 2018	1,103,861	0.43
£3,500,000	Stadshypotek AB FRN 2018	3,506,160	1.36
£2,521,000	Swedbank AB	2,540,840	0.98
£1,150,000	Total Capital 3.875% 2018	1,185,167	0.46

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Short Term Sterling Bonds (continued)			
£1,300,000	Total Capital International FRN 2019	1,301,997	0.50
£1,289,000	UBS 6.625% 2018	1,315,592	0.51
£1,500,000	Westpac Banking 5% 2019	1,607,505	0.62
		42,875,638	16.58
Sterling Corporate Bonds 6.26% (11.81%)			
£500,000	Abbey National Treasury Services FRN 2018	500,455	0.19
£700,000	ASB Finance FRN 2018	700,952	0.27
£1,000,000	Asian Development Bank 1.50% 2017	1,000,300	0.39
£500,000	Bank of Montreal FRN 2018	500,075	0.19
£2,300,000	BNP Paribas 2.375% 2019	2,361,796	0.91
£790,000	Canadian Imperial Bank of Commerce FRN 2018	790,182	0.31
£1,740,000	Coventry Building Society 4.625% 2018	1,766,579	0.68
£1,460,000	DNB Boligkreditt FRN 2020	1,464,818	0.57
£600,000	GE Capital UK Funding 6.75% 2018	623,209	0.24
£1,000,000	GE Capital UK Funding FRN 2018	1,000,204	0.39
£1,263,000	General Electric Capital Corporation 6.25% 2017	1,265,205	0.49
£200,000	NRW Bank 0.875% 2017	200,022	0.08
£2,100,000	Royal Bank of Canada FRN 2018	2,103,255	0.81
£100,000	Royal Bank of Canada FRN 2019	100,343	0.04
£1,800,000	Swedbank Hypotek FRN 2018	1,800,774	0.70
		16,178,169	6.26
EQUITY 46.22% (44.64%)			
Asia & Emerging Markets 6.05% (8.21%)			
1,619,986	7IM Emerging Markets Equity Value Fund 'Z' Inc ^{1,5}	2,177,261	0.84
1,486	Most Diversified TOBAM Anti-Benchmark Emerging Markets ¹	12,304,912	4.76
320	MSCI AC Asia ex Japan Futures Dec 2017 ⁴	394,677	0.15
141	MSCI INDIA Futures Mar 2018 ⁴	786,431	0.30
		15,663,281	6.05
Europe (ex UK) 13.59% (7.87%)			
1,503,209	7IM European (ex UK) Equity Value Fund 'Z' Inc ^{1,5}	1,785,962	0.69
8,684	ABB	165,111	0.06
271,052	Aegon	1,259,746	0.49
370	Aena SME	55,442	0.02
3,559	AerCap	136,965	0.05
1,093	Ageas	39,939	0.02
23	AP Moeller - Maersk 'A'	29,142	0.01
4,337	Atlas Copco	140,095	0.05
298	Baloise	34,112	0.01
1,692	Bayer	162,146	0.06
3,274	Bayerische Motoren Werke 'A'	246,476	0.10
2,000	BNP Paribas	113,800	0.04
10,465	Boliden	248,934	0.10
8,089	Boskalis Westminster	221,836	0.09
2,806	Compagnie De St-Gobain	119,617	0.05
3,164	Covestro	244,853	0.09
6,239	Daimler	385,924	0.15
21,102	Danske Bank	591,417	0.23
44,278	Deutsche Lufthansa	1,125,028	0.43
109,764	Deutsche Telekom	1,460,169	0.56
5,617	DNB	76,473	0.03
2,005	Electrolux 'B'	49,153	0.02
123,711	Engie	1,609,761	0.62
88,762	Eni	1,090,916	0.42
17,827	Ericsson 'B'	84,131	0.03
31	Euro Stoxx 50 Equity Index Futures Dec 2017 ⁴	21,247	0.01
100,890	Fiat Chrysler Automobiles	1,289,713	0.51
1,444	Fraport AG Frankfurt Airport Services Worldwide	106,649	0.04
14,130	Gemalto	397,147	0.15
367	Genmab	52,753	0.02

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
Europe (ex UK) (continued)			
4,113	Hakon Invest	110,583	0.04
1,443	Hexagon	52,698	0.02
22,108	Holcim	898,833	0.35
120,250	Iberdrola	707,090	0.27
3,739	Industrivarden	67,992	0.03
2,045	Investor 'B'	71,488	0.03
1,084	Kone	41,457	0.02
1,038	Linde	171,165	0.07
9,205	Muenchener Rueckversicherungs	1,549,901	0.60
26,094	Nestle	1,678,350	0.65
45,726	NN Group	1,469,985	0.56
7,940	Nordea Bank	69,831	0.03
7,957	Norsk Hydro	40,535	0.02
11,735	Novartis	744,175	0.29
27,286	Novo Nordisk	1,045,899	0.40
43,441	Orange	560,677	0.22
14,710	Pernod Ricard	1,698,477	0.65
21,294	Peugeot	330,044	0.13
5,978	Porsche Automobil	374,042	0.14
8,591	Renault	653,183	0.25
45,297	Repsol	617,931	0.24
1,537	Roche Holding	287,137	0.11
30,889	Rocket Internet	539,813	0.21
6,103	Safran	484,542	0.19
78,534	Saipem	238,122	0.09
3,126	Sandvik	40,302	0.02
17,541	Sanofi	1,193,594	0.47
4,824	SAP	407,504	0.15
4,735	Societe Generale	179,274	0.07
1,698	Swiss Life	424,957	0.16
22,679	Swiss Re	1,597,134	0.62
15,358	TeliaSonera 'A'	50,742	0.02
22,400	UPM-Kymmene	505,841	0.20
8,668	Vestas Wind Systems	407,523	0.16
24,727	Vinci	1,892,211	0.72
219	Volkswagen	33,510	0.01
2,884	Volkswagen non-voting preference shares	452,208	0.17
666	Zurich Insurance Group	149,866	0.06
		35,183,273	13.59
Frontier Markets Equity 6.01% (0.00%)			
1,758,208	T. Rowe Price Frontier Markets Equity Fund 'I'	15,536,105	6.01
Japan 0.69% (0.44%)			
145	TOPIX Index Futures Dec 2017 ⁴	1,777,145	0.69
North America 7.66% (15.78%)			
4,623,890	7IM US Equity Value Fund 'Z' Inc ^{1,5}	6,063,769	2.34
849	Activision Blizzard	39,159	0.01
235	Aetna	31,388	0.01
259	Agnc Investment	3,866	—
229	Alphabet 'C'	173,982	0.07
614	American International Group	27,534	0.01
241	American Tower	26,221	0.01
1,842	Amgen	236,009	0.09
14,499	Annaly Capital Management	126,824	0.05
108	Anthem	18,265	0.01
1,073	Apple	135,189	0.05
8,818	Applied Materials	347,027	0.13
241	Baker Hughes	5,374	—
191	Best Buy	8,356	—
1,565	Biogen	372,448	0.14

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
	North America (continued)		
2,313	Boeing	463,237	0.18
100	Bunge	4,946	–
11,763	Cadence Design Systems	377,532	0.15
5,774	Capital One Financial	390,645	0.15
2,836	Chevron	247,160	0.10
580	Cigna	88,800	0.03
17,848	Cisco Systems	497,427	0.20
5,217	Citigroup	291,185	0.11
353	Citizens Financial Group	10,678	–
11,467	Comcast 'A'	317,284	0.12
3,367	ConocoPhillips	127,022	0.05
111	Cummins	13,581	0.01
1,313	CVS Health	71,673	0.03
303	Eaton	17,313	0.01
708	eBay	18,100	0.01
220	Electronic Arts	17,262	0.01
705	Eli Lilly & Company	44,551	0.02
344	EOG Resources	25,717	0.01
140	Estee Lauder	12,898	–
635	Exelon	19,686	0.01
1,435	Exxon Mobil	87,800	0.03
48	F5 Networks	4,636	–
2,556	FNF	76,426	0.03
42,862	Ford Motor	400,103	0.15
47,881	FS Investment	284,911	0.11
6,009	Gap	145,303	0.06
290	General Motors	9,448	–
7,483	Gilead Sciences	410,203	0.16
283	Hasbro	19,540	0.01
2,446	HCP	48,922	0.02
244	HP	3,887	–
2,050	Humana	381,334	0.15
158	Illinois Tool Works	19,492	0.01
14,464	Intel	472,827	0.19
80	JM Smucker	7,001	–
283	Kimco Realty	3,888	–
1,094	Kinder Morgan	13,630	0.01
348	Las Vegas Sands	17,487	0.01
2,517	Liberty Property Trust	83,497	0.03
375	Lincoln National	21,349	0.01
595	Lowe's Cos	36,865	0.01
246	LyondellBasell Industries	19,210	0.01
204	Maxim Integrated Products	7,907	–
1,878	Merck & Co	77,330	0.03
10,249	Michael Kors Holdings	447,023	0.17
1,948	Micron Technology	63,361	0.02
2,110	Microsoft	130,779	0.05
156	Mini Russell 2000 Futures Dec 2017 ⁴	686,055	0.27
1,540	Monsanto	134,762	0.05
322	Morgan Stanley	12,291	–
112	Motorola Solutions	7,845	–
190	NetApp	7,947	–
366	Newmont Mining	9,961	–
2,162	NextEra Energy	253,693	0.10
2,321	NXP Semiconductors	195,078	0.08
6,582	Occidental Petroleum	342,159	0.13
2,318	Palo Alto Networks	249,757	0.10
4,051	Pfizer	109,105	0.04
2,565	PNC Financial Services Group	266,564	0.10
213	Prologis	10,477	–
1,156	Prudential Financial	99,629	0.04
1,012	Qualcomm	50,071	0.02
852	Regions Financial	10,494	–
30	RenaissanceRe Holdings	3,044	–
171	Robert Half International	7,226	–
1,649	Rockwell Automation	233,089	0.08
			375

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
North America (continued)			
1,223	Royal Caribbean Cruises	113,426	0.04
201	S&P Global	24,625	0.01
175	Simon Property	20,662	0.01
3,318	Southwest Airlines	145,287	0.06
13,455	Synchrony Financial	353,776	0.14
5,881	Synopsys	379,250	0.15
377	Target	17,293	0.01
568	Texas Instruments	40,934	0.02
7,656	T-Mobile	352,092	0.14
4,803	Union Pacific	439,199	0.17
57	United Rentals	6,692	–
7,718	Vereit	45,007	0.02
67	Vornado Realty	3,832	–
7,957	Walgreens Boots Alliance	425,592	0.16
6,712	Wal-Mart Stores	487,156	0.19
555	Western Digital	33,433	0.01
7,298	WestRock	327,052	0.13
		19,870,822	7.66
United Kingdom 12.22% (12.34%)			
840,210	7IM UK Equity Value Fund 'Z' Inc ^{1,5}	893,227	0.35
62,217	Anglo American	852,061	0.33
20,178	AstraZeneca	976,716	0.38
176,979	Auto Trader Group	600,136	0.24
251,586	Aviva	1,310,762	0.51
73,994	Barratt Developments	451,363	0.17
3,654	Berkeley Group	139,875	0.05
9,609	BHP Billiton	129,289	0.05
319,003	BP	1,579,065	0.61
19,115	British American Tobacco	922,203	0.36
47,338	British Land	296,099	0.11
15,891	Burberry	272,531	0.11
13,439	Capita	65,421	0.03
3,058	Carnival	148,863	0.06
332,684	Centrica	481,061	0.19
14,481	Diageo	377,375	0.15
20,834	Direct Line Insurance Group	75,877	0.03
2,542	Easyjet	36,198	0.01
6,750	Electric & General Investment Trust	–	–
76,818	Experian	1,191,446	0.47
218	FTSE 100 Index Futures Dec 2017 ⁴	(76,174)	(0.03)
24,735	G4S	63,668	0.02
80,368	GlaxoSmithKline	1,046,391	0.40
174,779	Glencore	600,541	0.23
193,829	HSBC Holdings	1,448,679	0.57
36,058	Imperial Tobacco Group	1,116,536	0.43
2,666	Intertek Group	138,899	0.05
13,728	Intu Properties	26,879	0.01
59,311	ITV	95,253	0.04
25,377	J Sainsbury	59,712	0.02
24,498	Kingfisher	82,485	0.03
42,642	Land Securities	397,638	0.16
456,719	Legal & General Group	1,237,252	0.48
3,423	London Stock Exchange	129,218	0.05
32,098	Marks & Spencer	100,178	0.04
75,077	Meggitt	365,250	0.14
61,327	National Grid	545,810	0.21
243,135	Old Mutual	487,486	0.19
39,766	Pearson	282,935	0.11
39,035	Persimmon	995,003	0.39
2,102	Provident Financial	18,813	0.01
11,342	Reckitt Benckiser Group	739,952	0.29
25,746	RELX	449,268	0.17
21,886	Rio Tinto	771,482	0.30

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

Holding	Portfolio of Investment	Value £	30.11.17 %
United Kingdom (continued)			
2,644	Rolls-Royce	22,818	0.01
54,327	Royal Bank of Scotland Group	152,876	0.06
73,835	Royal Dutch Shell 'A'	1,753,949	0.67
64,350	Royal Dutch Shell 'B'	1,559,522	0.60
147,396	Royal Mail	640,436	0.25
78,070	Smith & Nephew	1,023,497	0.40
161,287	Standard Life	695,470	0.27
7,332	Tate & Lyle	49,088	0.02
656,322	Tesco	1,305,097	0.51
559,571	Vodafone Group	1,269,946	0.49
456,822	WM Morrison Supermarkets	998,156	0.39
6,174	WPP	81,559	0.03
		31,475,136	12.22
PRIVATE EQUITY 5.56% (9.17%)			
164,104	3i Group	1,495,808	0.57
37,778	Apollo Global Management	867,985	0.34
42,786	Apollo Investment	192,218	0.07
83,148	Ares Capital	1,004,987	0.39
5,832	Aurelius	278,083	0.11
61,045	Blackstone Group (The)	1,430,717	0.54
97,708	Brait	242,442	0.09
16,499	Carlyle Group (The)	248,507	0.10
13,693	Eurazeo	887,992	0.34
4,852	Gimv	219,180	0.08
11,401	Golub Capital	162,054	0.06
16,416	Hercules Technology Growth Capital	164,227	0.06
55,708	Intermediate Capital Group	593,290	0.23
131,098	IP Group	195,074	0.08
9,282	Jafco	361,392	0.14
89,724	KKR & Company	1,319,382	0.51
10,803	Main Street Capital	325,106	0.13
301,561	Marfin Investment	23,894	0.01
19,701	Onex	1,043,362	0.40
3,166	Partners Group	1,597,347	0.61
70,896	Prospect Capital	365,417	0.14
45,948	Ratos	151,442	0.06
11,606	TPG Specialty Lending	177,830	0.07
8,893	Wendel	1,106,290	0.43
		14,454,026	5.56
REAL ESTATE 0.00% (3.80%)			
FORWARD CURRENCY CONTRACTS 0.17% (-0.24%)			
€(8,600,000)	Vs £7,747,396 Expiry 16.02.2018	159,454	0.06
US\$(24,500,000)	Vs £18,529,723 Expiry 19.01.2018	340,810	0.13
US\$(5,700,000)	Vs £4,330,550 Expiry 19.01.2018	98,844	0.04
¥711,000,000	Vs £(4,864,465) Expiry 15.12.2017	(155,561)	(0.06)
		443,547	0.17
Portfolio of investment			
	Net other liabilities	(408,221)	(0.16)
Net assets			
		258,687,301	100.00

Comparative figures shown in brackets relate to 30 November 2016.

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

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2017

¹ Collective investment scheme

² Structured product

³ Delisted security

⁴ Derivative contract

⁵ Related party holding (see note 12 of the Financial Statements)

Credit Quality	30.11.17 %	30.11.16 %
Investment grade debt securities	23.25	21.40
Non-rated debt securities	3.46	1.15
Other investments	73.45	77.87
Net other liabilities	(0.16)	(0.42)
	100.00	100.00

7IM AAP ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2017

		30.11.17	30.11.16
	Notes	£	£
Income			
Net capital gains	4	25,637,871	16,345,702
Revenue	5	4,967,682	5,677,631
Expenses	6	(1,390,779)	(1,332,930)
Interest payable and similar charges	8	(79,444)	(110,898)
Net revenue before taxation for the year		3,497,459	4,233,803
Taxation	7	(120,883)	(206,419)
Net revenue after taxation for the year		3,376,576	4,027,384
Total return before distributions		29,014,447	20,373,086
Distributions	8	(3,382,694)	(4,033,495)
Change in net assets attributable to shareholders from investment activities		25,631,753	16,339,591

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2017

	30.11.17	30.11.16
	£	£
Opening net assets attributable to shareholders	241,029,051	243,313,479
Amounts received on creation of shares	57,963,979	52,927,408
Amounts paid on cancellation of shares	(69,141,253)	(75,316,191)
	(11,177,274)	(22,388,783)
Stamp Duty Reserve Tax	—	3,359
Change in net assets attributable to shareholders from investment activities	25,631,753	16,339,591
Retained distribution on accumulation shares	3,203,771	3,761,405
Closing net assets attributable to shareholders	258,687,301	241,029,051

The notes on pages 381 to 390 are an integral part of these Financial Statements.

7IM AAP ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2017

	Notes	30.11.17 £	30.11.16 £
ASSETS			
Fixed assets:			
Investments		259,327,257	243,792,094
Current assets:			
Debtors	9	2,736,560	2,016,451
Cash and bank balances	10	1,400,709	1,337,739
Total assets		263,464,526	247,146,284
LIABILITIES			
Investment liabilities		(231,735)	(1,744,648)
Creditors:			
Bank overdrafts	10	(2,768,739)	(2,287,846)
Distribution payable		(71,130)	(83,204)
Other creditors	11	(1,705,621)	(2,001,535)
Total liabilities		(4,777,225)	(6,117,233)
Net assets attributable to shareholders		258,687,301	241,029,051

The notes on pages 381 to 390 are an integral part of these Financial Statements.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2017

1 Statement of Compliance

The Sub-fund's Financial Statements have been prepared on the same basis as the Statement of Compliance disclosed on page 7.

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 7 to 9.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 9 to 10.

4 Net capital gains

	30.11.17 £	30.11.16 £
The net capital gains during the year comprise:		
Non-derivative securities	14,522,184	18,700,313
Derivative contracts	11,257,776	(2,206,044)
Forward currency contracts	(1,036,869)	(16,935)
Currency gains/(losses)	894,529	(101,616)
Transaction charges	(28,887)	(37,442)
AMC rebates from underlying investments	29,138	7,426
Net capital gains	25,637,871	16,345,702

5 Revenue

	30.11.17 £	30.11.16* £
Non-taxable dividends	3,341,772	4,205,237
Taxable dividends	974,988	490,834
Unfranked interest	490,589	717,401
AMC rebates from underlying investments	95,789	260,349
Bank interest	38,301	3,810
Stock lending revenue	26,243	—
Total revenue	4,967,682	5,677,631

* Prior year figures have been restated to be comparable with the current year figures.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

6 Expenses

	30.11.17 £	30.11.16 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,255,366	1,185,364
Other expenses	4,876	4,856
	<u>1,260,242</u>	<u>1,190,220</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	36,648	34,641
Market risk fees	6,000	7,500
Safe custody and other bank charges	22,218	22,762
Stock lending fees	7,869	—
	<u>72,735</u>	<u>64,903</u>
Other Expenses:		
Advisory fees	10,783	10,935
Audit fee	8,760	8,809
Dealing and exchange fees	24,960	43,148
FCA and other Regulatory fees	275	276
Legal and professional fees	830	1,184
Printing, postage and distribution costs	6,479	7,555
Risk analysis fees	5,715	5,900
	<u>57,802</u>	<u>77,807</u>
Total expenses	<u>1,390,779</u>	<u>1,332,930</u>

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

7 Taxation

	30.11.17 £	30.11.16 £
a) <i>Analysis of charge for the year</i>		
Overseas tax	120,883	206,347
Irrecoverable CIS income tax	–	72
Current tax charge (note 7b)	120,883	206,419
Total taxation	120,883	206,419
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2016: 20%) for the reasons explained below.		
Net revenue before taxation	3,497,459	4,233,803
Corporation tax at 20%	699,492	846,761
Effects of:		
AMC rebates taken to capital	5,828	1,485
Irrecoverable CIS income tax w/off	–	72
Movement in revenue accruals	7,131	(8,585)
Non-taxable dividends	(664,325)	(736,841)
Overseas tax	120,883	206,347
Tax effect on non-reporting offshore funds	16,297	–
Tax on stock dividends	(27,465)	(95,622)
Unutilised excess management expenses	(36,958)	(7,198)
Current tax charge (note 7a)	120,883	206,419

c) *Deferred tax*

There is no deferred tax provision in the current year (2016: none).

At the year end there is a potential deferred tax asset of £411,927 (2016: £428,589) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

8 Distributions

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

	30.11.17 £	30.11.16 £
Interim	1,739,566	2,007,633
Final	1,608,847	1,926,550
	3,348,413	3,934,183
Add: Revenue deducted on cancellation of shares	288,303	271,897
Deduct: Revenue received on issue of shares	(254,022)	(172,585)
Net distributions for the year	3,382,694	4,033,495
Interest payable and similar charges	79,444	110,898
Total distribution	3,462,138	4,144,393

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 391 and 392.

Distributions represented by:		
Net revenue after taxation	3,376,576	4,027,384
Allocations to capital:		
Expenses, net of tax relief	5,828	1,487
Equalisation on conversions ¹	334	4,509
Income deficit	–	27
Net movement in revenue account	(44)	88
Net distributions for the year	3,382,694	4,033,495

¹ Where an investor converts to a class with a higher income yield, the investor will pay or receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9 Debtors

	30.11.17	30.11.16
	£	£
Amounts receivable for issue of shares	1,623,065	949,016
Accrued revenue	852,930	721,035
Income tax recoverable	448	41,155
AMC rebates from underlying investments	90,040	138,153
Withholding tax recoverable	169,989	166,994
Prepaid expenses	88	98
Total debtors	2,736,560	2,016,451

10 Cash and bank balances

	30.11.17	30.11.16
	£	£
Cash and bank balances	1,400,709	1,337,739
Total cash and bank balances	1,400,709	1,337,739
Bank overdrafts	(1,320,922)	(1,219,662)
Cash overdraft at clearing houses	(1,447,817)	(1,068,184)
Total bank overdrafts	(2,768,739)	(2,287,846)

11 Other Creditors

	30.11.17	30.11.16
	£	£
Amounts payable for cancellation of shares	1,479,357	1,792,763
Purchases awaiting settlement	96,211	90,025
Accrued expenses	130,053	118,747
Total other creditors	1,705,621	2,001,535

12 Related party transactions

ACD's periodic charge and other expenses payable to 7IM (the 'ACD') are disclosed in note 6.

The aggregate monies received by the ACD through the issue of shares and paid on cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 379.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

12 Related party transactions (continued)

The Sub-fund has the following shareholdings in the 7IM Specialist Investment Funds ICVC:

	Held at 30.11.17	Held at 30.11.16
7IM Emerging Markets Equity Value Fund 'Z' Inc	1,619,986	1,619,986
7IM European (ex UK) Equity Value Fund 'Z' Inc	1,503,209	1,503,209
7IM UK Equity Value Fund 'Z' Inc	840,210	840,210
7IM US Equity Value Fund 'Z' Inc	4,623,890	4,623,890

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

Pershing Nominees Limited	38.12% (2016: 37.81%)
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Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD it is referenced in the Portfolio Statement of the Sub-fund.

13 Classes of Shares

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

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	215,970	777	(33,197)	(1,059)	182,491
Class A Accumulation	732,916	14,542	(110,784)	–	636,674
Class C Income	6,032,588	1,562,585	(1,868,427)	180,651	5,907,397
Class C Accumulation	119,776,431	28,344,560	(33,764,128)	(764,269)	113,592,594
Class D Income	42	525	(280)	–	287
Class D Accumulation	5,502,498	263,845	(657,211)	–	5,109,132
Class S Income	1,315,852	327,254	(252,423)	(1)	1,390,682
Class S Accumulation	27,514,118	5,443,729	(6,120,178)	780,411	27,618,080

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2016: none).

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 November 2017

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 9 to 10. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Interest rate exposure as at 30 November 2017

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	3,808	–	1,043,493	1,047,301
Danish krone	–	–	2,138,967	2,138,967
Euro	220,915	–	26,614,254	26,835,169
Japanese yen	19	–	6,847,441	6,847,460
Norwegian krone	–	–	128,578	128,578
South African rand	7	–	242,442	242,449
Swedish krona	–	–	1,137,390	1,137,390
Swiss franc	211,259	–	7,674,608	7,885,867
US dollar	960,868	8,950,425	75,857,208	85,768,501
Pound sterling	47,336,836	34,318,429	84,495,044	166,150,309
	48,733,712	43,268,854	206,179,425	298,181,991

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(3,808)	–	(3,808)
Euro	(218,657)	(7,587,942)	(7,806,599)
South African rand	(7)	–	(7)
Swiss franc	(140,263)	–	(140,263)
US dollar	(954,937)	(22,420,618)	(23,375,555)
Pound sterling	(1,451,067)	(6,717,391)	(8,168,458)
	(2,768,739)	(36,725,951)	(39,494,690)

Interest rate exposure as at 30 November 2016

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	3,965	–	1,879,740	1,883,705
Danish krone	–	–	1,108,113	1,108,113
Euro	111,549	–	14,395,617	14,507,166
Hong Kong dollar	25,278	–	–	25,278
Japanese yen	29,782	–	13,581,395	13,611,177
Norwegian krone	–	–	787,814	787,814
South African rand	7	–	831,399	831,406
Swedish krona	–	–	1,280,783	1,280,783
Swiss franc	222,976	–	6,021,492	6,244,468
US dollar	3,777,017	2,765,435	67,392,149	73,934,601
Pound sterling	57,971,783	28,081,627	112,853,772	198,907,182
	62,142,357	30,847,062	220,132,274	313,121,693

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(3,965)	–	(3,965)
Euro	(130,843)	(16,439,819)	(16,570,662)
Hong Kong dollar	(25,278)	–	(25,278)
Japanese yen	(29,782)	(915,162)	(944,944)
South African rand	(6)	–	(6)
Swiss franc	(147,301)	–	(147,301)
US dollar	(658,369)	(37,314,772)	(37,973,141)
Pound sterling	(1,292,302)	(15,135,043)	(16,427,345)
	(2,287,846)	(69,804,796)	(72,092,642)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.17 %	30.11.16 %	30.11.17 Years	30.11.16 Years
Pound sterling	0.87	0.59	1	1
US dollar	(1.20)	(0.29)	3	4

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Prior year figures have been restated to be comparable with the current year figures.

Foreign currency risk exposure as at 30 November 2017

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Canadian dollar	130	1,043,363	1,043,493
Danish krone	12,233	2,126,734	2,138,967
Euro	50,095	18,978,475	19,028,570
Japanese yen	19	6,847,441	6,847,460
Norwegian krone	11,570	117,008	128,578
South African rand	–	242,442	242,442
Swedish krona	–	1,137,390	1,137,390
Swiss franc	168,582	7,577,022	7,745,604
US dollar	36,737	62,356,209	62,392,946
	279,366	100,426,084	100,705,450
Pound sterling	8,317,413	149,664,438	157,981,851
Net assets	8,596,779	250,090,522	258,687,301

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2016

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Canadian dollar	135	1,879,605	1,879,740
Danish krone	8,292	1,099,821	1,108,113
Euro	39,456	(2,102,952)	(2,063,496)
Japanese yen	–	12,666,233	12,666,233
Norwegian krone	12,233	775,581	787,814
South African rand	1	831,399	831,400
Swedish krona	–	1,280,783	1,280,783
Swiss franc	164,829	5,932,338	6,097,167
US dollar	77,724	35,883,736	35,961,460
	302,670	58,246,544	58,549,214
Pound sterling	11,466,935	171,012,902	182,479,837
Net assets	11,769,605	229,259,446	241,029,051

iii. Derivatives

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

iv. Fair value

In the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

30 November 2017	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	69,083,037	–	69,083,037
Collective Investment Schemes	17,630,646	65,695,081	–	83,325,727
Derivatives	3,814,255	599,108	–	4,413,363
Equities	91,609,171	10,895,959	–	102,505,130
Total	113,054,072	146,273,185	–	259,327,257
Liabilities				
Derivatives	(76,174)	(155,561)	–	(231,735)
Total	(76,174)	(155,561)	–	(231,735)

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2016	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	54,351,287	–	54,351,287
Collective Investment Schemes	34,312,857	54,551,373	–	88,864,230
Derivatives	6,143,595	500,139	–	6,643,734
Equities	93,932,843	–	–	93,932,843
Total	134,389,295	109,402,799	–	243,792,094
Liabilities				
Derivatives	(671,946)	(1,072,702)	–	(1,744,648)
Total	(671,946)	(1,072,702)	–	(1,744,648)

16 Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 361.

Analysis of direct transaction costs for the year ended 30 November 2017:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	54,107	–	–	–	–	–
Collective Investment Schemes	142,572	–	–	–	–	–
Derivatives	11,452	–	–	–	–	–
Equities	99,413	12	140	152	0.01	0.14
Total	307,544	12	140	152	0.01	0.14

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	37,555	–	–	–	–	–
Collective Investment Schemes	131,138	–	–	–	–	–
Derivatives	–	–	–	–	–	–
Equities	134,472	(14)	(1)	(15)	0.01	–
Total	303,165	(14)	(1)	(15)	0.01	–

Total as a percentage of the average NAV	0.01%	0.06%	0.07%
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7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2017

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2016:

Purchases	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Bonds	20,254	—	—	—	—	—
Collective Investment Schemes	172,720	—	—	—	—	—
Derivatives	2,353	—	—	—	—	—
Equities	174,294	21	192	213	0.01	0.11
Total	369,621	21	192	213	0.01	0.11

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	67,445	—	—	—	—	—
Collective Investment Schemes	161,921	—	—	—	—	—
Derivatives	2,404	—	—	—	—	—
Equities	154,056	(20)	(1)	(21)	0.01	—
Total	385,826	(20)	(1)	(21)	0.01	—

Total as a percentage of the average NAV **0.02%** **0.08%** **0.10%**

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.18% (2016: 0.18%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

There have been no significant events since the year end that impact the Sub-fund and require disclosure in the financial statements.

7IM AAP ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2017

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2016

Group 2 - Shares purchased on or after 1 December 2016 and on or before 31 May 2017

	Net Revenue	Equalisation	Paid 31.07.17	Paid 31.07.16
Class A Income				
Group 1	0.6525	—	0.6525	0.7964
Group 2	0.5164	0.1361	0.6525	0.7964
			Allocated 31.07.17	Allocated 31.07.16
Class A Accumulation				
Group 1	0.7071	—	0.7071	0.8503
Group 2	0.2470	0.4601	0.7071	0.8503
			Paid 31.07.17	Paid 31.07.16
Class C Income				
Group 1	1.0158	—	1.0158	1.1061
Group 2	0.3490	0.6668	1.0158	1.1061
			Allocated 31.07.17	Allocated 31.07.16
Class C Accumulation				
Group 1	1.1460	—	1.1460	1.2295
Group 2	0.3735	0.7725	1.1460	1.2295
			Paid 31.07.17	Paid 31.07.16
Class D Income				
Group 1	1.2009	—	1.2009	—
Group 2	1.2009	—	1.2009	—
			Allocated 31.07.17	Allocated 31.07.16
Class D Accumulation				
Group 1	0.3749	—	0.3749	0.5499
Group 2	0.1168	0.2581	0.3749	0.5499
			Paid 31.07.17	Paid 31.07.16
Class S Income				
Group 1	0.9998	—	0.9998	1.0543
Group 2	0.7912	0.2086	0.9998	1.0543
			Allocated 31.07.17	Allocated 31.07.16
Class S Accumulation				
Group 1	1.0507	—	1.0507	1.0877
Group 2	0.4858	0.5649	1.0507	1.0877

7IM AAP ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2017

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2017

Group 2 - Shares purchased on or after 1 June 2017 and on or before 30 November 2017

	Net Revenue	Equalisation	Paid 31.01.18	Paid 31.01.17
Class A Income				
Group 1	0.5693	—	0.5693	0.7781
Group 2	0.2358	0.3335	0.5693	0.7781
			Allocated 31.01.18	Allocated 31.01.17
Class A Accumulation				
Group 1	0.6165	—	0.6165	0.8380
Group 2	0.1667	0.4498	0.6165	0.8380
			Paid 31.01.18	Paid 31.01.17
Class C Income				
Group 1	0.9610	—	0.9610	1.1169
Group 2	0.2133	0.7477	0.9610	1.1169
			Allocated 31.01.18	Allocated 31.01.17
Class C Accumulation				
Group 1	1.0906	—	1.0906	1.2523
Group 2	0.3584	0.7322	1.0906	1.2523
			Paid 31.01.18	Paid 31.01.17
Class D Income				
Group 1	0.7713	—	0.7713	—
Group 2	0.1486	0.6227	0.7713	—
			Allocated 31.01.18	Allocated 31.01.17
Class D Accumulation				
Group 1	0.2836	—	0.2836	0.5321
Group 2	0.0151	0.2685	0.2836	0.5321
			Paid 31.01.18	Paid 31.01.17
Class S Income				
Group 1	0.9577	—	0.9577	1.0750
Group 2	0.2938	0.6639	0.9577	1.0750
			Allocated 31.01.18	Allocated 31.01.17
Class S Accumulation				
Group 1	1.0155	—	1.0155	1.1193
Group 2	0.4297	0.5858	1.0155	1.1193

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 INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED

The European Regulation on reporting and transparency of securities financing transactions and reuse (SFTR), which aims to improve the transparency and monitoring of the financial system, became effective on 13 January 2016. The SFTR applies to the 7IM Investment 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 (SFTs) and total return swaps (TRS) by the Company in all interim and annual reports for the Company published from 13 January 2017.

The following details the SFTR activities of the Sub-funds during the year ended 30 November 2017 and as at the balance sheet date.

7IM Cautious Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £18,921,099 and net asset value of £43,801,093 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
22.86%	9.87%	10	4

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Goldman Sachs	US	2,573,648	2,644,719
J.P. Morgan Securities (Europe)	UK	129,414	132,414
Societe General (Paris Branch)	France	1,621,953	1,708,709
Total		4,325,015	4,485,842

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Euro	7,845
Pound sterling	132,414
Japanese yen	1,686,859
US dollar	2,658,724
Total	4,485,842

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM Cautious Fund (continued)

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	3,206	184,364	2,579,791	1,718,481	–	4,485,842
Equities						
Recognised equity index	–	–	–	–	–	–
Total	3,206	184,364	2,579,791	1,718,481	–	4,485,842

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

Custodian	Non-cash collateral received £
Northern Trust	4,485,842

7IM Moderately Cautious Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £134,896,626 and net asset value of £312,149,187 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
33.87%	14.64%	8,635	3,697

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM Moderately Cautious Fund (continued)

Securities Lending (continued)

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Barclays Bank	UK	224,027	243,895
BNP Paribas Arbitrage	France	67,698	71,667
Citigroup Global Markets Limited	UK	1,068,821	1,132,589
Credit Suisse (Dublin Branch)	Ireland	1,016,223	1,119,023
Credit Suisse (Europe)	UK	5,915	6,320
Goldman Sachs	US	37,688,667	38,726,775
HSBC Bank	UK	298,927	331,013
ING Bank (London Branch)	UK	37,463	41,151
J.P. Morgan Securities (Europe)	UK	1,590,741	1,650,716
Merrill Lynch International	UK	2,961,679	3,105,644
Societe General (Paris Branch)	France	402,439	474,741
The Bank of Nova Scotia (London Branch)	UK	149,139	164,661
UBS AG (London Branch)	UK	173,529	188,635
Total		45,685,268	47,256,830

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Australian dollar	6,593
Canadian dollar	17,578
Swiss franc	14,371
Danish krone	24,046
Euro	4,547,816
Pound sterling	2,432,165
Hong Kong dollar	250,671
Japanese yen	462,121
Norwegian krone	29,668
Swedish krona	87,498
US dollar	39,384,303
Total	47,256,830

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	1,520	7,578	345,288	44,291,541	–	44,645,927
Equities						
Recognised equity index	4,428	1,215	–	213,377	2,391,883	2,610,903
Total	5,948	8,793	345,288	44,504,918	2,391,883	47,256,830

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM Moderately Cautious Fund (continued)

Collateral (continued)

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

	Non-cash collateral received £
Custodian	
Northern Trust	47,256,830

7IM Balanced Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £307,503,330 and net asset value of £721,288,400 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
23.65%	10.08%	16,378	7,017

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Barclays Bank	UK	1,265,550	1,372,754
BNP Paribas Arbitrage	France	125,941	133,325
Citigroup Global Markets Inc.	US	13,938	14,658
Citigroup Global Markets Limited	UK	741,026	886,282
Credit Suisse (Europe)	UK	38,387	43,112
Goldman Sachs	US	61,049,595	62,732,369
HSBC Bank	UK	2,424,542	2,681,842
J.P. Morgan Securities (Europe)	UK	409,243	569,643
Macquarie Bank Limited (London Branch)	UK	917	1,148
Merrill Lynch International	UK	1,528,528	1,610,529
Societe General (Paris Branch)	France	3,332,507	3,858,661
The Bank of Nova Scotia (London Branch)	UK	1,158,094	1,276,633
UBS AG (London Branch)	UK	645,533	700,610
Total		72,733,801	75,881,566

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM Balanced Fund (continued)

Collateral (continued)

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Australian dollar	28,986
Canadian dollar	56,080
Swiss franc	70,509
Danish krone	85,650
Euro	2,245,994
Pound sterling	5,473,578
Hong Kong dollar	162,288
Japanese yen	3,159,725
Norwegian krone	86,393
Swedish krona	96,464
US dollar	64,415,899
Total	75,881,566

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	3,361	24,453	804,518	64,446,824	-	65,279,156
Equities						
Recognised equity index	24,921	-	-	1,339,136	9,238,353	10,602,410
Total	28,282	24,453	804,518	65,785,960	9,238,353	75,881,566

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

Custodian	Non-cash collateral received £
Northern Trust	75,881,566

7IM Moderately Adventurous Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £173,249,139 and net asset value of £447,320,944 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
16.77%	6.49%	11,736	5,027

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM Moderately Adventurous Fund (continued)

Securities Lending (continued)

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Barclays Bank	UK	775,891	841,282
BNP Paribas Arbitrage	France	5,428	5,747
Citigroup Global Markets Inc.	US	8,597	9,042
Citigroup Global Markets Limited	UK	340,250	406,894
Credit Suisse (Europe)	UK	26,595	29,629
Goldman Sachs	US	21,212,175	21,796,178
HSBC Bank	UK	1,334,153	1,473,102
ING Bank (London Branch)	UK	281,890	309,643
J.P. Morgan Securities (Europe)	UK	327,286	459,814
Macquarie Bank Limited (London Branch)	UK	19,365	24,243
Merrill Lynch International	UK	1,065,101	1,122,285
Societe General (Paris Branch)	France	1,901,295	2,242,240
The Bank of Nova Scotia (London Branch)	UK	683,716	753,729
UBS AG (London Branch)	UK	1,070,757	1,168,340
Total		29,052,499	30,642,168

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Australian dollar	36,421
Canadian dollar	28,826
Swiss franc	80,522
Danish krone	63,116
Euro	1,458,557
Pound sterling	3,576,917
Hong Kong dollar	161,475
Japanese yen	1,797,549
Norwegian krone	67,451
Swedish krona	94,412
US dollar	23,276,922
Total	30,642,168

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM Moderately Adventurous Fund (continued)

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	1,737	16,559	332,705	22,726,059	-	23,077,060
Equities						
Recognised equity index	15,273	-	-	769,396	6,780,439	7,565,108
Total	17.010	16.559	332.705	23,495.455	6.780.439	30.642.168

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

Custodian	Non-cash collateral received £
Northern Trust	30,642,168

7IM Adventurous Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £41,369,414 and net asset value of £136,613,660 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
10.95%	3.31%	3,688	1,577

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM Adventurous Fund (continued)

Securities Lending (continued)

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Barclays Bank	UK	147,374	159,572
BNP Paribas Arbitrage	France	148,226	156,916
Citigroup Global Markets Limited	UK	204,786	244,959
Credit Suisse (Dublin Branch)	Ireland	1,271,444	1,393,624
Credit Suisse (Europe)	UK	7,645	8,115
HSBC Bank	UK	584,658	648,247
J.P. Morgan Securities (Europe)	UK	44,556	62,607
Merrill Lynch International	UK	88,397	93,398
RBC Europe	UK	784,172	818,372
Societe General (Paris Branch)	France	533,900	629,813
The Bank of Nova Scotia (London Branch)	UK	377,626	415,610
UBS AG (London Branch)	UK	335,490	365,991
Total		4,528,274	4,997,224

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Australian dollar	10,005
Canadian dollar	28,351
Swiss franc	33,961
Danish krone	48,145
Euro	1,387,781
Pound sterling	1,626,391
Hong Kong dollar	297,752
Japanese yen	545,166
Norwegian krone	41,373
Swedish krona	115,102
US dollar	863,197
Total	4,997,224

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	715	11,161	25,671	1,100,480	-	1,138,027
Equities						
Recognised equity index	2,897	1,468	-	272,648	3,582,184	3,859,197
Total	3,612	12,629	25,671	1,373,128	3,582,184	4,997,224

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM Adventurous Fund (continued)

Collateral (continued)

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

	Non-cash collateral received £
Custodian	
Northern Trust	4,997,224

7IM Sustainable Balance Fund

Securities Lending

The Sub-fund may engage in securities lending activities, during the year ended 30 November 2017 securities lending was not undertaken and as at the year end, 30 November 2017, no securities were on loan.

Collateral

The Sub-fund may engage in activities which may require collateral to be provided to a counterparty. As at the year end, 30 November 2017, no collateral arrangements were in place in respect of securities lending transactions.

7IM AAP Income Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £44,263,358 and net asset value of £92,060,733 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
27.43%	13.19%	6,112	2,616

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Barclays Bank	UK	28,689	31,100
BNP Paribas Arbitrage	France	28,598	30,274
Citigroup Global Markets Inc.	US	28,395	28,916
Citigroup Global Markets Limited	UK	34,275	40,952
Credit Suisse (Dublin Branch)	Ireland	887,932	977,988
Credit Suisse (Europe)	UK	776,689	806,405
Credit Suisse (USA)	US	15,820	16,172
Goldman Sachs	US	9,110,379	9,361,274
HSBC Bank	UK	186,469	204,360
J.P. Morgan Securities (USA)	US	7,135	7,290
J.P. Morgan Securities (Europe)	UK	365,382	378,982
Macquarie Bank Limited (London Branch)	UK	37,165	46,306
Merrill Lynch International	UK	90,772	96,095
Societe General (Paris Branch)	France	383,633	452,589
State Street Bank and Trust Company	US	499	513
The Bank of Nova Scotia (London Branch)	UK	57,335	63,282
UBS AG (London Branch)	UK	100,963	112,174
Total		12,140,130	12,654,672

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM AAP Income Fund (continued)

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Australian dollar	5,954
Canadian dollar	12,806
Swiss franc	18,722
Danish krone	21,548
Euro	540,400
Pound sterling	956,713
Hong Kong dollar	221,666
Japanese yen	363,973
Norwegian krone	27,929
New Zealand dollar	534,792
Swedish krona	74,597
US dollar	9,875,572
Total	12,654,672

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	535,471	10,625	106,599	10,122,360	-	10,775,055
Equities						
Recognised equity index	565	1,047	-	84,317	1,793,688	1,879,617
Total	536,036	11,672	106,599	10,206,677	1,793,688	12,654,672

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depository or through its delegates.

Custodian	Non-cash collateral received £
Northern Trust	12,654,672

7IM AAP Moderately Cautious Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £481,330,696 and net asset value of £794,207,647 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM AAP Moderately Cautious Fund (continued)

Securities Lending (continued)

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
25.25%	15.30%	26,772	9,494

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Barclays Bank	UK	1,342,949	1,462,812
Citigroup Global Markets Inc.	US	201	212
Citigroup Global Markets Limited	UK	9,060,395	9,755,287
Credit Suisse (Dublin Branch)	Ireland	6,065,315	6,639,696
Credit Suisse (Europe)	UK	270,865	437,275
Goldman Sachs	US	88,144,526	90,573,080
HSBC Bank	UK	2,753,440	3,050,859
ING Bank (London Branch)	UK	1,041	1,138
J.P. Morgan Securities (Europe)	UK	5,462,015	5,717,502
Merrill Lynch International	UK	2,488,949	2,609,339
Societe General (Paris Branch)	France	4,270,490	4,689,028
The Bank of Nova Scotia (London Branch)	UK	1,543,764	1,698,255
UBS AG (London Branch)	UK	120,466	133,479
Total		121,524,416	126,767,962

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Australian dollar	80,544
Canadian dollar	164,597
Swiss franc	55,894
Danish krone	149,005
Euro	4,383,409
Pound sterling	18,005,128
Hong Kong dollar	1,522,414
Japanese yen	7,599,464
Norwegian krone	177,912
Swedish krona	493,102
US dollar	94,136,493
Total	126,767,962

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM AAP Moderately Cautious Fund (continued)

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	5,611	29,925	1,493,372	109,590,395	-	111,119,303
Equities						
Recognised equity index	26,556	7,190	-	1,472,735	14,142,178	15,648,659
Total	32.167	37.115	1,493.372	111,063.130	14,142.178	126,767.962

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

	Non-cash collateral received £
Custodian	
Northern Trust	126,767,962

7IM AAP Balanced Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £1,037,973,468 and net asset value of £1,597,289,369 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
15.79%	10.26%	60,363	25,860

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM AAP Balanced Fund (continued)

Securities Lending (continued)

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Barclays Bank	UK	3,227,965	3,521,598
Citigroup Global Markets Inc.	US	897	940
Citigroup Global Markets Limited	UK	14,746,972	17,116,048
Credit Suisse (Dublin Branch)	Ireland	21,165,021	23,273,517
Credit Suisse (Europe)	UK	998,238	1,473,727
Credit Suisse (USA)	US	4,089	4,180
Goldman Sachs	US	101,686,747	104,491,241
HSBC Bank	UK	4,491,033	4,974,130
ING Bank (London Branch)	UK	210,659	230,180
J.P. Morgan Securities (USA)	US	3,046	3,112
J.P. Morgan Securities (Europe)	UK	6,231,915	6,823,032
Merrill Lynch International	UK	1,265,271	1,346,604
Societe General (Paris Branch)	France	7,461,366	8,799,972
The Bank of Nova Scotia (London Branch)	UK	1,803,317	1,962,517
UBS AG (London Branch)	UK	585,089	617,168
Total		163,881,625	174,637,966

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Australian dollar	307,677
Canadian dollar	411,177
Swiss franc	181,121
Danish krone	489,645
Euro	5,665,047
Pound sterling	19,622,880
Hong Kong dollar	5,257,551
Japanese yen	24,557,174
Norwegian krone	558,779
Swedish krona	1,638,314
US dollar	115,948,601
Total	174,637,966

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	46,215	238,927	4,080,101	124,797,376	-	129,162,619
Equities						
Recognised equity index	63,931	24,944	-	3,929,255	41,457,217	45,475,347
Total	110,146	263,871	4,080,101	128,726,631	41,457,217	174,637,966

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM AAP Balanced Fund (continued)

Collateral (continued)

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depository or through its delegates.

	Non-cash collateral received £
Custodian	
Northern Trust	174,637,966

7IM AAP Moderately Adventurous Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £440,921,271 and net asset value of £660,495,410 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
14.76%	9.85%	46,080	19,742

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Citigroup Global Markets Inc.	US	670,598	683,405
Citigroup Global Markets Limited	UK	881,477	1,054,448
Credit Suisse (Dublin Branch)	Ireland	11,567,351	12,686,184
Credit Suisse (Europe)	UK	606,737	642,134
Credit Suisse (USA)	US	280,088	286,322
Goldman Sachs	US	34,901,777	35,859,886
HSBC Bank	UK	5,783,933	6,426,165
J.P. Morgan Securities (USA)	US	55,006	56,195
J.P. Morgan Securities (Europe)	UK	1,212,985	1,688,405
Merrill Lynch International	UK	1,629,998	1,726,133
RBC Europe	UK	302,225	315,359
Societe General (Paris Branch)	France	5,274,072	6,181,034
State Street Bank and Trust Company	US	6,230	6,407
The Bank of Nova Scotia (London Branch)	UK	890,531	970,063
UBS AG (London Branch)	UK	996,077	1,107,157
Total		65,059,085	69,689,297

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM AAP Moderately Adventurous Fund (continued)

Collateral (continued)

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Australian dollar	199,564
Canadian dollar	230,648
Swiss franc	211,513
Danish krone	296,606
Euro	3,763,488
Pound sterling	12,295,103
Hong Kong dollar	2,961,639
Japanese yen	5,970,194
Norwegian krone	320,722
Swedish krona	915,272
US dollar	42,524,548
Total	69,689,297

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	23,808	191,778	857,683	40,389,629	-	41,462,898
Equities						
Recognised equity index	-	13,543	-	1,016,183	27,196,673	28,226,399
Total	23,808	205,321	857,683	41,405,812	27,196,673	69,689,297

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

Custodian	Non-cash collateral received £
Northern Trust	69,689,297

7IM AAP Adventurous Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-funds total lendable assets of £171,715,993 and net asset value of £258,687,301 as at 30 November 2017 and the income earned for the year ended 30 November 2017. Total lendable assets represent the aggregate value of assets forming part of the Sub-fund's securities lending programme. This excludes any assets held by the Sub-fund that is not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Net income earned £	Income to Agent £
8.74%	5.80%	18,374	7,869

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM AAP Adventurous Fund (continued)

Securities Lending (continued)

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis. The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2017.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Barclays Bank	UK	5,724	6,217
BNP Paribas Arbitrage	France	175,409	185,693
Citigroup Global Markets Inc.	US	487,964	497,572
Citigroup Global Markets Limited	UK	966,931	1,156,617
Credit Suisse (Europe)	UK	152,353	318,992
Credit Suisse (USA)	US	166,168	169,866
Goldman Sachs	US	225,381	229,917
HSBC Bank	UK	3,455,860	3,826,030
ING Bank (London Branch)	UK	1,887	2,062
J.P. Morgan Securities (USA)	US	185,676	189,689
J.P. Morgan Securities (Europe)	UK	554,059	771,218
Macquarie Bank Limited (London Branch)	UK	24,658	30,869
Merrill Lynch International	UK	1,158,748	1,229,969
Societe General (Paris Branch)	France	3,507,274	4,137,021
State Street Bank and Trust Company	US	4,491	4,619
The Bank of Nova Scotia (London Branch)	UK	2,027,667	2,226,606
UBS AG (London Branch)	UK	1,907,709	2,087,670
Total		15,007,959	17,070,627

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2017.

Currency	Collateral received £
Australian dollar	53,600
Canadian dollar	94,171
Swiss franc	192,012
Danish krone	118,741
Euro	3,354,533
Pound sterling	8,083,869
Hong Kong dollar	303,173
Japanese yen	1,698,305
Norwegian krone	118,709
Swedish krona	141,325
US dollar	2,912,189
Total	17,070,627

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) – UNAUDITED (continued)

7IM AAP Adventurous Fund (continued)

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2017.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	31,831	117,771	335,564	3,235,707	-	3,720,873
Equities						
Recognised equity index	113	-	-	571,768	12,777,873	13,349,754
Total	31,944	117,771	335,564	3,807,475	12,777,873	17,070,627

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2017, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

Custodian	Non-cash collateral received £
Northern Trust	17,070,627

7IM INVESTMENT FUNDS

GENERAL INFORMATION

Head Office

3rd Floor
55 Bishopsgate
London EC2N 3AS

Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency

The base currency of the Company is Pounds Sterling. Each sub-fund and class is designated in Pounds Sterling.

Share Capital

The minimum share capital of the company is £1 and the maximum is £100,000,000,000.

Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the sub-funds.

Structure of the Company

The Company is structured as an umbrella company in that different sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new sub-fund or class of share, a revised prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The sub-funds which are currently available are:

7IM Cautious Fund
7IM Moderately Cautious Fund
7IM Balanced Fund
7IM Moderately Adventurous Fund
7IM Adventurous Fund
7IM Sustainable Balance Fund
7IM AAP Income Fund
7IM AAP Moderately Cautious Fund
7IM AAP Balanced Fund
7IM AAP Moderately Adventurous Fund
7IM AAP Adventurous Fund

In the future there may be other sub-funds of the Company.

Classes of Shares

The Company has the following active shares classes 'A' Income, 'A' Accumulation, 'B' Income, 'B' Accumulation, 'C' Income, 'C' Accumulation, 'D' Income, 'D' Accumulation, 'O' Accumulation, '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 Manager is normally open from 9.00am to 5.30pm London time on each business day. The Manager may vary these times at its discretion. Requests to deal in shares may also be made by telephone on each business day (at the Manager's discretion) between 9.00am and 5.30pm London time directly to the office of the Manager (telephone: 0870 870 7431 or such other number as published from time to time). The initial purchase must, at the discretion of the Manager, be accompanied by an application form.

Prices

The prices of all shares are published on: www.fundlistings.com and the Manager's website: www.7im.co.uk. Alternatively, the prices of all shares may be obtained by calling 0870 870 7431 during the Manager's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the Manager 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.

7IM INVESTMENT FUNDS

Shareholders who have any complaints about the operation of the Company should contact the Manager 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

Shareholders' names will be added to a mailing list which may be used by the Manager, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the Manager requesting their removal from any such mailing list.

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.

3rd Floor
55 Bishopsgate
London EC2N 3AS
Telephone: 020 7760 8777
www.7im.co.uk

SEVEN 
Investment Management