

7IM SPECIALIST INVESTMENT FUNDS

Annual Report and Financial Statements
for the year ended 31 May 2020

7IM Personal Injury Fund
7IM UK Equity Value Fund
7IM European (ex UK) Equity Value Fund

7IM SPECIALIST INVESTMENT FUNDS

DIRECTORY

Authorised Corporate Director ('ACD')

Seven Investment Management LLP
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London EC2N 3AS
(Authorised and regulated by the Financial Conduct Authority)

Address for correspondence:

Seven Investment Management LLP
PO Box 3733
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Executive Committee of the ACD

P. Bungey (resigned 30 July 2019)
K. Hughes
V. Kenny
A. Montgomery (resigned 30 July 2019)
L. Paradine
C. Phillips (appointed on 5 August 2019)
D. Proctor

S. Sanderson (resigned 1 January 2020)
C. Sparrow (resigned 14 October 2019)
M. Surguy
W. Thornton-Reid (appointed on 1 February 2020)
J. Urquhart Stewart (resigned 21 January 2020)
D. Walker (appointed 14 October 2019)

Depositary

Northern Trust Global Services SE UK Branch
50 Bank Street
Canary Wharf
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 SE UK Branch
50 Bank Street
Canary Wharf
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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AUTHORISED STATUS

7IM Specialist Investment Funds ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC000767 and authorised by the Financial Conduct Authority with effect from 23 September 2009. The Company has an unlimited duration.

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

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

The 7IM European (ex UK) Equity Value Fund and 7IM UK Equity Value Fund have been fully redeemed on 21 May 2020 and are in the process of termination. Therefore, the financial statements for these sub-funds have been produced on a basis other than Going Concern for the current year. The financial statements for the 7IM Personal Injury Fund has been produced on a Going Concern Basis.

REMUNERATION DISCLOSURE

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

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

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

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

The total remuneration of those individuals who are fully or partly involved in the activities of the UCITS scheme for the financial year ending 31 December 2019, is analysed below:

Fixed Remuneration	£2,728,000
Variable Remuneration	£562,000
Total	£3,290,000
FTE Number of Staff:	28

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

Aggregate remuneration of:

Senior management	£607,000
Staff whose actions may have a material impact on the funds	£1,527,000
Other	£1,156,000
Total	£3,290,000

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

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

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SUB-FUND CROSS-HOLDINGS

The below table shows details of where sub-funds hold shares in another sub-fund of the ICVC as at the balance sheet date and the comparative year.

7IM Personal Injury Fund

	As at 31 May 2020		As at 31 May 2019	
	Holding	Market Value	Holding	Market Value
Cross holdings				
7IM European (ex UK) Equity Value Fund 'Z' Inc	–	–	3,848,721	£4,273,235
7IM UK Equity Value Fund 'Z' Inc	–	–	8,986,047	£9,360,765
7IM US Equity Value Fund 'Z' Inc	–	–	4,085,132	£5,551,694

DIRECTOR'S STATEMENT

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

D. Walker
On behalf of Seven Investment Management LLP
ACD of 7IM Specialist Investment Funds
14 September 2020

7IM SPECIALIST INVESTMENT FUNDS

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

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

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice 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.

Since 18 March 2020, the ACD has been operating under its business continuity plans, following the guidance from the UK Government in its efforts to contain the COVID-19 outbreak within the UK. The ACD has robust and resilient business continuity plans in place, including for a pandemic threat, to ensure that all its critical functions remain fully operational. All ACD staff are working remotely, and are able to fulfil their roles as normal. The ACD has robust processes and infrastructure in place to ensure that staff are able to work from home effectively. Should individual staff members be unable to work due to sickness, the ACD has sufficient staff cover to ensure that all tasks continue to be performed. The Investment Management and Investment Risk teams are continuously monitoring the performance of the sub-funds. Furthermore, our Investment Management and Dealing teams are equipped with all the necessary systems to ensure they can continue to run and manage portfolios remotely. This infrastructure has been stress tested to ensure that respective teams can function effectively from home.

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STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE 7IM SPECIALIST INVESTMENT FUNDS ("THE COMPANY") FOR THE YEAR ENDED 31 MAY 2020

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 SE UK Branch
UK Trustee and Depositary Services
14 September 2020

7IM SPECIALIST INVESTMENT FUNDS

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

Opinion

We have audited the financial statements of the Company for the year ended 31 May 2020, which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 1 and the accounting policies set out on pages 8 to 12.

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 31 May 2020 and of the net 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.

Emphasis of matter – non going concern basis of preparation for UK Equity Value Fund and European (ex UK) Equity Value Fund

We draw attention to note 2 to the financial statements of sub-funds UK Equity Value Fund and European (ex UK) Equity Value Fund which indicates that the financial statements of these two sub-funds have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Going concern

The Authorised Corporate Director has prepared the financial statements of the Company on the going concern basis as they do not intend to liquidate the Company or its sub-funds (except for 7IM UK Equity Value Fund and 7IM European (ex UK) Equity Value Fund) or to cease their operations, and as they have concluded that the Company and its remaining sub-funds' financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Company's and its sub-funds' business model and analysed how those risks might affect the Company's and its sub-funds' financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company or its sub-funds will continue in operation.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. 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.

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

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 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 which 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
14 September 2020

7IM SPECIALIST INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2020

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 of the Company 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 7IM European (ex UK) Equity Value Fund and 7IM UK Equity Value Fund have been fully redeemed on 21 May 2020 and are in the process of termination. Therefore, the financial statements for these sub-funds have been produced on a basis other than Going Concern for the current year. The financial statements for the 7IM Personal Injury Fund has been produced on a Going Concern Basis. No adjustments to assets or liabilities were recorded in moving to a non-going concern basis of preparation for these sub-funds.

The Company has adopted FRS 102 and the 2014 SORP. The principal accounting policies which have been applied consistently 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.

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

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

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

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

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

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

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

(d) Treatment of stock and special dividends

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

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

(e) Treatment of expenses

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

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NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

2. Summary of Significant Accounting Policies (continued)

(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 Personal Injury Sub-fund and 0.10% of UK Equity Value and European (ex UK) Equity Value Sub-funds, 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.

(h) *Taxation*

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

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

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

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

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

(i) *Distribution policy*

For the purpose of calculating the distribution, the ACD's periodic charge is deducted from capital for all of the sub-funds within this ICVC. All other expenses within each of the sub-funds are charged against revenue with the exception of costs associated with the purchase and sale of investments and stamp duty reserve tax.

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 of 29 May 2020, 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.

7IM SPECIALIST INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

2. Summary of Significant Accounting Policies (continued)

(j) Basis of valuation of investments (continued)

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.

(k) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Monetary assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at 12:00pm UK time of 29 May 2020, 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 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 sub-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 sub-fund.

7IM SPECIALIST INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

3. Risk Management Policies (continued)

(a) Credit risk

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

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

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

A sub-fund's maximum exposure to credit risk, not taking account of the value of any collateral or other securities held, in the event that counterparties fail to perform their obligations as at the 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 Investment Manager will ensure that a substantial portion of the sub-funds' assets consist of cash and readily realisable investments.

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

(c) Market risk

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

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

(d) Interest rate risk

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

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

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

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

7IM SPECIALIST INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

3. Risk Management Policies (continued)

(e) *Foreign currency risk*

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

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

(f) *Other price risk*

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

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

(g) *Derivatives*

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

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

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

7IM PERSONAL INJURY FUND

ACD'S REPORT

for the year ended 31 May 2020

Investment Objective and Policy

The 7IM Personal Injury Fund (the 'Sub-fund') aims to provide a long-term total return (over at least 5 years) from investment in a range of asset classes. The Sub-fund has been designed to be potentially suitable for investment by or on behalf of individuals who have been granted personal injury awards but is not restricted to such persons.

The Sub-fund invests at least 80% of its assets in a range of collective investment vehicles and securities, which will give an exposure to a range of asset classes, including (but not limited to) UK and overseas equities, government and corporate bonds and an indirect exposure to asset classes (including but not limited to) hedge funds, currency and property.

Up to 20% of the Sub-fund will usually be invested in liquid assets such as cash, deposits, money market funds and money market instruments, as well as warrants.

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

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

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

Investment Manager's Report

Performance Report

In the reporting period 1 June 2019 to 31 May 2020, the portfolio delivered a total return of 3.29%¹. The Sub-fund's comparator, the Investment Association Mixed 0-35% Shares sector, has returned 1.62%.

Investment Background

Coronavirus wasn't on the radar last year. Instead, markets were concerned about the tension between the Fed's ability to support growth while the US and China drifted towards a new cold war. Last year, saw some positive surprises on that front – the Fed had pivoted towards cutting rates while Donald Trump deferred a further \$300bn of tariffs, and resume negotiations. This gave equity markets a boost, with the US market rising 7% in a month – the best June since 1955.

Investors had to wait until the end of July for the US Federal Reserve to confirm what the market had been pricing for in months – the first rate cut since 2008. On 31st July, Chair Jay Powell announced a cut of 25bps to the Federal Fund Rate. For equity markets, travelling in hope is often better than arriving.

Despite the Fed's pivot, Donald Trump still came out swinging in August. He accused the Federal Reserve of failing to cut interest rates by enough, and followed up by announcing new tariffs on Chinese imports. In September, the US Federal Reserve cut interest rates by another 0.25%, citing concerns over global growth and trade wars. The S&P 500 was knocking on the door of new highs once again. In the first two weeks of September, the US 10 year yield jumped from below 1.5% to around 1.9% – reminding investors that fixed income investing isn't all one-way traffic.

The last quarter of the year was a strange one. At the start of it, investors could not look past a list of worries, whether it was weak data from the US, deteriorating global trade relations or the UK speeding towards a 'no deal' Brexit. The globally orientated FTSE 100 was hit the hardest over this period and had its worst one-day move in three and a half years losing over 3%.

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

7IM PERSONAL INJURY FUND

ACD'S REPORT (continued) for the year ended 31 May 2020

Investment Manager's Report (continued)

However, within a matter of weeks, many of those concerns drifted away and the stock market juggernaut was back on track. After multiple high level meetings between China and US, the initial details of 'phase one' of the trade deal began to be fleshed out. The main parts of the deal include China buying more agricultural products from the US and the US allowing access to big Chinese tech companies. By the end of the year, that juggernaut was smashing through all concerns. And then, the Coronavirus.

The coronavirus that emerged in mid-January from the Chinese city of Wuhan caught the attention of global markets. Initial research suggests that the virus is less deadly than the SARS virus that hit China in 2003 but is markedly more contagious. By February, it wasn't just China locking down. New cases have reached such levels that parts of Italy went into lockdown.

It soon became clear that the Chinese experience was just the test case for the rest of the world, sending markets down. However, for investors who believed that the end of February was the worst of the market turmoil, March was a severe reality check. Coronavirus and an oil price shock caused a sharp revision of future growth expectations that resulted in a global recession. Equity markets throughout March experienced volatility not seen since the 2008 financial crisis with average daily moves (up or down) of c.5.0% causing a drawdown comparable to the crash in October 1987. Markets recovered strongly towards the end of the month with a c.20% rally, but are still some 20% away from where they started the year.

Equities recovered in April and May, following optimism over economies beginning to re-open. The US returned around 5%, with the Technology sector leading the way, and generating over 7% throughout the month. In fact, markets around the world were positive - with the UK, Japanese and European markets all gaining over 4%.

Governments, as well as central banks, around the world are doing all they can to keep the economy moving. Of course, money isn't free. This continued level of stimulus to help cushion economies from a difficult recession has pushed country debt levels exceptionally high. In Japan, government debt makes up c.238% relative to GDP while in the US that figure is closer to 110% and in the UK its 81%. The governments have successfully stabilised the global economy. The cost of all this is not clear yet.

Portfolio Review

At the end of June, as is normal process we changed our Strategic Asset Allocation ('SAA') benchmarks. As part of this, we split the fixed income asset classes across a broader range of credit instruments and adjusted slightly the overall equity and FX components. This resulted in a reduction in exposure to equities and bonds.

We had held an EM debt overweight across some ranges for a while and at the end of August we made the portfolio was reflecting this.

In August, we entered a long in US healthcare stocks. We felt that these stocks were particularly well placed to benefit from changing demographics and global trends in technology.

Back in the UK, we took the view that more GBP volatility was likely as, at that time, there was a significant chance of a "no deal" Brexit and that any announcement of an election would see GBP sell off as Corbyn risk will be at the forefront of everyone's minds, and so moved the GBP weight back towards a neutral position.

We also reduced exposure to Alternatives feeling there was more value in equities and bonds, disposing of the market neutral strategies which had been disappointing.

In October, we had decided to add puts to the portfolio to provide protection against a sudden shock on the downside. As the S&P 500 fell as the pandemic spread in March, we sold out of these positions to lock in gains and offset losses being felt in other parts of the portfolio.

We reduced exposure to emerging market debt at the start of March and this proved timely.

We also reduced corporate bonds at the start of March but reinstated an overweight in April. We believe there is very little upside to Government debt at the moment with yields being so low so we have cut this down in favour of the corporate bonds which are more attractively priced.

Following the closure of the European Equity Value Fund we rolled the funds allocation into a broader Euro Stoxx future.

During the year, we kept seeing opportunities for value enhancement in European Dividends and would exit or reduce as the relative value reduced and as the positions became fully priced. We restarted the positions in March as prices looked attractive.

7IM PERSONAL INJURY FUND

ACD'S REPORT (continued) for the year ended 31 May 2020

Investment Manager's Report (continued)

As a result of deteriorating economic fundamentals, we sold out of the long inflation position we had increased in September. We believe inflation will be below central bank targets for the foreseeable future as a result of COVID-19 and the oil supply glut.

In light of global events, the strategy team had a less positive view on equities so these were trimmed to take them towards SAA neutral.

We added further to our overweight in High Yield with the addition of Asian High Yield bonds. Asian High Yield is currently providing attractive future returns with yields higher than they are in the US. The asset class also has a high allocation to China, which is coming out of the COVID-19 crisis quicker than the US. Additionally, default rates have been lower in Asia than in the US. This was funded from Emerging and Japanese equities.

Within alternatives, we sold the LGT Dynamic Protection Fund following exceptional performance during the pandemic crisis and invested the proceeds in AQR Managed Futures which is a trend following strategy. We later rebalanced this part of the portfolio to fund a position in BlackRock Global Event driven strategy. This is a merger arbitrage strategy that we believe will deliver strong returns, uncorrelated to other parts of the portfolio.

Investment Outlook

The Hammer stage of tackling COVID-19 is coming to a close across the major economies. Over half of the world's population has been in some form of lockdown, slowing the spread of the virus and giving health systems the one thing they need most – time. Infection rates are falling across most developed economies, while critical care facilities have been established and medical equipment is now being produced in sufficient quantities.

The next phase of tackling COVID-19 – the Dance – will take somewhat longer. The rules will be eased only gradually, and social distancing will be with us for a while yet. Governments will want to encourage normality as much as possible, but short-term quarantines may be common as we deal with intermittent flare-ups of the virus.

Treatments will be developed in due course, but the coronavirus endgame will require a vaccine, which may only materialise in a year or more. This first modern global pandemic has given us a taste of how to deal with future ones – we need to learn the lessons.

The economic cost of the Hammer has been immediately obvious. Economic growth numbers in the major economies have crashed. We have entered the sharpest recessions in modern history around 4 times as large as the financial crisis but also four times as quick. This recession will set all kinds of records.

Economic crises usually take time to play out, and people in power tend to stick their heads in the sand for as long as possible. This time is different. The coronavirus recession has been met almost immediately with a massive wave of stimulus. Central banks and governments haven't waited to assess the damage. Trillions of dollars, euros, pounds, yuan and yen have been injected into the financial system – often straight into ordinary people's bank accounts. The obvious driver of the quick reactions was that it was the governments themselves who have created the recession in the first place.

When economic activity resumes, it could be quicker than anyone expects. Low oil prices and pent-up demand could make for a spectacular recovery over the next few years. In the first weeks of the crisis, investors panicked, selling anything they had. As the future becomes clearer, though, people will start to think clearly about the kind of businesses they think will do well over the next few years – and which might be gone for good. This may be the quickest and deepest recession on record but it could also be the quickest and strongest recovery too. But that doesn't mean there won't be winners and losers.

Equities have clearly bought into the recovery. While the stimulus has reduced the risk of an ongoing recession, the markets also seem to be ignoring that economies could be running at 90% capacity for some time. We've been looking for assets that are obviously mispriced, and the credit markets have been a key area of focus. Investors have fled from almost any kind of corporate debt, leaving opportunity to buy good, stable, long-term businesses at yields not seen for over a decade. Investors are confronting interest rates close to zero, at a time when every government has just increased its amount of borrowing substantially.

7IM PERSONAL INJURY FUND

ACD'S REPORT (continued)
for the year ended 31 May 2020

Investment Manager's Report (continued)

Investors are still using bonds as safe havens, but with long run return expectations below inflation, this isn't a sustainable state of affairs. When things start improving and inflation picks up, 'safe haven' government bonds may look exposed.

Seven Investment Management LLP
Investment Manager
June 2020

7IM PERSONAL INJURY FUND

FUND INFORMATION

The Comparative Tables on pages 18 to 27 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Accumulation

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	135.31	134.46	133.21
Return before operating charges*	5.50	2.70	3.18
Operating charges (calculated on average price)	(2.02)	(1.85)	(1.93)
Return after operating charges*	3.48	0.85	1.25
Distributions	(2.32)	(2.02)	(2.14)
Retained distributions on accumulation shares	2.32	2.02	2.14
Closing net asset value per share	138.79	135.31	134.46
* After direct transaction costs of: ¹	0.00	0.01	0.01

Performance

Return after charges ²	2.57%	0.63%	0.94%
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Other Information

Closing net asset value (£'000)	538	560	1,404
Closing number of shares	387,319	414,054	1,044,356
Operating charges ³	1.46%	1.38%	1.44%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	141.19	135.64	135.88
Lowest share price	127.51	130.76	132.28

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Income

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	122.18	122.51	122.58
Return before operating charges*	4.77	2.27	2.75
Operating charges (calculated on average price)	(0.89)	(0.77)	(0.85)
Return after operating charges*	3.88	1.50	1.90
Distributions on income shares	(2.09)	(1.83)	(1.97)
Closing net asset value per share	123.97	122.18	122.51
* After direct transaction costs of: ¹	0.00	0.01	0.01

Performance

Return after charges ²	3.18%	1.22%	1.55%
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Other Information

Closing net asset value (£'000)	6,299	7,130	8,886
Closing number of shares	5,081,142	5,835,894	7,253,717
Operating charges ³	0.71%	0.63%	0.69%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	126.98	123.27	124.58
Lowest share price	114.57	118.61	121.39

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	143.59	141.83	139.67
Return before operating charges*	5.62	2.66	3.13
Operating charges (calculated on average price)	(1.05)	(0.90)	(0.97)
Return after operating charges*	4.57	1.76	2.16
Distributions	(2.47)	(2.12)	(2.25)
Retained distributions on accumulation shares	2.47	2.12	2.25
Closing net asset value per share	148.16	143.59	141.83
* After direct transaction costs of: ¹	0.00	0.01	0.01

Performance

Return after charges ²	3.18%	1.24%	1.55%
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Other Information

Closing net asset value (£'000)	51,164	56,400	69,029
Closing number of shares	34,532,093	39,278,022	48,671,489
Operating charges ³	0.71%	0.63%	0.69%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	150.46	143.85	143.03
Lowest share price	135.97	138.41	138.92

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	124.32	124.65	124.73
Return before operating charges*	4.85	2.32	2.79
Operating charges (calculated on average price)	(0.90)	(0.79)	(0.87)
Return after operating charges*	3.95	1.53	1.92
Distributions on income shares	(2.13)	(1.86)	(2.00)
Closing net asset value per share	126.14	124.32	124.65
* After direct transaction costs of: ¹	0.00	0.01	0.01

Performance

Return after charges ²	3.18%	1.23%	1.54%
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Other Information

Closing net asset value (£'000)	4,433	5,301	4,965
Closing number of shares	3,513,953	4,263,493	3,983,123
Operating charges ³	0.71%	0.63%	0.69%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	129.20	125.43	126.75
Lowest share price	116.58	120.68	123.51

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	146.27	144.47	142.27
Return before operating charges*	5.72	2.71	3.19
Operating charges (calculated on average price)	(1.07)	(0.91)	(0.99)
Return after operating charges*	4.65	1.80	2.20
Distributions	(2.52)	(2.16)	(2.30)
Retained distributions on accumulation shares	2.52	2.16	2.30
Closing net asset value per share	150.92	146.27	144.47
* After direct transaction costs of: ¹	0.00	0.01	0.01

Performance

Return after charges ²	3.18%	1.25%	1.55%
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Other Information

Closing net asset value (£'000)	66,425	73,196	86,013
Closing number of shares	44,012,006	50,041,901	59,537,088
Operating charges ³	0.71%	0.63%	0.69%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	153.27	146.53	145.69
Lowest share price	138.50	140.99	141.50

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	113.28	114.45	115.36
Return before operating charges*	2.75	2.31	2.78
Operating charges (calculated on average price)	(1.77)	(1.74)	(1.84)
Return after operating charges*	0.98	0.57	0.94
Distributions on income shares	(1.13)	(1.74)	(1.85)
Last quoted share price ¹	113.13	–	–
Closing net asset value per share	–	113.28	114.45
* After direct transaction costs of: ²	0.00	0.01	0.00

Performance

Return after charges ³	0.87%	0.50%	0.81%
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Other Information

Closing net asset value (£'000)	–	68	69
Closing number of shares	–	59,892	59,892
Operating charges ⁴	1.61%	1.53%	1.59%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	117.51	114.39	116.99
Lowest share price	105.59	110.32	113.56

¹ As at the year end date, there are no shares in issue. Share class performance provided is as at 13 May 2020 being the last quoted price date before shares were reduced to zero.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	133.92	133.23	132.15
Return before operating charges*	5.48	2.72	3.19
Operating charges (calculated on average price)	(2.21)	(2.03)	(2.11)
Return after operating charges*	3.27	0.69	1.08
Distributions	(2.30)	(2.04)	(2.13)
Retained distributions on accumulation shares	2.30	2.04	2.13
Closing net asset value per share	137.19	133.92	133.23
* After direct transaction costs of: ¹	0.00	0.01	0.01

Performance

Return after charges ²	2.44%	0.52%	0.82%
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Other Information

Closing net asset value (£'000)	235	299	359
Closing number of shares	171,580	223,558	269,163
Operating charges ³	1.61%	1.53%	1.59%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	139.62	134.26	134.69
Lowest share price	126.07	129.48	131.10

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class E Accumulation

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	139.42	138.25	136.70
Return before operating charges*	5.59	2.73	3.19
Operating charges (calculated on average price)	(1.73)	(1.56)	(1.64)
Return after operating charges*	3.86	1.17	1.55
Distributions	(2.39)	(2.07)	(2.20)
Retained distributions on accumulation shares	2.39	2.07	2.20
Closing net asset value per share	143.28	139.42	138.25
* After direct transaction costs of: ¹	0.00	0.01	0.01

Performance

Return after charges ²	2.77%	0.85%	1.13%
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Other Information

Closing net asset value (£'000)	1,375	1,338	1,327
Closing number of shares	959,647	959,647	959,647
Operating charges ³	1.21%	1.13%	1.19%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	145.68	139.73	139.62
Lowest share price	131.59	134.61	135.91

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	109.45	109.52	109.37
Return before operating charges*	4.22	1.98	2.39
Operating charges (calculated on average price)	(0.51)	(0.42)	(0.48)
Return after operating charges*	3.71	1.56	1.91
Distributions on income shares	(1.88)	(1.63)	(1.76)
Closing net asset value per share	111.28	109.45	109.52
* After direct transaction costs of: ¹	0.00	0.01	0.00

Performance

Return after charges ²	3.39%	1.42%	1.75%
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Other Information

Closing net asset value (£'000)	6,077	6,496	10,166
Closing number of shares	5,461,111	5,935,166	9,282,019
Operating charges ³	0.46%	0.38%	0.44%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	113.81	110.41	111.28
Lowest share price	102.80	106.16	108.48

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	118.67	116.98	114.96
Return before operating charges*	4.58	2.14	2.53
Operating charges (calculated on average price)	(0.56)	(0.45)	(0.51)
Return after operating charges*	4.02	1.69	2.02
Distributions	(2.04)	(1.75)	(1.85)
Retained distributions on accumulation shares	2.04	1.75	1.85
Closing net asset value per share	122.69	118.67	116.98
* After direct transaction costs of: ¹	0.00	0.01	0.00

Performance

Return after charges ²	3.39%	1.44%	1.76%
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Other Information

Closing net asset value (£'000)	50,587	58,360	76,928
Closing number of shares	41,231,021	49,179,326	65,764,700
Operating charges ³	0.46%	0.38%	0.44%
Direct transaction costs	0.00%	0.01%	0.00%

Prices

Highest share price	124.52	118.86	117.88
Lowest share price	112.55	114.28	114.37

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 28.

7IM PERSONAL INJURY FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 31 May 2020

	Class A	Class B	Class C	Class D	Class E	Class S
ACD's periodic charge	1.25%	0.50%	0.50%	1.40%	1.00%	0.25%
Other expenses	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
	1.32%	0.57%	0.57%	1.47%	1.07%	0.32%
Collective investment scheme costs	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
Ongoing Charges Figure	1.46%	0.71%	0.71%	1.61%	1.21%	0.46%

As at 31 May 2019

	Class A	Class B	Class C	Class D	Class E	Class S
ACD's periodic charge	1.25%	0.50%	0.50%	1.40%	1.00%	0.25%
Other expenses	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
	1.30%	0.55%	0.55%	1.45%	1.05%	0.30%
Collective investment scheme costs	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Ongoing Charges Figure	1.38%	0.63%	0.63%	1.53%	1.13%	0.38%

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

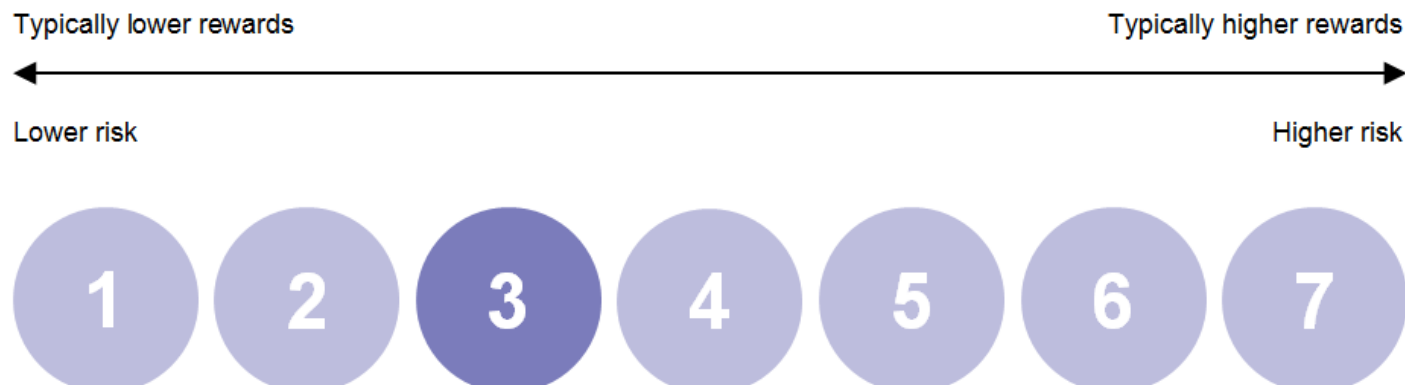
The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

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

7IM PERSONAL INJURY 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 sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 31 May 2020 was 3.

Fund performance to 31 May 2020 (%)

	1 year	3 years	5 years
7IM Personal Injury Fund ¹	3.29	6.03	11.00

¹ Source: Bloomberg

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

Details of the distributions per share for the year are shown in the Distribution Tables on pages 47 to 49.

7IM PERSONAL INJURY FUND

PORTFOLIO STATEMENT

as at 31 May 2020

Holding	Portfolio of Investment	Value £	31.05.20 %
	ALTERNATIVES 13.60% (17.03%)		
	Alternative Strategies 13.60% (8.85%)		
86,669	Angel Oak Multi-Strategy Income Fund ¹	6,892,391	3.68
62,291	AQR - Managed Futures UCITS Fund ¹	5,474,429	2.93
25,567	BlackRock Strategic Funds - Global Event Driven Fund ¹	2,790,107	1.49
4,614,000	BNP Paribas Issuance 0.00% 2024 ²	4,745,785	2.54
742,836	Dexion Absolute EUR ³	—	—
6,670,000	JP Morgan Structured Products 0.00% 2023 ²	5,548,028	2.96
		25,450,740	13.60
	Commodities 0.00% (4.32%)		
	Infrastructure 0.00% (3.11%)		
	Real Estate 0.00% (0.75%)		
	CASH 20.69% (2.34%)		
10,900,000	JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund ¹	10,900,000	5.82
27,813,000	Northern Trust Global Sterling Fund ¹	27,813,000	14.87
		38,713,000	20.69
	DEBT SECURITIES 68.36% (72.82%)		
	Convertible Bonds 2.00% (2.20%)		
878	NN (L) Global Convertible Bond Acc ¹	3,750,007	2.00
	Emerging Market Bonds 3.05% (4.62%)		
2,806,041	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ¹	1,958,336	1.05
2,533,196	Legal & General Emerging Markets Government Bond USD Index Fund ¹	1,919,909	1.02
20,969	UBS Lux Bond SICAV - Asian High Yield USD ¹	1,837,092	0.98
		5,715,337	3.05
	Gilts 4.80% (0.00%)		
£1,500,000	Tennessee Valley Authority 5.35% 2021	1,570,919	0.84
£1,000,000	UK Gilt 2.00% 2025	1,109,190	0.59
£1,800,000	UK Gilt 4.25% 2046	3,403,563	1.82
£1,850,000	UK Gilt 4.50% 2034	2,908,185	1.55
		8,991,857	4.80
	Gilts and Other Public Sector borrowing 0.00% (10.48%)		
	Global Corporate Bonds 26.40% (12.34%)		
18,387,538	BlackRock Overseas Corporate Bond Tracker ¹	31,847,216	17.02
975,981	HSBC Global Funds ICAV - Global Corporate Bond Index Fund ¹	8,369,175	4.47
89,846	iShares USD Corp Bond UCITS ETF ¹	9,186,541	4.91
		49,402,932	26.40

7IM PERSONAL INJURY FUND

PORTFOLIO STATEMENT (continued) as at 31 May 2020

Holding	Portfolio of Investment	Value £	31.05.20 %
Global Government Bonds 6.05% (17.81%)			
1,290,312	HSBC Global Funds ICAV - Global Government Bond Index Fund ¹	11,333,682	6.05
(19)	Ultra Long Term US Treasury Bond Futures September 2020 ⁴	(2,282)	—
		11,331,400	6.05
Global High Yield Bonds 3.50% (3.40%)			
59,974	Robeco QI Dynamic High Yield IH USD ¹	6,543,437	3.50
Global Inflation Linked Bonds 5.90% (5.52%)			
760,595	iShares Global Inflation-Linked Bond Index ¹	9,132,815	4.88
US\$1,755,000	US Treasury Inflation-Indexed Bonds 1.00% 2049	1,903,452	1.02
		11,036,267	5.90
Short Term Sterling Bonds 7.64% (16.45%)			
£400,000	Bank Nederlandse Gemeenten 1.00% 2022	404,643	0.22
£1,000,000	Bank of Montreal FRN 2023	991,570	0.53
£400,000	Bayerische Landesbank 1.25% 2021	404,134	0.21
£775,000	Commonwealth Bank of Australia FRN 2025	768,575	0.41
£1,650,000	Deutsche Bahn Finance 2.75% 2022	1,713,763	0.91
£1,200,000	European Investment Bank 0.875% 2021	1,206,598	0.64
£1,000,000	Landwirtschaftlic 1.375% 2020	1,006,228	0.54
£1,250,000	Leeds Building Society 4.875% 2020	1,274,980	0.68
£180,000	Nationwide Building Society FRN 2025	179,591	0.10
£2,200,000	Rabobank Nederland 4.875% 2023	2,408,239	1.29
£2,000,000	Royal Bank of Canada FRN 2025	1,976,220	1.06
£1,500,000	Santander UK FRN 2022	1,490,499	0.80
£470,000	Skipton Building Society FRN 2023	466,329	0.25
		14,291,369	7.64
Sterling Corporate Bonds 9.02% (0.00%)			
139,985	UBS Sterling Corporate Bond Indexed ¹	15,927,993	8.51
1,983,257	UK Mortgages	944,030	0.51
		16,872,023	9.02
EQUITY 1.88% (8.96%)			
Europe (ex UK) 0.54% (2.07%)			
235	Euro Stoxx 50 Equity Index Futures December 2022 ⁴	183,695	0.10
208	Euro Stoxx 50 Equity Index Futures December 2023 ⁴	329,348	0.17
272	MSCI Europe ex-UK Index Futures June 2020 ⁴	502,508	0.27
		1,015,551	0.54
Japan 0.16% (-0.23%)			
44	TOPIX Index Futures November 2020 ⁴	299,227	0.16
North America 0.34% (2.60%)			
45	E-mini Health Care Select Sector Futures September 2020 ⁴	330,555	0.18
24	S&P 500 E-mini Futures June 2020 ⁴	305,400	0.16
		635,955	0.34

7IM PERSONAL INJURY FUND

PORTFOLIO STATEMENT (continued) as at 31 May 2020

Holding	Portfolio of Investment	Value £	31.05.20 %
	United Kingdom 0.84% (4.52%)		
172	FTSE 100 Index Futures June 2020 ⁴	1,561,645	0.84
	FORWARD CURRENCY CONTRACTS -3.21% (-1.09%)		
€1,269,000	Vs £(1,111,390) Expiry 16.10.2020	37,694	0.02
€(6,497,000)	Vs £5,445,948 Expiry 16.10.2020	(437,108)	(0.23)
¥(518,526,750)	Vs £3,638,748 Expiry 19.06.2020	(286,255)	(0.15)
US\$(11,460,000)	Vs £9,217,902 Expiry 17.07.2020	(79,291)	(0.04)
US\$(26,600,000)	Vs £20,428,837 Expiry 17.07.2020	(1,151,036)	(0.62)
US\$(95,275,000)	Vs £72,821,285 Expiry 17.07.2020	(4,472,788)	(2.39)
¥1,280,000,000	Vs £(8,998,540) Expiry 19.06.2020	690,459	0.37
US\$3,300,000	Vs £(2,553,330) Expiry 17.07.2020	123,873	0.06
US\$7,030,000	Vs £(5,681,125) Expiry 17.07.2020	22,127	0.01
US\$2,482,000	Vs £(2,018,938) Expiry 17.07.2020	(5,358)	—
US\$2,299,000	Vs £(1,899,215) Expiry 17.07.2020	(34,098)	(0.02)
US\$6,900,000	Vs £(6,007,198) Expiry 17.07.2020	(409,412)	(0.22)
		(6,001,193)	(3.21)
	Portfolio of investment	189,609,554	101.32
	Net other liabilities	(2,476,948)	(1.32)
	Net assets	187,132,606	100.00

Comparative figures shown in brackets relate to 31 May 2019.

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	31.05.20 %	31.05.19 %
Investment grade debt securities	13.46	44.74
Non-rated debt securities	5.50	5.71
Other investments	82.36	49.61
Net other liabilities	(1.32)	(0.06)
	100.00	100.00

7IM PERSONAL INJURY FUND

STATEMENT OF TOTAL RETURN

for the year ended 31 May 2020

	Notes	£	31.05.20 £	31.05.19 £
Income				
Net capital gains/(losses)	4		3,947,108	(128,520)
Revenue	5	4,136,945		4,280,403
Expenses	6	(980,212)		(1,109,750)
Interest payable and similar charges	8	(20,938)		(54,093)
Net revenue before taxation for the year		3,135,795		3,116,560
Taxation	7	(461,263)		(379,409)
Net revenue after taxation for the year			2,674,532	2,737,151
Total return before distributions			6,621,640	2,608,631
Distributions	8		(3,365,441)	(3,541,406)
Change in net assets attributable to shareholders from investment activities			3,256,199	(932,775)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 May 2020

	£	31.05.20 £	31.05.19 £
Opening net assets attributable to shareholders		209,148,219	259,145,565
Amounts received on creation of shares ¹	13,257,560		18,293,492
Amounts paid on cancellation of shares ¹	(41,484,542)		(70,392,109)
		(28,226,982)	(52,098,617)
Change in net assets attributable to shareholders from investment activities		3,256,199	(932,775)
Retained distribution on accumulation shares		2,955,170	3,034,046
Closing net assets attributable to shareholders		187,132,606	209,148,219

¹ Stated at mid-market price.

The notes on pages 35 to 46 are an integral part of these Financial Statements.

7IM PERSONAL INJURY FUND

BALANCE SHEET

as at 31 May 2020

	Notes	31.05.20 £	31.05.19 £
ASSETS			
Fixed assets:			
Investments		196,487,182	212,277,659
Current assets:			
Debtors	9	2,187,990	1,179,261
Cash and bank balances	10	1,895,105	2,584,475
Total assets		200,570,277	216,041,395
LIABILITIES			
Investment liabilities		(6,877,628)	(3,001,791)
Creditors:			
Bank overdrafts	10	(5,797,846)	(2,301,832)
Distribution payable		(118,277)	(135,266)
Other creditors	11	(643,920)	(1,454,287)
Total liabilities		(13,437,671)	(6,893,176)
Net assets attributable to shareholders		187,132,606	209,148,219

The notes on pages 35 to 46 are an integral part of these Financial Statements.

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2020

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 8.

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 8 to 10.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 10 to 12.

4 Net capital gains/(losses)

	31.05.20 £	31.05.19 £
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	11,053,948	7,363,980
Derivative contracts	(3,454,511)	(2,164,176)
Forward currency contracts	(2,191,026)	(5,240,245)
Currency losses	(1,458,723)	(119,272)
Transaction charges	(18,528)	(11,977)
AMC rebates from underlying investments	15,948	43,170
Net capital gains/(losses)	3,947,108	(128,520)

5 Revenue

	31.05.20 £	31.05.19 £
Non-taxable dividends	859,973	1,242,260
Taxable dividends	2,318,241	1,733,810
Unfranked interest	872,860	1,215,345
AMC rebates from underlying investments	61,614	33,437
Bank interest	3,017	41,280
Stock lending revenue ¹	21,240	14,271
Total revenue	4,136,945	4,280,403

¹ Stock lending revenue is disclosed net of the security agent's share of income.

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

6 Expenses

	31.05.20 £	31.05.19 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	859,705	994,461
Other expenses	5,706	5,535
	<u>865,411</u>	<u>999,996</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	28,869	34,275
Market risk fees	6,000	6,000
Safe custody and other bank charges	16,754	23,133
	<u>51,623</u>	<u>63,408</u>
Other Expenses:		
Advisory fees	9,855	18,389
Audit fee	9,000	6,384
Dealing and exchange fees	8,295	7,065
FCA and other Regulatory fees	75	274
Legal and professional fees	408	1,285
Market data fees	1,865	–
Printing, postage and distribution costs	27,400	7,081
Risk analysis fees	6,280	5,868
	<u>63,178</u>	<u>46,346</u>
Total expenses	<u>980,212</u>	<u>1,109,750</u>

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

7 Taxation

	31.05.20 £	31.05.19 £
<i>a) Analysis of charge for the year</i>		
Corporation tax at 20%	461,046	380,802
Overseas tax	217	–
Irrecoverable CIS income tax	–	804
Prior year adjustment	–	(2,197)
Current tax charge (note 7b)	461,263	379,409
Total taxation	461,263	379,409
<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%) (2019: 20%) for the reasons explained below.		
Net revenue before taxation	3,135,795	3,116,560
Corporation tax at 20%	627,159	623,312
Effects of:		
AMC rebates taken to capital	3,190	8,634
Excess non trade loan deficits	–	21,637
Irrecoverable CIS income tax w/off	–	(804)
Movement in revenue accruals	2,692	(11,393)
Non-taxable dividends	(171,995)	(261,977)
Overseas tax	217	–
Current tax charge (note 7a)	461,263	379,409
<i>c) Deferred tax</i>		
There is no deferred tax provision in the current year (2019: none).		

8 Distributions

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

	31.05.20 £	31.05.19 £
Interim	1,944,422	1,858,124
Final	1,308,592	1,479,783
	3,253,014	3,337,907
Add: Revenue deducted on cancellation of shares	164,545	277,879
Deduct: Revenue received on issue of shares	(52,118)	(74,380)
Net distributions for the year	3,365,441	3,541,406
Interest payable and similar charges	20,938	54,093
Total distribution	3,386,379	3,595,499

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

8 Distributions (continued)

Details of the distributions per share are set out in the tables on pages 47 to 49.

Distributions represented by:

Net revenue after taxation	2,674,532	2,737,151
Allocations to capital:		
Expenses, net of tax relief	690,954	804,203
Equalisation on conversions ¹	(1)	3
Net movement in revenue account	(44)	49
Net distributions for the year	<u>3,365,441</u>	<u>3,541,406</u>

¹Where 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

	31.05.20	31.05.19
	£	£
Amounts receivable for issue of shares	5,374	157,132
Sales awaiting settlement	1,687,693	–
Accrued revenue	394,602	956,702
AMC rebates from underlying investments	97,707	64,624
Withholding tax recoverable	–	803
Currency deals awaiting settlement	2,614	–
Total debtors	<u>2,187,990</u>	<u>1,179,261</u>

10 Cash and bank balances

	31.05.20	31.05.19
	£	£
Cash and bank balances	1,810,385	2,424,587
Cash held at clearing houses	84,720	159,888
Total cash and bank balances	<u>1,895,105</u>	<u>2,584,475</u>
Bank overdrafts	(1,810,260)	(2,301,485)
Cash overdraft at clearing houses	(3,987,586)	(347)
Total bank overdrafts	<u>(5,797,846)</u>	<u>(2,301,832)</u>

11 Other Creditors

	31.05.20	31.05.19
	£	£
Amounts payable for cancellation of shares	257,466	944,372
Purchases awaiting settlement	87,039	179,524
Accrued expenses	88,369	120,589
Corporation tax payable	211,046	209,802
Total other creditors	<u>643,920</u>	<u>1,454,287</u>

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

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 33.

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

	Held at 31.05.20	Held at 31.05.19
7IM European (ex UK) Equity Value Fund 'Z' Inc	–	3,848,721
7IM UK Equity value Fund 'Z' Inc	–	8,986,047
7IM US Equity Value Fund 'Z' Inc	–	4,085,132

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 74.91% (2019: 74.75%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled -£15,547,070 (2019: -£41,441,065).

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD is referenced in the Portfolio Statement of the Sub-fund with further analysis shown in the Sub-Fund Cross-Holdings report on page 3.

13 Classes of Shares

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

Class A	1.25%
Class B	0.50%
Class C	0.50%
Class D	1.40%
Class E	1.00%
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 Accumulation	414,054	–	(26,735)	–	387,319
Class B Income	5,835,894	–	(754,752)	–	5,081,142
Class B Accumulation	39,278,022	509,510	(5,255,439)	–	34,532,093
Class C Income	4,263,493	336,513	(1,086,053)	–	3,513,953
Class C Accumulation	50,041,901	5,947,018	(12,445,672)	468,759	44,012,006
Class D Income	59,892	185	(60,077)	–	–
Class D Accumulation	223,558	33,058	(85,036)	–	171,580
Class E Accumulation	959,647	–	–	–	959,647
Class S Income	5,935,166	144,535	(618,590)	–	5,461,111
Class S Accumulation	49,179,326	2,577,437	(9,948,616)	(577,126)	41,231,021

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2019: none).

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

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 10 to 12. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 31 May 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	41,743	—	2,164,635	2,206,378
Japanese yen	44,468	—	9,988,226	10,032,694
US dollar	14,084	12,197,266	81,012,462	93,223,812
Pound sterling	46,380,595	17,410,441	170,689,946	234,480,982
	46,480,890	29,607,707	263,855,269	339,943,866

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(6,491)	(5,883,056)	(5,889,547)
Japanese yen	(3,955)	(3,925,004)	(3,928,959)
US dollar	(5,133)	(108,173,421)	(108,178,554)
Pound sterling	(5,782,267)	(29,031,933)	(34,814,200)
	(5,797,846)	(147,013,414)	(152,811,260)

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 31 May 2019

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	765	765
Euro	27,283	11,228,245	449,508	11,705,036
Japanese yen	1,366	12,673,586	–	12,674,952
Norwegian krone	1	–	–	1
US dollar	3,514,665	21,967,554	34,649,456	60,131,675
Pound sterling	16,026,011	47,545,970	163,237,615	226,809,596
	19,569,326	93,415,355	198,337,344	311,322,025

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(8,011)	(20,597,509)	(20,605,520)
Japanese yen	(1,713)	(7,534,497)	(7,536,210)
US dollar	(78,043)	(67,550,682)	(67,628,725)
Pound sterling	(2,214,065)	(4,189,286)	(6,403,351)
	(2,301,832)	(99,871,974)	(102,173,806)

The floating rate financial assets and liabilities include 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	
	31.05.20	31.05.19	31.05.20	31.05.19
	%	%	Years	Years
Euro	–	0.48	–	10
Japanese Yen	–	(0.03)	–	11
Pound sterling	0.54	1.04	9	8
US dollar	(2.52)	0.80	7	6

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 31 May 2020, the average effective duration was 4.83 years (31 May 2019: 4.91 years).

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

15 Risks Disclosures (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Currency exposure as at 31 May 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	35,252	(3,718,421)	(3,683,169)
Japanese yen	40,513	6,063,222	6,103,735
US dollar	8,951	(14,963,693)	(14,954,742)
	84,716	(12,618,892)	(12,534,176)
Pound sterling	36,151,336	163,515,446	199,666,782
Net assets	36,236,052	150,896,554	187,132,606

Currency exposure as at 31 May 2019

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	765	—	765
Euro	19,310	(8,919,794)	(8,900,484)
Japanese yen	(347)	5,139,089	5,138,742
Norwegian krone	1	—	1
US dollar	122,438	(7,619,488)	(7,497,050)
	142,167	(11,400,193)	(11,258,026)
Pound sterling	4,620,185	215,786,060	220,406,245
Net assets	4,762,352	204,385,867	209,148,219

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.

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

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

The lowest, highest and average leverage utilisation in the accounting year ended 31 May 2020 was 170%, 283% and 194% respectively (31 May 2019: 161%, 259% and 181% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (BIM303L) and MSCI Barra Ultra-Short Model (BIM303 51d HL). The former applies a 1 year half-life (exponential weighting) for calculating volatilities and 3 years for correlations; the latter applies a 10 week half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The reported VaR is calculated formulaically as follows: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303\ 51d\ HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by BIM303L and BIM303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

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

Counterparty	31.05.20 £	31.05.19 £
Options		
Royal Bank of Scotland	–	255,634
Futures Contracts		
Chicago Mercantile Exchange	328,273	–
EUREX Deutschland	1,015,551	49,743
International Monetary Market	305,400	(100,247)
London International Financial Futures Exchange	1,561,645	97,481
Tokyo Stock Exchange	299,227	(485,682)
Forward Currency Contracts		
Northern Trust	(6,001,193)	(2,287,369)
Total net exposure¹	(2,491,097)	(2,470,440)

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

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

15 Risks Disclosures (continued)

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 instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e. developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e. for which market data is unavailable).

	Level 1 £	Level 2 £	Level 3 £	Total £
31 May 2020				
Assets				
Bonds	10,530,988	24,949,503	–	35,480,491
Collective Investment Schemes	155,676,130	–	–	155,676,130
Derivatives	3,512,378	874,153	–	4,386,531
Equities	944,030	–	–	944,030
Total	170,663,526	25,823,656	–	196,487,182
Liabilities				
Derivatives	(2,282)	(6,875,346)	–	(6,877,628)
31 May 2019				
Assets				
Bonds	42,046,919	63,463,287	–	105,510,206
Collective Investment Schemes	4,577,928	92,004,528	–	96,582,456
Derivatives	441,966	89,385	–	531,351
Equities	9,630,740	–	22,906	9,653,646
Total	56,697,553	155,557,200	22,906	212,277,659
Liabilities				
Derivatives	(625,037)	(2,376,754)	–	(3,001,791)

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

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 17.

Analysis of direct transaction costs for the year ended 31 May 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	28,272	—	—	—	—	—
Collective Investment Schemes	250,684	—	—	—	—	—
Equities	9,830	—	—	—	—	—
Total	288,786	—	—	—	—	—
	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	103,085	—	—	—	—	—
Collective Investment Schemes	203,499	—	—	—	—	—
Equities	14,379	(4)	—	(4)	0.03	—
Total	320,963	(4)	—	(4)	0.03	—
Total as a percentage of the average NAV		0.00%	0.00%	0.00%		

7IM PERSONAL INJURY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 31 May 2019:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	56,224	—	—	—	—	—
Collective Investment Schemes	136,132	—	—	—	—	—
Equities	1,141	—	—	—	—	—
Total	193,497	—	—	—	—	—
	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Bonds	49,862	—	—	—	—	—
Collective Investment Schemes	180,543	—	—	—	—	—
Derivatives	1,467	—	—	—	—	—
Equities	21,677	(12)	—	(12)	0.06	—
Total	253,549	(12)	—	(12)	0.06	—
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 0.13% (2019: 0.12%). 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 PERSONAL INJURY FUND

DISTRIBUTION TABLES

for the year ended 31 May 2020

Interim - in pence per share

Group 1 - Shares purchased prior to 1 June 2019

Group 2 - Shares purchased on or after 1 June 2019 and on or before 30 November 2019

	Net Revenue	Equalisation	Allocated 31.01.20	Allocated 31.01.19
Class A Accumulation				
Group 1	1.3500	—	1.3500	1.0635
Group 2	1.3500	—	1.3500	1.0635
			Paid 31.01.20	Paid 31.01.19
	Net Revenue	Equalisation		
Class B Income				
Group 1	1.2210	—	1.2210	0.9560
Group 2	1.2210	—	1.2210	0.9560
			Allocated 31.01.20	Allocated 31.01.19
	Net Revenue	Equalisation		
Class B Accumulation				
Group 1	1.4349	—	1.4349	1.1071
Group 2	1.4349	—	1.4349	1.1071
			Paid 31.01.20	Paid 31.01.19
	Net Revenue	Equalisation		
Class C Income				
Group 1	1.2417	—	1.2417	0.9716
Group 2	0.9215	0.3202	1.2417	0.9716
			Allocated 31.01.20	Allocated 31.01.19
	Net Revenue	Equalisation		
Class C Accumulation				
Group 1	1.4615	—	1.4615	1.1272
Group 2	0.7516	0.7099	1.4615	1.1272
			Paid 31.01.20	Paid 31.01.19
	Net Revenue	Equalisation		
Class D Income				
Group 1	1.1295	—	1.1295	0.9229
Group 2	1.1295	—	1.1295	0.9229
			Allocated 31.01.20	Allocated 31.01.19
	Net Revenue	Equalisation		
Class D Accumulation				
Group 1	1.3359	—	1.3359	1.0746
Group 2	1.0236	0.3123	1.3359	1.0746

7IM PERSONAL INJURY FUND

DISTRIBUTION TABLES (continued) for the year ended 31 May 2020

	Net Revenue	Equalisation	Allocated 31.01.20	Allocated 31.01.19
Class E Accumulation				
Group 1	1.3916	—	1.3916	1.0785
Group 2	1.3916	—	1.3916	1.0785
			Paid 31.01.20	Paid 31.01.19
Class S Income				
Group 1	1.0944	—	1.0944	0.8553
Group 2	0.5882	0.5062	1.0944	0.8553
			Allocated 31.01.20	Allocated 31.01.19
Class S Accumulation				
Group 1	1.1864	—	1.1864	0.9135
Group 2	0.6012	0.5852	1.1864	0.9135
Final - in pence per share				
Group 1 - Shares purchased prior to 1 December 2019				
Group 2 - Shares purchased on or after 1 December 2019 and on or before 31 May 2020				
	Net Revenue	Equalisation	Allocated 31.07.20	Allocated 31.07.19
Class A Accumulation				
Group 1	0.9717	—	0.9717	0.9563
Group 2	0.9717	—	0.9717	0.9563
			Paid 31.07.20	Paid 31.07.19
Class B Income				
Group 1	0.8726	—	0.8726	0.8702
Group 2	0.8726	—	0.8726	0.8702
			Allocated 31.07.20	Allocated 31.07.19
Class B Accumulation				
Group 1	1.0356	—	1.0356	1.0154
Group 2	0.5614	0.4742	1.0356	1.0154
			Paid 31.07.20	Paid 31.07.19
Class C Income				
Group 1	0.8876	—	0.8876	0.8854
Group 2	0.5291	0.3585	0.8876	0.8854

7IM PERSONAL INJURY FUND

DISTRIBUTION TABLES (continued) for the year ended 31 May 2020

	Net Revenue	Equalisation	Allocated 31.07.20	Allocated 31.07.19
Class C Accumulation				
Group 1	1.0546	—	1.0546	1.0344
Group 2	0.4521	0.6025	1.0546	1.0344
	Net Revenue	Equalisation	Paid 31.07.20	Paid 31.07.19
Class D Income¹				
Group 1	—	—	—	0.8217
Group 2	—	—	—	0.8217
	Net Revenue	Equalisation	Allocated 31.07.20	Allocated 31.07.19
Class D Accumulation				
Group 1	0.9608	—	0.9608	0.9650
Group 2	0.6038	0.3570	0.9608	0.9650
	Net Revenue	Equalisation	Allocated 31.07.20	Allocated 31.07.19
Class E Accumulation				
Group 1	1.0028	—	1.0028	0.9869
Group 2	1.0028	—	1.0028	0.9869
	Net Revenue	Equalisation	Paid 31.07.20	Paid 31.07.19
Class S Income				
Group 1	0.7828	—	0.7828	0.7791
Group 2	0.2791	0.5037	0.7828	0.7791
	Net Revenue	Equalisation	Allocated 31.07.20	Allocated 31.07.19
Class S Accumulation				
Group 1	0.8574	—	0.8574	0.8387
Group 2	0.4091	0.4483	0.8574	0.8387

¹Share class became inactive on 13 May 2020.

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 UK EQUITY VALUE FUND

ACD'S REPORT

for the year ended 31 May 2020

Investment Objective and Policy

The objective of the 7IM UK Equity Value Fund (the 'Sub-fund') is to achieve long-term capital growth through investing predominantly in a portfolio of equities of companies that are incorporated in, have their head office in and/or are domiciled in the UK and/or have a significant part of their operations in the UK. The Sub-fund may also invest in other companies that are listed in the United Kingdom.

The Sub-fund invests in the securities of companies, which in the ACD's opinion, are profitable and, or growing companies and which are considered, by the ACD, to trade at a discount to their intrinsic value. In order to identify such companies, the ACD primarily uses publicly available data from company balance-sheets, cash-flow statements and profit and loss statements.

Securities of companies trading at a discount to intrinsic value are generally defined as those with a high cash-flow to price, high book-to-price or similar valuation ratio. Profitability is defined as high return-on-equity ('ROE'), return-on-asset ('ROA'), return-on-invested-capital ('ROIC') or using similar profitability metrics. High growth companies are characterised by significant positive increments in sales, dividends, earnings or growth in similar income/cash-flow variables.

The criteria used for selecting shares are regularly monitored and tested and are subject to change from time to time.

The Sub-fund aims to be fully invested at all times, but may for efficient portfolio management hold a portion of its assets in derivatives and, or forward transactions (such as stock index futures and options thereon). Such transactions will not materially increase the overall risk profile of the Sub-fund.

Investment Manager's Report

Performance Report

In the reporting period from 1 June 2019 to 30 April 2020¹, the Sub-fund returned -15.22%² which compares with the MSCI UK Index benchmark return of -13.50%.

Portfolio Review

UK assets were in demand at the beginning of the summer after Mark Carney, Governor of the Bank of England (BoE), acknowledged that mounting global uncertainty might prompt policy action from central banks in "some jurisdictions". Market expectations for a BoE rate-cut this year jumped from 26% to 50% after the speech. Political uncertainty, however, soon came into focus as concerns about the growing prospect of a No Deal Brexit hit Sterling. Mixed economic data together with the appointment of Boris Johnson, the prominent Eurosceptic, as the leader of the Conservative Party and the country's new prime minister held the pound at its lows.

Over the summer, the UK Equity Value Fund underperformed its benchmark. The underperformance was mainly due the Sub-fund's exposure to Value and the smaller end of the capitalisation spectrum. The Sub-fund's sector calls also dragged on performance as the overweight to IT and Materials detracted from returns.

Political drama in Britain played a pivotal role in driving UK equities over the autumn. Investors focus remained on Brexit after the prorogation of parliament on September 9 was deemed unlawful by the UK Supreme Court. When parliament resumed on September 25, Boris Johnson was confronted by furious opposition MPs who called for his resignation and a formal apology to be made to the Queen. In response, Mr Johnson went "full Trump", delivering what was widely acknowledged as an abrasive and abusive performance in which he lambasted Labour MPs and questioned the Supreme Court's decision.

The Sub-fund continued to underperform its benchmark in September and October. A significant proportion of this underperformance was due to the Sub-fund's exposure to Value and smaller companies within the Index. November brought with it some strong active performance. This was delivered through a lessening of the Value headwind together with some good performance attributable to Growth and Quality.

The outperformance continued into December where exposure to smaller companies continued to benefit from the "Boris Bounce" following Johnson's re-election as Prime Minister.

¹ The Sub-fund's last trading date is 21 May 2020 and the performance data here is for the period from 1 June 2019 to 30 April 2020.

² Calculated using 7IM UK Equity Value C Inc shares, published prices. Source: NTRS

7IM UK EQUITY VALUE FUND

ACD'S REPORT (continued) for the year ended 31 May 2020

Investment Manager's Report (continued)

In January, markets across the world became nervous as an infectious to SARS (Severe Acute Respiratory Syndrome) like virus emerged in China. This would later become known as COVID-19. However, the Sub-fund posted its biggest ever outperformance relative to benchmark in January which helped offset some of the weakness felt in the lead up to closure in April. This outperformance was driven by value, particularly the energy sector, as well as some strong idiosyncratic performance from Taylor Wimpey, Direct Line and Diageo.

March's selloff was unprecedented. Positions held were exposed to what increasingly moved from an economic crisis to a financial one. The financial stresses led to downward pressures on some prices with, in our view, no reference to fundamentals.

Despite a strong rebound in global markets in April, the Sub-fund had begun to wind down so only partially benefited from the rally.

Seven Investment Management LLP
Investment Manager
June 2020

71M UK EQUITY VALUE FUND

FUND INFORMATION

The Comparative Tables on pages 53 to 54 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM UK EQUITY VALUE FUND

FUND INFORMATION (continued)

Comparative Tables

Class C Income

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	99.53	110.10	105.13
Return before operating charges*	(14.61)	(5.19)	10.25
Operating charges (calculated on average price)	(0.34)	(0.37)	(0.37)
Return after operating charges*	(14.95)	(5.56)	9.88
Distributions on income shares	(4.11)	(5.01)	(4.91)
Last quoted share price ¹	80.47	–	–
Closing net asset value per share	–	99.53	110.10
* After direct transaction costs of: ²	0.33	0.44	0.43

Performance

Return after charges ³	(15.02)%	(5.05)%	9.40%
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Other Information

Closing net asset value (£'000)	–	90,381	58,366
Closing number of shares	–	90,811,837	53,010,881
Operating charges ⁴	0.35%	0.35%	0.35%
Direct transaction costs	0.33%	0.42%	0.40%

Prices

Highest share price	106.08	111.78	115.93
Lowest share price	68.64	93.39	98.81

¹ As at the year end date, there are no shares in issue. Share class performance provided is as at 21 May 2020 being the last quoted price date before shares were reduced to zero.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 55.

7IM UK EQUITY VALUE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class Z Income

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	100.50	110.90	105.63
Return before operating charges*	5.08	(5.24)	10.38
Operating charges (calculated on average price)	(0.10)	(0.11)	(0.11)
Return after operating charges*	4.98	(5.35)	10.27
Distributions on income shares	(2.54)	(5.05)	(5.00)
Last quoted share price ¹	102.94	–	–
Closing net asset value per share	–	100.50	110.90
* After direct transaction costs of: ²	0.34	0.44	0.43

Performance

Return after charges ³	4.96%	(4.82)%	9.72%
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Other Information

Closing net asset value (£'000)	–	141,668	112,640
Closing number of shares	–	140,963,995	101,565,003
Operating charges ⁴	0.10%	0.10%	0.10%
Direct transaction costs	0.33%	0.42%	0.40%

Prices

Highest share price	107.15	112.64	116.77
Lowest share price	96.90	94.21	99.48

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

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 55.

7IM UK EQUITY VALUE FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 31 May 2020

	Class C¹	Class Z²
ACD's periodic charge	0.25%	0.00%
Other expenses ³	0.10%	0.10%
	<hr/> 0.35%	<hr/> 0.10%
Collective investment scheme costs	0.00%	0.00%
Ongoing Charges Figure	<hr/> 0.35%	<hr/> 0.10%

As at 31 May 2019

	Class C	Class Z
ACD's periodic charge	0.25%	0.00%
Other expenses ¹	0.10%	0.10%
	<hr/> 0.35%	<hr/> 0.10%
Collective investment scheme costs	0.00%	0.00%
Ongoing Charges Figure	<hr/> 0.35%	<hr/> 0.10%

¹ Share Class C Income was fully redeemed on 21 May 2020.

² Share Class Z Income was fully redeemed on 12 February 2020.

³ The ACD is currently subsidising the other expenses which exceed 0.10% of the Sub-fund.

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

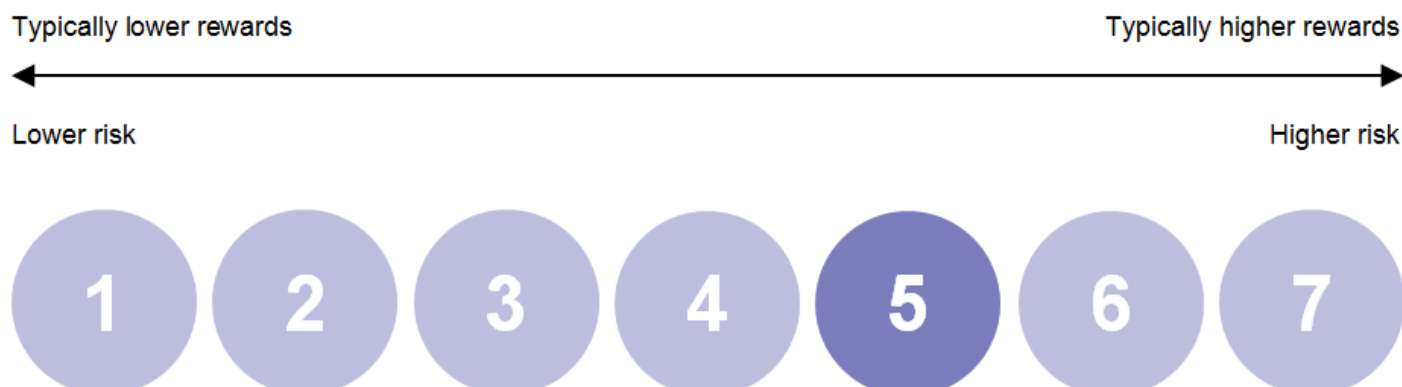
The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Sub-fund's net assets at the balance sheet date.

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

7IM UK EQUITY VALUE 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 sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 31 May 2020 was 5.

Fund performance to 31 May 2020 (%)

	1 year	3 years	5 years
7IM UK Equity Value Fund ¹	(15.22)	(11.82)	0.16

¹ Source: Bloomberg

The performance of the Sub-fund is based on the published price per 'C' Income share which includes reinvested income. Details of the distributions per share for the year are shown in the Distribution Tables on pages 70 and 71.

7IM UK EQUITY VALUE FUND

PORTFOLIO STATEMENT

as at 31 May 2020

Holding	Portfolio of Investment	Value £	31.05.20 %
	CASH 0.00% (1.07%)		
	EQUITY 0.00% (100.80%)		
	Aerospace & Defence 0.00% (2.84%)		
	Banks 0.00% (4.72%)		
	Beverages 0.00% (1.54%)		
	Financial Services 0.00% (3.29%)		
	Food & Drug Retailers 0.00% (6.10%)		
	Gas, Water & Multiutilities 0.00% (1.50%)		
	General Retailers 0.00% (1.04%)		
	Health Care Equipment & Services 0.00% (4.33%)		
	Household Goods & Home Construction 0.00% (3.20%)		
	Industrial Transportation 0.00% (2.24%)		
	Life Insurance 0.00% (8.63%)		
	Media 0.00% (6.83%)		
	Mining 0.00% (11.39%)		
	Mobile Telecommunications 0.00% (2.35%)		
	Nonlife Insurance 0.00% (2.26%)		
	Oil & Gas Producers 0.00% (16.07%)		
	Oil Equipment, Services & Distribution 0.00% (0.07%)		
	Personal Goods 0.00% (3.05%)		

7IM UK EQUITY VALUE FUND

PORTFOLIO STATEMENT (continued)

as at 31 May 2020

Holding	Portfolio of Investment	Value 31.05.20	
		£	%
	Pharmaceuticals & Biotechnology 0.00% (7.50%)		
	Real Estate Investment Trusts 0.00% (0.54%)		
	Software & Computer Services 0.00% (1.14%)		
	Support Services 0.00% (1.89%)		
	Tobacco 0.00% (5.79%)		
	Travel & Leisure 0.00% (2.49%)		
	Portfolio of investment	—	—
	Net other liabilities	—	—
	Net assets	—	—

Comparative figures shown in brackets relate to 31 May 2019.

All investments are sold as at 31 May 2020 in preparation for the termination of the Sub-fund.

7IM UK EQUITY VALUE FUND

STATEMENT OF TOTAL RETURN

for the year ended 31 May 2020

	Notes	£	31.05.20 ¹ £	31.05.19 £
Income				
Net capital losses	4		(1,288,407)	(18,259,387)
Revenue	5	6,711,224		10,609,535
Expenses	6	(303,195)		(389,825)
Interest payable and similar charges	8	(2,085)		(684)
Net revenue before taxation for the year		6,405,944		10,219,026
Taxation	7	(39,712)		(37,903)
Net revenue after taxation for the year			6,366,232	10,181,123
Total return before distributions			5,077,825	(8,078,264)
Distributions	8		(6,518,533)	(10,372,152)
Change in net assets attributable to shareholders from investment activities			(1,440,708)	(18,450,416)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 May 2020

	£	31.05.20 ¹ £	31.05.19 £
Opening net assets attributable to shareholders		232,048,603	171,005,858
Amounts received on creation of shares ²	63,883,284		123,302,807
Amounts receivable on in-specie transactions	—		38,662,697
Amounts paid on cancellation of shares ²	(294,799,859)		(82,472,343)
		(230,916,575)	79,493,161
Amounts payable due to termination		1,202	—
Dilution levy		307,478	—
Change in net assets attributable to shareholders from investment activities		(1,440,708)	(18,450,416)
Closing net assets attributable to shareholders		—	232,048,603

¹ Dealing in the Sub-fund was suspended on 21 May 2020. As at accounting year end date 31 May 2020, the Sub-fund is in the process of being terminated.

² Stated at mid-market price.

The notes on pages 61 to 69 are an integral part of these Financial Statements.

7IM UK EQUITY VALUE FUND

BALANCE SHEET

as at 31 May 2020

	Notes	31.05.20 ¹ £	31.05.19 £
ASSETS			
Fixed assets:			
Investments		–	236,389,721
Current assets:			
Debtors	9	1,202	2,411,184
Cash and bank balances	10	601,667	4,158,509
Total assets		602,869	242,959,414
LIABILITIES			
Creditors:			
Bank overdrafts	10	(480,341)	(4,157,554)
Distribution payable		(98,519)	(6,247,849)
Other creditors	11	(24,009)	(505,408)
Total liabilities		(602,869)	(10,910,811)
Net assets attributable to shareholders		–	232,048,603

¹ Dealing in the Sub-fund was suspended on 21 May 2020. As at accounting year end date 31 May 2020, the Sub-fund is in the process of being terminated.

The notes on pages 61 to 69 are an integral part of these Financial Statements.

7IM UK EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2020

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 8.

2 Summary of Significant Accounting Policies

The financial statements for the current year have been prepared on a basis other than going concern, as the Sub-fund ceased trading on 21 May 2020 and is in the process of termination. The financial statements for the year ended 31 May 2019 were produced on a going concern basis.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Association ('IA') in May 2014.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 10 to 12.

4 Net capital losses

	31.05.20 £	31.05.19 £
The net capital losses during the year comprise:		
Non-derivative securities	(1,418,215)	(18,210,280)
Derivative contracts	53,720	—
Forward currency contracts	—	(39,543)
Currency gains/(losses)	88,815	(1,933)
Transaction charges	(12,727)	(7,631)
Net capital losses	<u>(1,288,407)</u>	<u>(18,259,387)</u>

5 Revenue

	31.05.20 £	31.05.19 £
Non-taxable dividends	6,551,466	10,478,806
Taxable dividends	139,741	91,360
Bank interest	624	337
Stock lending revenue ¹	19,393	39,032
Total revenue	<u>6,711,224</u>	<u>10,609,535</u>

¹ Stock lending revenue is disclosed net of the security agent's share of income.

7IM UK EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

6 Expenses

	31.05.20 £	31.05.19 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	153,890	191,012
Other expenses	66,693	63,471
	<u>220,583</u>	<u>254,483</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	23,173	31,257
Market risk fees	(3,000)	6,000
Safe custody and other bank charges	6,292	6,814
	<u>26,465</u>	<u>44,071</u>
Other Expenses:		
Administration fees	29,129	25,910
Audit fee	9,000	6,384
Dealing and exchange fees	11,141	11,244
FCA and other Regulatory fees	14	274
Legal and professional fees	2,300	2,116
Market data fees	49,081	52,415
Printing, postage and distribution costs	13,739	3,412
Risk analysis fees	5,727	5,868
Subsidy of other expenses by the ACD	(63,984)	(16,352)
	<u>56,147</u>	<u>91,271</u>
Total expenses	<u>303,195</u>	<u>389,825</u>

7IM UK EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

7 Taxation

	31.05.20 £	31.05.19 £
<i>a) Analysis of charge for the year</i>		
Overseas tax	39,712	37,903
Current tax charge (note 7b)	39,712	37,903
Total taxation	39,712	37,903
<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%) (2019: 20%) for the reasons explained below.		
Net revenue before taxation	6,405,944	10,219,026
Corporation tax at 20%	1,281,189	2,043,805
Effects of:		
Non-taxable dividends	(1,310,293)	(2,095,760)
Overseas tax	39,712	37,903
Unutilised excess management expenses	29,104	51,955
Current tax charge (note 7a)	39,712	37,903

c) Deferred tax

There is no deferred tax provision in the current year (2019: none).

At the year end there is a potential deferred tax asset of £155,137 (2019: £126,033) 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:

	31.05.20 £	31.05.19 £
Interim	5,318,874	4,358,236
Interim ¹	98,519	–
Final	–	6,247,849
	5,417,393	10,606,085
Add: Revenue deducted on cancellation of shares	1,730,236	460,751
Add: Revenue deducted on in-specie transactions	–	37,997
Deduct: Revenue received on issue of shares	(629,096)	(732,681)
Net distributions for the year	6,518,533	10,372,152
Interest payable and similar charges	2,085	684
Total distribution	6,520,618	10,372,836

¹ Additional distribution related to the redemption of the Sub-fund.

7IM UK EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 70 and 71.

Distributions represented by:

Net revenue after taxation	6,366,232	10,181,123
Allocations to capital:		
Expenses, net of tax relief	152,215	191,013
Equalisation on conversions ¹	–	11
Net movement in revenue account	86	5
Net distributions for the year	<u>6,518,533</u>	<u>10,372,152</u>

¹Where 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

	31.05.20	31.05.19
	£	£
Amounts receivable for issue of shares	–	150,601
Sales awaiting settlement	–	81,463
Accrued revenue	–	2,152,751
Withholding tax recoverable	–	10,017
Subsidy from ACD	1,202	16,352
Total debtors	<u>1,202</u>	<u>2,411,184</u>

10 Cash and bank balances

	31.05.20	31.05.19
	£	£
Cash and bank balances	601,667	4,158,509
Total cash and bank balances	<u>601,667</u>	<u>4,158,509</u>
Bank overdrafts	(480,341)	(4,157,554)
Total bank overdrafts	<u>(480,341)</u>	<u>(4,157,554)</u>

11 Other Creditors

	31.05.20	31.05.19
	£	£
Amounts payable for cancellation of shares	–	402,077
Overpaid subsidy of other expenses by the ACD	3,046	–
Accrued expenses	20,963	103,331
Total other creditors	<u>24,009</u>	<u>505,408</u>

7IM UK EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

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 authorised investment funds managed by 7IM) had no shareholdings in the Sub-fund (2019: 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.

NorTrust Nominees Limited 0.00% (2019: 60.74%)

The net value of creations and cancellations for NorTrust Nominees Limited during the year totalled -£145,223,889 (2019: £29,571,820).

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD is referenced in the Portfolio Statement of the Sub-fund with further analysis shown in the Sub-Fund Cross-Holdings report on page 3.

13 Classes of Shares

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

Class C	0.25%
Class Z	0.00%

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	90,811,837	16,961,060	(107,772,897)	—	—
Class Z Income	140,963,995	46,646,220	(187,610,215)	—	—

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2019: none).

7IM UK EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

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 10 to 12. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 31 May 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	306,558	—	—	306,558
Pound sterling	295,109	—	1,202	296,311
	601,667	—	1,202	602,869

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(306,558)	—	(306,558)
Pound sterling	(173,783)	(122,528)	(296,311)
	(480,341)	(122,528)	(602,869)

Interest rate exposure as at 31 May 2019

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	300,799	—	—	300,799
Pound sterling	6,349,710	—	236,308,905	242,658,615
	6,650,509	—	236,308,905	242,959,414

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(300,799)	—	(300,799)
Pound sterling	(3,856,755)	(6,753,257)	(10,610,012)
	(4,157,554)	(6,753,257)	(10,910,811)

The floating rate financial assets and liabilities include 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.

7IM UK EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

15 Risks Disclosures (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Currency exposure as at 31 May 2020

Nothing to disclose as at the year end date as the Sub-fund held only cash which is transferable to the ACD.

Currency exposure as at 31 May 2019

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Pound sterling	(1,849,118)	233,897,721	232,048,603
Net assets	(1,849,118)	233,897,721	232,048,603

iii. Derivatives

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

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notionals) under normal market circumstances is expected to be generally in the range of 110% to 200% of the Sub-fund's Net Asset Value and is not expected to exceed 200%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 31 May 2020 was 92%, 102% and 98% respectively (31 May 2019: 100%, 114% and 104% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (BIM303L) and MSCI Barra Ultra-Short Model (BIM303 51d HL). The former applies a 1 year half-life (exponential weighting) for calculating volatilities and 3 years for correlations; the latter applies a 10 week half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = \text{MAX}[VaR(BIM303L), VaR(BIM303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by BIM303L and BIM303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

7IM UK EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

15 Risks Disclosures (continued)

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 instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e. developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e. for which market data is unavailable).

31 May 2020

Nothing to disclose as at the year end date as the Sub-fund held only cash which is transferable to the ACD.

	Level 1 £	Level 2 £	Level 3 £	Total £
31 May 2019				
Assets				
Collective Investment Schemes	–	2,492,000	–	2,492,000
Equities	233,897,721	–	–	233,897,721
Total	233,897,721	2,492,000	–	236,389,721

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 52.

Analysis of direct transaction costs for the year ended 31 May 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	77,171	–	–	–	–	–
Equities	128,147	22	590	612	0.02	0.46
Total	205,318	22	590	612	0.02	0.46
	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Collective Investment Schemes	79,663	–	–	–	–	–
Equities	361,477	(237)	(1)	(238)	0.07	–
Total	441,140	(237)	(1)	(238)	0.07	–
Total as a percentage of the average NAV		0.16%	0.36%	0.52%		

7IM UK EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 31 May 2019:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	56,550	—	—	—	—	—
Equities	211,218	26	817	843	0.01	0.39
Total	267,768	26	817	843	0.01	0.39
	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Collective Investment Schemes	57,923	—	—	—	—	—
Equities	128,484	(19)	—	(19)	0.01	—
Total	186,407	(19)	—	(19)	0.01	—
Total as a percentage of the average NAV		0.02%	0.40%	0.42%		

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.00% (2019: 0.04%). 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

It should be noted that 7IM UK Equity Value Fund was fully redeemed on 21 May 2020 and is in the process of termination. The termination statement will be prepared for 31 August 2020 and audited by KPMG.

7IM UK EQUITY VALUE FUND

DISTRIBUTION TABLES

for the year ended 31 May 2020

Interim - in pence per share

Group 1 - Shares purchased prior to 1 June 2019

Group 2 - Shares purchased on or after 1 June 2019 and on or before 30 November 2019

	Net Revenue	Equalisation	Paid 31.01.20	Paid 31.01.19
Class C Income				
Group 1	2.5212	—	2.5212	2.3260
Group 2	1.2696	1.2516	2.5212	2.3260

	Net Revenue	Equalisation	Paid 31.01.20	Paid 31.01.19
Class Z Income				
Group 1	2.5407	—	2.5407	2.3438
Group 2	1.7242	0.8165	2.5407	2.3438

Interim - in pence per share¹

Group 1 - Shares purchased prior to 1 December 2019

Group 2 - Shares purchased on or after 1 December 2019 and on or before 30 April 2020

	Net Revenue	Equalisation	Paid 30.06.20	Paid N/A
Class C Income				
Group 1	1.5905	—	1.5905	—
Group 2	1.100	0.4905	1.5905	—

	Net Revenue	Equalisation	Paid N/A	Paid N/A
Class Z Income				
Group 1	—	—	—	—
Group 2	—	—	—	—

Final - in pence per share

Group 1 - Shares purchased prior to 1 December 2019

Group 2 - Shares purchased on or after 1 December 2019 and on or before 31 May 2020

	Net Revenue	Equalisation	Paid N/A	Paid 31.07.19
Class C Income				
Group 1	—	—	—	2.6791
Group 2	—	—	—	2.6791

	Net Revenue	Equalisation	Paid N/A	Paid 31.07.19
Class Z Income				
Group 1	—	—	—	2.7063
Group 2	—	—	—	2.7063

¹ Additional distribution related to the redemption of the Sub-fund.

7IM UK EQUITY VALUE FUND

DISTRIBUTION TABLES (continued) for the year ended 31 May 2020

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 EUROPEAN (EX UK) EQUITY VALUE FUND

ACD'S REPORT

for the year ended 31 May 2020

Investment Objective and Policy

7IM European (ex UK) Equity Value Fund (the 'Sub-fund') aims to achieve long-term capital growth (over at least 5 years).

The Sub-fund invests at least 80% of its assets in a portfolio of equities of companies that are incorporated in, have their head office in and/or are domiciled in the European Economic Area (excluding the UK) and Switzerland and/or have a significant part of their operations in the European Economic Area (excluding the UK) and Switzerland. The Sub-fund may also invest in other companies that are listed in the European Economic Area (excluding the UK) and Switzerland.

The Sub-fund will invest in the securities of companies which, in the ACD's opinion, are profitable and/or growing companies and which are considered, by the ACD, to trade at a discount to their intrinsic value. In order to identify such companies the ACD will primarily use publicly available data from company balance-sheets, cash-flow statements and profit and loss statements.

Securities of companies considered to be trading at a discount to intrinsic value are generally those with a high cash-flow to price, high book-to-price or similar valuation ratio. Profitability is defined as high return-on-equity ('ROE'), return-on-asset ('ROA'), return-on-invested-capital ('ROIC') or using similar profitability metrics. High growth companies are characterised by significant positive increments in sales, dividends, earnings or growth in similar income/cash-flow variables.

The criteria used for selecting shares are regularly monitored and tested and are subject to change from time to time.

The Sub-fund aims to be fully invested at all times, but may, for efficient portfolio management purposes, hold a portion of its assets in derivatives and/or forward transactions (such as stock index futures and options thereon). Such transactions will not materially increase the overall risk profile of the Sub-fund. The Sub-fund may also hold liquid assets such as cash, deposits, money market funds and money market instruments.

Investment Manager's Report

Performance Report

In the reporting period from 1 June 2019 to 30 April 2020¹, the Sub-fund returned -7.78%² which compares with the MSCI Europe ex-UK index benchmark return of -4.00%.

Portfolio Review

The summer of 2019 was an extraordinary period for global assets, making it a challenge to find an asset that didn't go up. The strong monthly performance made it a good quarter and certainly a good start to the summer. This was despite some weaker economic data, risks to the trade outlook between US and China, and the still low inflation in the Eurozone.

Over the summer, the Federal Reserve ('Fed') as well as the European Central Bank ('ECB') signalled very clearly that they would both intervene with further monetary stimulus should the economic data deteriorate further. The combination of equity markets reaching all-time highs in the US (and only 14% away in Europe), as well as cuts in interest rates was not an ideal market environment for a fundamental based equity strategy.

The European (ex UK) Equity Value Fund underperformed its benchmark mainly due to its Value exposure. Breaking Value into its two components showed that both traditional Value stocks (i.e. those with a high book-to-price) as well as those stocks scoring highly on our composite Value measure underperformed.

As we went into the autumn, the Sub-fund reversed some of its underperformance as our composite Value measure added to active returns. Growth also helped the Sub-fund beat its benchmark as those stocks scoring highly on our Growth measure contributed positively to performance. In contrast, Quality showed mixed performance over the autumn detracting from fund performance in the aggregate.

The outperformance continued into December where exposure to smaller companies continued to benefit from the "Boris Bounce" following Johnson's re-election as Prime Minister.

In January, markets across the world became nervous as an infectious SARS (Severe Acute Respiratory Syndrome) like virus emerged in China. This would later become known as COVID-19.

March's selloff was unprecedented. Positions held were exposed to what increasingly moved from an economic crisis to a financial one. The financial stresses led to downward pressures on some prices with, in our view, no reference to fundamentals.

¹ The Sub-fund's last trading date is 21 May 2020 and the performance data here is for the period from 1 June 2019 to 30 April 2020.

² Calculated using 7IM European (ex UK) Equity Value C Inc shares, published prices. Source: NTRS.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

ACD'S REPORT (continued) for the year ended 31 May 2020

Investment Manager's Report (continued)

Portfolio Review (continued)

Despite a higher allocation to the healthcare sector (which held up well during the COVID crisis), the Sub-fund's relative underweight to "quality growth" names such as Nestle meant performance lagged. The relative overweight energy stocks also weighed in performance.

Markets rallied in April with Value leading the way. This, along with the overweight to Healthcare, meant the Sub-fund delivered a very strong outperformance relative to the benchmark before closing at the end of April.

Seven Investment Management LLP
Investment Manager
June 2020

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

FUND INFORMATION

The Comparative Tables on pages 75 to 76 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

FUND INFORMATION (continued)

Comparative Tables

Class C Income

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	106.33	113.29	109.78
Return before operating charges*	(7.58)	(2.57)	7.91
Operating charges (calculated on average price)	(0.38)	(0.39)	(0.41)
Return after operating charges*	(7.96)	(2.96)	7.50
Distributions on income shares	(2.24)	(4.00)	(3.99)
Last quoted share price ¹	96.13	–	–
Closing net asset value per share	–	106.33	113.29
* After direct transaction costs of: ²	0.09	0.11	0.12

Performance

Return after charges ³	(7.49)%	(2.61)%	6.83%
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Other Information

Closing net asset value (£'000)	–	29,732	42,867
Closing number of shares	–	27,961,313	37,839,408
Operating charges ⁴	0.35%	0.35%	0.35%
Direct transaction costs	0.09%	0.10%	0.10%

Prices

Highest share price	116.34	119.12	122.84
Lowest share price	79.62	103.86	108.87

¹ As at the year end date, there are no shares in issue. Share class performance provided is as at 21 May 2020 being the last quoted price date before shares were reduced to zero.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 77.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class Z Income

	31.05.20 (pence per share)	31.05.19 (pence per share)	31.05.18 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	107.36	114.11	110.29
Return before operating charges*	(8.75)	(2.61)	7.95
Operating charges (calculated on average price)	(0.11)	(0.11)	(0.12)
Return after operating charges*	(8.86)	(2.72)	7.83
Distributions on income shares	(0.63)	(4.03)	(4.01)
Last quoted share price ¹	97.87	–	–
Closing net asset value per share	–	107.36	114.11
* After direct transaction costs of: ²	0.09	0.11	0.12

Performance

Return after charges ³	(8.25)%	(2.38)%	7.10%
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Other Information

Closing net asset value (£'000)	–	101,855	102,747
Closing number of shares	–	94,870,231	90,045,295
Operating charges ⁴	0.10%	0.10%	0.10%
Direct transaction costs	0.09%	0.10%	0.10%

Prices

Highest share price	117.69	120.04	123.60
Lowest share price	80.56	104.76	109.39

¹ As at the year end date, there are no shares in issue. Share class performance provided is as at 29 April 2020 being the last quoted price date before shares were reduced to zero.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 77.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 31 May 2020

	Class C¹	Class Z²
ACD's periodic charge	0.25%	0.00%
Other expenses ³	0.10%	0.10%
	<hr/> 0.35%	<hr/> 0.10%
Collective investment scheme costs	0.00%	0.00%
Ongoing Charges Figure	<hr/> 0.35%	<hr/> 0.10%

As at 31 May 2019

	Class C	Class Z
ACD's periodic charge	0.25%	0.00%
Other expenses ³	0.10%	0.10%
	<hr/> 0.35%	<hr/> 0.10%
Collective investment scheme costs	0.00%	0.00%
Ongoing Charges Figure	<hr/> 0.35%	<hr/> 0.10%

¹ Share Class C Income was fully redeemed on 21 May 2020.

² Share Class Z Income was fully redeemed on 29 April 2020.

³ The ACD is currently subsidising the other expenses which exceed 0.10% of the Sub-fund.

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

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

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

7IM EUROPEAN (EX UK) EQUITY VALUE 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 sub-fund's returns have varied. It is a measure of a sub-fund's volatility. The higher a sub-fund's past volatility the higher the number on the scale and the greater the risk that investors in that sub-fund may have made losses as well as gains. The lowest number on the scale does not mean that a sub-fund is risk free.

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 31 May 2020 was 5.

Fund performance to 31 May 2020 (%)

	1 year	3 years	5 years
7IM European (ex UK) Equity Value Fund ¹	(7.78)	(4.48)	14.87

¹ Source: Bloomberg

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

Details of the distributions per share for the year are shown in the Distribution Tables on pages 92 and 93.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

PORTFOLIO STATEMENT

as at 31 May 2020

Holding	Portfolio of Investment	Value £	31.05.20 %
	CASH 0.00% (1.88%)		
	AUSTRIA EQUITY 0.00% (1.75%)		
	BELGIUM EQUITY 0.00% (0.81%)		
	DENMARK EQUITY 0.00% (6.50%)		
	FINLAND EQUITY 0.00% (0.80%)		
	FRANCE EQUITY 0.00% (23.91%)		
	GERMANY EQUITY 0.00% (16.72%)		
	IRELAND EQUITY 0.00% (0.00%)		
–	Paddy Power Betfair	47	100.00
	ITALY EQUITY 0.00% (4.38%)		
	LUXEMBOURG EQUITY 0.00% (1.62%)		
	MULTINATIONAL EQUITY 0.00% (4.12%)		
	NETHERLANDS EQUITY 0.00% (8.60%)		
	NORWAY EQUITY 0.00% (0.24%)		
	SPAIN EQUITY 0.00% (6.86%)		
	SWEDEN EQUITY 0.00% (4.81%)		
	SWITZERLAND EQUITY 0.00% (19.23%)		
	Portfolio of investment	47	100.00
	Net other liabilities	(47)	(100.00)
	Net assets	–	–

Comparative figures shown in brackets relate to 31 May 2019.

The majority of investments are sold as at 31 May 2020 in preparation for the termination of the Sub-fund.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

STATEMENT OF TOTAL RETURN

for the year ended 31 May 2020

	Notes	£	31.05.20 ¹ £	£	31.05.19 £
Income					
Net capital losses	4		(12,761,879)		(8,464,176)
Revenue	5	2,051,082		5,410,964	
Expenses	6	(154,689)		(222,363)	
Interest payable and similar charges	8	(249)		(2,805)	
Net revenue before taxation for the year		1,896,144		5,185,796	
Taxation	7	(1,005,145)		(297,566)	
Net revenue after taxation for the year			890,999		4,888,230
Total return before distributions			(11,870,880)		(3,575,946)
Distributions	8		(957,241)		(4,984,150)
Change in net assets attributable to shareholders from investment activities			(12,828,121)		(8,560,096)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 May 2020

	£	31.05.20 ¹ £	£	31.05.19 £
Opening net assets attributable to shareholders		131,586,641		145,613,910
Amounts received on creation of shares ²	20,673,159		43,898,307	
Amounts paid on cancellation of shares ²	(139,587,235)		(49,374,119)	
		(118,914,076)		(5,475,812)
Amounts payable due to termination		(17,123)		–
Dilution levy		172,679		8,639
Change in net assets attributable to shareholders from investment activities		(12,828,121)		(8,560,096)
Closing net assets attributable to shareholders		–		131,586,641

¹ Dealing in the Sub-fund was suspended on 21 May 2020. As at accounting year end date 31 May 2020, the Sub-fund is in the process of being terminated.

² Stated at mid-market price.

The notes on pages 82 to 91 are an integral part of these Financial Statements.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

BALANCE SHEET

as at 31 May 2020

	Notes	31.05.20 ¹ £	31.05.19 £
ASSETS			
Fixed assets:			
Investments		47	134,523,636
Current assets:			
Debtors	9	12,641	1,343,108
Cash and bank balances	10	1,667,677	3,211,158
Total assets		<u>1,680,365</u>	<u>139,077,902</u>
LIABILITIES			
Creditors:			
Bank overdrafts	10	(1,579,330)	(3,062,971)
Distribution payable		(50,739)	(4,182,691)
Other creditors	11	(50,296)	(245,599)
Total liabilities		<u>(1,680,365)</u>	<u>(7,491,261)</u>
Net assets attributable to shareholders		<u>–</u>	<u>131,586,641</u>

¹ Dealing in the Sub-fund was suspended on 21 May 2020. As at accounting year end date 31 May 2020, the Sub-fund is in the process of being terminated.

The notes on pages 82 to 91 are an integral part of these Financial Statements.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2020

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 8.

2 Summary of Significant Accounting Policies

The financial statements for the current year have been prepared on a basis other than going concern, as the Sub-fund ceased trading on 21 May 2020 and is in the process of termination. The financial statements for the year ended 31 May 2019 were produced on a going concern basis.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Funds issued by the Investment Association ('IA') in May 2014.

3 Risk Management Policies

The Sub-fund's Risk Management Policies are the same as the Risk Management Policies disclosed on pages 10 to 12.

4 Net capital losses

	31.05.20 £	31.05.19 £
The net capital losses during the year comprise:		
Non-derivative securities	(12,704,126)	(8,376,162)
Forward currency contracts	(1,813)	(1,175)
Currency losses	(28,707)	(71,385)
Transaction charges	(27,233)	(15,454)
Net capital losses	<u>(12,761,879)</u>	<u>(8,464,176)</u>

5 Revenue

	31.05.20 £	31.05.19 £
Non-taxable dividends	2,001,448	5,373,010
Taxable dividends	9,592	9,753
Bank interest	9,103	1,077
Stock lending revenue ¹	30,939	27,124
Total revenue	<u>2,051,082</u>	<u>5,410,964</u>

¹ Stock lending revenue is disclosed net of the security agent's share of income.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

6 Expenses

	31.05.20 £	31.05.19 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	66,216	95,914
Other expenses	74,181	67,026
	<u>140,397</u>	<u>162,940</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	18,684	22,669
Market risk fees	(3,000)	6,000
Safe custody and other bank charges	13,133	16,162
	<u>28,817</u>	<u>44,831</u>
Other Expenses:		
Administration fees	22,754	24,403
Audit fee	9,000	6,384
Dealing and exchange fees	13,726	12,190
FCA and other Regulatory fees	14	274
Legal and professional fees	1,341	1,130
Market data fees	49,081	52,415
Printing, postage and distribution costs	13,482	3,353
Risk analysis fees	5,727	5,868
Subsidy of other expenses by the ACD	(129,650)	(91,425)
	<u>(14,525)</u>	<u>14,592</u>
Total expenses	<u>154,689</u>	<u>222,363</u>

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

7 Taxation

	31.05.20 £	31.05.19 £
<i>a) Analysis of charge for the year</i>		
Overseas tax	1,005,145	297,566
Current tax charge (note 7b)	1,005,145	297,566
Total taxation	1,005,145	297,566
<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%) (2019: 20%) for the reasons explained below.		
Net revenue before taxation	1,896,144	5,185,796
Corporation tax at 20%	379,229	1,037,159
Effects of:		
Movement in revenue accruals	–	97,035
Non-taxable dividends	(400,290)	(1,171,637)
Overseas tax	1,005,145	297,566
Unutilised excess management expenses	21,061	37,443
Current tax charge (note 7a)	1,005,145	297,566

c) Deferred tax

There is no deferred tax provision in the current year (2019: none).

At the year end, there is a potential deferred tax asset of £149,483 (2019: £128,422) 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:

	31.05.20 £	31.05.19 £
Interim	733,207	749,464
Interim ¹	50,739	–
Final	–	4,182,691
	783,946	4,932,155
Add: Revenue deducted on cancellation of shares	224,955	242,786
Deduct: Revenue received on issue of shares	(51,660)	(190,791)
Net distributions for the year	957,241	4,984,150
Interest payable and similar charges	249	2,805
Total distribution	957,490	4,986,955

¹ Additional distribution related to the redemption of the Sub-fund.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 92 and 93.

Distributions represented by:

Net revenue after taxation	890,999	4,888,230
Allocations to capital:		
Expenses, net of tax relief	66,216	95,915
Net movement in revenue account	26	5
Net distributions for the year	957,241	4,984,150

9 Debtors

	31.05.20	31.05.19
	£	£
Amounts receivable for issue of shares	–	75,174
Sales awaiting settlement	–	60,902
Accrued revenue	–	165,976
Withholding tax recoverable	–	950,514
Subsidy from ACD	12,641	90,542
Total debtors	12,641	1,343,108

10 Cash and bank balances

	31.05.20	31.05.19
	£	£
Cash and bank balances	1,667,677	3,211,158
Total cash and bank balances	1,667,677	3,211,158
Bank overdrafts	(1,579,330)	(3,062,971)
Total bank overdrafts	(1,579,330)	(3,062,971)

11 Other Creditors

	31.05.20	31.05.19
	£	£
Amounts payable for cancellation of shares	–	155,248
Amounts payable from termination	17,123	–
Accrued expenses	33,173	90,159
Currency deals awaiting settlement	–	192
Total other creditors	50,296	245,599

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

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 80.

7IM and its associates (including other authorised investment funds managed by 7IM) had no shareholdings in the Sub-fund (2019: 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 shareholders held in excess of 20% of the shares in issue of the Sub-fund.

NorTrust Nominees Limited 0.00% (2019: 77.24%)

The net value of creations and cancellations for NorTrust Nominees Limited during the year totalled -£104,698,787 (2019: -£2,004,888).

Where the Sub-fund invests in another sub-fund of the ICVC or any other collective investment scheme managed by the ACD is referenced in the Portfolio Statement of the Sub-fund with further analysis shown in the Sub-Fund Cross-Holdings report on page 3.

13 Classes of Shares

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

Class C	0.25%
Class Z	0.00%

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	27,961,313	13,384,428	(41,345,741)	—	—
Class Z Income	94,870,231	5,552,690	(100,422,921)	—	—

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2019: none).

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

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 10 to 12. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 31 May 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	837,117	—	—	837,117
Norwegian krone	87	—	—	87
Swiss franc	509	—	—	509
US dollar	606	—	—	606
Pound sterling	829,358	—	12,688	842,046
	1,667,677	—	12,688	1,680,365

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(837,085)	—	(837,085)
Swiss franc	(508)	—	(508)
US dollar	(605)	—	(605)
Pound sterling	(741,132)	(101,035)	(842,167)
	(1,579,330)	(101,035)	(1,680,365)

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 31 May 2019

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	8,644,371	8,644,371
Euro	868,198	–	85,335,970	86,204,168
Norwegian krone	94	–	317,908	318,002
Swedish krona	–	–	6,517,764	6,517,764
Swiss franc	476	–	25,990,487	25,990,963
US dollar	593	–	6,201,754	6,202,347
Pound sterling	4,809,796	–	390,491	5,200,287
	5,679,157	–	133,398,745	139,077,902

	Floating Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(720,844)	–	(720,844)
Swiss franc	(476)	–	(476)
US dollar	(593)	–	(593)
Pound sterling	(2,341,058)	(4,428,290)	(6,769,348)
	(3,062,971)	(4,428,290)	(7,491,261)

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

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Currency exposure as at 31 May 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	32	–	32
Norwegian krone	87	–	87
Swiss franc	1	–	1
US dollar	1	–	1
	121	–	121
Pound sterling	(168)	47	(121)
Net assets	(47)	47	–

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Currency exposure as at 31 May 2019

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	83,501	8,560,870	8,644,371
Euro	325,822	85,157,502	85,483,324
Norwegian krone	94	317,908	318,002
Swedish krona	–	6,517,764	6,517,764
Swiss franc	689,461	25,301,026	25,990,487
US dollar	1,188	6,200,566	6,201,754
	1,100,066	132,055,636	133,155,702
Pound sterling	(1,569,061)	–	(1,569,061)
Net assets	(468,995)	132,055,636	131,586,641

iii. Derivatives

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

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the notionals) under normal market circumstances is expected to be generally in the range of 110% to 200% of the Sub-fund's Net Asset Value and is not expected to exceed 200%. It is possible that there may be higher leverage levels from time to time during abnormal market conditions.

The lowest, highest and average leverage utilisation in the accounting year ended 31 May 2020 was 90%, 104% and 100% respectively (31 May 2019: 101%, 124% and 105% respectively).

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (BIM303L) and MSCI Barra Ultra-Short Model (BIM303 51d HL). The former applies a 1 year half-life (exponential weighting) for calculating volatilities and 3 years for correlations; the latter applies a 10 week half-life for both volatilities and correlations. Both models natively cover around 104K global equity securities; 500K sovereign and corporate bonds; 900K municipal, 2,200K structured products (MBS/ABS/CMO); around 290K mutual funds; 161 currencies, 34 commodities.

The reported VaR is calculated formulaically as follows: $VaR = \text{MAX}[VaR(BIM303L), VaR(BIM303 51d HL)]$.

The Barra models map individual portfolio positions onto the Barra set of risk factors in order to backfill for a time series of volatility. The VaR numbers calculated by BIM303L and BIM303 51d HL are derived from daily volatility numbers, multiplied by an appropriate 99% confidence interval scaling factor under the assumption of a normal distribution.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

15 Risks Disclosures (continued)

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 instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e. developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e. for which market data is unavailable).

	Level 1 £	Level 2 £	Level 3 £	Total £
31 May 2020				
Assets				
Equities	47	–	–	47
31 May 2019				
Assets				
Collective Investment Schemes	–	2,468,000	–	2,468,000
Equities	132,055,636	–	–	132,055,636
Total	132,055,636	2,468,000	–	134,523,636

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 74.

Analysis of direct transaction costs for the year ended 31 May 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	23,866	–	–	–	–	–
Equities	88,868	20	61	81	0.02	0.07
Total	112,734	20	61	81	0.02	0.07
	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Collective Investment Schemes	26,010	–	–	–	–	–
Equities	208,490	(190)	–	(190)	0.09	–
Total	234,500	(190)	–	(190)	0.09	–
Total as a percentage of the average NAV		0.18%	0.05%	0.23%		

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 May 2020

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 31 May 2019:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	49,249	—	—	—	—	—
Equities	138,400	21	106	127	0.02	0.08
Total	187,649	21	106	127	0.02	0.08
	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Collective Investment Schemes	49,378	—	—	—	—	—
Equities	141,491	(21)	—	(21)	0.01	—
Total	190,869	(21)	—	(21)	0.01	—
Total as a percentage of the average NAV		0.03%	0.07%	0.10%		

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.11% (2019: 0.06%). 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

It should be noted that 7IM European (ex UK) Equity Value Fund was fully redeemed on 21 May 2020 and is in the process of termination. The termination statement will be prepared for 31 August 2020 and audited by KPMG.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

DISTRIBUTION TABLES

for the year ended 31 May 2020

Interim - in pence per share

Group 1 - Shares purchased prior to 1 June 2019

Group 2 - Shares purchased on or after 1 June 2019 and on or before 30 November 2019

	Net Revenue	Equalisation	Paid 31.01.20	Paid 31.01.19
Class C Income				
Group 1	0.6282	—	0.6282	0.6172
Group 2	0.2299	0.3983	0.6282	0.6172

	Net Revenue	Equalisation	Paid 31.01.20	Paid 31.01.19
Class Z Income				
Group 1	0.6341	—	0.6341	0.6186
Group 2	0.3190	0.3151	0.6341	0.6186

Interim - in pence per share¹

Group 1 - Shares purchased prior to 1 December 2019

Group 2 - Shares purchased on or after 1 December 2019 and on or before 30 April 2020

	Net Revenue	Equalisation	Paid 30.06.20	Paid N/A
Class C Income				
Group 1	1.6147	—	1.6147	—
Group 2	1.6038	0.0109	1.6147	—

	Net Revenue	Equalisation	Paid N/A	Paid N/A
Class Z Income				
Group 1	—	—	—	—
Group 2	—	—	—	—

Final - in pence per share

Group 1 - Shares purchased prior to 1 December 2019

Group 2 - Shares purchased on or after 1 December 2019 and on or before 31 May 2020

	Net Revenue	Equalisation	Paid N/A	Paid 31.07.19
Class C Income				
Group 1	—	—	—	3.3819
Group 2	—	—	—	3.3819

	Net Revenue	Equalisation	Paid N/A	Paid 31.07.19
Class Z Income				
Group 1	—	—	—	3.4121
Group 2	—	—	—	3.4121

¹ Additional distribution related to the redemption of the Sub-fund.

7IM EUROPEAN (EX UK) EQUITY VALUE FUND

DISTRIBUTION TABLES (continued) for the year ended 31 May 2020

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 SPECIALIST 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 Specialist 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 ('SFT's) and total return swaps ('TRS') by the Company in all interim and annual reports for the Company published from 13 January 2017.

The following details the SFTR activities of the Sub-fund during the year ended 31 May 2020 and as at the balance sheet date.

7IM Personal Injury Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-fund's total lendable assets of £42,245,356 and net asset value of £187,132,606 as at 31 May 2020 and the income earned for the year ended 31 May 2020. 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 are not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Income earned £	Income to Agent £
8.95%	2.02%	30,341	9,101

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 31 May 2020.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Goldman Sachs	US	2,751,493	2,817,887
J.P. Morgan Securities (Europe)	UK	1,029,869	1,049,303
Total		3,781,362	3,867,190

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 31 May 2020.

Currency	Collateral received £
Pound sterling	1,049,303
US dollar	2,817,887
Total	3,867,190

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 SPECIALIST INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) - UNAUDITED (continued)

7IM Personal Injury 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 31 May 2020.

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	–	–	328,772	3,538,418	–	3,867,190
Equities						
Recognised equity index	–	–	–	–	–	–
Total	–	–	328,772	3,538,418	–	3,867,190

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 31 May 2020, 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	3,867,190

7IM UK Equity Value Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-fund's total lendable assets of £– and net asset value of £– as at 31 May 2020 and the income earned for the year ended 31 May 2020. 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 are not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan, % of lendable assets	% of NAV	Income earned £	Income to Agent £
0%	0%	27,699	8,306

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.

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. As at 31 May 2020, no collateral arrangements were in place in respect of securities lending transactions.

7IM SPECIALIST INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) - UNAUDITED (continued)

7IM European (ex UK) Equity Value Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-fund's total lendable assets of £– and net asset value of £– as at 31 May 2020 and the income earned for the year ended 31 May 2020. 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 are not considered lendable due to any market, regulatory, investment or other restriction.

		Income earned £	Income to Agent £
Securities on loan, % of lendable assets	% of NAV		
0%	0%	44,190	13,251

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.

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. As at 31 May 2020, no collateral arrangements were in place in respect of securities lending transactions.

7IM SPECIALIST 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.

Classes of Shares

The Company has the following active share classes 'A' Accumulation, 'B' Income, 'B' Accumulation, 'C' Income, 'C' Accumulation, 'D' Income, 'D' Accumulation, 'E' Accumulation, 'S' Income, 'S' Accumulation and 'Z' Income. The Company can issue any share class in accordance with the Prospectus.

Holders of Income shares are entitled to be paid the income attributable to such shares in respect of each annual or interim accounting period, as applicable to the relevant sub-fund.

Holders of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

Valuation Point

The valuation point of the Company is 12:00pm London time on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

Buying and Selling Shares

The dealing office of the ACD is normally open from 9.00am to 5.30pm London time on each business day. The ACD may vary these times at its discretion. Requests to deal in shares may also be made by telephone on each business day (at the ACD's discretion) between 9.00am and 5.30pm London time directly to the office of the ACD (telephone: 0870 870 7431 or such other number as published from time to time). The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

Prices

The prices of all shares are published on: www.fundlistings.com and the ACD's website: www.7im.co.uk. Alternatively, the prices of all shares may be obtained by calling 0870 870 7431 during the ACD's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on our website, www.7im.co.uk.

7IM SPECIALIST INVESTMENT FUNDS

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, 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 ACD 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.

Assessment of value

For each of its sub-funds, Seven Investment Management LLP, will publish an Assessment of Value covering the financial period ended 31 May 2020. These statements will be available on Seven Investment Management's website no later than 30 September 2020.

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