

7IM INVESTMENT FUNDS

Annual Report and Financial Statements
for the year ended 30 November 2021

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

The logo for 7IM, featuring the letters '7IM' in a bold, sans-serif font. The letter 'i' is lowercase and has a small dot above it, while '7' and 'M' are uppercase.

7IM INVESTMENT FUNDS

DIRECTORY

Authorised Corporate Director ('ACD')

Seven Investment Management LLP

3rd Floor

55 Bishopsgate

London EC2N 3AS

(Authorised and regulated by the Financial Conduct Authority)

Address for correspondence:

Seven Investment Management LLP

Sunderland

SR43 4BG

Members of the Board of Seven Investment Management LLP

C. Edwards (Non-executive) resigned 29 January 2021

A. Grace (Non-executive Chair)

J. Lander (Non-executive Investment Director) appointed 29 January 2021

T. Leader (Non-executive Investment Director)

D. Proctor (Executive)

D. Walker (Executive)

D. Young (Non-executive)

Sub-Investment Manager

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

Depository

Northern Trust Investor Services Limited*

50 Bank Street

Canary Wharf

London E14 5NT

(Authorised and regulated by the Financial Conduct Authority)

* The Depository of the Company changed from Northern Trust Global Services SE, UK Branch on 27 November 2021.

Registrar & Administrator

Seven Investment Management LLP

Sunderland

SR43 4BG

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Independent Auditor

BDO LLP

55 Baker Street

London W1U 7EU

7IM INVESTMENT FUNDS

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7IM INVESTMENT FUNDS

AUTHORISED STATUS

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

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

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

The financial statements for the 7IM Investment Funds has been produced on a Going Concern Basis.

REMUNERATION DISCLOSURE

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

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

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

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

The total remuneration of those individuals who are fully or partly involved in the activities of the UCITS scheme for the financial year ending 31 December 2020, which is the latest audited figures available, is analysed below:

Fixed Remuneration	£2,515,000
Variable Remuneration	£604,000
Total	£3,119,000
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 thirteen staff members whose actions are considered to have a material impact on the risk profile of the Company. The table below provides an alternative analysis of the remuneration data.

Aggregate remuneration of:

Senior management	£707,000
Staff whose actions may have a material impact on the funds	£1,785,000
Other	£627,000
Total	£3,119,000

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

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

SUB-FUND CROSS-HOLDINGS

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

7IM INVESTMENT FUNDS

DIRECTOR'S STATEMENT

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



D. Walker
On behalf of Seven Investment Management LLP
ACD of 7IM Investment Funds
24 March 2022

7IM INVESTMENT FUNDS

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

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

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice 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 IT infrastructure has been stress tested to ensure that respective teams can function effectively from home.

7IM INVESTMENT FUNDS

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE 7IM INVESTMENT FUNDS ("THE COMPANY") FOR THE YEAR ENDED 30 NOVEMBER 2021

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

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

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

The Depositary must ensure that:

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

REPORT OF THE DEPOSITARY

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

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

Northern Trust Investor Services Limited
UK Trustee and Depositary Services
24 March 2022

7IM INVESTMENT FUNDS

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

Opinion

In our opinion the financial statements:

- give a true and fair view of the financial position of the sub-funds as at 30 November 2021 and of the net revenue and the net capital gains or losses on the scheme property attributable to each of the sub-funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds and the Collective Investment Schemes Sourcebook (“the COLL Rules”).

We have audited the financial statements of 7IM Investment Funds (the “Company”) and its sub-funds for the year ended 30 November 2021 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusion relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the COLL Rules

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

7IM INVESTMENT FUNDS

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

Matters on which we are required to report by exception

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

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

Responsibilities of Authorised Corporate Director (“ACD”)

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

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

Auditor’s responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

- Recalculated revenue on a sample basis; and
- Obtained independent confirmation of bank balances.

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

7IM INVESTMENT FUNDS

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

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

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

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

Use of our report

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

DocuSigned by:

Justin Chait

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Justin Chait (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
25 March 2022

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

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

(b) Functional and Presentation Currency

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

(c) Recognition of revenue

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

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

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

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

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

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

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

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

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

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

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

(d) Treatment of stock and special dividends

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the 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 and stamp duty reserve tax, are charged initially against revenue for UK Corporation tax purposes, on an accruals basis.

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

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 AAP Moderately Cautious Sub-fund, the AAP Balanced Sub-fund, the AAP Moderately Adventurous Sub-fund and the AAP Adventurous Sub-fund are met by the ACD.

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

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

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

(h) *Taxation*

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

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

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

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

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

(i) *Distribution policy*

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

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

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

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

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

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

2. Summary of Significant Accounting Policies (continued)

(i) *Distribution policy (continued)*

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 close of business UK time on 30 November 2021, being the last business day of the financial year. The fair value for non-derivative securities is bid market price. The fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

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

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

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

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

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

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

(k) *Exchange rates*

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into sterling at close of business UK time on 30 November 2021, 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.

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

2. Summary of Significant Accounting Policies (continued)

(m) Stock lending (continued)

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.

(n) Merger transactions

Following the shareholders' approval at an Extraordinary General Meeting on 21 June 2021, the 7IM Income Portfolio, a sub-fund of 7IM ICVC Funds, was merged through In-specie to 7IM AAP Income on 25 June 2021. The corresponding amounts of in specie, payables and receivables were disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Notes to the Financial Statements.

(o) Cash and cash equivalents

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

3. Risk Management Policies

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

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

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

(a) Credit risk

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

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

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

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

(b) Liquidity risk

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

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

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

3. Risk Management Policies (continued)

(b) *Liquidity risk (continued)*

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

(d) *Interest rate risk*

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

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

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

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

(e) *Foreign currency risk*

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

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

(f) *Other price risk*

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

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

(g) *Derivatives*

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

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

7IM INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

3. Risk Management Policies (continued)

(g) Derivatives (continued)

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

7IM CAUTIOUS FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

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

The Sub-fund invests of its assets in a range of collective investment vehicles and securities, which give an exposure to fixed interest and equity instruments. These, for the most part, use passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-fund will invest in asset classes such as property, commodities and private equity, indirectly through holdings in equities including investment trusts and exchange traded funds. The asset allocation for the entire portfolio will be actively managed.

The Sub-fund may be invested in liquid assets such as cash, deposits, money market funds and money market instruments, as well as warrants.

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

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

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

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 1.37%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2 to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced it's worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

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

71M CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

In December 2020, we increased our allocation to AT1 bonds funded by a reduction in our global high yield allocation. The motivation was that elevated defaults in high yield bonds were eating into their returns, but this was not true with AT1 bonds. The COVID-19 recession had strengthened the case for AT1s as capital ratios were up and regulators forbearance was quicker and more forgiving than our expectations prior to the recession.

In light of reopening momentum, we allocated to Global Mid Cap equities funded by a reduction in global equities in December. We did this as it would help us better capture a period of rotation to more cyclical stocks, many of which are mid cap size.

The last change we made in December was to increase our allocation to alternatives by reducing our allocation to corporate bonds. We increased the alternatives allocation by introducing the SG Defensive Short Term Equity Strategy, which capitalises on intraday trends. By introducing this strategy, we were able to make our alternatives basket more defensive, giving it more of the defensive properties that bonds are failing to deliver.

In January, we sold out of our 2023 dividends allocation. At the depth of the crisis in March 2020, there was a fear that dividends would simply not be paid by European businesses in the next few years. As optimism returned to the world, this mispricing has corrected sharply – leaving any future gains more fundamentally related to the earnings outlook. With that in mind, we switched back into the broad equity index.

We added to our Asia High Yield position in January in order to take advantage of the increased returns available vs. Global High Yield. The Asian index was offering a yield of over 3% more than the US and Europe dominated equivalents – and we believed that the risks were lower in Asia than most investors realised.

7IM CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

At the start of March, we increased our allocation to alternatives. This change continues the trend of increasing our allocation to this area. Interest rates remain historically low and we believe that a well-constructed alternatives basket will provide better returns than bonds while also providing desirable protection in a downturn.

Also, in March, we added UBS AG London 2024 and Goldman Sachs International 2024 equity put selling strategies to portfolios at 3-5% (total) across risk profiles funded by US equity and corporate bonds. By selling puts, the strategies benefit from nervous investors fearing another equity market pullback.

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

The first change we made in order to implement the growth+ basket was that we increased our allocation to Berkshire Hathaway relative to a broader S&P 500 index tracker. The motivation is that Berkshire Hathaway contains more industrial and cyclical exposures than the broader index, and it is these stocks which were undervalued and looked better placed to benefit from US growth.

The second change that was made as part of the growth+ basket was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

The third change that was made in order to implement the growth+ basket was a tilt towards value companies. The motivation behind this was that companies with value and cyclical characteristics were likely to continue outperforming as the global economy continued to perform well. In our passive portfolios, this was achieved by adding the Xtrackers MSCI world value ETF by trimming the rest of our global equity allocation.

In July, we refreshed our SAA. This is led by an optimisation process that maps assets classes onto risk factors in order to create optimal portfolios for each risk profile. This year our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the "clean energy" space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence, overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds freed up by the equity trim were added to alternatives and cash.

In October, we shifted our US Healthcare exposure to a Global Healthcare exposure. This switch reduced our exposure to some of the US-specific healthcare system businesses and replaces them with the undervalued large pharmaceutical companies in Europe and the UK.

7IM CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth – For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt – Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 7IM portfolios are positioned for a changing environment – For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP
Investment Manager
January 2022

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM CAUTIOUS FUND

FUND INFORMATION

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

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

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

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

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

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	105.50	102.04	97.92
Return before operating charges*	2.58	5.82	6.44
Operating charges (calculated on average price)	(0.99)	(0.92)	(0.85)
Return after operating charges*	1.59	4.90	5.59
Distributions on income shares	(1.06)	(1.44)	(1.47)
Closing net asset value per share	106.03	105.50	102.04
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	1.51%	4.80%	5.71%
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Other Information

Closing net asset value (£'000)	13,154	14,216	16,303
Closing number of shares	12,405,921	13,474,842	15,977,230
Operating charges ³	0.93%	0.89%	0.84%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	107.79	106.48	104.25
Lowest share price	104.43	94.10	96.88

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

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

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

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	114.02	108.77	102.87
Return before operating charges*	2.79	6.23	6.79
Operating charges (calculated on average price)	(1.07)	(0.98)	(0.89)
Return after operating charges*	1.72	5.25	5.90
Distributions	(1.15)	(1.54)	(1.55)
Retained distributions on accumulation shares	1.15	1.54	1.55
Closing net asset value per share	115.74	114.02	108.77
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	1.51%	4.83%	5.74%
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Other Information

Closing net asset value (£'000)	16,967	19,744	20,490
Closing number of shares	14,659,722	17,316,497	18,838,192
Operating charges ³	0.93%	0.89%	0.84%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	117.02	114.18	110.15
Lowest share price	112.85	100.31	101.76

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

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

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

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	106.76	103.04	98.68
Return before operating charges*	2.55	5.84	6.44
Operating charges (calculated on average price)	(0.73)	(0.67)	(0.60)
Return after operating charges*	1.82	5.17	5.84
Distributions on income shares	(1.07)	(1.45)	(1.48)
Closing net asset value per share	107.51	106.76	103.04
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	1.70%	5.02%	5.92%
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Other Information

Closing net asset value (£'000)	284	151	326
Closing number of shares	263,850	141,220	316,666
Operating charges ³	0.68%	0.64%	0.59%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	109.24	107.75	105.22
Lowest share price	105.72	95.09	97.65

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

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

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

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	115.19	109.67	103.52
Return before operating charges*	2.76	6.23	6.78
Operating charges (calculated on average price)	(0.79)	(0.71)	(0.63)
Return after operating charges*	1.97	5.52	6.15
Distributions	(1.16)	(1.55)	(1.56)
Retained distributions on accumulation shares	1.16	1.55	1.56
Closing net asset value per share	117.16	115.19	109.67
* After direct transaction costs of: ¹	0.00	0.00	0.00

Performance

Return after charges ²	1.71%	5.03%	5.94%
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Other Information

Closing net asset value (£'000)	4,268	6,032	6,062
Closing number of shares	3,642,770	5,236,855	5,527,088
Operating charges ³	0.68%	0.64%	0.59%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price	118.41	115.36	111.01
Lowest share price	114.07	101.20	102.42

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

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

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

7IM CAUTIOUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

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

As at 30 November 2020

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

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 CAUTIOUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was three.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM Cautious Fund ¹	1.37	12.48	14.71

¹ Source: Bloomberg

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

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

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	ALTERNATIVES 23.03% (9.83%)		
	Alternative Strategies 22.06% (9.83%)		
13,638	AQR - Managed Futures UCITS Fund ¹	1,014,535	2.93
12,614	BlackRock Strategic Funds - Global Event Driven Fund ¹	1,491,498	4.30
1,819,000	BNP Paribas Issuance 0.00% 2024 ²	1,582,516	4.56
10,249	Fulcrum Equity Dispersion Fund ¹	1,088,311	3.14
1,700,000	JP Morgan Structured Products 0.00% 2023 ²	1,338,693	3.86
1,562,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	1,134,840	3.27
		7,650,393	22.06
	Real Estate 0.97% (0.00%)		
10,192	iShares Edge MSCI World Size Factor UCITS ETF ¹	337,049	0.97
	DEBT SECURITIES 54.49% (75.64%)		
	Emerging Market Bonds 5.69% (4.10%)		
851,922	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ¹	541,140	1.56
572,788	Legal & General Emerging Markets Government Bond USD Index Fund ¹	409,142	1.18
15,298	UBS Lux Bond SICAV - Asian High Yield ¹	1,023,517	2.95
		1,973,799	5.69
	Gilts 5.83% (5.26%)		
£600,000	UK Gilt 2.00% 2025	632,725	1.82
£250,000	UK Gilt 4.25% 2046	432,457	1.25
£200,000	UK Gilt 4.25% 2049	365,749	1.05
£80,000	UK Gilt 4.25% 2055	161,308	0.47
£300,000	UK Gilt 4.50% 2034	429,403	1.24
		2,021,642	5.83
	Global Corporate Bonds 6.38% (27.98%)		
18,336	Angel Oak Multi-Strategy Income UCITS Fund ¹	2,211,607	6.38
	Global Government Bonds 10.62% (8.85%)		
1,289,328	BlackRock Overseas Government Bond Index Fund ¹	1,752,196	5.05
239,891	HSBC Global Funds ICAV - Global Government Bond Index Fund ¹	1,929,338	5.57
		3,681,534	10.62
	Global High Yield Bonds 11.28% (5.19%)		
71,626	Invesco AT1 Capital Bond UCITS ETF ¹	2,954,931	8.52
5,533	WisdomTree AT1 CoCo Bond UCITS ETF ¹	575,211	1.66
13,826	Xtrackers MSCI World Value UCITS ETF ¹	379,938	1.10
		3,910,080	11.28
	Global Inflation Linked Bonds 6.66% (5.90%)		
171,983	iShares Global Inflation-Linked Bond Index ¹	2,133,567	6.15
US\$151,000	US Treasury Inflation-Indexed Bonds 1.00% 2049	177,435	0.51
		2,311,002	6.66

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
Short Term Sterling Bonds 8.03% (8.66%)			
£500,000	Bank of Montreal FRN 2023	500,880	1.44
£100,000	Bayerische Landesbank 1.25% 2021	100,049	0.29
£200,000	Commonwealth Bank of Australia FRN 2025	201,994	0.58
£300,000	National Australia Bank 5.125% 2021	300,264	0.87
£300,000	NRW Bank 1.00% 2022	301,151	0.87
£360,000	Rabobank Nederland 4.875% 2023	375,656	1.08
£250,000	Royal Bank of Canada FRN 2025	251,811	0.73
£300,000	Skipton Building Society FRN 2023	300,990	0.87
£450,000	Westpac Banking FRN 2023	450,675	1.30
		2,783,470	8.03
Sterling Corporate Bonds 0.00% (9.70%)			
EQUITY 5.08% (5.20%)			
Europe (ex UK) -0.01% (0.53%)			
26	MSCI Europe ex-UK Index Futures December 2021 ³	(1,882)	(0.01)
Japan -0.15% (0.15%)			
5	TOPIX Index Futures December 2021 ³	(53,849)	(0.15)
North America 0.96% (3.92%)			
1,732	Berkshire Hathaway	359,213	1.04
24	MSCI Emerging Markets Index Futures December 2021 ³	(75,464)	(0.22)
20	MSCI Health Care Futures December 2021 ³	(17,643)	(0.05)
13	US Ultra CBT Futures March 2022 ³	66,534	0.19
		332,640	0.96
United Kingdom 4.28% (0.60%)			
7	FTSE 100 Index Futures December 2021 ³	2,646	0.01
4	FTSE 250 Index Futures December 2021 ³	(9,436)	(0.03)
856	Goldman Sachs International 2024	713,762	2.06
235,947	Ninety One Funds Series III - Global Environment Fund ¹	396,510	1.14
466	UBS AG London 2024	380,446	1.10
		1,483,928	4.28
FORWARD CURRENCY CONTRACTS -1.19% (2.68%)			
€(491,000)	Vs £419,143 Expiry 08.04.2022	250	–
US\$(17,000,000)	Vs £12,261,593 Expiry 14.01.2022	(470,107)	(1.36)
¥28,000,000	Vs £(182,078) Expiry 20.05.2022	3,875	0.01
US\$1,400,000	Vs £(1,004,949) Expiry 14.01.2022	43,544	0.13
US\$600,000	Vs £(440,626) Expiry 14.01.2022	8,728	0.03
		(413,710)	(1.19)

7IM CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	Portfolio of investment	28,227,703	81.41
	Net other assets ⁴	6,444,918	18.59
	Net assets	34,672,621	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹ Collective investment scheme

² Structured product

³ Derivative contract

⁴ Includes shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £4,200,000 and shares in the Northern Trust Global Sterling Fund to the value of £2,334,000 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21 %	30.11.20 %
Investment grade debt securities	14.37	14.99
Non-rated debt securities	11.69	5.30
Other investments	55.35	81.18
Net other assets/(liabilities)	18.59	(1.47)
	100.00	100.00

7IM CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		357,401		1,455,558
Revenue	5	531,402		807,749	
Expenses	6	(250,724)		(274,852)	
Interest payable and similar charges	8	(736)		(5,187)	
Net revenue before taxation for the year		279,942		527,710	
Taxation	7	(54,276)		(100,844)	
Net revenue after taxation for the year			<u>225,666</u>		<u>426,866</u>
Total return before distributions			583,067		1,882,424
Distributions	8		<u>(368,107)</u>		<u>(586,728)</u>
Change in net assets attributable to shareholders from investment activities			<u>214,960</u>		<u>1,295,696</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		40,142,992		43,180,683
Amounts received on creation of shares ¹	7,037,247		10,564,850	
Amounts paid on cancellation of shares ¹	(12,944,295)		(15,261,887)	
		(5,907,048)		(4,697,037)
Change in net assets attributable to shareholders from investment activities		214,960		1,295,696
Retained distribution on accumulation shares		221,717		363,650
Closing net assets attributable to shareholders		<u>34,672,621</u>		<u>40,142,992</u>

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

The notes on pages 33 to 43 are an integral part of these Financial Statements.

7IM CAUTIOUS FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		28,856,084	37,581,766
Current assets:			
Debtors	9	121,874	173,838
Cash and bank balances	10	360,028	510,952
Cash equivalents	10	6,534,000	3,261,146
Total assets		35,871,986	41,527,702
LIABILITIES			
Investment liabilities		(628,381)	(109,721)
Creditors:			
Bank overdrafts	10	(273,845)	(724,741)
Distribution payable		(72,254)	(112,645)
Other creditors	11	(224,885)	(437,603)
Total liabilities		(1,199,365)	(1,384,710)
Net assets attributable to shareholders		34,672,621	40,142,992

The notes on pages 33 to 43 are an integral part of these Financial Statements.

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	(665,291)	1,707,105
Derivative contracts	876,476	(427,592)
Forward currency contracts	79,550	305,659
Currency gains/(losses)	65,806	(112,894)
Transaction charges	(11,628)	(22,535)
AMC rebates from underlying investments	12,488	5,815
Net capital gains	<u>357,401</u>	<u>1,455,558</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	21,049	35,707
Taxable dividends	469,976	666,467
Unfranked interest	30,782	87,666
AMC rebates from underlying investments	7,751	15,486
Bank interest	1,235	361
Stock lending revenue ¹	609	2,062
Total revenue	<u>531,402</u>	<u>807,749</u>

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

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21	30.11.20
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	174,934	196,773
Other expenses	6,299	5,384
	<u>181,233</u>	<u>202,157</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	6,781	7,688
Market risk fees	–	3,661
Safe custody and other bank charges	14,791	14,148
	<u>21,572</u>	<u>25,497</u>
Other Expenses:		
Advisory fees	–	382
Audit fee ¹	9,695	9,616
Dealing and exchange fees	6,169	6,097
FCA and other Regulatory fees	41	215
Legal and professional fees	1,523	394
Market data fees	6,978	4,103
Printing, postage and distribution costs	15,548	19,442
Risk analysis fees	7,965	6,949
	<u>47,919</u>	<u>47,198</u>
Total expenses	<u>250,724</u>	<u>274,852</u>

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

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
a) <i>Analysis of charge for the year</i>		
Corporation tax at 20%	54,276	100,844
Current tax charge (note 7b)	54,276	100,844
Total taxation	54,276	100,844
b) <i>Factors affecting current tax charge for the year</i>		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2020: 20%) for the reasons explained below.		
Net revenue before taxation	279,942	527,710
Corporation tax at 20%	55,988	105,542
Effects of:		
AMC rebates taken to capital	2,498	1,163
Franked CIS revenue	–	(7,142)
Non-taxable dividends	(4,210)	–
Tax effect on non-reporting offshore funds	–	1,281
Current tax charge (note 7a)	54,276	100,844
c) <i>Deferred tax</i>		
There is no deferred tax in the current year (2020: none).		

8 Distributions

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

	30.11.21 £	30.11.20 £
Interim	171,315	252,464
Final	185,758	313,204
	357,073	565,668
Add: Revenue deducted on cancellation of shares	23,266	47,166
Deduct: Revenue received on issue of shares	(12,232)	(26,106)
Net distributions for the year	368,107	586,728
Interest payable and similar charges	736	5,187
Total distribution	368,843	591,915

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

Distributions represented by:		
Net revenue after taxation	225,666	426,866
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	142,445	159,862
Equalisation on conversions ²	–	4
Net movement in revenue account	(4)	(4)
Net distributions for the year	368,107	586,728

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	6,282	43,250
Sales awaiting settlement	–	696
Accrued revenue	65,908	92,180
AMC rebates from underlying investments	49,684	37,712
Total debtors	<u>121,874</u>	<u>173,838</u>

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	237,430	476,384
Cash held at clearing houses	122,598	34,568
Cash equivalents	6,534,000	3,261,146
Total cash and bank balances	<u>6,894,028</u>	<u>3,772,098</u>
Bank overdrafts	(237,078)	(475,033)
Cash overdraft at clearing houses	(36,767)	(249,708)
Total bank overdrafts	<u>(273,845)</u>	<u>(724,741)</u>

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	119,282	284,175
Purchases awaiting settlement	14,564	12,930
Accrued expenses	36,763	39,654
Corporation tax payable	54,276	100,844
Total other creditors	<u>224,885</u>	<u>437,603</u>

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 31.

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

Liverpool Victoria Friendly Society Limited	29.67% (2020: 27.72%)
Pershing Nominees Limited	35.84% (2020: 35.72%)

The net value of creations and cancellations for Liverpool Victoria Friendly Society Limited during the year totalled (£881,553) (2020: (£951,596)).

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£1,924,541) (2020: (£1,476,190)).

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

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

13 Classes of Shares

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

Class C	0.50%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class C Income	13,474,842	1,289,402	(2,358,323)	–	12,405,921
Class C Accumulation	17,316,497	4,396,072	(7,052,847)	–	14,659,722
Class S Income	141,220	159,099	(36,469)	–	263,850
Class S Accumulation	5,236,855	384,811	(1,978,896)	–	3,642,770

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown on the next page.

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

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

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

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	36,301	–	54,079	90,380
Japanese yen	950	–	261,776	262,726
US dollar	63,349	2,559,123	14,361,926	16,984,398
Pound sterling	5,375,977	3,880,496	38,953,248	48,209,721
	5,476,577	6,439,619	53,631,029	65,547,225

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(1,799)	–	(1,791,082)	(1,792,881)
Japanese yen	(959)	–	–	(959)
US dollar	(62,822)	–	(18,496,342)	(18,559,164)
Pound sterling	(659,161)	–	(4,392,068)	(5,051,229)
	(724,741)	–	(24,679,492)	(25,404,233)

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21	30.11.20	30.11.21	30.11.20
	%	%	Years	Years
Pound sterling	0.75	0.31	11	10
US dollar	(2.20)	(2.75)	4	7

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the weighted average effective duration was 4.45 years (30 November 2020: 5.78 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

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

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	34,502	(1,737,003)	(1,702,501)
Japanese yen	(9)	261,776	261,767
US dollar	527	(1,575,294)	(1,574,767)
	35,020	(3,050,521)	(3,015,501)
Pound sterling	2,635,927	40,522,566	43,158,493
Net assets	2,670,947	37,472,045	40,142,992

iii. Derivatives

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

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

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The Sub-fund measures risk using the absolute value at risk approach. The Sub-fund's expected level of leverage (calculated as the sum of the 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 30 November 2021 was 6%, 146% and 63% respectively (30 November 2020: 54%, 110% and 77% respectively 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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303\ 51d\ HL)]$.

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	30.11.21 £	30.11.20 £
Futures Contracts		
Chicago Board of Trade	66,534	26,557
Eurex Deutschland	(1,882)	54,079
London International Financial Futures Exchange	(24,433)	183,938
New York Coffee, Sugar & Cocoa	(75,464)	84,804
Tokyo Stock Exchange	(53,849)	59,958
Forward Currency Contracts		
Northern Trust	(413,710)	1,076,781
Total net exposure¹	(502,804)	1,486,117

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

iv. Fair value

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

Level 1

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

Level 2

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

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value (continued)

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

Level 3

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

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

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	2,199,077	6,839,519	–	9,038,596
Collective Investment Schemes	8,345,513	9,892,977	–	18,238,490
Derivatives	69,180	56,397	–	125,577
Equities	1,453,421	–	–	1,453,421
Total	12,067,191	16,788,893	–	28,856,084
Liabilities				
Derivatives	(158,274)	(470,107)	–	(628,381)
30 November 2020				
Assets				
Bonds	2,840,829	5,303,269	–	8,144,098
Collective Investment Schemes	18,705,413	8,089,331	–	26,794,744
Derivatives	410,109	1,185,730	–	1,595,839
Equities	1,047,085	–	–	1,047,085
Total	23,003,436	14,578,330	–	37,581,766
Liabilities				
Derivatives	(772)	(108,949)	–	(109,721)

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs

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

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

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

Analysis of direct transaction costs for the year ended 30 November 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	4,917	1	–	1	0.02	–
Collective Investment Schemes	17,647	–	–	–	–	–
Equities	4,874	–	–	–	–	–
Total	27,438	1	–	1	0.02	–
Sales						
Bonds	8,628	–	–	–	–	–
Collective Investment Schemes	21,672	–	–	–	–	–
Equities	4,061	(1)	–	(1)	0.02	–
Total	34,361	(1)	–	(1)	0.02	–
Total as a percentage of the average NAV		0.00%	0.00%	0.00%		

7IM CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.18% (2020: 0.11%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 115.74p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 111.90p. This represents a decrease of 3.32% from the year end value.

Non-adjusting event

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

7IM CAUTIOUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class C Income				
Group 1	0.4889	–	0.4889	0.6085
Group 2	0.3415	0.1474	0.4889	0.6085

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	0.5280	–	0.5280	0.6491
Group 2	0.2706	0.2574	0.5280	0.6491

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class S Income				
Group 1	0.4950	–	0.4950	0.6173
Group 2	0.2657	0.2293	0.4950	0.6173

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.5342	–	0.5342	0.6557
Group 2	0.3327	0.2015	0.5342	0.6557

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2021

Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	0.5701	–	0.5701	0.8272
Group 2	0.4464	0.1237	0.5701	0.8272

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	0.6189	–	0.6189	0.8872
Group 2	0.4645	0.1544	0.6189	0.8872

7IM CAUTIOUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	0.5790	–	0.5790	0.8366
Group 2	0.4320	0.1470	0.5790	0.8366
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	0.6252	–	0.6252	0.8961
Group 2	0.3911	0.2341	0.6252	0.8961

Equalisation

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

7IM MODERATELY CAUTIOUS FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

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

The Sub-fund invests at least 80% of its assets in other funds managed both by the Manager and by selected third party managers, including open-ended and closed-ended funds and exchange traded funds (ETFs), and other transferable securities, including fixed income, equities and structured products.

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

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

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

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

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 3.18%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2% to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced it's worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

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

71M MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

In December, we increased our allocation to AT1 bonds funded by a reduction in our global high yield allocation. The motivation was that elevated defaults in high yield bonds were eating into their returns, but this was not true with AT1 bonds. The COVID-19 recession had strengthened the case for AT1s as capital ratios were up and regulators forbearance was quicker and more forgiving than our expectations prior to the recession.

The last change we made in December was to increase our allocation to alternatives by reducing our allocation to corporate bonds. We increased the alternatives allocation by introducing the Soc Gen defensive short term equity strategy, which capitalises on intraday trends. By introducing this strategy, we were able to make our alternatives basket more defensive, giving it more of the defensive properties that bonds are failing to deliver.

In January, we sold out of our 2023 dividends allocation. At the depth of the crisis in March 2020, there was a fear that dividends would simply not be paid by European businesses in the next few years. As optimism returned to the world, this mispricing has corrected sharply – leaving any future gains more fundamentally related to the earnings outlook. With that in mind, we switched back into the broad equity index.

We added to our Asia High Yield position in January in order to take advantage of the increased returns available vs. Global High Yield. The Asian index was offering a yield of over 3% more than the US and Europe dominated equivalents – and we believed that the risks were lower in Asia than most investors realised.

At the start of March, we increased our allocation to alternatives. This change continues the trend of increasing our allocation to this area. Interest rates remain historically low and we believe that a well-constructed alternatives basket will provide better returns than bonds while also providing desirable protection in a downturn.

Also in March, we added UBS AG London 2024 and Goldman Sachs International 2024 equity put selling strategies to portfolios at 3-5% (total) across risk profiles funded by US equity and corporate bonds. By selling puts, the strategies benefit from nervous investors fearing another equity market pullback.

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

7IM MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2021

Investment Manager's Report (continued)

The first change we made in order to implement the growth+ basket was that we increased our allocation to Berkshire Hathaway relative to a broader S&P 500 index tracker. The motivation is that Berkshire Hathaway contains more industrial and cyclical exposures than the broader index, and it is these stocks which were undervalued and looked better placed to benefit from US growth.

The second change that was made as part of the growth+ basket was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

The third change that was made in order to implement the growth+ basket was a tilt towards value companies. The motivation behind this was that companies with value and cyclical characteristics were likely to continue outperforming as the global economy continued to perform well. In our active portfolios, we were able to create this tilt by reallocation to managers with more of a value tilt.

In July, we refreshed our SAA. This is led by an optimisation process that maps assets classes onto risk factors in order to create optimal portfolios for each risk profile. This year, our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the "clean energy" space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence, overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds freed up by the equity trim were added to alternatives and cash.

7IM MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth - For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt - Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 7IM portfolios are positioned for a changing environment - For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP
Investment Manager
January 2022

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION

The Comparative Tables on pages 51 to 60 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	137.54	132.73	129.79
Return before operating charges*	6.20	9.72	8.51
Operating charges (calculated on average price)	(2.65)	(2.50)	(2.50)
Return after operating charges*	3.55	7.22	6.01
Distributions on income shares	(2.17)	(2.41)	(3.07)
Closing net asset value per share	138.92	137.54	132.73
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	2.58%	5.44%	4.63%
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Other Information

Closing net asset value (£'000)	47	46	59
Closing number of shares	33,873	33,873	44,365
Operating charges ³	1.88%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	143.77	139.29	135.78
Lowest share price	137.44	118.06	126.76

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	192.63	182.60	174.48
Return before operating charges*	8.72	13.47	11.48
Operating charges (calculated on average price)	(3.69)	(3.44)	(3.36)
Return after operating charges*	5.03	10.03	8.12
Distributions	(3.08)	(3.28)	(4.15)
Retained distributions on accumulation shares	3.08	3.28	4.15
Closing net asset value per share	197.66	192.63	182.60
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	2.61%	5.49%	4.65%
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Other Information

Closing net asset value (£'000)	137	642	1,057
Closing number of shares	69,084	333,236	578,722
Operating charges ³	1.88%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	202.16	192.70	183.92
Lowest share price	192.60	162.42	170.03

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	199.76	189.04	180.26
Return before operating charges*	8.93	13.82	11.80
Operating charges (calculated on average price)	(3.34)	(3.10)	(3.02)
Return after operating charges*	5.59	10.72	8.78
Distributions	(3.17)	(3.45)	(4.30)
Retained distributions on accumulation shares	3.17	3.45	4.30
Closing net asset value per share	205.35	199.76	189.04
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	2.80%	5.67%	4.87%
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Other Information

Closing net asset value (£'000)	29,059	32,578	36,987
Closing number of shares	14,150,830	16,308,285	19,566,243
Operating charges ³	1.63%	1.63%	1.63%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	210.15	199.93	190.30
Lowest share price	199.74	168.28	175.71

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	149.75	143.97	140.22
Return before operating charges*	6.62	10.40	9.07
Operating charges (calculated on average price)	(2.12)	(1.99)	(1.99)
Return after operating charges*	4.50	8.41	7.08
Distributions on income shares	(2.38)	(2.63)	(3.33)
Closing net asset value per share	151.87	149.75	143.97
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	3.01%	5.84%	5.05%
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Other Information

Closing net asset value (£'000)	38,758	40,892	45,732
Closing number of shares	25,521,246	27,306,217	31,764,965
Operating charges ³	1.38%	1.38%	1.38%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	157.13	151.80	147.16
Lowest share price	149.65	128.25	136.99

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	207.05	195.55	186.10
Return before operating charges*	9.15	14.22	12.09
Operating charges (calculated on average price)	(2.94)	(2.72)	(2.64)
Return after operating charges*	6.21	11.50	9.45
Distributions	(3.30)	(3.78)	(4.44)
Retained distributions on accumulation shares	3.30	3.78	4.44
Closing net asset value per share	213.26	207.05	195.55
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	3.00%	5.88%	5.08%
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Other Information

Closing net asset value (£'000)	120,600	128,375	111,497
Closing number of shares	56,549,978	62,001,246	57,017,950
Operating charges ³	1.38%	1.38%	1.38%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	218.23	207.29	196.77
Lowest share price	207.03	174.20	181.43

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	139.91	134.93	131.94
Return before operating charges*	6.31	9.94	8.65
Operating charges (calculated on average price)	(2.69)	(2.54)	(2.54)
Return after operating charges*	3.62	7.40	6.11
Distributions on income shares	(2.21)	(2.42)	(3.12)
Closing net asset value per share	141.32	139.91	134.93
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	2.59%	5.48%	4.63%
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Other Information

Closing net asset value (£'000)	127	136	240
Closing number of shares	89,750	97,328	177,992
Operating charges ³	1.88%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	146.24	141.66	138.03
Lowest share price	139.81	120.02	128.85

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	192.25	182.28	174.17
Return before operating charges*	8.69	13.41	11.48
Operating charges (calculated on average price)	(3.71)	(3.44)	(3.37)
Return after operating charges*	4.98	9.97	8.11
Distributions	(3.05)	(3.32)	(4.15)
Retained distributions on accumulation shares	3.05	3.32	4.15
Closing net asset value per share	197.23	192.25	182.28
* After direct transaction costs of: ¹	0.00	0.00	0.02

Performance

Return after charges ²	2.59%	5.47%	4.66%
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Other Information

Closing net asset value (£'000)	8,848	9,460	9,801
Closing number of shares	4,486,168	4,920,785	5,377,054
Operating charges ³	1.88%	1.88%	1.88%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	201.86	192.32	183.60
Lowest share price	192.22	162.14	169.74

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	110.29	105.81	102.85
Return before operating charges*	4.81	7.61	6.62
Operating charges (calculated on average price)	(1.28)	(1.20)	(1.20)
Return after operating charges*	3.53	6.41	5.42
Distributions on income shares	(1.75)	(1.93)	(2.46)
Closing net asset value per share	112.07	110.29	105.81
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	3.20%	6.06%	5.27%
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Other Information

Closing net asset value (£'000)	3,504	3,025	3,165
Closing number of shares	3,127,023	2,742,797	2,991,505
Operating charges ³	1.13%	1.13%	1.13%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	115.92	111.79	108.11
Lowest share price	110.22	94.32	100.50

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 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	125.68	118.47	112.52
Return before operating charges*	5.49	8.56	7.26
Operating charges (calculated on average price)	(1.46)	(1.35)	(1.31)
Return after operating charges*	4.03	7.21	5.95
Distributions	(2.00)	(2.17)	(2.69)
Retained distributions on accumulation shares	2.00	2.17	2.69
Closing net asset value per share	129.71	125.68	118.47
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	3.21%	6.09%	5.29%
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Other Information

Closing net asset value (£'000)	15,293	17,507	20,240
Closing number of shares	11,789,747	13,929,248	17,085,140
Operating charges ³	1.13%	1.13%	1.13%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	132.69	125.82	119.15
Lowest share price	125.67	105.60	109.71

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Accumulation

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

Performance

Return after charges ³	3.54%	0.27%
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Other Information

Closing net asset value (£'000)	395	382
Closing number of shares	339,331	339,331
Operating charges ⁴	0.73%	0.73%
Direct transaction costs	0.00%	0.00%

Prices

Highest share price	119.13	112.68
Lowest share price	112.55	112.26

¹ The share class launched on 20 November 2020.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 61.

7IM MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

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

As at 30 November 2020

	Class A	Class B	Class C	Class D	Class S	Class X¹
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
	1.48%	1.23%	0.98%	1.48%	0.73%	0.33%
Collective investment scheme costs	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Ongoing Charges Figure	1.88%	1.63%	1.38%	1.88%	1.13%	0.73%

¹ The share class launched on 20 November 2020.

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 MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was four.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM Moderately Cautious Fund ¹	3.18	14.84	15.24

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 80 to 82.

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	ALTERNATIVES 21.56% (13.91%)		
	Alternative Strategies 18.58% (9.63%)		
86,796	AQR - Managed Futures UCITS Fund ¹	6,456,898	2.98
64,717	BlackRock Strategic Funds - Global Event Driven Fund ¹	7,652,158	3.53
9,249,000	BNP Paribas Issuance 0.00% 2024 ²	8,046,557	3.71
3,021,010	Dexion Absolute EUR ³	–	–
53,282	Fulcrum Equity Dispersion Fund ¹	5,657,852	2.61
5,840,000	JP Morgan Structured Products 0.00% 2023 ²	4,598,802	2.12
778,142	LF Odey Absolute Return ¹	3,181,124	1.47
6,442,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	4,680,306	2.16
		40,273,697	18.58
	Real Estate 2.98% (4.28%)		
2,524,829	iShares Global Property Securities Index ¹	6,463,562	2.98
	DEBT SECURITIES 37.19% (55.74%)		
	Emerging Market Bonds 8.90% (7.65%)		
112,909	Barings Emerging Markets Debt Blended Total Return ¹	12,199,391	5.63
106,096	UBS Lux Bond SICAV - Asian High Yield ¹	7,098,249	3.27
		19,297,640	8.90
	Gilts 0.00% (1.92%)		
	Global Corporate Bonds 11.40% (26.02%)		
132,707	Angel Oak Multi-Strategy Income UCITS Fund ¹	16,006,471	7.38
39,160	PFS TwentyFour Dynamic Bond ¹	4,367,862	2.02
35,051	Robeco Global Credits Acc ¹	4,345,243	2.00
		24,719,576	11.40
	Global Government Bonds 0.01% (3.82%)		
1,203	HSBC Global Funds ICAV - Global Government Bond Index Fund ¹	9,678	0.01
	Global High Yield Bonds 10.22% (4.35%)		
188,204	BlueBay Financial Capital Bond ¹	22,159,104	10.22
	Global Inflation Linked Bonds 3.33% (3.37%)		
581,185	iShares Global Inflation-Linked Bond Index ¹	7,209,979	3.33
	Short Term Sterling Bonds 0.73% (0.69%)		
£500,000	Barclays Bank UK FRN 2023	501,596	0.23
£581,000	Kommunalbanken 1.125% 2022	584,662	0.27
£500,000	Rabobank Nederland 2.25% 2022	502,647	0.23
		1,588,905	0.73
	Sterling Corporate Bonds 2.60% (7.92%)		
2,666,488	MI TwentyFour - Monument Bond Fund ¹	2,753,948	1.27

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	Sterling Corporate Bonds (continued)		
1,347,548	Schroder Long Dated Cor. Acc ¹	2,878,362	1.33
		5,632,310	2.60
	EQUITY 28.13% (28.37%)		
	Asia & Emerging Markets 5.71% (4.79%)		
33,421	RWC Global Emerging Markets ¹	8,296,505	3.83
147,195	Schroder ISF Asian Opportunities ¹	4,076,072	1.88
		12,372,577	5.71
	Europe (ex UK) 2.83% (1.49%)		
2,754,399	LF Lightman European Fund I Accumulation ¹	3,413,802	1.57
809,132	Premier Miton European Opportunities ¹	2,720,304	1.26
		6,134,106	2.83
	Japan 3.02% (3.13%)		
371,603	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund ¹	3,812,763	1.76
221,052	T Rowe Price Japanese Equities ¹	2,738,837	1.26
		6,551,600	3.02
	North America 6.00% (8.56%)		
46,301	AB SICAV I - International Health Care Portfolio ¹	6,431,243	2.97
29,432	Berkshire Hathaway	6,104,137	2.82
74	US Ultra CBT Futures March 2022 ⁴	378,729	0.17
102	USA ESG SCR NTR EUX Futures December 2021 ⁴	93,808	0.04
		13,007,917	6.00
	United Kingdom 10.57% (10.40%)		
5,661	Goldman Sachs International 2024	4,720,336	2.18
1,699,770	Man GLG Income Fund ¹	5,038,119	2.33
5,104,186	Ninety One Funds Series i ¹	5,883,085	2.71
2,801,087	Ninety One Funds Series III ¹	4,707,226	2.17
3,135	UBS AG London 2024	2,559,437	1.18
		22,908,203	10.57
	FORWARD CURRENCY CONTRACTS -0.85% (1.75%)		
€(1,221,000)	Vs £1,042,308 Expiry 08.04.2022	621	–
US\$(91,373,000)	Vs £65,904,621 Expiry 14.01.2022	(2,526,771)	(1.16)
¥193,177,000	Vs £(1,256,186) Expiry 20.05.2022	26,737	0.01
US\$12,500,000	Vs £(9,010,308) Expiry 14.01.2022	351,237	0.16
US\$9,000,000	Vs £(6,443,576) Expiry 14.01.2022	296,736	0.14
		(1,851,440)	(0.85)

7IM MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2021

Holding	Portfolio of Investment	Value	30.11.21
		£	%
	Portfolio of investment	186,477,414	86.03
	Net other assets ⁵	30,290,822	13.97
	Net assets	216,768,236	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹ Collective investment scheme

² Structured product

³ Delisted security

⁴ Derivative contract

⁵ Includes shares in the Northern Trust Global Sterling Fund to the value of £30,520,000 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21	30.11.20
	%	%
Investment grade debt securities	0.73	3.12
Non-rated debt securities	7.99	5.26
Other investments	77.31	91.73
Net other liabilities	13.97	(0.11)
	100.00	100.00

7IM MODERATELY CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		5,022,081		8,769,182
Revenue	5	4,232,139		4,971,091	
Expenses	6	(2,242,713)		(2,102,725)	
Interest payable and similar charges	8	(9,081)		(19,139)	
Net revenue before taxation for the year		1,980,345		2,849,227	
Taxation	7	(252,763)		(516,450)	
Net revenue after taxation for the year			<u>1,727,582</u>		<u>2,332,777</u>
Total return before distributions			6,749,663		11,101,959
Distributions	8		<u>(3,427,815)</u>		<u>(3,921,622)</u>
Change in net assets attributable to shareholders from investment activities			<u>3,321,848</u>		<u>7,180,337</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		233,043,275		228,777,682
Amounts received on creation of shares ¹	39,610,787		17,723,547	
Amounts receivable on in-specie transactions	–		33,026,141	
Amounts paid on cancellation of shares ¹	(61,925,694)		(56,971,662)	
		(22,314,907)		(6,221,974)
Change in net assets attributable to shareholders from investment activities		3,321,848		7,180,337
Retained distribution on accumulation shares		2,718,020		3,307,230
Closing net assets attributable to shareholders		<u>216,768,236</u>		<u>233,043,275</u>

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

The notes on pages 68 to 79 are an integral part of these Financial Statements.

7IM MODERATELY CAUTIOUS FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		189,004,185	232,911,677
Current assets:			
Debtors	9	928,109	1,104,214
Cash and bank balances	10	1,929,053	2,188,632
Cash equivalents	10	30,520,000	783,000
Total assets		222,381,347	236,987,523
LIABILITIES			
Investment liabilities		(2,526,771)	(395,054)
Creditors:			
Bank overdrafts	10	(1,652,164)	(1,653,042)
Distribution payable		(470,024)	(552,150)
Other creditors	11	(964,152)	(1,344,002)
Total liabilities		(5,613,111)	(3,944,248)
Net assets attributable to shareholders		216,768,236	233,043,275

The notes on pages 68 to 79 are an integral part of these Financial Statements.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	4,609,647	8,187,248
Derivative contracts	311,145	(437,025)
Forward currency contracts	(342,360)	1,263,769
Currency gains/(losses)	385,852	(233,229)
Transaction charges	(14,335)	(28,853)
AMC rebates from underlying investments	72,132	17,272
Net capital gains	<u>5,022,081</u>	<u>8,769,182</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	784,138	481,141
Taxable dividends	3,487,771	4,180,880
Unfranked interest	(80,514)	286,329
AMC rebates from underlying investments	37,072	11,801
Bank interest	2,887	3,536
Stock lending revenue ¹	785	7,404
Total revenue	<u>4,232,139</u>	<u>4,971,091</u>

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

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,107,197	1,969,935
Other expenses	11,146	8,769
	<u>2,118,343</u>	<u>1,978,704</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	31,196	30,393
Market risk fees	6,978	7,764
Safe custody and other bank charges	23,023	18,695
	<u>61,197</u>	<u>56,852</u>
Other Expenses:		
Advisory fees	–	1,775
Audit fee ¹	9,695	9,616
Dealing and exchange fees	14,900	14,950
FCA and other Regulatory fees	41	214
Legal and professional fees	1,515	401
Printing, postage and distribution costs	29,057	33,264
Risk analysis fees	7,965	6,949
	<u>63,173</u>	<u>67,169</u>
Total expenses	<u>2,242,713</u>	<u>2,102,725</u>

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

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Corporation tax at 20%	253,668	485,083
Overseas tax	(905)	25,294
Irrecoverable CIS income tax	–	6,073
	<hr/>	<hr/>
Current tax charge (note 7b)	252,763	516,450
	<hr/>	<hr/>
Total taxation	252,763	516,450
<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%) (2020: 20%) for the reasons explained below.		
Net revenue before taxation	1,980,345	2,849,227
	<hr/>	<hr/>
Corporation tax at 20%	396,069	569,845
Effects of:		
AMC rebates taken to capital	14,427	3,453
Franked CIS revenue	–	(55,503)
Irrecoverable CIS income tax w/off	–	6,073
Non-taxable dividends	(156,828)	(40,723)
Overseas tax	(905)	25,294
Tax effect on non-reporting offshore funds	–	8,011
	<hr/>	<hr/>
Current tax charge (note 7a)	252,763	516,450
<i>c) Deferred tax</i>		
There is no deferred tax in the current year (2020: none).		

8 Distributions

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

	30.11.21 £	30.11.20 £
Interim	1,011,432	1,092,299
Final	2,378,984	2,999,839
	<hr/>	<hr/>
	3,390,416	4,092,138
Add: Revenue deducted on cancellation of shares	113,437	132,168
Deduct: Revenue received on issue of shares	(76,038)	(41,698)
Deduct: Revenue received on in-specie transactions	–	(260,986)
	<hr/>	<hr/>
Net distributions for the year	3,427,815	3,921,622
Interest payable and similar charges	9,081	19,139
	<hr/>	<hr/>
Total distribution	3,436,896	3,940,761

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 80 to 82.

Distributions represented by:		
Net revenue after taxation	1,727,582	2,332,777
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	1,700,184	1,588,834
Equalisation on conversions ²	(1)	22
Net movement in revenue account	50	(11)
Net distributions for the year	<u>3,427,815</u>	<u>3,921,622</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	569,424	308,235
Sales awaiting settlement	–	152,873
Accrued revenue	218,272	380,879
Income tax recoverable	32,460	5,615
AMC rebates from underlying investments	107,820	31,330
Withholding tax recoverable	133	140
Prepaid expenses	–	225,142
Total debtors	<u>928,109</u>	<u>1,104,214</u>

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	1,651,873	1,618,880
Cash held at clearing houses	277,180	569,752
Cash equivalents	30,520,000	783,000
Total cash and bank balances	<u>32,449,053</u>	<u>2,971,632</u>
Bank overdrafts	(1,651,426)	(1,609,070)
Cash overdraft at clearing houses	(738)	(43,972)
Total bank overdrafts	<u>(1,652,164)</u>	<u>(1,653,042)</u>

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

11 Other creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	722,775	696,318
Purchases awaiting settlement	21,217	–
Accrued expenses	206,492	199,601
Corporation tax payable	13,668	448,083
Total other creditors	964,152	1,344,002

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 66.

7IM and its associates (including other authorised investment funds managed by 7IM) had no shareholdings in the Sub-fund (2020: none).

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

Pershing Nominees Limited 41.85% (2020: 42.93%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£10,038,736) (2020: £20,184,226).

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

13 Classes of Shares

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

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

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	33,873	–	–	–	33,873
Class A Accumulation	333,236	–	(264,152)	–	69,084
Class B Accumulation	16,308,285	694,720	(2,852,175)	–	14,150,830
Class C Income	27,306,217	3,128,971	(4,892,655)	(21,287)	25,521,246
Class C Accumulation	62,001,246	13,675,312	(18,943,261)	(183,319)	56,549,978
Class D Income	97,328	803	(8,380)	(1)	89,750
Class D Accumulation	4,920,785	873,335	(1,307,951)	(1)	4,486,168
Class S Income	2,742,797	447,641	(92,283)	28,868	3,127,023
Class S Accumulation	13,929,248	1,675,584	(4,116,410)	301,325	11,789,747
Class X Accumulation	339,331	–	–	–	339,331

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

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

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

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	338,988	–	1,378,847	1,717,835
Japanese yen	–	–	1,860,882	1,860,882
Swiss franc	14,063	–	–	14,063
US dollar	861,409	13,458,493	69,043,592	83,363,494
Pound sterling	2,259,592	5,574,859	230,003,686	237,838,137
	3,474,052	19,033,352	302,287,007	324,794,411

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(279,126)	–	–	(279,126)
Swiss franc	(14,063)	–	–	(14,063)
US dollar	(895,804)	–	(72,200,067)	(73,095,871)
Pound sterling	(464,409)	–	(17,898,027)	(18,362,076)
	(1,653,042)	–	(90,098,094)	(91,751,136)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21 %	30.11.20 %	30.11.21 Years	30.11.20 Years
Pound sterling	0.44	0.48	1	14
US dollar	(2.64)	(3.13)	2	5

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the weighted average effective duration was 3.02 years (30 November 2020: 3.97 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

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

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	60,002	1,378,707	1,438,709
Japanese yen	–	1,860,882	1,860,882
US dollar	(34,395)	10,302,019	10,267,624
	(25,607)	13,541,608	13,567,215
Pound sterling	501,045	218,975,015	219,476,060
Net assets	526,652	232,516,623	233,043,275

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 30 November 2021 was 30%, 94% and 42% respectively (30 November 2020: 41%, 170% and 68% 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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303 51d HL)]$.

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.

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

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	30.11.21 £	30.11.20 £
Futures Contracts		
Chicago Board of Trade	378,729	(12,869)
Eurex Deutschland	–	228,133
Eurex USA	93,808	–
Forward Currency Contracts		
Northern Trust	(1,851,440)	4,074,512
Total net exposure¹	(1,378,903)	4,289,776

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

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value

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

Level 1

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

Level 2

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

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

Level 3

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

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

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

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2020				
Assets				
Bonds	5,651,275	13,884,498	–	19,535,773
Collective Investment Schemes	113,704,668	87,170,286	–	200,874,954
Derivatives	228,133	4,456,697	–	4,684,830
Equities	7,816,120	–	–	7,816,120
Total	127,400,196	105,511,481	–	232,911,677
Liabilities				
Derivatives	(12,869)	(382,185)	–	(395,054)

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 50.

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

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

Analysis of direct transaction costs for the year ended 30 November 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	16,159	–	–	–	–	–
Collective Investment Schemes	165,144	–	–	–	–	–
Equities	24,606	1	–	1	–	–
Total	205,909	1	–	1	–	–
Sales						
Bonds	59,015	–	–	–	–	–
Collective Investment Schemes	133,560	–	–	–	–	–
Derivatives	665	–	–	–	–	–
Equities	17,459	(3)	–	(3)	0.02	–
Total	210,699	(3)	–	(3)	0.02	–
Total as a percentage of the average NAV		0.00%	0.00%	0.00%		

7IM MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.19% (2020: 0.07%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 213.71p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 204.60p. This represents a decrease of 4.26% from the year end value.

Non-adjusting event

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

7IM MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class A Income				
Group 1	0.6375	–	0.6375	0.7116
Group 2	0.6375	–	0.6375	0.7116
			Allocated 31.07.21	Allocated 31.07.20
Class A Accumulation				
Group 1	0.8922	–	0.8922	0.9632
Group 2	0.8922	–	0.8922	0.9632
			Allocated 31.07.21	Allocated 31.07.20
Class B Accumulation				
Group 1	0.9266	–	0.9266	0.9945
Group 2	0.7048	0.2218	0.9266	0.9945
			Allocated 31.07.21	Allocated 31.07.20
Class C Income				
Group 1	0.6941	–	0.6941	0.7579
Group 2	0.5187	0.1754	0.6941	0.7579
			Allocated 31.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	0.9600	–	0.9600	1.0295
Group 2	0.6388	0.3212	0.9600	1.0295
			Allocated 31.07.21	Allocated 31.07.20
Class D Income				
Group 1	0.6494	–	0.6494	0.7150
Group 2	0.5233	0.1261	0.6494	0.7150
			Allocated 31.07.21	Allocated 31.07.20
Class D Accumulation				
Group 1	0.8899	–	0.8899	0.9615
Group 2	0.7219	0.1680	0.8899	0.9615
			Allocated 31.07.21	Allocated 31.07.20

7IM MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class S Income				
Group 1	0.5107	–	0.5107	0.5599
Group 2	0.3575	0.1532	0.5107	0.5599

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.5806	–	0.5806	0.6240
Group 2	0.3420	0.2386	0.5806	0.6240

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated N/A ¹
Class X Accumulation				
Group 1	0.5210	–	0.5210	–
Group 2	0.5210	–	0.5210	–

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2021

Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class A Income				
Group 1	1.5359	–	1.5359	1.6968
Group 2	1.5359	–	1.5359	1.6968

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class A Accumulation				
Group 1	2.1850	–	2.1850	2.3194
Group 2	2.1850	–	2.1850	2.3194

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class B Accumulation				
Group 1	2.2463	–	2.2463	2.4534
Group 2	1.6622	0.5841	2.2463	2.4534

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	1.6820	–	1.6820	1.8761
Group 2	1.5493	0.1327	1.6820	1.8761

7IM MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	2.3358	–	2.3358	2.7507
Group 2	1.7323	0.6035	2.3358	2.7507
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income				
Group 1	1.5619	–	1.5619	1.7008
Group 2	1.1641	0.3978	1.5619	1.7008
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class D Accumulation				
Group 1	2.1561	–	2.1561	2.3537
Group 2	1.6116	0.5445	2.1561	2.3537
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	1.2419	–	1.2419	1.3719
Group 2	0.8821	0.3598	1.2419	1.3719
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	1.4218	–	1.4218	1.5461
Group 2	1.1618	0.2600	1.4218	1.5461
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class X Accumulation				
Group 1	1.2769	–	1.2769	0.9442
Group 2	1.2769	–	1.2769	0.9442

¹ No comparative figures shown as the share class launched on 20 November 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 BALANCED FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

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

The Sub-fund invests at least 80% of its assets in other funds managed both by the Manager and by selected third party managers, including open-ended and closed-ended funds and exchange traded funds (ETFs), and other transferable securities including fixed income, equities and structured products.

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

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

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

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

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 6.76%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2% to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced its worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and FTSE 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

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

71M BALANCED FUND

ACD'S REPORT (continued)

for the year ended 30 November 2021

Investment Manager's Report (continued)

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

In December, we increased our allocation to AT1 bonds funded by a reduction in our global high yield allocation. The motivation was that elevated defaults in high yield bonds were eating into their returns, but this was not the true with AT1 bonds. The COVID-19 recession had strengthened the case for AT1s as capital ratios were up and regulators forbearance was quicker and more forgiving than our expectations prior to the recession.

In light of reopening momentum, in December, we slightly reallocated towards our managers that have more of a value tilt. We did this as it would help us better capture a period of rotation to more cyclical stocks, many of which are mid cap size.

The last change we made in December was to increase our allocation to alternatives by reducing our allocation to corporate bonds. We increased the alternatives allocation by introducing the SG Defensive Short Term Equity Strategy, which capitalises on intraday trends. By introducing this strategy, we were able to make our alternatives basket more defensive, giving it more of the defensive properties that bonds are failing to deliver.

In January, we sold out of our 2023 dividends allocation. At the depth of the crisis in March 2020, there was a fear that dividends would simply not be paid by European businesses in the next few years. As optimism returned to the world, this mispricing has corrected sharply – leaving any future gains more fundamentally related to the earnings outlook. With that in mind, we switched back into the broad equity index.

We added to our Asia High Yield position in January in order to take advantage of the increased returns available vs. Global High Yield. The Asian index was offering a yield of over 3% more than the US and Europe dominated equivalents – and we believed that the risks were lower in Asia than most investors realised.

At the start of March, we increased our allocation to alternatives. This change continues the trend of increasing our allocation to this area. Interest rates remain historically low and we believe that a well-constructed alternatives basket will provide better returns than bonds while also providing desirable protection in a downturn.

Also in March, we added UBS and Goldman Sachs equity put selling strategies to portfolios at 3-5% (total) across risk profiles funded by US equity and corporate bonds. By selling puts, the strategies benefit from nervous investors fearing another equity market pullback.

7IM BALANCED FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

The first change we made in order to implement the growth+ basket was that we increased our allocation to Berkshire Hathaway relative to a broader S&P 500 index tracker. The motivation is that Berkshire Hathaway contains more industrial and cyclical exposures than the broader index, and it is these stocks which were undervalued and looked better placed to benefit from US growth.

The second change that was made as part of the growth+ basket was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

The third change that was made in order to implement the growth+ basket was a tilt towards value companies. The motivation behind this was that companies with value and cyclical characteristics were likely to continue outperforming as the global economy continued to perform well. In our active portfolios, we were able to create this tilt by reallocation to managers with more of a value tilt.

In July, we refreshed our SAA. This is led by an optimisation process that maps assets classes onto risk factors in order to create optimal portfolios for each risk profile. This year our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the "clean energy" space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds freed up by the equity trim were added to alternatives and cash.

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth – For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt – Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

7IM BALANCED FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

Investment Outlook (continued)

3. 7IM portfolios are positioned for a changing environment – For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP
Investment Manager
January 2022

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM BALANCED FUND

FUND INFORMATION

The Comparative Tables on pages 88 to 98 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.21 (pence per share)	30.11.20 ¹ (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	160.97	175.49	169.62
Return before operating charges*	(160.97)	(11.27)	12.23
Operating charges (calculated on average price)	–	(3.25)	(3.33)
Return after operating charges*	(160.97)	(14.52)	8.90
Distributions on income shares	–	–	(3.03)
Last quoted share price	–	160.97	–
Closing net asset value per share	–	–	175.49
* After direct transaction costs of: ²	0.00	0.00	0.05

Performance

Return after charges ³	(100)%	(8.27)%	5.25%
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Other Information

Closing net asset value (£'000)	–	–	11
Closing number of shares	–	–	6,058
Operating charges ⁴	–%	1.88%	1.92%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	–	179.98	178.94
Lowest share price	–	147.96	162.89

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

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	226.15	211.69	201.00
Return before operating charges*	17.60	18.44	14.63
Operating charges (calculated on average price)	(4.47)	(3.98)	(3.94)
Return after operating charges*	13.13	14.46	10.69
Distributions	(2.20)	(1.91)	(3.64)
Retained distributions on accumulation shares	2.20	1.91	3.64
Closing net asset value per share	239.28	226.15	211.69
* After direct transaction costs of: ¹	0.00	0.00	0.06

Performance

Return after charges ²	5.81%	6.83%	5.32%
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Other Information

Closing net asset value (£'000)	4,896	4,665	4,860
Closing number of shares	2,046,175	2,062,750	2,295,967
Operating charges ³	1.88%	1.88%	1.92%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	246.45	226.37	213.17
Lowest share price	226.34	178.47	193.09

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	235.22	219.74	208.30
Return before operating charges*	18.22	19.06	15.01
Operating charges (calculated on average price)	(4.03)	(3.58)	(3.57)
Return after operating charges*	14.19	15.48	11.44
Distributions	(2.43)	(2.21)	(3.96)
Retained distributions on accumulation shares	2.43	2.21	3.96
Closing net asset value per share	249.41	235.22	219.74
* After direct transaction costs of: ¹	0.00	0.00	0.06

Performance

Return after charges ²	6.03%	7.04%	5.49%
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Other Information

Closing net asset value (£'000)	64,694	69,683	75,261
Closing number of shares	25,938,726	29,624,529	34,249,914
Operating charges ³	1.63%	1.63%	1.67%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	256.84	235.54	221.29
Lowest share price	235.42	185.40	200.14

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	194.18	182.94	176.45
Return before operating charges*	14.94	15.78	12.58
Operating charges (calculated on average price)	(2.82)	(2.52)	(2.56)
Return after operating charges*	12.12	13.26	10.02
Distributions on income shares	(2.16)	(2.02)	(3.53)
Closing net asset value per share	204.14	194.18	182.94
* After direct transaction costs of: ¹	0.00	0.00	0.05

Performance

Return after charges ²	6.24%	7.25%	5.68%
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Other Information

Closing net asset value (£'000)	69,177	77,876	65,633
Closing number of shares	33,888,123	40,105,747	35,876,644
Operating charges ³	1.38%	1.38%	1.42%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	212.07	196.12	186.57
Lowest share price	194.24	154.48	169.51

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 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	244.69	228.13	215.83
Return before operating charges*	18.83	19.71	15.44
Operating charges (calculated on average price)	(3.56)	(3.15)	(3.14)
Return after operating charges*	15.27	16.56	12.30
Distributions	(2.73)	(2.52)	(4.34)
Retained distributions on accumulation shares	2.73	2.52	4.34
Closing net asset value per share	259.96	244.69	228.13
* After direct transaction costs of: ¹	0.00	0.00	0.07

Performance

Return after charges ²	6.24%	7.26%	5.70%
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Other Information

Closing net asset value (£'000)	522,466	560,516	385,638
Closing number of shares	200,980,320	229,072,311	169,046,602
Operating charges ³	1.38%	1.38%	1.42%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	267.69	245.02	229.67
Lowest share price	244.90	192.63	207.41

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 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	186.72	176.27	170.26
Return before operating charges*	14.75	15.34	12.40
Operating charges (calculated on average price)	(3.68)	(3.30)	(3.33)
Return after operating charges*	11.07	12.04	9.07
Distributions on income shares	(2.09)	(1.59)	(3.06)
Closing net asset value per share	195.70	186.72	176.27
* After direct transaction costs of: ¹	0.00	0.00	0.05

Performance

Return after charges ²	5.93%	6.83%	5.33%
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Other Information

Closing net asset value (£'000)	169	272	376
Closing number of shares	86,208	145,850	213,311
Operating charges ³	1.88%	1.88%	1.92%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	203.40	188.35	179.62
Lowest share price	186.78	148.61	163.50

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 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	226.23	211.76	201.14
Return before operating charges*	17.59	18.45	14.57
Operating charges (calculated on average price)	(4.47)	(3.98)	(3.95)
Return after operating charges*	13.12	14.47	10.62
Distributions	(2.17)	(1.91)	(3.62)
Retained distributions on accumulation shares	2.17	1.91	3.62
Closing net asset value per share	239.35	226.23	211.76
* After direct transaction costs of: ¹	0.00	0.00	0.06

Performance

Return after charges ²	5.80%	6.83%	5.28%
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Other Information

Closing net asset value (£'000)	16,090	14,756	14,680
Closing number of shares	6,722,220	6,522,681	6,932,475
Operating charges ³	1.88%	1.88%	1.92%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	246.54	226.46	213.32
Lowest share price	226.42	178.53	193.22

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	123.68	116.40	112.14
Return before operating charges*	9.44	10.00	7.95
Operating charges (calculated on average price)	(1.47)	(1.32)	(1.33)
Return after operating charges*	7.97	8.68	6.62
Distributions on income shares	(1.51)	(1.40)	(2.36)
Closing net asset value per share	130.14	123.68	116.40
* After direct transaction costs of: ¹	0.00	0.00	0.03

Performance

Return after charges ²	6.44%	7.46%	5.90%
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Other Information

Closing net asset value (£'000)	4,824	5,321	5,119
Closing number of shares	3,706,351	4,302,496	4,397,562
Operating charges ³	1.13%	1.13%	1.17%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	135.25	124.97	118.70
Lowest share price	123.72	98.37	107.75

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	137.01	127.48	120.37
Return before operating charges*	10.47	10.97	8.55
Operating charges (calculated on average price)	(1.63)	(1.44)	(1.44)
Return after operating charges*	8.84	9.53	7.11
Distributions	(1.68)	(1.54)	(2.55)
Retained distributions on accumulation shares	1.68	1.54	2.55
Closing net asset value per share	145.85	137.01	127.48
* After direct transaction costs of: ¹	0.00	0.00	0.04

Performance

Return after charges ²	6.45%	7.48%	5.91%
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Other Information

Closing net asset value (£'000)	45,686	52,642	50,587
Closing number of shares	31,325,170	38,423,099	39,682,042
Operating charges ³	1.13%	1.13%	1.17%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	150.18	137.18	128.30
Lowest share price	137.12	107.73	115.70

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Income

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

Performance

Return after charges ³	6.79%	0.47%
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Other Information

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

Prices

Highest share price	155.05	142.35
Lowest share price	141.46	141.50

¹ The share class launched on 20 November 2020.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Accumulation

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

Performance

Return after charges ³	6.79%	0.47%
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Other Information

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

Prices

Highest share price	234.06	213.05
Lowest share price	212.97	211.78

¹ The share class launched on 20 November 2020.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 99.

7IM BALANCED FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

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

As at 30 November 2020

	Class A	Class B	Class C	Class D	Class S	Class X¹
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
	1.45%	1.20%	0.95%	1.45%	0.70%	0.30%
Collective investment scheme costs	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
Ongoing Charges Figure	1.88%	1.63%	1.38%	1.88%	1.13%	0.73%

¹ The share class launched on 20 November 2020.

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 BALANCED FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was four.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM Balanced Fund ¹	6.76	20.97	25.32

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 117 to 119.

7IM BALANCED FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	ALTERNATIVES 20.08% (13.49%)		
	Alternative Strategies 17.25% (9.29%)		
298,719	AQR - Managed Futures UCITS Fund ¹	22,222,282	3.03
196,519	BlackRock Strategic Funds - Global Event Driven Fund ¹	23,236,448	3.17
26,171,000	BNP Paribas Issuance 0.00% 2024 ²	22,768,564	3.11
10,029,344	Dexion Absolute EUR ³	–	–
184,213	Fulcrum Equity Dispersion Fund ¹	19,561,124	2.67
20,160,000	JP Morgan Structured Products 0.00% 2023 ²	15,875,318	2.17
2,652,249	LF Brook Absolute Return Fund Sterling ¹	10,842,661	1.48
16,280,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	11,827,908	1.62
		126,334,305	17.25
	Real Estate 2.83% (4.20%)		
8,046,589	iShares Global Property Securities Index ¹	20,748,129	2.83
	DEBT SECURITIES 25.09% (32.33%)		
	Emerging Market Bonds 9.95% (7.89%)		
415,967	Barings Emerging Markets Debt Blended Total Return ¹	44,943,723	6.14
417,610	UBS Lux Bond SICAV - Asian High Yield ¹	27,939,759	3.81
		72,883,482	9.95
	Global Corporate Bonds 4.96% (13.98%)		
301,305	Angel Oak Multi-Strategy Income UCITS Fund ¹	36,341,808	4.96
	Global High Yield Bonds 10.18% (5.21%)		
633,565	BlueBay Financial Capital Bond ¹	74,595,999	10.18
	Short Term Sterling Bonds 0.00% (1.53%)		
	Sterling Corporate Bonds 0.00% (3.72%)		
	EQUITY 45.16% (52.25%)		
	Asia & Emerging Markets 7.66% (6.62%)		
150,861	RWC Global Emerging Markets ¹	37,449,717	5.11
674,609	Schroder ISF Asian Opportunities ¹	18,681,089	2.55
		56,130,806	7.66
	Europe (ex UK) 4.25% (3.94%)		
14,091,017	LF Lightman European Fund I Accumulation ¹	17,464,406	2.39
4,055,041	Premier Miton European Opportunities ¹	13,633,048	1.86
		31,097,454	4.25
	Japan 4.71% (4.15%)		
1,885,950	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund ¹	19,350,410	2.64
1,225,742	T. Rowe Price Funds OEIC Japanese Equity ¹	15,186,947	2.07
		34,537,357	4.71

7IM BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
North America 9.80% (18.90%)			
276,179	AB SICAV I - International Health Care Portfolio ¹	38,361,280	5.24
151,235	Berkshire Hathaway	31,365,831	4.28
1,446	MSCI USA ESG Screened Index Futures December 2021 ⁴	1,329,867	0.18
138	US Ultra CBT Futures March 2022 ⁴	706,278	0.10
		71,763,256	9.80
United Kingdom 18.74% (18.64%)			
18,387	Goldman Sachs International 2024	15,331,711	2.09
13,762,966	Man GLG Income Fund ¹	40,793,430	5.57
43,373,971	Ninety One Funds Series i ¹	49,992,839	6.83
13,333,126	Ninety One Funds Series iii ¹	22,406,318	3.06
10,714	UBS AG London 2024	8,746,989	1.19
		137,271,287	18.74
FORWARD CURRENCY CONTRACTS -0.58% (0.98%)			
€(1,857,000)	Vs £1,585,230 Expiry 08.04.2022	945	–
US\$(260,639,000)	Vs £187,991,140 Expiry 14.01.2022	(7,207,544)	(0.98)
¥662,180,000	Vs £(4,306,008) Expiry 20.05.2022	91,650	0.01
US\$60,000,000	Vs £(43,249,477) Expiry 14.01.2022	1,685,935	0.23
US\$35,000,000	Vs £(25,058,350) Expiry 14.01.2022	1,153,974	0.16
		(4,275,040)	(0.58)
Portfolio of investment		657,428,843	89.75
Net other assets ⁵		75,111,945	10.25
Net assets		732,540,788	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹ Collective investment scheme

² Structured product

³ Delisted security

⁴ Derivative contract

⁵ Includes shares in the Northern Trust Global Sterling Fund to the value of £74,214,000 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21 %	30.11.20 %
Investment grade debt securities	–	1.54
Non-rated debt securities	6.90	4.95
Other investments	82.85	93.00
Net other assets	10.25	0.51
		100.00
		100.00

7IM BALANCED FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		42,693,882		32,312,373
Revenue	5	12,514,569		11,374,626	
Expenses	6	(7,293,934)		(5,351,925)	
Interest payable and similar charges	8	(25,034)		(74,753)	
Net revenue before taxation for the year		5,195,601		5,947,948	
Taxation	7	(225,528)		(1,490,228)	
Net revenue after taxation for the year			4,970,073		4,457,720
Total return before distributions			47,663,955		36,770,093
Distributions	8		(7,862,747)		(7,078,962)
Change in net assets attributable to shareholders from investment activities			39,801,208		29,691,131

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		790,010,107		602,164,618
Amounts received on creation of shares ¹	81,495,968		60,990,351	
Amounts receivable on in-specie transactions	–		241,052,146	
Amounts paid on cancellation of shares ¹	(185,706,167)		(150,776,677)	
		(104,210,199)		151,265,820
Change in net assets attributable to shareholders from investment activities		39,801,208		29,691,131
Retained distribution on accumulation shares		6,939,672		6,888,538
Closing net assets attributable to shareholders		732,540,788		790,010,107

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

The notes on pages 105 to 116 are an integral part of these Financial Statements.

7IM BALANCED FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		664,636,387	784,218,248
Current assets:			
Debtors	9	2,405,923	4,059,113
Cash and bank balances	10	4,820,304	7,465,459
Cash equivalents	10	74,214,000	5,885,000
Total assets		746,076,614	801,627,820
LIABILITIES			
Investment liabilities		(7,207,544)	(1,732,460)
Creditors:			
Bank overdrafts	10	(3,470,176)	(3,929,193)
Distribution payable		(667,881)	(727,966)
Other creditors	11	(2,190,225)	(5,228,094)
Total liabilities		(13,535,826)	(11,617,713)
Net assets attributable to shareholders		732,540,788	790,010,107

The notes on pages 105 to 116 are an integral part of these Financial Statements.

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	40,000,383	24,173,706
Derivative contracts	1,847,882	4,279,241
Forward currency contracts	(207,898)	4,024,961
Currency gains/(losses)	740,636	(168,975)
Transaction charges	(15,429)	(48,556)
AMC rebates from underlying investments	328,308	51,996
Net capital gains	<u>42,693,882</u>	<u>32,312,373</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	4,423,549	2,158,122
Taxable dividends	8,706,809	8,457,931
Unfranked interest	(755,304)	700,184
AMC rebates from underlying investments	118,904	34,243
Bank interest	20,611	10,966
Stock lending revenue ¹	–	13,180
Total revenue	<u>12,514,569</u>	<u>11,374,626</u>

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

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	7,067,063	5,147,729
Other expenses	13,234	10,905
	<u>7,080,297</u>	<u>5,158,634</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	98,846	72,115
Market risk fees	–	3,661
Safe custody and other bank charges	27,602	27,314
	<u>126,448</u>	<u>103,090</u>
Other Expenses:		
Advisory fees	–	4,750
Audit fee ¹	9,695	9,616
Dealing and exchange fees	21,072	20,707
FCA and other Regulatory fees	41	215
Legal and professional fees	1,717	547
Market data fees	6,978	4,103
Printing, postage and distribution costs	39,721	43,314
Risk analysis fees	7,965	6,949
	<u>87,189</u>	<u>90,201</u>
Total expenses	<u>7,293,934</u>	<u>5,351,925</u>

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

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Corporation tax at 20%	220,072	1,318,013
Overseas tax	5,456	145,812
Irrecoverable CIS income tax	–	26,403
	<hr/>	<hr/>
Current tax charge (note 7b)	225,528	1,490,228
	<hr/>	<hr/>
Total taxation	225,528	1,490,228

b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2020: 20%) for the reasons explained below.

Net revenue before taxation	5,195,601	5,947,948
Corporation tax at 20%	1,039,120	1,189,590
Effects of:		
AMC rebates taken to capital	65,662	10,399
Irrecoverable CIS income tax w/off	–	26,403
Non-taxable dividends	(884,710)	(418,306)
Non-taxable overseas dividends	–	(13,318)
Overseas tax	5,456	145,812
Tax effect on non-reporting offshore funds	–	549,648
	<hr/>	<hr/>
Current tax charge (note 7a)	225,528	1,490,228

c) Deferred tax

There is no deferred tax in the current year (2020: none).

8 Distributions

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

	30.11.21 £	30.11.20 £
Interim	1,257,656	979,129
Final	6,492,359	6,759,384
	<hr/>	<hr/>
Add: Revenue deducted on cancellation of shares	160,194	236,228
Deduct: Revenue received on issue of shares	(47,462)	(102,615)
Deduct: Revenue received on in-specie transactions	–	(793,164)
	<hr/>	<hr/>
Net distributions for the year	7,862,747	7,078,962
Interest payable and similar charges	25,034	74,753
	<hr/>	<hr/>
Total distribution	7,887,781	7,153,715

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 117 to 119.

Distributions represented by:		
Net revenue after taxation	4,970,073	4,457,720
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	2,892,487	2,621,039
Equalisation on conversions ²	136	283
Net movement in revenue account	51	(80)
Net distributions for the year	<u>7,862,747</u>	<u>7,078,962</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	390,437	862,099
Sales awaiting settlement	36,871	608,835
Accrued revenue	1,143,596	1,037,707
Income tax recoverable	108,671	14,797
AMC rebates from underlying investments	435,612	92,496
Prepayment corporate tax	287,928	–
Withholding tax recoverable	2,808	11,046
Prepaid expenses	–	1,432,133
Total debtors	<u>2,405,923</u>	<u>4,059,113</u>

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	3,462,715	3,914,764
Cash held at clearing houses	1,357,589	3,550,695
Cash equivalents	74,214,000	5,885,000
Total cash and bank balances	<u>79,034,304</u>	<u>13,350,459</u>
Bank overdrafts	(3,461,733)	(3,895,468)
Cash overdraft at clearing houses	(8,443)	(33,725)
Total bank overdrafts	<u>(3,470,176)</u>	<u>(3,929,193)</u>

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	1,557,386	3,650,723
Accrued expenses	632,839	525,359
Corporation tax payable	–	1,052,012
Total other creditors	<u>2,190,225</u>	<u>5,228,094</u>

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 103.

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

Pershing Nominees Limited 69.01% (2020: 69.36%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£39,524,350) (2020: £206,780,809).

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

13 Classes of Shares

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

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

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Accumulation	2,062,750	158,073	(174,648)	–	2,046,175
Class B Accumulation	29,624,529	1,589,551	(5,275,354)	–	25,938,726
Class C Income	40,105,747	1,153,289	(6,802,469)	(568,444)	33,888,123
Class C Accumulation	229,072,311	26,822,280	(55,530,464)	616,193	200,980,320
Class D Income	145,850	2,348	(61,990)	–	86,208
Class D Accumulation	6,522,681	1,271,510	(1,071,971)	–	6,722,220
Class S Income	4,302,496	71,377	(702,094)	34,572	3,706,351
Class S Accumulation	38,423,099	2,241,602	(9,012,507)	(327,024)	31,325,170
Class X Income	278,508	–	–	–	278,508
Class X Accumulation	1,825,798	–	(11,026)	–	1,814,772

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

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

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

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
Danish krone	4	–	738	742
Euro	855,436	–	1,772,830	2,628,266
Japanese yen	–	–	4,052,067	4,052,067
Swiss franc	51,388	–	8,223	59,611
US dollar	1,430,241	39,187,350	174,132,450	214,750,041
Pound sterling	11,713,319	11,413,336	803,605,047	826,731,702
	14,050,388	50,600,686	983,571,355	1,048,222,429

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
Euro	(736,565)	–	(1,670,537)	(2,407,102)
Swiss franc	(51,388)	–	–	(51,388)
US dollar	(1,445,234)	–	(196,766,326)	(198,211,560)
Pound sterling	(1,696,006)	–	(55,846,266)	(57,542,272)
	(3,929,193)	–	(254,283,129)	(258,212,322)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21	30.11.20	30.11.21	30.11.20
	%	%	Years	Years
Pound sterling	–	0.22	–	1
US dollar	(2.71)	(3.48)	3	3

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the average weighted effective duration was 1.77 years (30 November 2020: 2.20 years).

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

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

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	742	–	742
Euro	120,859	100,306	221,165
Japanese yen	–	4,052,067	4,052,067
Swiss franc	8,223	–	8,223
US dollar	(14,896)	16,553,376	16,538,480
	114,928	20,705,749	20,820,677
Pound sterling	7,409,391	761,780,039	769,189,430
Net assets	7,524,319	782,485,788	790,010,107

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 30 November 2021 was 26%, 80% and 44% respectively (30 November 2020: 37%, 142% and 60% respectively).

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303\ 51d\ HL)]$.

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	30.11.21 £	30.11.20 £
Futures Contracts		
Chicago Board of Trade	706,278	(56,157)
Eurex Deutschland	–	1,212,222
Eurex USA	1,329,867	–
Forward Currency Contracts		
Northern Trust	(4,275,040)	7,764,950
Total net exposure¹	<u>(2,238,895)</u>	<u>8,921,015</u>

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

iv. Fair value

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

Level 1

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

Level 2

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

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

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value (continued)

Level 3

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

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

30 November 2021	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	50,471,790	–	50,471,790
Collective Investment Schemes	298,033,870	255,717,547	–	553,751,417
Derivatives	2,036,145	2,932,504	–	4,968,649
Equities	55,444,531	–	–	55,444,531
Total	355,514,546	309,121,841	–	664,636,387
Liabilities				
Derivatives	–	(7,207,544)	–	(7,207,544)

30 November 2020	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	51,300,615	–	51,300,615
Collective Investment Schemes	497,240,982	197,117,864	–	694,358,846
Derivatives	1,212,222	9,441,254	–	10,653,476
Equities	27,905,311	–	–	27,905,311
Total	526,358,515	257,859,733	–	784,218,248
Liabilities				
Derivatives	(56,157)	(1,676,303)	–	(1,732,460)

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 87.

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

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

Analysis of direct transaction costs for the year ended 30 November 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	43,151	–	–	–	–	–
Collective Investment Schemes	524,250	–	–	–	–	–
Derivatives	368	–	–	–	–	–
Equities	136,207	2	1	3	–	–
Total	703,976	2	1	3	–	–
Sales						
Bonds	152,543	–	–	–	–	–
Collective Investment Schemes	348,069	–	–	–	–	–
Derivatives	2,549	–	–	–	–	–
Equities	43,526	(3)	–	(3)	0.01	–
Total	546,687	(3)	–	(3)	0.01	–
Total as a percentage of the average NAV		0.00%	0.00%	0.00%		

7IM BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.29% (2020: 0.08%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 261.17p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 251.17p. This represents a decrease of 3.83% from the year end value.

Non-adjusting event

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

7IM BALANCED FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class A Accumulation				
Group 1	0.1202	–	0.1202	0.1824
Group 2	0.1202	–	0.1202	0.1824
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class B Accumulation				
Group 1	0.2556	–	0.2556	0.2958
Group 2	0.2556	–	0.2556	0.2958
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
			Paid 31.07.21	Paid 31.07.20
Class C Income				
Group 1	0.3420	–	0.3420	0.3354
Group 2	0.3190	0.0230	0.3420	0.3354
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	0.4313	–	0.4313	0.4180
Group 2	0.4151	0.0162	0.4313	0.4180
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
			Paid 31.07.21	Paid 31.07.20
Class D Income				
Group 1	0.0861	–	0.0861	0.1523
Group 2	0.0861	–	0.0861	0.1523
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class D Accumulation				
Group 1	0.1033	–	0.1033	0.1825
Group 2	0.1033	–	0.1033	0.1825
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Income				
Group 1	0.2984	–	0.2984	0.2702
Group 2	0.2222	0.0762	0.2984	0.2702

7IM BALANCED FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.3319	–	0.3319	0.2956
Group 2	0.2768	0.0551	0.3319	0.2956
			Paid 31.07.21	Paid N/A¹
Class X Income				
Group 1	0.4806	–	0.4806	–
Group 2	0.4806	–	0.4806	–
			Allocated 31.07.21	Allocated N/A¹
Class X Accumulation				
Group 1	0.7224	–	0.7224	–
Group 2	0.7224	–	0.7224	–
Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2021				
Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021				
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class A Accumulation				
Group 1	2.0755	–	2.0755	1.7268
Group 2	2.0755	–	2.0755	1.7268
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class B Accumulation				
Group 1	2.1765	–	2.1765	1.9094
Group 2	1.7644	0.4121	2.1765	1.9094
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	1.8211	–	1.8211	1.6832
Group 2	1.3720	0.4491	1.8211	1.6832
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	2.2969	–	2.2969	2.1039
Group 2	1.7981	0.4988	2.2969	2.1039

7IM BALANCED FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income				
Group 1	1.9996	–	1.9996	1.4357
Group 2	1.6749	0.3247	1.9996	1.4357
			Allocated 31.01.22	Allocated 31.01.21
Class D Accumulation				
Group 1	2.0663	–	2.0663	1.7289
Group 2	1.7050	0.3613	2.0663	1.7289
			Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	1.2110	–	1.2110	1.1319
Group 2	0.9046	0.3064	1.2110	1.1319
			Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	1.3457	–	1.3457	1.2420
Group 2	0.9086	0.4371	1.3457	1.2420
			Paid 31.01.22	Paid 31.01.21
Class X Income				
Group 1	1.4853	–	1.4853	0.7582
Group 2	1.4853	–	1.4853	0.7582
			Allocated 31.01.22	Allocated 31.01.21
Class X Accumulation				
Group 1	2.2423	–	2.2423	1.1343
Group 2	2.2423	–	2.2423	1.1343

¹ No comparative figures shown as the share class launched 20 November 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 MODERATELY ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

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

The Sub-fund invests at least 80% of its assets in other funds managed both by the Manager and by selected third party managers, including open-ended and closed-ended funds and exchange traded funds (ETFs), and other transferable securities including fixed income, equities and structured products.

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

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

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

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

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 9.55%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2% to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced it's worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

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

71M MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued)

for the year ended 30 November 2021

Investment Manager's Report (continued)

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

In December, we increased our allocation to AT1 bonds funded by a reduction in our global high yield allocation. The motivation was that elevated defaults in high yield bonds were eating into their returns, but this was not the true with AT1 bonds. The COVID-19 recession had strengthened the case for AT1s as capital ratios were up and regulators forbearance was quicker and more forgiving than our expectations prior to the recession.

In light of reopening momentum, in December, we slightly reallocated towards our managers that have more of a value tilt. We did this as it would help us better capture a period of rotation to more cyclical stocks, many of which are mid cap size.

The last change we made in December was to increase our allocation to alternatives by reducing our allocation to corporate bonds. We increased the alternatives allocation by introducing the SG Defensive Short Term Equity Strategy, which capitalises on intraday trends. By introducing this strategy, we were able to make our alternatives basket more defensive, giving it more of the defensive properties that bonds are failing to deliver.

In January, we sold out of our 2023 dividends allocation. At the depth of the crisis in March 2020, there was a fear that dividends would simply not be paid by European businesses in the next few years. As optimism returned to the world, this mispricing has corrected sharply – leaving any future gains more fundamentally related to the earnings outlook. With that in mind, we switched back into the broad equity index.

We added to our Asia High Yield position in January in order to take advantage of the increased returns available vs. Global High Yield. The Asian index was offering a yield of over 3% more than the US and Europe dominated equivalents – and we believed that the risks were lower in Asia than most investors realised.

At the start of March, we increased our allocation to alternatives. This change continues the trend of increasing our allocation to this area. Interest rates remain historically low and we believe that a well-constructed alternatives basket will provide better returns than bonds while also providing desirable protection in a downturn.

Also in March, we added UBS AG London 2024 and Goldman Sachs International 2024 equity put selling strategies to portfolios at 3-5% (total) across risk profiles funded by US equity and corporate bonds. By selling puts, the strategies benefit from nervous investors fearing another equity market pullback.

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

71M MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

The first change we made in order to implement the growth+ basket was that we increased our allocation to Berkshire Hathaway relative to a broader S&P 500 index tracker. The motivation is that Berkshire Hathaway contains more industrial and cyclical exposures than the broader index, and it is these stocks which were undervalued and looked better placed to benefit from US growth.

The second change that was made as part of the growth+ basket was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

The third change that was made in order to implement the growth+ basket was a tilt towards value companies. The motivation behind this was that companies with value and cyclical characteristics were likely to continue outperforming as the global economy continued to perform well. In our active portfolios, we were able to create this tilt by reallocation to managers with more of a value tilt.

In July, we refreshed our SAA. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year, our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the "clean energy" space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds freed up by the equity trim were added to alternatives and cash.

Investment Outlook

At 71M, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth – For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt – Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 71M portfolios are positioned for a changing environment – For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP
Investment Manager
January 2022

7IM MODERATELY ADVENTUROUS FUND

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 125 to 135 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	249.81	234.69	223.48
Return before operating charges*	25.57	19.90	17.44
Operating charges (calculated on average price)	(5.06)	(4.42)	(4.54)
Return after operating charges*	20.51	15.48	12.90
Distributions on income shares	(0.08)	(0.36)	(1.69)
Closing net asset value per share	270.24	249.81	234.69
* After direct transaction costs of: ¹	0.00	0.01	0.07

Performance

Return after charges ²	8.21%	6.60%	5.77%
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Other Information

Closing net asset value (£'000)	6	5	5
Closing number of shares	1,901	2,148	2,181
Operating charges ³	1.89%	1.92%	2.00%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	280.76	250.24	238.59
Lowest share price	249.87	185.99	211.80

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 136.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	262.75	246.47	233.02
Return before operating charges*	26.92	20.92	18.24
Operating charges (calculated on average price)	(5.32)	(4.64)	(4.79)
Return after operating charges*	21.60	16.28	13.45
Distributions	(0.09)	(0.24)	(1.76)
Retained distributions on accumulation shares	0.09	0.24	1.76
Closing net asset value per share	284.35	262.75	246.47
* After direct transaction costs of: ¹	0.00	0.01	0.08

Performance

Return after charges ²	8.22%	6.61%	5.77%
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Other Information

Closing net asset value (£'000)	759	850	952
Closing number of shares	266,851	323,630	386,330
Operating charges ³	1.89%	1.92%	2.00%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	295.33	262.84	249.17
Lowest share price	263.00	195.34	220.86

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

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

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7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	273.98	256.50	241.89
Return before operating charges*	28.08	21.68	18.97
Operating charges (calculated on average price)	(4.82)	(4.20)	(4.36)
Return after operating charges*	23.26	17.48	14.61
Distributions	(0.96)	(0.83)	(2.53)
Retained distributions on accumulation shares	0.96	0.83	2.53
Closing net asset value per share	297.24	273.98	256.50
* After direct transaction costs of: ¹	0.00	0.01	0.08

Performance

Return after charges ²	8.49%	6.81%	6.04%
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Other Information

Closing net asset value (£'000)	15,387	16,229	18,962
Closing number of shares	5,176,827	5,923,597	7,392,463
Operating charges ³	1.64%	1.67%	1.75%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	308.69	274.07	259.10
Lowest share price	274.24	203.44	229.31

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 136.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	252.10	236.76	225.64
Return before operating charges*	25.85	19.95	17.68
Operating charges (calculated on average price)	(3.77)	(3.31)	(3.49)
Return after operating charges*	22.08	16.64	14.19
Distributions on income shares	(1.60)	(1.30)	(3.07)
Closing net asset value per share	272.58	252.10	236.76
* After direct transaction costs of: ¹	0.00	0.01	0.07

Performance

Return after charges ²	8.76%	7.03%	6.29%
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Other Information

Closing net asset value (£'000)	40,057	40,875	36,580
Closing number of shares	14,695,859	16,213,802	15,449,721
Operating charges ³	1.39%	1.42%	1.50%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	284.63	253.48	241.34
Lowest share price	252.18	187.93	213.93

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

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

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7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	285.50	266.77	250.94
Return before operating charges*	29.28	22.46	19.71
Operating charges (calculated on average price)	(4.27)	(3.73)	(3.88)
Return after operating charges*	25.01	18.73	15.83
Distributions	(1.83)	(1.48)	(3.42)
Retained distributions on accumulation shares	1.83	1.48	3.42
Closing net asset value per share	310.51	285.50	266.77
* After direct transaction costs of: ¹	0.00	0.01	0.08

Performance

Return after charges ²	8.76%	7.02%	6.31%
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Other Information

Closing net asset value (£'000)	325,252	328,777	247,007
Closing number of shares	104,746,904	115,156,744	92,592,735
Operating charges ³	1.39%	1.42%	1.50%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	322.45	285.60	269.25
Lowest share price	285.78	211.75	237.94

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

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

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7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	250.30	235.06	223.83
Return before operating charges*	25.63	19.96	17.52
Operating charges (calculated on average price)	(5.06)	(4.43)	(4.60)
Return after operating charges*	20.57	15.53	12.92
Distributions on income shares	(0.05)	(0.29)	(1.69)
Closing net asset value per share	270.82	250.30	235.06
* After direct transaction costs of: ¹	0.00	0.01	0.07

Performance

Return after charges ²	8.22%	6.61%	5.77%
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Other Information

Closing net asset value (£'000)	231	300	320
Closing number of shares	85,320	119,702	136,132
Operating charges ³	1.89%	1.92%	2.00%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	281.33	250.68	239.19
Lowest share price	250.38	186.29	212.13

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

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

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7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	262.92	246.64	233.17
Return before operating charges*	26.94	20.93	18.27
Operating charges (calculated on average price)	(5.33)	(4.65)	(4.80)
Return after operating charges*	21.61	16.28	13.47
Distributions	(0.31)	(0.34)	(1.77)
Retained distributions on accumulation shares	0.31	0.34	1.77
Closing net asset value per share	284.53	262.92	246.64
* After direct transaction costs of: ¹	0.00	0.01	0.08

Performance

Return after charges ²	8.22%	6.60%	5.78%
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Other Information

Closing net asset value (£'000)	9,375	8,381	8,940
Closing number of shares	3,294,796	3,187,651	3,624,748
Operating charges ³	1.89%	1.92%	2.00%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	295.53	263.01	249.35
Lowest share price	263.17	195.47	221.01

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

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

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7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	136.36	128.04	121.98
Return before operating charges*	13.98	10.74	9.56
Operating charges (calculated on average price)	(1.66)	(1.48)	(1.55)
Return after operating charges*	12.32	9.26	8.01
Distributions on income shares	(1.26)	(0.94)	(1.95)
Closing net asset value per share	147.42	136.36	128.04
* After direct transaction costs of: ¹	0.00	0.00	0.04

Performance

Return after charges ²	9.03%	7.23%	6.57%
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Other Information

Closing net asset value (£'000)	903	1,604	735
Closing number of shares	612,419	1,176,185	574,316
Operating charges ³	1.14%	1.17%	1.25%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	154.11	137.23	130.53
Lowest share price	136.40	101.71	115.67

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 136.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	146.85	136.93	128.48
Return before operating charges*	15.06	11.50	10.11
Operating charges (calculated on average price)	(1.80)	(1.58)	(1.66)
Return after operating charges*	13.26	9.92	8.45
Distributions	(1.33)	(1.01)	(2.13)
Retained distributions on accumulation shares	1.33	1.01	2.13
Closing net asset value per share	160.11	146.85	136.93
* After direct transaction costs of: ¹	0.00	0.00	0.04

Performance

Return after charges ²	9.03%	7.24%	6.58%
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Other Information

Closing net asset value (£'000)	39,254	43,652	47,393
Closing number of shares	24,517,256	29,726,496	34,611,403
Operating charges ³	1.14%	1.17%	1.25%
Direct transaction costs	0.00%	0.00%	0.03%

Prices

Highest share price	166.24	146.89	138.09
Lowest share price	146.99	108.77	121.85

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 136.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Income

	30.11.21 (pence per share)	30.11.20 ¹ (pence per share)
Change in Net Asset Value Per Share		
Opening net asset value per share	212.87	212.44
Return before operating charges*	21.71	1.63
Operating charges (calculated on average price)	(1.70)	(0.05)
Return after operating charges*	20.01	1.58
Distributions on income shares	(2.77)	(1.15)
Closing net asset value per share	230.11	212.87
* After direct transaction costs of: ²	0.00	0.01

Performance

Return after charges ³	9.40%	0.74%
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Other Information

Closing net asset value (£'000)	7,883	7,313
Closing number of shares	3,425,853	3,435,499
Operating charges ⁴	0.74%	0.77%
Direct transaction costs	0.00%	0.00%

Prices

Highest share price	241.04	214.11
Lowest share price	212.92	212.44

¹ The share class launched on 20 November 2020.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 136.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class X Accumulation

	30.11.21 (pence per share)	30.11.20 ¹ (pence per share)
Change in Net Asset Value Per Share		
Opening net asset value per share	240.56	238.75
Return before operating charges*	24.54	1.86
Operating charges (calculated on average price)	(1.92)	(0.05)
Return after operating charges*	22.62	1.81
Distributions	(3.08)	(1.34)
Retained distributions on accumulation shares	3.08	1.34
Closing net asset value per share	263.18	240.56
* After direct transaction costs of: ²	0.00	0.01

Performance

Return after charges ³	9.40%	0.76%
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Other Information

Closing net asset value (£'000)	2,319	2,238
Closing number of shares	881,300	930,315
Operating charges ⁴	0.74%	0.77%
Direct transaction costs	0.00%	0.00%

Prices

Highest share price	273.39	240.64
Lowest share price	240.80	238.75

¹ The share class launched on 20 November 2020.

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

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

⁴ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 136.

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S	Class X
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
	1.44%	1.19%	0.94%	1.44%	0.69%	0.29%
Collective investment scheme costs	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
Ongoing Charges Figure	1.89%	1.64%	1.39%	1.89%	1.14%	0.74%

As at 30 November 2020

	Class A	Class B	Class C	Class D	Class S	Class X¹
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%	0.25%
Other expenses	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%
	1.46%	1.21%	0.96%	1.46%	0.71%	0.31%
Collective investment scheme costs	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%
Ongoing Charges Figure	1.92%	1.67%	1.42%	1.92%	1.17%	0.77%

¹ The share class launched on 20 November 2020.

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.

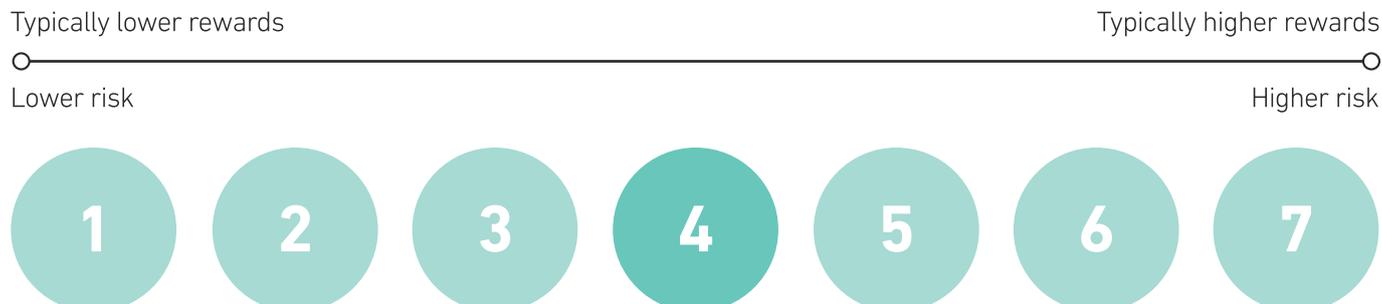
The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses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

7IM MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was four.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM Moderately Adventurous Fund ¹	9.55	24.71	32.95

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 154 to 157.

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	ALTERNATIVES 16.45% (11.96%)		
	Alternative Strategies 12.60% (5.59%)		
123,320	AQR - Managed Futures UCITS Fund ¹	9,173,982	2.08
79,434	BlackRock Strategic Funds - Global Event Driven Fund ¹	9,392,294	2.13
11,065,000	BNP Paribas Issuance 0.00% 2024 ²	9,626,463	2.18
2,460,508	Dexion Absolute EUR ³	–	–
12,250,000	JP Morgan Structured Products 0.00% 2023 ²	9,646,461	2.18
2,112,531	LF Brook Absolute Return Fund Sterling ¹	8,636,239	1.96
12,561,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	9,125,943	2.07
		55,601,382	12.60
	Real Estate 3.85% (6.37%)		
6,596,505	iShares Global Property Securities Index ¹	17,009,088	3.85
	DEBT SECURITIES 10.78% (12.36%)		
	Emerging Market Bonds 6.87% (6.36%)		
125,316	Barings Emerging Markets Debt Blended Total Return ¹	13,539,909	3.07
250,986	UBS Lux Bond SICAV - Asian High Yield ¹	16,792,000	3.80
		30,331,909	6.87
	Global High Yield Bonds 3.91% (4.21%)		
146,387	BlueBay Financial Capital Bond ¹	17,235,549	3.91
	Short Term Sterling Bonds 0.00% (1.79%)		
	EQUITY 66.10% (75.08%)		
	Asia & Emerging Markets 10.60% (9.45%)		
121,031	RWC Global Emerging Markets ¹	30,044,639	6.80
605,773	Schroder ISF Asian Opportunities ¹	16,774,891	3.80
		46,819,530	10.60
	Europe (ex UK) 9.00% (9.43%)		
18,450,924	LF Lightman European Fund I Accumulation ¹	22,868,075	5.18
5,014,408	Premier Miton European Opportunities ¹	16,858,438	3.82
		39,726,513	9.00
	Japan 9.51% (10.49%)		
2,279,778	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund ¹	23,391,203	5.30
1,499,513	T. Rowe Price Funds OEIC Japanese Equity ¹	18,578,961	4.21
		41,970,164	9.51
	North America 13.04% (24.52%)		
232,420	AB SICAV I - International Health Care Portfolio ¹	32,283,204	7.31
118,250	Berkshire Hathaway	24,524,810	5.56
820	MSCI USA ESG Screened Index Futures December 2021 ⁴	754,143	0.17
		57,562,157	13.04

7IM MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	United Kingdom 23.95% (21.19%)		
13,199	Goldman Sachs International 2024	11,005,779	2.49
12,163,220	Man GLG Income Fund ¹	36,051,784	8.17
28,828,165	Ninety One Funds Series i ¹	33,227,343	7.53
10,571,443	Ninety One Funds Series iii ¹	17,765,310	4.02
9,379	UBS AG London 2024	7,657,085	1.74
		105,707,301	23.95
	FORWARD CURRENCY CONTRACTS -0.52% (0.75%)		
€(163,000)	Vs £139,145 Expiry 08.04.2022	83	–
¥(641,600,000)	Vs £4,172,181 Expiry 20.05.2022	(88,802)	(0.02)
US\$(13,500,000)	Vs £9,719,607 Expiry 14.01.2022	(390,860)	(0.09)
US\$(111,309,000)	Vs £80,283,863 Expiry 14.01.2022	(3,078,068)	(0.70)
US\$33,000,000	Vs £(23,787,212) Expiry 14.01.2022	927,265	0.21
US\$11,000,000	Vs £(7,896,031) Expiry 14.01.2022	342,128	0.08
		(2,288,254)	(0.52)
	Portfolio of investment	409,675,339	92.81
	Net other assets ⁵	31,751,108	7.19
	Net assets	441,426,447	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹ Collective investment scheme

² Structured product

³ Delisted security

⁴ Derivative contract

⁵ Includes shares in the Northern Trust Global Sterling Fund to the value of £31,294,000 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21 %	30.11.20 %
Investment grade debt securities	–	1.79
Non-rated debt securities	6.43	1.36
Other investments	86.38	97.60
Net other assets/(liabilities)	7.19	(0.75)
	100.00	100.00

7IM MODERATELY ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		36,109,512		18,579,155
Revenue	5	6,965,013		5,803,158	
Expenses	6	(4,208,726)		(3,066,097)	
Interest payable and similar charges	8	(21,182)		(58,839)	
Net revenue before taxation for the year		2,735,105		2,678,222	
Taxation	7	(61,243)		(685,097)	
Net revenue after taxation for the year			2,673,862		1,993,125
Total return before distributions			38,783,374		20,572,280
Distributions	8		(2,701,361)		(2,383,975)
Change in net assets attributable to shareholders from investment activities			36,082,013		18,188,305

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		450,224,299		360,893,517
Amounts received on creation of shares ¹	48,428,257		30,276,339	
Amounts receivable on in-specie transactions	–		142,916,704	
Amounts paid on cancellation of shares ¹	(95,650,448)		(104,131,126)	
		(47,222,191)		69,061,917
Change in net assets attributable to shareholders from investment activities		36,082,013		18,188,305
Retained distribution on accumulation shares		2,342,326		2,080,560
Closing net assets attributable to shareholders		441,426,447		450,224,299

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

The notes on pages 142 to 153 are an integral part of these Financial Statements.

7IM MODERATELY ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		413,233,069	451,129,692
Current assets:			
Debtors	9	1,913,147	1,417,811
Cash and bank balances	10	3,701,836	4,944,675
Cash equivalents	10	31,294,000	3,777,000
Total assets		450,142,052	461,269,178
LIABILITIES			
Investment liabilities		(3,557,730)	(215,755)
Creditors:			
Bank overdrafts	10	(3,158,493)	(3,426,528)
Distribution payable		(293,976)	(259,613)
Other creditors	11	(1,705,406)	(7,142,983)
Total liabilities		(8,715,605)	(11,044,879)
Net assets attributable to shareholders		441,426,447	450,224,299

The notes on pages 142 to 153 are an integral part of these Financial Statements.

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	34,204,739	13,658,685
Derivative contracts	1,042,814	4,211,251
Forward currency contracts	241,238	2,110,097
Currency gains/(losses)	499,121	(1,437,567)
Transaction charges	(12,108)	(44,386)
AMC rebates from underlying investments	133,708	81,075
Net capital gains	<u>36,109,512</u>	<u>18,579,155</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	4,214,578	1,701,379
Taxable dividends	2,860,379	3,592,451
Unfranked interest	(234,447)	409,301
AMC rebates from underlying investments	88,042	85,641
Bank interest	36,461	5,003
Stock lending revenue ¹	–	9,383
Total revenue	<u>6,965,013</u>	<u>5,803,158</u>

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

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,044,588	2,914,466
Other expenses	11,089	7,796
	<u>4,055,677</u>	<u>2,922,262</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	61,110	44,375
Market risk fees	–	3,661
Safe custody and other bank charges	20,855	23,602
	<u>81,965</u>	<u>71,638</u>
Other Expenses:		
Advisory fees	–	2,829
Audit fee ¹	9,695	9,616
Dealing and exchange fees	16,548	16,053
FCA and other Regulatory fees	41	215
Legal and professional fees	1,870	394
Market data fees	6,978	4,103
Printing, postage and distribution costs	27,987	32,038
Risk analysis fees	7,965	6,949
	<u>71,084</u>	<u>72,197</u>
Total expenses	<u>4,208,726</u>	<u>3,066,097</u>

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

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Corporation tax at 20%	–	535,575
Overseas tax	8,241	108,434
Irrecoverable CIS income tax	53,002	41,088
	<hr/>	<hr/>
Current tax charge (note 7b)	61,243	685,097
	<hr/>	<hr/>
Total taxation	61,243	685,097

b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2020: 20%) for the reasons explained below.

Net revenue before taxation	2,735,105	2,678,222
	<hr/>	<hr/>
Corporation tax at 20%	547,021	535,644
Effects of:		
AMC rebates taken to capital	26,742	16,215
Franked CIS revenue	–	(189,408)
Indexed gilt edged securities adjustment	–	(1,905)
Irrecoverable CIS income tax w/off	53,002	41,088
Non-taxable dividends	(842,916)	7
Non-taxable overseas dividends	–	(13,250)
Offshore CIS revenue	–	(130,296)
Overseas tax	8,241	108,434
Tax effect on non-reporting offshore funds	–	374,884
Unutilised excess management expenses	269,153	(56,316)
	<hr/>	<hr/>
Current tax charge (note 7a)	61,243	685,097

c) Deferred tax

There is no deferred tax in the current year (2020: none).

At the year end, there is a potential deferred tax asset of £269,153 (2020: none) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions

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

	30.11.21	30.11.20
	£	£
Interim	249,667	38,627
Final	2,432,208	2,301,946
	<u>2,681,875</u>	<u>2,340,573</u>
Add: Revenue deducted on cancellation of shares	26,187	47,901
Deduct: Revenue received on issue of shares	(6,701)	(2,690)
Deduct: Revenue received on in-specie transactions	–	(1,809)
Net distributions for the year	2,701,361	2,383,975
Interest payable and similar charges	21,182	58,839
Total distribution	<u>2,722,543</u>	<u>2,442,814</u>

Details of the distributions per share are set out in the table on pages 154 to 157.

Distributions represented by:		
Net revenue after taxation	2,673,862	1,993,125
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	26,742	16,215
Equalisation on conversions ²	708	(228)
Net movement in revenue account	49	(21)
Tax relief on Non Reporting Offshore Funds	–	374,884
Net distributions for the year	<u>2,701,361</u>	<u>2,383,975</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	320,197	268,300
Sales awaiting settlement	60,005	291,412
Accrued revenue	952,710	360,081
Income tax recoverable	46,637	36,104
AMC rebates from underlying investments	296,435	152,812
Withholding tax recoverable	3,271	13,253
Prepaid expenses	–	295,849
Corporation tax overpayment recoverable	233,892	–
Total debtors	<u>1,913,147</u>	<u>1,417,811</u>

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	3,154,775	3,444,472
Cash held at clearing houses	547,061	1,500,203
Cash equivalents	31,294,000	3,777,000
Total cash and bank balances	<u>34,995,836</u>	<u>8,721,675</u>
Bank overdrafts	(3,153,621)	(3,417,090)
Cash overdraft at clearing houses	(4,872)	(9,438)
Total bank overdrafts	<u>(3,158,493)</u>	<u>(3,426,528)</u>

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	1,198,298	6,305,169
Purchases awaiting settlement	127,295	–
Accrued expenses	379,813	302,239
Corporation tax payable	–	535,575
Total other creditors	<u>1,705,406</u>	<u>7,142,983</u>

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 140.

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

Pershing Nominees Limited 69.14% (2020: 34.58%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£2,837,816) (2020: £106,723,326)

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

13 Classes of Shares

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

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

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

13 Classes of Shares (continued)

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	2,148	–	(247)	–	1,901
Class A Accumulation	323,630	–	(56,779)	–	266,851
Class B Accumulation	5,923,597	236,578	(983,348)	–	5,176,827
Class C Income	16,213,802	928,564	(2,587,761)	141,254	14,695,859
Class C Accumulation	115,156,744	13,533,832	(23,693,056)	(250,616)	104,746,904
Class D Income	119,702	530	(34,912)	–	85,320
Class D Accumulation	3,187,651	637,787	(530,642)	–	3,294,796
Class S Income	1,176,185	299,192	(222,862)	(640,096)	612,419
Class S Accumulation	29,726,496	1,015,072	(7,061,525)	837,213	24,517,256
Class X Income	3,435,499	124,608	(134,254)	–	3,425,853
Class X Accumulation	930,315	–	(49,015)	–	881,300

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	716,201	–	2,564	718,765
Swedish krona	–	–	277	277
Swiss franc	31,634	–	–	31,634
US dollar	413,278	28,398,867	133,175,235	161,987,380
Pound sterling	33,834,723	–	379,567,229	413,401,952
	34,995,836	28,398,867	512,745,305	576,140,008

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(720,881)	–	(139,062)	(859,943)
Japanese yen	–	–	(4,260,982)	(4,260,982)
Swiss franc	(31,634)	–	–	(31,634)
US dollar	(413,471)	–	(93,472,399)	(93,885,870)
Pound sterling	(1,992,507)	–	(33,682,625)	(35,675,132)
	(3,158,493)	–	(131,555,068)	(134,713,561)

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	976	976
Euro	785,808	–	5,899,912	6,685,720
Swedish krona	–	–	29	29
Swiss franc	32,145	–	9,007	41,152
US dollar	413,123	6,138,863	83,770,689	90,322,675
Pound sterling	7,890,560	7,671,481	459,204,368	474,766,409
	9,121,636	13,810,344	548,884,981	571,816,961

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(741,850)	–	(375,870)	(1,117,720)
Japanese yen	–	–	(4,624,509)	(4,624,509)
Swiss franc	(32,145)	–	–	(32,145)
US dollar	(411,847)	–	(91,811,475)	(92,223,322)
Pound sterling	(2,240,687)	–	(21,354,279)	(23,594,966)
	(3,426,529)	–	(118,166,133)	(121,592,662)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21 %	30.11.20 %	30.11.21 Years	30.11.20 Years
Pound sterling	–	0.19	–	1
US dollar	(2.00)	(5.06)	2	4

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the average weighted effective duration was 0.56 years (30 November 2020: 1.02 years).

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	(2,116)	(139,062)	(141,178)
Japanese yen	–	(4,260,982)	(4,260,982)
Swedish krona	277	–	277
US dollar	(193)	68,101,703	68,101,510
	(2,032)	63,701,659	63,699,627
Pound sterling	31,753,140	345,973,680	377,726,820
Net assets	31,751,108	409,675,339	441,426,447

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	976	–	976
Euro	47,198	5,520,802	5,568,000
Japanese yen	–	(4,624,509)	(4,624,509)
Swedish krona	29	–	29
Swiss franc	9,007	–	9,007
US dollar	1,276	(1,901,923)	(1,900,647)
	58,486	(1,005,630)	(947,144)
Pound sterling	(748,124)	451,919,567	451,171,443
Net assets	(689,638)	450,913,937	450,224,299

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 30 November 2021 was 19%, 62% and 35% respectively (30 November 2020: 27%, 121% and 59% respectively).

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303\ 51d\ HL)]$.

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	30.11.21 £	30.11.20 £
Futures Contracts		
Chicago Board of Trade	–	(14,414)
Eurex Deutschland	–	645,772
Eurex USA	754,143	–
Forward Currency Contracts		
Northern Trust	(2,288,254)	3,392,923
Total net exposure¹	<u>(1,534,111)</u>	<u>4,024,281</u>

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

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value

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

Level 1

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

Level 2

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

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

Level 3

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

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

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	–	28,398,867	–	28,398,867
Collective Investment Schemes	233,749,733	105,873,176	–	339,622,909
Derivatives	754,143	1,269,476	–	2,023,619
Equities	43,187,674	–	–	43,187,674
Total	277,691,550	135,541,519	–	413,233,069
Liabilities				
Derivatives	–	(3,557,730)	–	(3,557,730)
30 November 2020				
Assets				
Bonds	1,810,469	12,399,835	–	14,210,304
Collective Investment Schemes	376,421,743	41,602,986	–	418,024,729
Derivatives	645,772	3,594,264	–	4,240,036
Equities	14,654,623	–	–	14,654,623
Total	393,532,607	57,597,085	–	451,129,692
Liabilities				
Derivatives	(14,414)	(201,341)	–	(215,755)

7IM MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.16% (2020: 0.03%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 312.87p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 300.68p. This represents a decrease of 3.90% from the year end value.

Non-adjusting event

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

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class A Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Allocated 31.07.21	Allocated 31.07.20
Class A Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Allocated 31.07.21	Allocated 31.07.20
Class B Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Allocated 31.07.21	Allocated 31.07.20¹
Class C Income				
Group 1	0.0864	–	0.0864	–
Group 2	0.0864	–	0.0864	–
			Allocated 31.07.21	Allocated 31.07.20¹
Class C Accumulation				
Group 1	0.1180	–	0.1180	–
Group 2	0.1180	–	0.1180	–
			Allocated 31.07.21	Allocated 31.07.20
Class D Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Allocated 31.07.21	Allocated 31.07.20
Class D Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class S Income				
Group 1	0.2477	–	0.2477	0.1137
Group 2	0.2477	–	0.2477	0.1137

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.2450	–	0.2450	0.1246
Group 2	0.2450	–	0.2450	0.1246

	Net Revenue	Equalisation	Paid 31.07.21	Paid N/A ²
Class X Income				
Group 1	0.8620	–	0.8620	–
Group 2	0.8620	–	0.8620	–

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated N/A ²
Class X Accumulation				
Group 1	0.9194	–	0.9194	–
Group 2	0.9194	–	0.9194	–

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2021

Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class A Income				
Group 1	0.0789	–	0.0789	0.3626
Group 2	0.0789	–	0.0789	0.3626

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class A Accumulation				
Group 1	0.0867	–	0.0867	0.2403
Group 2	0.0867	–	0.0867	0.2403

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class B Accumulation				
Group 1	0.9623	–	0.9623	0.8321
Group 2	0.9623	–	0.9623	0.8321

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	1.5143	–	1.5143	1.2959
Group 2	1.4218	0.0925	1.5143	1.2959
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	1.7116	–	1.7116	1.4803
Group 2	1.5372	0.1744	1.7116	1.4803
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income				
Group 1	0.0526	–	0.0526	0.2929
Group 2	0.0526	–	0.0526	0.2929
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class D Accumulation				
Group 1	0.3064	–	0.3064	0.3405
Group 2	0.3064	–	0.3064	0.3405
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	1.0084	–	1.0084	0.8236
Group 2	0.8538	0.1546	1.0084	0.8236
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	1.0858	–	1.0858	0.8889
Group 2	1.0118	0.0740	1.0858	0.8889
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class X Income				
Group 1	1.9036	–	1.9036	1.1484
Group 2	1.9036	–	1.9036	1.1484

7IM MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2021

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class X Accumulation				
Group 1	2.1596	–	2.1596	1.3444
Group 2	2.1596	–	2.1596	1.3444

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

² No comparative figures shown as the share class launched on 20 November 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 ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

7IM Adventurous Fund (the 'Sub-fund') aims to provide capital growth.

The Sub-fund invests at least 80% of its assets in other funds managed both by the Manager and by selected third party managers, including open-ended and closed-ended funds and exchange traded funds (ETFs), and other transferable securities including fixed income, equities and structured products.

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

Investment will be more focused on growth generating assets such as equities.

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

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

Comparator Benchmark

The Sub-fund's performance may be compared to the IA Flexible Investment Shares which has been chosen because it is representative of the Sub-fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the Sub-fund's performance.

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 11.7%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2% to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced its worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and FTSE 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

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

7IM ADVENTUROUS FUND

ACD'S REPORT (continued) for the year ended 30 November 2021

Investment Manager's Report (continued)

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

In light of reopening momentum, in December, we slightly reallocated towards our managers that have more of a value tilt. We did this as it would help us better capture a period of rotation to more cyclical stocks, many of which are mid cap size.

In January, we sold out of our 2023 dividends allocation. At the depth of the crisis in March 2020, there was a fear that dividends would simply not be paid by European businesses in the next few years. As optimism returned to the world, this mispricing has corrected sharply – leaving any future gains more fundamentally related to the earnings outlook. With that in mind, we switched back into the broad equity index.

Also in March, we added UBS AG London 2024 and Goldman Sachs International 2024 equity put selling strategies to portfolios at 3-5% (total) across risk profiles funded by US equity and corporate bonds. By selling puts, the strategies benefit from nervous investors fearing another equity market pullback.

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

The first change we made in order to implement the growth+ basket was that we increased our allocation to Berkshire Hathaway relative to a broader S&P 500 index tracker. The motivation is that Berkshire Hathaway contains more industrial and cyclical exposures than the broader index, and it is these stocks which were undervalued and looked better placed to benefit from US growth.

The second change that was made as part of the growth+ basket was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

The third change that was made in order to implement the growth+ basket was a tilt towards value companies. The motivation behind this was that companies with value and cyclical characteristics were likely to continue outperforming as the global economy continued to perform well. In our active portfolios, we were able to create this tilt by reallocation to managers with more of a value tilt.

7IM ADVENTUROUS FUND

ACD'S REPORT (continued)

for the year ended 30 November 2021

Investment Manager's Report (continued)

In July, we refreshed our SAA. This is led by an optimisation process that maps assets classes onto risk factors in order to create optimal portfolios for each risk profile. This year, our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the "clean energy" space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence, overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds freed up by the equity trim were added to alternatives and cash.

During September, we introduced Asia high yield position into our aggressive risk profile, reducing the fund's exposure to world equity markets. Issues in the Chinese property sector meant that we thought the asset class was offering returns appropriate for an aggressive risk profile.

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth - For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt - Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 7IM portfolios are positioned for a changing environment - For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP

Investment Manager

January 2022

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 162 to 169 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	265.33	249.29	235.40
Return before operating charges*	32.84	20.80	19.02
Operating charges (calculated on average price)	(5.52)	(4.76)	(5.13)
Return after operating charges*	27.32	16.04	13.89
Distributions	–	(0.50)	(0.99)
Retained distributions on accumulation shares	–	0.50	0.99
Closing net asset value per share	292.65	265.33	249.29
* After direct transaction costs of: ¹	0.00	0.01	0.09

Performance

Return after charges ²	10.30%	6.43%	5.90%
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Other Information

Closing net asset value (£'000)	21	30	15
Closing number of shares	7,103	11,339	6,070
Operating charges ³	1.93%	1.97%	2.13%
Direct transaction costs	0.00%	0.00%	0.04%

Prices

Highest share price	304.67	257.67	252.30
Lowest share price	265.95	191.31	220.96

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 170.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	276.67	259.29	244.25
Return before operating charges*	34.08	21.72	19.74
Operating charges (calculated on average price)	(5.04)	(4.34)	(4.70)
Return after operating charges*	29.04	17.38	15.04
Distributions	(0.22)	(0.48)	(1.65)
Retained distributions on accumulation shares	0.22	0.48	1.65
Closing net asset value per share	305.71	276.67	259.29
* After direct transaction costs of: ¹	0.00	0.01	0.09

Performance

Return after charges ²	10.50%	6.70%	6.16%
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Other Information

Closing net asset value (£'000)	3,289	3,788	4,089
Closing number of shares	1,075,772	1,369,042	1,576,841
Operating charges ³	1.68%	1.72%	1.88%
Direct transaction costs	0.00%	0.00%	0.04%

Prices

Highest share price	318.49	268.12	262.23
Lowest share price	277.32	199.15	229.32

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 170.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	267.82	251.83	238.75
Return before operating charges*	33.21	21.14	19.30
Operating charges (calculated on average price)	(4.15)	(3.61)	(3.99)
Return after operating charges*	29.06	17.53	15.31
Distributions on income shares	(0.91)	(1.54)	(2.23)
Closing net asset value per share	295.97	267.82	251.83
* After direct transaction costs of: ¹	0.00	0.01	0.09

Performance

Return after charges ²	10.85%	6.96%	6.41%
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Other Information

Closing net asset value (£'000)	14,771	15,093	16,516
Closing number of shares	4,990,684	5,635,680	6,558,420
Operating charges ³	1.43%	1.47%	1.63%
Direct transaction costs	0.00%	0.00%	0.04%

Prices

Highest share price	332.93	260.42	256.17
Lowest share price	289.21	193.57	224.20

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 170.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	288.53	269.72	253.45
Return before operating charges*	35.80	22.67	20.53
Operating charges (calculated on average price)	(4.48)	(3.86)	(4.26)
Return after operating charges*	31.32	18.81	16.27
Distributions	(0.96)	(1.62)	(2.37)
Retained distributions on accumulation shares	0.96	1.62	2.37
Closing net asset value per share	319.85	288.53	269.72
* After direct transaction costs of: ¹	0.00	0.01	0.09

Performance

Return after charges ²	10.86%	6.97%	6.42%
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Other Information

Closing net asset value (£'000)	97,456	102,610	113,027
Closing number of shares	30,469,593	35,563,604	41,905,225
Operating charges ³	1.43%	1.47%	1.63%
Direct transaction costs	0.00%	0.00%	0.04%

Prices

Highest share price	332.93	279.00	272.56
Lowest share price	289.21	207.32	237.99

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 170.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	257.10	241.51	229.00
Return before operating charges*	32.02	20.16	18.49
Operating charges (calculated on average price)	(5.38)	(4.57)	(5.00)
Return after operating charges*	26.64	15.59	13.49
Distributions on income shares	–	–	(0.98)
Closing net asset value per share	283.74	257.10	241.51
* After direct transaction costs of: ¹	0.00	0.01	0.08

Performance

Return after charges ²	10.36%	6.46%	5.89%
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Other Information

Closing net asset value (£'000)	4	4	12
Closing number of shares	1,488	1,560	4,699
Operating charges ³	1.93%	1.97%	2.13%
Direct transaction costs	0.00%	0.00%	0.04%

Prices

Highest share price	295.38	249.59	245.44
Lowest share price	257.65	185.36	214.94

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 170.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	265.13	249.09	235.24
Return before operating charges*	32.88	20.81	18.98
Operating charges (calculated on average price)	(5.55)	(4.77)	(5.13)
Return after operating charges*	27.33	16.04	13.85
Distributions	–	(0.33)	(0.99)
Retained distributions on accumulation shares	–	0.33	0.99
Closing net asset value per share	292.46	265.13	249.09
* After direct transaction costs of: ¹	0.00	0.01	0.09

Performance

Return after charges ²	10.31%	6.44%	5.89%
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Other Information

Closing net asset value (£'000)	14,921	12,840	12,533
Closing number of shares	5,102,093	4,842,923	5,031,543
Operating charges ³	1.93%	1.97%	2.13%
Direct transaction costs	0.00%	0.00%	0.04%

Prices

Highest share price	304.48	257.48	252.13
Lowest share price	265.75	191.17	220.81

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 170.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	144.97	136.63	129.54
Return before operating charges*	17.96	11.45	10.48
Operating charges (calculated on average price)	(1.86)	(1.61)	(1.83)
Return after operating charges*	16.10	9.84	8.65
Distributions on income shares	(0.91)	(1.50)	(1.56)
Closing net asset value per share	160.16	144.97	136.63
* After direct transaction costs of: ¹	0.00	0.00	0.05

Performance

Return after charges ²	11.11%	7.20%	6.68%
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Other Information

Closing net asset value (£'000)	23	15	66
Closing number of shares	14,059	10,275	48,538
Operating charges ³	1.18%	1.22%	1.38%
Direct transaction costs	0.00%	0.00%	0.04%

Prices

Highest share price	167.11	141.34	139.05
Lowest share price	145.13	105.10	121.67

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 170.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	153.84	143.46	134.46
Return before operating charges*	19.10	12.09	10.90
Operating charges (calculated on average price)	(1.97)	(1.71)	(1.90)
Return after operating charges*	17.13	10.38	9.00
Distributions	(0.93)	(1.22)	(1.63)
Retained distributions on accumulation shares	0.93	1.22	1.63
Closing net asset value per share	170.97	153.84	143.46
* After direct transaction costs of: ¹	0.00	0.00	0.05

Performance

Return after charges ²	11.13%	7.24%	6.69%
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Other Information

Closing net asset value (£'000)	10,416	14,578	10,726
Closing number of shares	6,092,446	9,475,885	7,476,614
Operating charges ³	1.18%	1.22%	1.38%
Direct transaction costs	0.00%	0.00%	0.04%

Prices

Highest share price	177.94	148.44	144.85
Lowest share price	154.21	110.35	126.29

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 170.

7IM ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.08%	0.08%	0.08%	0.08%	0.08%
	1.48%	1.23%	0.98%	1.48%	0.73%
Collective investment scheme costs	0.45%	0.45%	0.45%	0.45%	0.45%
Ongoing Charges Figure	1.93%	1.68%	1.43%	1.93%	1.18%

As at 30 November 2020

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.40%	1.15%	0.90%	1.40%	0.65%
Other expenses	0.11%	0.11%	0.11%	0.11%	0.11%
	1.51%	1.26%	1.01%	1.51%	0.76%
Collective investment scheme costs	0.46%	0.46%	0.46%	0.46%	0.46%
Ongoing Charges Figure	1.97%	1.72%	1.47%	1.97%	1.22%

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 ADVENTUROUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was five.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM Adventurous Fund	11.71	27.38	38.82

¹ Source: Bloomberg

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

Details of the distributions per share for the year are shown in the Distribution Tables on pages 188 to 190.

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	ALTERNATIVES 10.29% (6.68%)		
	Alternative Strategies 6.46% (0.00%)		
37,809	BlackRock Strategic Funds - Global Event Driven Fund ¹	4,470,573	3.17
5,329,000	BNP Paribas Issuance 0.00% 2024 ²	4,636,188	3.29
		9,106,761	6.46
	Real Estate 3.83% (6.68%)		
1,110,880	Custodian REIT	1,065,334	0.76
1,690,139	iShares Global Property Securities Index ¹	4,326,757	3.07
		5,392,091	3.83
	DEBT SECURITIES 4.21% (1.74%)		
	Emerging Market Bonds 2.86% (0.00%)		
60,265	UBS Lux Bond SICAV - Asian High Yield ¹	4,031,970	2.86
	Global High Yield Bonds 1.35% (1.74%)		
34,990	Xenfin Securitised Debt ^{1,3}	1,892,623	1.35
	EQUITY 79.08% (90.20%)		
	Asia & Emerging Markets 13.95% (14.69%)		
51,507	RWC Global Emerging Markets ¹	12,786,213	9.07
248,124	Schroder ISF Asian Opportunities ¹	6,870,979	4.88
		19,657,192	13.95
	Europe (ex UK) 10.15% (11.25%)		
6,114,290	LF Lightman European Fund I Accumulation ¹	7,578,051	5.38
1,999,208	Premier Miton European Opportunities ¹	6,721,337	4.77
		14,299,388	10.15
	Japan 10.48% (11.71%)		
817,919	Skyline Umbrella Fund ICAV - Usonian Japan Value Fund ¹	8,392,094	5.96
514,580	T. Rowe Price Funds OEIC Japanese Equity ¹	6,375,650	4.52
		14,767,744	10.48
	North America 16.46% (28.82%)		
91,280	AB SICAV I - International Health Care Portfolio ¹	12,678,770	9.00
49,421	Berkshire Hathaway	10,249,815	7.28
279	MSCI USA ESG Screened Index Futures December 2021 ⁴	256,592	0.18
		23,185,177	16.46
	United Kingdom 28.04% (23.73%)		
4,462	Goldman Sachs International 2024	3,720,569	2.64
4,373,854	Man GLG Income Fund ¹	12,964,102	9.20
10,556,260	Ninety One Funds Series I ¹	12,167,145	8.63
4,231,333	Ninety One Funds Series III ¹	7,110,755	5.05

7IM ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	United Kingdom (continued)		
4,352	UBS AG London 2024	3,553,005	2.52
		39,515,576	28.04
	FORWARD CURRENCY CONTRACTS -0.21% (-0.22%)		
€(924,000)	Vs £788,774 Expiry 08.04.2022	470	–
¥(138,000,000)	Vs £897,383 Expiry 20.05.2022	(19,100)	(0.01)
US\$(6,000,000)	Vs £4,319,825 Expiry 14.01.2022	(173,716)	(0.12)
US\$(7,988,000)	Vs £5,761,506 Expiry 14.01.2022	(220,895)	(0.16)
US\$4,250,000	Vs £(3,063,505) Expiry 14.01.2022	119,420	0.08
		(293,821)	(0.21)
	Portfolio of investment	131,554,701	93.37
	Net other assets ⁵	9,346,119	6.63
	Net assets	140,900,820	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹ Collective investment scheme

² Structured product

³ The security is currently suspended and liquidating. The valuation for this security has been determined by the 7IM Fair Value Pricing Panel based on latest available information.

⁴ Derivative contract

⁵ Includes shares in the Northern Trust Global Sterling Fund to the value of £8,199,000 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21 %	30.11.20 %
Investment grade debt securities	–	–
Non-rated debt securities	3.29	–
Other investments	90.08	100.48
Net other assets/(liabilities)	6.63	(0.48)
	100.00	100.00

7IM ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		15,414,177		8,407,349
Revenue	5	1,931,263		2,100,388	
Expenses	6	(1,519,089)		(1,452,333)	
Interest payable and similar charges	8	(158)		(28,428)	
Net revenue before taxation for the year		412,016		619,627	
Taxation	7	(15,292)		(43,845)	
Net revenue after taxation for the year			396,724		575,782
Total return before distributions			15,810,901		8,983,131
Distributions	8		(435,169)		(822,128)
Change in net assets attributable to shareholders from investment activities			15,375,732		8,161,003

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		148,958,325		156,983,854
Amounts received on creation of shares ¹	21,098,278		26,626,141	
Amounts paid on cancellation of shares ¹	(44,920,021)		(43,539,393)	
		(23,821,743)		(16,913,252)
Change in net assets attributable to shareholders from investment activities		15,375,732		8,161,003
Retained distribution on accumulation shares		388,506		726,720
Closing net assets attributable to shareholders		140,900,820		148,958,325

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

The notes on pages 176 to 187 are an integral part of these Financial Statements.

7IM ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		131,968,412	147,378,579
Current assets:			
Debtors	9	1,869,888	384,612
Cash and bank balances	10	978,793	958,311
Cash equivalents	10	8,199,000	3,098,000
Total assets		143,016,093	151,819,502
LIABILITIES			
Investment liabilities		(413,711)	(801,789)
Creditors:			
Bank overdrafts	10	(794,797)	(946,969)
Distribution payable		(16,535)	(72,713)
Other creditors	11	(890,230)	(1,039,706)
Total liabilities		(2,115,273)	(2,861,177)
Net assets attributable to shareholders		140,900,820	148,958,325

The notes on pages 176 to 187 are an integral part of these Financial Statements.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	13,234,187	6,462,567
Derivative contracts	689,629	1,641,555
Forward currency contracts	253,999	309,705
Currency gains/(losses)	3,591	(18,973)
Transaction charges	(8,141)	(36,481)
Provision for remediation	1,173,287	–
AMC rebates from underlying investments	67,625	48,976
Net capital gains	<u>15,414,177</u>	<u>8,407,349</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	1,781,593	947,207
Taxable dividends	179,238	955,653
Unfranked interest	(54,079)	157,346
AMC rebates from underlying investments	24,450	34,203
Bank interest	61	774
Stock lending revenue ¹	–	5,205
Total revenue	<u>1,931,263</u>	<u>2,100,388</u>

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

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,411,867	1,339,930
Other expenses	8,350	6,756
	<u>1,420,217</u>	<u>1,346,686</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	27,153	22,150
Market risk fees	–	3,661
Safe custody and other bank charges	13,872	21,229
	<u>41,025</u>	<u>47,040</u>
Other Expenses:		
Advisory fees	–	1,242
Audit fee ¹	9,695	9,616
Dealing and exchange fees	10,250	10,423
FCA and other Regulatory fees	39	214
Legal and professional fees	1,870	324
Market data fees	6,978	4,103
Printing, postage and distribution costs	21,050	25,736
Risk analysis fees	7,965	6,949
	<u>57,847</u>	<u>58,607</u>
Total expenses	<u>1,519,089</u>	<u>1,452,333</u>

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

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Overseas tax	3,818	38,835
Irrecoverable CIS income tax	11,474	5,010
	<hr/>	<hr/>
Current tax charge (note 7b)	15,292	43,845
	<hr/>	<hr/>
Total taxation	15,292	43,845
<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%) (2020: 20%) for the reasons explained below.		
Net revenue before taxation	412,016	619,627
	<hr/>	<hr/>
Corporation tax at 20%	82,403	123,925
Effects of:		
AMC rebates taken to capital	13,525	9,795
Excess non trade loan deficits	10,772	–
Franked CIS revenue	(169,521)	(101,950)
Irrecoverable CIS income tax w/off	11,474	5,010
Non-taxable dividends	–	(12,349)
Offshore CIS revenue	(186,798)	(75,142)
Overseas tax	3,818	38,835
Tax effect on non-reporting offshore funds	–	236,779
Unutilised excess management expenses	249,619	(181,058)
	<hr/>	<hr/>
Current tax charge (note 7a)	15,292	43,845

c) Deferred tax

There is no deferred tax in the current year (2020: none).

At the year end there is a potential deferred tax asset of £768,230 (2020: £507,839) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

8 Distributions

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

	30.11.21 £	30.11.20 £
Interim	290,659	148,971
Final	144,843	665,879
	<hr/>	<hr/>
	435,502	814,850
Add: Revenue deducted on cancellation of shares	1,449	10,123
Deduct: Revenue received on issue of shares	(1,782)	(2,845)
	<hr/>	<hr/>
Net distributions for the year	435,169	822,128
Interest payable and similar charges	158	28,428
	<hr/>	<hr/>
Total distribution	435,327	850,556

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 188 to 190.

Distributions represented by:		
Net revenue after taxation	396,724	575,782
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	13,525	246,574
Equalisation on conversions ²	(9)	(254)
Income deficit	24,926	4
Net movement in revenue account	3	22
Net distributions for the year	<u>435,169</u>	<u>822,128</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	143,617	49,537
Sales awaiting settlement	46,269	108,054
Accrued revenue	381,833	151,332
Income tax recoverable	14,877	4,633
AMC rebates from underlying investments	109,106	65,951
Withholding tax recoverable	899	5,105
Amount receivable from the ACD ¹	1,173,287	–
Total debtors	<u>1,869,888</u>	<u>384,612</u>

¹ Seven Investment Management LLP (7IM LLP) have embarked on a remediation programme in respect of the Xenfin Securitised Debt Fund ('XSDF') held as an investment by the 7IM Adventurous Fund (the 'Sub-fund'). The redress due to the Sub-fund is payable upon the final liquidation payment of XSDF to the Sub-fund and is measurable via an accrual marked to market daily. 7IM LLP has made a commitment to pay the accrual value with GBP cash when due.

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	793,140	958,311
Cash held at clearing houses	185,653	–
Cash equivalents	8,199,000	3,098,000
Total cash and bank balances	<u>9,177,793</u>	<u>4,056,311</u>
Bank overdrafts	(793,084)	(946,969)
Cash overdraft at clearing houses	(1,713)	–
Total bank overdrafts	<u>(794,797)</u>	<u>(946,969)</u>

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	688,141	897,011
Purchases awaiting settlement	54,596	–
Accrued expenses	147,493	142,695
Total other creditors	890,230	1,039,706

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 174.

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

Pershing Nominees Limited 56.85% (2020: 60.90%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£9,051,648 (2020: (£1,280,976))).

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

13 Classes of Shares

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

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

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Accumulation	11,339	–	(4,236)	–	7,103
Class B Accumulation	1,369,042	75,540	(368,810)	–	1,075,772
Class C Income	5,635,680	173,940	(841,426)	22,490	4,990,684
Class C Accumulation	35,563,604	5,004,004	(10,081,862)	(16,153)	30,469,593
Class D Income	1,560	–	(72)	–	1,488
Class D Accumulation	4,842,923	1,338,459	(1,077,909)	(1,380)	5,102,093
Class S Income	10,275	3,784	–	–	14,059
Class S Accumulation	9,475,885	617,229	(3,994,273)	(6,395)	6,092,446

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown on below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	147,194	–	663	147,857
Swiss franc	14,300	–	–	14,300
US dollar	21,307	4,636,188	31,865,856	36,523,351
Pound sterling	8,994,992	–	112,166,117	112,962,109
	9,177,793	4,636,188	144,032,636	157,846,617

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(148,907)	–	(788,304)	(937,211)
Japanese yen	–	–	(916,483)	(916,483)
Swiss franc	(14,300)	–	–	(14,300)
US dollar	(3,965)	–	(10,475,943)	(10,479,908)
Pound sterling	(627,625)	–	(3,970,270)	(4,597,895)
	(794,797)	–	(16,151,000)	(16,945,797)

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	365	365
Euro	155,320	–	699	156,019
Swiss franc	14,531	–	4,041	18,572
US dollar	14,514	–	32,753,857	32,768,371
Pound sterling	3,871,946	–	161,511,090	165,383,036
	4,056,311	–	194,270,052	198,326,363

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(155,320)	–	(831,220)	(986,540)
Japanese yen	–	–	(2,075,839)	(2,075,839)
Swiss franc	(14,531)	–	–	(14,531)
US dollar	(3,961)	–	(26,472,056)	(26,476,017)
Pound sterling	(773,157)	–	(19,041,954)	(19,815,111)
	(946,969)	–	(48,421,069)	(49,368,038)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21	30.11.20	30.11.21	30.11.20
	%	%	Years	Years
US dollar	(5.56)	–	3	–

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the weighted average effective duration was 0.11 years (30 November 2020: none).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	(1,050)	(788,304)	(789,354)
Japanese yen	–	(916,483)	(916,483)
US dollar	17,342	26,026,102	26,043,444
	16,292	24,321,315	24,337,607
Pound sterling	9,329,827	107,233,386	116,563,213
Net assets	9,346,119	131,554,701	140,900,820

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	365	–	365
Euro	699	(831,220)	(830,521)
Japanese yen	–	(2,075,839)	(2,075,839)
Swiss franc	4,041	–	4,041
US dollar	10,553	6,281,801	6,292,354
	15,658	3,374,742	3,390,400
Pound sterling	2,365,877	143,202,048	145,567,925
Net assets	2,381,535	146,576,790	148,958,325

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 30 November 2021 was 7%, 49% and 25% respectively (30 November 2020¹: 31%, 126% and 62% 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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303 51d HL)]$.

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.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

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

Counterparty	30.11.21 £	30.11.20 £
Futures Contracts		
Eurex USA	256,592	–
Forward Currency Contracts		
Northern Trust	(293,820)	(326,176)
Total net exposure¹	<u>(37,228)</u>	<u>(326,176)</u>

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

iv. Fair value

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

Level 1

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

Level 2

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

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

Level 3

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

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

One holding within the Sub-fund were held at a Level 3 valuation throughout the period:

Xenfin Securitised Debt Fund

The Xenfin Securitised Debt Fund was suspended from trading in June 2019 and then began implementing a voluntary windup with a liquidator being appointed in December 2019.

The following metrics were used to calculate the Fair Value Price throughout the period:

a. The last observable published price was in June 2019, throughout the start of 2020 the fund made three distributions returning approximately 35% of the June 2019 value to investors. The Fair Value Price was adjusted accordingly to take account of these distributions.

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value (continued)

b. In March 2021, a sum of the parts approach was taken to valuation of the asset and upon receipt of new information, the holding was reduced in price by approximately 21%.

Within the sum of the parts approach to valuation, there is reliance on unobservable inputs and there has been application of judgement. Examples include: (i) expectation for a mortgage to be repaid following development and sale of a property asset with a sale price estimated at \$21m by an expert third party independent valuer, the valuation assessment is based on comparable transactions, the opinion of market value is completed based on the hypothetical condition that the proposed improvements are completed in accordance with plans and specifications as of the appraisal date; (ii) expectation of sale of property assets; (iii) the expected value to be realised from Unquoted shares; (iv) the expectation of costs to be recovered.

Specifically in regard to approximately 40% of the Xenfin Securitised Debt Fund, there is reliance on unobservable inputs and the application of significant judgement in relation to the expected value to be realised from an equity holding where the underlying assets are properties. The valuation assessment of the properties held by the equity holding was conducted by an independent third party valuer.

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	–	4,636,188	–	4,636,188
Collective Investment Schemes	85,007,751	21,466,645	1,892,623	108,367,019
Derivatives	256,592	119,890	–	376,482
Equities	18,588,723	–	–	18,588,723
Total	103,853,066	26,222,723	1,892,623	131,968,412
Liabilities				
Derivatives	–	(413,711)	–	(413,711)
30 November 2020				
Assets				
Collective Investment Schemes	136,295,992	–	2,590,093	138,886,085
Derivatives	–	475,613	–	475,613
Equities	6,417,424	–	1,599,457	8,016,881
Total	142,713,416	475,613	4,189,550	147,378,579
Liabilities				
Derivatives	–	(801,789)	–	(801,789)

7IM ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.03% (2020: 0.28%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Adjusting event

On 15 December 2021, Xenfin Securitised Debt Fund made a distribution returning approximately 1% of the June 2019 NAV valuation to investors. The Fair Value Price decreased to take account of this distribution.

Share class closure

On 22 December 2021, Class D Income was closed and all shares had been redeemed.

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 322.74p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 309.75p. This represents a decrease of 4.02% from the year end value.

Non-adjusting event

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

7IM ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class A Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20 ¹
Class B Accumulation				
Group 1	0.2246	–	0.2246	–
Group 2	0.2246	–	0.2246	–

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class C Income				
Group 1	0.5785	–	0.5785	0.2495
Group 2	0.5785	–	0.5785	0.2495

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	0.6196	–	0.6196	0.2517
Group 2	0.6196	–	0.6196	0.2517

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class D Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class D Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class S Income				
Group 1	0.5111	–	0.5111	0.3348
Group 2	0.5111	–	0.5111	0.3348

7IM ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.5428	–	0.5428	0.3489
Group 2	0.5428	–	0.5428	0.3489

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2021

Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021

	Net Revenue	Equalisation	Allocated 31.01.22 ¹	Allocated 31.01.21
Class A Accumulation				
Group 1	–	–	–	0.5034
Group 2	–	–	–	0.5034

	Net Revenue	Equalisation	Allocated 31.01.22 ¹	Allocated 31.01.21
Class B Accumulation				
Group 1	–	–	–	0.4799
Group 2	–	–	–	0.4799

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	0.3302	–	0.3302	1.2881
Group 2	0.3253	0.0049	0.3302	1.2881

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	0.3433	–	0.3433	1.3727
Group 2	0.3339	0.0094	0.3433	1.3727

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Revenue	Equalisation	Allocated 31.01.22 ¹	Allocated 31.01.21
Class D Accumulation				
Group 1	–	–	–	0.3273
Group 2	–	–	–	0.3273

7IM ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	0.3986	–	0.3986	1.1674
Group 2	0.3831	0.0155	0.3986	1.1674
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	0.3891	–	0.3891	0.8707
Group 2	0.3503	0.0388	0.3891	0.8707

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

Equalisation

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

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

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

The Sub-fund invests at least 80% of its assets in a range of shares and corporate bonds and other funds managed by selected fund managers.

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

The Sub-fund will only invest in individual shares and corporate bonds where the restrictions set out below are applied, as part of a two stage process.

1) Investment Restrictions

Companies from certain industries or with significant exposure to certain activities, taken to be more than 10% of revenues, are precluded from investment at the outset. These include:

Adult entertainment

Alcohol

Armaments

Gambling

Genetically modified organisms ('GMOs') in agriculture

Nuclear power generation

Tobacco

2) Ethical Conduct Screening

Having screened out individual securities with significant exposure to industries which are unacceptable, in accordance with the above criteria, the screening process set out in the Sub-Fund's Screening Process Document (which is available on the Manager's website or which may be obtained from the Manager) is then applied. This screening process includes firstly screening the remaining investment universe to identify securities in those companies which, although in acceptable industries, nonetheless exhibit unacceptable conduct, which may include corruption or poor labour or environmental practices. Positive screening is then applied to identify those securities in companies which exhibit positive ethical conduct (such as sustainable environmental practices and conscientiousness with regard to human rights).

Other funds (which includes exchange traded funds and open or closed ended funds) are selected for the Sub-Fund's portfolio on the basis that they track recognised ethical or socially responsible indices or are managed in accordance with the Manager's judgemental screening which is applied as described in the Screening Document.

An assessment of Environmental, Social and Governance (ESG) issues is integrated into the investment process as part of the assessment and valuation work conducted to be made for the Sub-fund by the Manager.

The Sub-fund will comprise a mixture of income-generating assets and assets with scope for capital growth.

The Sub-fund has flexibility to invest in different asset classes depending on market conditions, with most investment in equities and fixed interest securities but with no long term bias to either class.

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

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

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 5.42%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2 to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced its worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

¹ Calculated using 7IM Sustainable Balance C Acc shares, published prices. Source: NTRS

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket. In the Sustainable Balance fund, this was achieved by increasing our headline risk through allocating to broad equity from fixed income.

In May, we added an allocation to AT1 bonds funded by a reduction in our global high yield allocation. Elevated defaults in high yield bonds were eating into their returns, but this was not the true with AT1 bonds. The COVID-19 recession had strengthened the case for AT1s as capital ratios were up and regulators forbearance was quicker and more forgiving than our expectations prior to the recession.

On an absolute and relative basis, European banks score well on ESG and carbon metrics. Going forward banks are improving how they integrate sustainable policies and are likely to be key players in the development of sustainable finance. Based on this we believe AT1s are a viable investment for Sustainable Balance especially when holding against the global high yield index.

In July, we refreshed our SAA. This is led by an optimisation process that maps assets classes onto risk factors in order to create optimal portfolios for each risk profile. This year our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), and decrease our exposure to interest rates.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the "clean energy" space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

In August, we moved more of the credit allocation into actively managed products by introducing the Robeco Capital Growth Funds - RobecoSAM Global SDG Credits fund into portfolios.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds from the cut in equity was invested into a low duration development bond basket. The basket includes bonds that are issued by supra nationals such as the European Investment Bank and the Asia Development Bank, these institutions are Triple A rated but also are very highly rated from an ESG perspective due to their work supporting the Sustainable Development Goals.

7IM SUSTAINABLE BALANCE FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth – For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt – Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 7IM portfolios are positioned for a changing environment – For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP
Investment Manager
January 2022

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION

The Comparative Tables on pages 196 to 204 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	130.36	123.13	116.14
Return before operating charges*	8.20	11.32	11.74
Operating charges (calculated on average price)	(2.71)	(2.48)	(2.31)
Return after operating charges*	5.49	8.84	9.43
Distributions on income shares	(2.12)	(1.61)	(2.44)
Closing net asset value per share	133.73	130.36	123.13
* After direct transaction costs of: ¹	0.02	0.14	0.02

Performance

Return after charges ²	4.21%	7.18%	8.12%
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Other Information

Closing net asset value (£'000)	83	83	79
Closing number of shares	62,171	63,620	64,292
Operating charges ³	2.02%	2.00%	1.93%
Direct transaction costs	0.02%	0.11%	0.02%

Prices

Highest share price	138.43	130.99	124.70
Lowest share price	129.57	106.16	111.98

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 205.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	172.85	161.18	149.01
Return before operating charges*	10.91	14.96	15.15
Operating charges (calculated on average price)	(3.61)	(3.29)	(2.98)
Return after operating charges*	7.30	11.67	12.17
Distributions	(2.82)	(2.40)	(3.14)
Retained distributions on accumulation shares	2.82	2.40	3.14
Closing net asset value per share	180.15	172.85	161.18
* After direct transaction costs of: ¹	0.03	0.18	0.03

Performance

Return after charges ²	4.22%	7.24%	8.17%
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Other Information

Closing net asset value (£'000)	358	331	98
Closing number of shares	198,332	191,749	60,684
Operating charges ³	2.02%	2.00%	1.93%
Direct transaction costs	0.02%	0.11%	0.02%

Prices

Highest share price	185.44	172.95	161.71
Lowest share price	171.80	139.01	143.66

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 205.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	175.29	163.29	150.84
Return before operating charges*	11.02	15.14	15.31
Operating charges (calculated on average price)	(3.48)	(3.14)	(2.86)
Return after operating charges*	7.54	12.00	12.45
Distributions	(2.84)	(2.17)	(3.16)
Retained distributions on accumulation shares	2.84	2.17	3.16
Closing net asset value per share	182.83	175.29	163.29
* After direct transaction costs of: ¹	0.03	0.18	0.03

Performance

Return after charges ²	4.30%	7.35%	8.25%
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Other Information

Closing net asset value (£'000)	4	4	4
Closing number of shares	2,426	2,426	2,426
Operating charges ³	1.92%	1.90%	1.83%
Direct transaction costs	0.02%	0.11%	0.02%

Prices

Highest share price	188.19	175.37	163.79
Lowest share price	174.25	140.87	145.43

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 205.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	137.91	129.71	121.74
Return before operating charges*	8.69	11.68	12.33
Operating charges (calculated on average price)	(1.81)	(1.64)	(1.80)
Return after operating charges*	6.88	10.04	10.53
Distributions on income shares	(2.25)	(1.84)	(2.56)
Closing net asset value per share	142.54	137.91	129.71
* After direct transaction costs of: ¹	0.02	0.14	0.02

Performance

Return after charges ²	4.99%	7.74%	8.65%
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Other Information

Closing net asset value (£'000)	30,177	28,692	26,787
Closing number of shares	21,171,437	20,805,315	20,651,026
Operating charges ³	1.27%	1.25%	1.43%
Direct transaction costs	0.02%	0.11%	0.02%

Prices

Highest share price	147.45	138.67	131.25
Lowest share price	137.35	112.04	117.41

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 205.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	185.62	172.19	158.40
Return before operating charges*	11.74	15.62	16.15
Operating charges (calculated on average price)	(2.45)	(2.19)	(2.36)
Return after operating charges*	9.29	13.43	13.79
Distributions	(3.05)	(2.50)	(3.35)
Retained distributions on accumulation shares	3.05	2.50	3.35
Closing net asset value per share	194.91	185.62	172.19
* After direct transaction costs of: ¹	0.03	0.19	0.03

Performance

Return after charges ²	5.00%	7.80%	8.71%
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Other Information

Closing net asset value (£'000)	145,617	106,546	66,645
Closing number of shares	74,707,961	57,401,022	38,704,244
Operating charges ³	1.27%	1.25%	1.43%
Direct transaction costs	0.02%	0.11%	0.02%

Prices

Highest share price	200.57	185.67	172.60
Lowest share price	184.86	148.73	152.76

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 205.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	127.97	121.04	114.28
Return before operating charges*	8.05	11.13	11.54
Operating charges (calculated on average price)	(2.79)	(2.57)	(2.39)
Return after operating charges*	5.26	8.56	9.15
Distributions on income shares	(2.08)	(1.63)	(2.39)
Closing net asset value per share	131.15	127.97	121.04
* After direct transaction costs of: ¹	0.02	0.13	0.02

Performance

Return after charges ²	4.11%	7.07%	8.01%
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Other Information

Closing net asset value (£'000)	44	42	28
Closing number of shares	33,865	32,784	22,806
Operating charges ³	2.12%	2.10%	2.03%
Direct transaction costs	0.02%	0.11%	0.02%

Prices

Highest share price	135.76	128.64	122.60
Lowest share price	127.16	104.35	110.18

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

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

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7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	170.48	159.14	147.27
Return before operating charges*	10.76	14.72	14.98
Operating charges (calculated on average price)	(3.74)	(3.38)	(3.11)
Return after operating charges*	7.02	11.34	11.87
Distributions	(2.78)	(2.01)	(3.10)
Retained distributions on accumulation shares	2.78	2.01	3.10
Closing net asset value per share	177.50	170.48	159.14
* After direct transaction costs of: ¹	0.03	0.18	0.03

Performance

Return after charges ²	4.12%	7.13%	8.06%
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Other Information

Closing net asset value (£'000)	155	93	107
Closing number of shares	87,048	54,748	67,040
Operating charges ³	2.12%	2.10%	2.03%
Direct transaction costs	0.02%	0.11%	0.02%

Prices

Highest share price	182.72	170.58	159.69
Lowest share price	169.39	137.20	141.97

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 205.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	134.14	125.91	117.87
Return before operating charges*	8.47	11.34	11.95
Operating charges (calculated on average price)	(1.41)	(1.27)	(1.43)
Return after operating charges*	7.06	10.07	10.52
Distributions on income shares	(2.22)	(1.84)	(2.48)
Closing net asset value per share	138.98	134.14	125.91
* After direct transaction costs of: ¹	0.02	0.14	0.02

Performance

Return after charges ²	5.26%	8.00%	8.93%
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Other Information

Closing net asset value (£'000)	546	470	520
Closing number of shares	393,086	350,092	413,310
Operating charges ³	1.02%	1.00%	1.18%
Direct transaction costs	0.02%	0.11%	0.02%

Prices

Highest share price	143.74	134.92	127.34
Lowest share price	133.70	108.84	113.70

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 205.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	152.68	141.28	129.64
Return before operating charges*	9.66	12.84	13.23
Operating charges (calculated on average price)	(1.62)	(1.44)	(1.59)
Return after operating charges*	8.04	11.40	11.64
Distributions	(2.54)	(2.11)	(2.74)
Retained distributions on accumulation shares	2.54	2.11	2.74
Closing net asset value per share	160.72	152.68	141.28
* After direct transaction costs of: ¹	0.03	0.16	0.03

Performance

Return after charges ²	5.27%	8.07%	8.98%
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Other Information

Closing net asset value (£'000)	23,071	15,334	11,369
Closing number of shares	14,354,451	10,043,312	8,047,554
Operating charges ³	1.02%	1.00%	1.18%
Direct transaction costs	0.02%	0.11%	0.02%

Prices

Highest share price	165.37	152.70	141.56
Lowest share price	152.15	122.13	125.04

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 205.

7IM SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.75%	1.65%	1.00%	1.85%	0.75%
Other expenses	0.07%	0.07%	0.07%	0.07%	0.07%
	1.82%	1.72%	1.07%	1.92%	0.82%
Collective investment scheme costs	0.20%	0.20%	0.20%	0.20%	0.20%
Ongoing Charges Figure	2.02%	1.92%	1.27%	2.12%	1.02%

As at 30 November 2020

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.75%	1.65%	1.00%	1.85%	0.75%
Other expenses	0.10%	0.10%	0.10%	0.10%	0.10%
	1.85%	1.75%	1.10%	1.95%	0.85%
Collective investment scheme costs	0.15%	0.15%	0.15%	0.15%	0.15%
Ongoing Charges Figure	2.00%	1.90%	1.25%	2.10%	1.00%

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 SUSTAINABLE BALANCE FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was four.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM Sustainable Balance Fund ¹	5.42	23.26	32.91

¹ Source: Bloomberg

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

Details of the distributions per share for the year are shown in the Distribution Tables on pages 224 to 226.

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value	30.11.21
		£	%
	ALTERNATIVES 4.95% (4.82%)		
	Alternative Strategies 0.00% (0.00%)		
337,642	Low Carbon Accelerator ¹	-	-
	Infrastructure 4.08% (4.12%)		
1,882,512	Greencoat UK Wind	2,526,331	1.26
1,952,355	Renewables Infrastructure Group	2,569,299	1.29
2,671,083	SDCL Energy Efficiency Income Trust	3,058,390	1.53
		8,154,020	4.08
	Real Estate 0.87% (0.70%)		
1,529,707	Target Healthcare REIT	1,734,688	0.87
	DEBT SECURITIES 37.70% (39.73%)		
	Emerging Market Bonds 5.50% (5.99%)		
1,161,100	BlackRock Global ESG Emerging Markets Blended ²	10,995,618	5.50
	Gilts 0.00% (2.02%)		
	Global Corporate Bonds 14.48% (15.99%)		
1,668,765	iShares USD Bond 0-3yr ESG UCITS ETF ²	8,230,349	4.11
177,114	Robeco Capital Growth Funds - RobecoSAM Global SDG Credits ²	20,741,793	10.37
		28,972,142	14.48
	Global Government Bonds 0.00% (3.47%)		
	Global High Yield Bonds 6.42% (5.64%)		
90,590	BlueBay Financial Capital Bond ²	10,666,025	5.33
18,719	Bluebay Global High Yield Bond Fund ²	2,173,794	1.09
		12,839,819	6.42
	Global Inflation Linked Bonds 2.12% (2.06%)		
342,201	iShares Global Inflation-Linked Bond Index ²	4,245,232	2.12
	Short Term Sterling Bonds 3.97% (0.00%)		
£1,000,000	African Development Bank FRN 2026	981,170	0.49
£850,000	Asian Development Bank FRN 2023	852,536	0.43
£1,000,000	European Investment Bank FRN 2025	1,007,300	0.51
£2,000,000	European Investment Bank FRN 2027	2,086,260	1.04
£2,000,000	International Bank for Reconstruction & Development 0.875% 13/12/2024	2,002,882	1.00
£1,000,000	Nordic Investment Bank 1.125% 16/03/2022	1,002,586	0.50
		7,932,734	3.97
	Sterling Corporate Bonds 5.21% (4.56%)		
9,242,690	Threadneedle UK Social Bond ²	10,429,452	5.21

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	EQUITY 49.49% (51.46%)		
	Asia & Emerging Markets 5.94% (5.25%)		
26,235	HDFC Bank	1,287,415	0.64
645,900	Samsonite International	905,267	0.45
8,549	Taiwan Semiconductor Manufacturing ADR	750,356	0.38
764,154	UBS MSCI Emerging Markets Socially Responsible UCITS ETF ²	8,944,423	4.47
		11,887,461	5.94
	Europe (ex UK) 4.77% (6.12%)		
8,345	Air Liquide	1,034,997	0.52
30,981	Alstom	829,518	0.41
2,080	ASML Holding	1,237,681	0.62
19,410	Dassault Systemes	878,114	0.44
182,499	Enel	1,041,081	0.52
11,291	Essilor International	1,700,005	0.85
5,279	Koninklijke DSM	853,775	0.43
6,664	Schneider Electric	885,230	0.44
9,052	Siemens	1,087,729	0.54
		9,548,130	4.77
	Far East (ex Japan) 0.45% (1.01%)		
114,400	AIA	902,316	0.45
	Japan 4.52% (5.83%)		
5,500	Daikin Industries	842,575	0.42
4,100	Shimano	851,870	0.43
18,100	Shiseido	780,089	0.39
341,436	UBS MSCI Japan Socially Responsible UCITS ETF ²	6,572,643	3.28
		9,047,177	4.52
	North America 15.94% (15.93%)		
871	Alphabet 'C'	1,858,619	0.93
518	Amazon.com	1,361,441	0.68
5,096	Amgen	759,654	0.38
49,051	Aramark	1,227,975	0.61
2,241	Charter Communications	1,085,570	0.54
8,535	CME	1,410,740	0.71
16,835	Colgate-Palmolive	946,641	0.47
2,631	Costco Wholesale	1,062,970	0.53
4,362	Deere & Co	1,128,859	0.56
1,785	Equinix	1,087,055	0.54
8,133	First Republic Bank	1,278,091	0.64
3,552	Home Depot	1,067,371	0.53
3,145	Illumina	861,949	0.43
230,000	iShares MSCI USA SRI UCITS ETF ²	2,311,809	1.16
9,862	Jack Henry & Associates	1,121,214	0.56
10,580	Marriott International	1,169,855	0.59
5,474	MasterCard	1,291,251	0.65
22,037	Merck & Co	1,236,180	0.62
8,428	Microsoft	2,088,317	1.04
9,018	Middleby	1,180,725	0.59
4,159	Moody's	1,217,758	0.61
15,931	Otis Worldwide	959,812	0.48

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	North America (continued)		
26,954	Service International	1,336,639	0.67
9,470	Splunk	858,451	0.43
2,339	SVB Financial Group	1,214,215	0.61
6,927	Walt Disney	752,175	0.38
		31,875,336	15.94
	United Kingdom 17.87% (17.32%)		
72,746	3i Group	1,008,987	0.50
29,464	Abcam	502,361	0.25
22,257	ASOS	523,262	0.26
22,646	AstraZeneca	1,874,183	0.94
133,098	B&M European Value Retail	825,474	0.41
119,148	Barratt Developments	830,938	0.41
63,782	Compass Group	932,812	0.47
18,096	Cranswick	643,494	0.32
230,587	DS Smith	826,193	0.41
49,151	GB Group	376,988	0.19
51,873	Genuit Group	298,788	0.15
13,360	Genus	646,090	0.32
84,395	GlaxoSmithKline	1,287,024	0.64
31,010	Halma	930,610	0.46
83,316	Howden Joinery Group	721,183	0.36
227,964	HSBC Holdings	955,967	0.48
42,168	IMI	716,856	0.36
13,335	InterContinental Hotels Group	593,274	0.30
14,661	Intertek Group	782,897	0.39
305,680	Legal & General Group	861,712	0.43
12,534	London Stock Exchange	814,961	0.41
13,795	Medtronic	1,103,269	0.55
64,157	Molten Ventures	593,452	0.30
3,698,552	Ninety One Funds Series III ²	6,215,417	3.11
13,427	Oxford Instruments	308,821	0.15
76,574	Prudential	976,701	0.49
19,335	Reckitt Benckiser Group	1,181,368	0.59
55,709	RELX	1,301,362	0.65
1,000,000	Residential Secure Income	974,000	0.49
750,961	RM Secured Direct Lending	675,865	0.34
46,903	RWS	293,144	0.15
53,666	Smith & Nephew	653,115	0.33
39,762	Softcat	734,802	0.37
121,225	SSP	261,119	0.13
89,310	UBS (Irl) MSCI United Kingdom IMI Socially Responsible ²	1,490,763	0.74
38,278	Unilever	1,477,148	0.74
26,073	Unite Group	276,635	0.14
21,006	WH Smith	278,540	0.14
		35,749,575	17.87
	PROPERTY 0.51% (0.58%)		
1,110,876	Civitas Social Housing	1,024,228	0.51
	FORWARD CURRENCY CONTRACTS -0.19% (0.88%)		
€(2,303,000)	Vs £1,965,958 Expiry 08.04.2022	1,171	–
US\$(45,960,000)	Vs £33,149,578 Expiry 14.01.2022	(1,270,949)	(0.64)

7IM SUSTAINABLE BALANCE FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
FORWARD CURRENCY CONTRACTS (continued)			
¥297,600,000	Vs £(1,935,226) Expiry 20.05.2022	41,190	0.02
US\$16,400,000	Vs £(11,922,721) Expiry 14.01.2022	359,626	0.18
US\$10,500,000	Vs £(7,537,120) Expiry 14.01.2022	326,577	0.16
US\$6,500,000	Vs £(4,695,514) Expiry 14.01.2022	172,489	0.09
		(369,896)	(0.19)
Portfolio of investment		184,968,032	92.46
	Net other assets ³	15,086,469	7.54
Net assets		200,054,501	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹ Delisted security

² Collective investment scheme

³ Includes shares in the Northern Trust Global Sterling Fund to the value of £9,285,000 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21 %	30.11.20 %
Investment grade debt securities	3.97	–
Other investments	88.49	97.47
Net other assets	7.54	2.53
	100.00	100.00

7IM SUSTAINABLE BALANCE FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		7,088,718		9,791,520
Revenue	5	3,423,592		1,974,391	
Expenses	6	(1,899,427)		(1,566,165)	
Interest payable and similar charges	8	(1,216)		(7,934)	
Net revenue before taxation for the year		1,522,949		400,292	
Taxation	7	(76,401)		(56,514)	
Net revenue after taxation for the year			1,446,548		343,778
Total return before distributions			8,535,266		10,135,298
Distributions	8		(2,925,925)		(1,720,317)
Change in net assets attributable to shareholders from investment activities			5,609,341		8,414,981

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		151,594,720		105,637,162
Amounts received on creation of shares ¹	77,305,459		57,205,665	
Amounts paid on cancellation of shares ¹	(36,987,870)		(21,113,454)	
		40,317,589		36,092,211
Change in net assets attributable to shareholders from investment activities		5,609,341		8,414,981
Retained distribution on accumulation shares		2,532,851		1,450,366
Closing net assets attributable to shareholders		200,054,501		151,594,720

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

The notes on pages 213 to 223 are an integral part of these Financial Statements.

7IM SUSTAINABLE BALANCE FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		186,238,981	147,754,409
Current assets:			
Debtors	9	1,212,452	898,123
Cash and bank balances	10	5,416,247	4,779,199
Cash equivalents	10	9,285,000	–
Total assets		202,152,680	153,431,731
LIABILITIES			
Investment liabilities		(1,270,949)	–
Creditors:			
Bank overdrafts	10	(154,380)	(140,063)
Distribution payable		(162,069)	(154,117)
Other creditors	11	(510,781)	(1,542,831)
Total liabilities		(2,098,179)	(1,837,011)
Net assets attributable to shareholders		200,054,501	151,594,720

The notes on pages 213 to 223 are an integral part of these Financial Statements.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	6,483,740	9,607,033
Derivative contracts	–	(415,204)
Forward currency contracts	689,450	278,393
Currency (losses)/gains	(72,393)	342,349
Transaction charges	(12,079)	(19,210)
AMC rebates from underlying investments	–	(1,841)
Net capital gains	<u>7,088,718</u>	<u>9,791,520</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	1,818,990	1,454,967
Taxable dividends	1,598,068	252,676
Unfranked interest	3,243	264,391
AMC rebates from underlying investments	3,147	1,670
Bank interest	144	687
Total revenue	<u>3,423,592</u>	<u>1,974,391</u>

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,775,180	1,459,004
Other expenses	6,928	5,251
	<u>1,782,108</u>	<u>1,464,255</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	28,291	19,834
Market risk fees	–	3,661
Safe custody and other bank charges	18,494	16,617
	<u>46,785</u>	<u>40,112</u>
Other Expenses:		
Audit fee ¹	9,695	9,616
Dealing and exchange fees	18,209	14,403
FCA and other Regulatory fees	41	215
Legal and professional fees	1,523	394
Market data fees	6,978	4,103
Printing, postage and distribution costs	26,123	26,118
Risk analysis fees	7,965	6,949
	<u>70,534</u>	<u>61,798</u>
Total expenses	<u>1,899,427</u>	<u>1,566,165</u>

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

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Overseas tax	76,401	56,514
Current tax charge (note 7b)	76,401	56,514
Total taxation	76,401	56,514
<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%) (2020: 20%) for the reasons explained below.		
Net revenue before taxation	1,522,949	400,292
Corporation tax at 20%	304,590	80,058
Effects of:		
Double taxation relief expensed	(426)	(416)
FX loss non taxable	93	(1,583)
Movement in revenue accruals	(866)	(1,337)
Non-taxable dividends	(303,171)	(289,410)
Offshore CIS revenue	(60,720)	–
Overseas tax	76,401	56,514
Unutilised excess management expenses	60,500	212,688
Current tax charge (note 7a)	76,401	56,514

c) Deferred tax

There is no deferred tax in the current year (2020: none).

At the year end there is a potential deferred tax asset of £732,216 (2020: £671,716) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

8 Distributions

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

	30.11.21 £	30.11.20 £
Interim	1,989,629	1,006,753
Final	1,043,847	831,178
	3,033,476	1,837,931
Add: Revenue deducted on cancellation of shares	94,274	86,897
Deduct: Revenue received on issue of shares	(201,825)	(204,511)
Net distributions for the year	2,925,925	1,720,317
Interest payable and similar charges	1,216	7,934
Total distribution	2,927,141	1,728,251

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 224 to 226.

Distributions represented by:		
Net revenue after taxation	1,446,548	343,778
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	1,479,352	1,376,555
Equalisation on conversions ²	37	(8)
Net movement in revenue account	(12)	(8)
Net distributions for the year	<u>2,925,925</u>	<u>1,720,317</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	398,784	763,947
Sales awaiting settlement	608,554	–
Accrued revenue	188,755	114,787
AMC rebates from underlying investments	5,062	1,914
Withholding tax recoverable	11,297	17,475
Total debtors	<u>1,212,452</u>	<u>898,123</u>

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	5,416,247	4,779,199
Cash equivalents	9,285,000	–
Total cash and bank balances	<u>14,701,247</u>	<u>4,779,199</u>
Bank overdrafts	(154,380)	(140,063)
Total bank overdrafts	<u>(154,380)</u>	<u>(140,063)</u>

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	106,998	556,371
Purchases awaiting settlement	204,293	835,263
Accrued expenses	199,490	151,197
Total other creditors	<u>510,781</u>	<u>1,542,831</u>

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 211.

7IM and its associates (including other authorised investment funds managed by 7IM) had no shareholdings in the Sub-fund (2020: none).

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

Pershing Nominees Limited 57.43% (2020: 56.50%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled £29,277,722 (2020: £28,255,470).

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

13 Classes of Shares

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

Class A	1.75%
Class B	1.65%
Class C	1.00%
Class D	1.85%
Class S	0.75%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	63,620	–	(1,449)	–	62,171
Class A Accumulation	191,749	11,680	(4,808)	(289)	198,332
Class B Accumulation	2,426	–	–	–	2,426
Class C Income	20,805,315	2,649,990	(2,332,814)	48,946	21,171,437
Class C Accumulation	57,401,022	32,757,672	(14,189,799)	(1,260,934)	74,707,961
Class D Income	32,784	3,928	(2,847)	–	33,865
Class D Accumulation	54,748	38,316	(6,016)	–	87,048
Class S Income	350,092	124,560	(81,566)	–	393,086
Class S Accumulation	10,043,312	6,925,333	(4,101,660)	1,487,466	14,354,451

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown next page.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	20,298	–	9,559,427	9,579,725
Hong Kong dollar	–	–	1,807,583	1,807,583
Japanese yen	–	–	4,450,950	4,450,950
Swiss franc	78,591	–	–	78,591
US dollar	55,490	–	64,275,654	64,331,144
Pound sterling	18,492,963	3,986,638	160,630,030	183,109,631
	18,647,342	3,986,638	240,723,644	263,357,624
	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(20,298)	–	(1,964,787)	(1,985,085)
Swiss franc	(78,591)	–	–	(78,591)
US dollar	(55,490)	–	(34,420,526)	(34,476,016)
Pound sterling	–	–	(26,763,431)	(26,763,431)
	(154,379)	–	(63,148,744)	(63,303,123)

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	–	–	822,017	822,017
Danish krone	–	–	831,249	831,249
Euro	21,419	–	13,059,899	13,081,318
Hong Kong dollar	–	–	1,439,723	1,439,723
Japanese yen	–	–	2,651,738	2,651,738
Swiss franc	79,861	–	810,935	890,796
US dollar	44,654	–	50,039,409	50,084,063
Pound sterling	4,633,265	–	110,585,706	115,218,971
	4,779,199	–	180,240,676	185,019,875

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(15,626)	–	(7,469,287)	(7,484,913)
Japanese yen	–	–	(17,299)	(17,299)
Swiss franc	(79,861)	–	–	(79,861)
US dollar	(44,576)	–	(24,101,558)	(24,146,134)
Pound sterling	–	–	(1,696,948)	(1,696,948)
	(140,063)	–	(33,285,092)	(33,425,155)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21 %	30.11.20 %	30.11.21 Years	30.11.20 Years
Pound sterling	0.66	–	3	–

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the average weighted effective duration was 2.02 years (30 November 2020: 2.15 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	11,297	7,583,343	7,594,640
Hong Kong dollar	–	1,807,583	1,807,583
Japanese yen	–	4,450,950	4,450,950
US dollar	–	29,855,128	29,855,128
	11,297	43,697,004	43,708,301
Pound sterling	15,075,172	141,271,028	156,346,200
Net assets	15,086,469	184,968,032	200,054,501

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Australian dollar	–	822,017	822,017
Danish krone	1,078	830,171	831,249
Euro	18,370	5,578,035	5,596,405
Hong Kong dollar	–	1,439,723	1,439,723
Japanese yen	–	2,634,439	2,634,439
Swiss franc	3,187	807,748	810,935
US dollar	711	25,937,218	25,937,929
	23,346	38,049,351	38,072,697
Pound sterling	3,816,965	109,705,058	113,522,023
Net assets	3,840,311	147,754,409	151,594,720

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 30 November 2021 was 19%, 56% and 25% respectively (30 November 2020: 21%, 78% and 41% 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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303 51d HL)]$.

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.

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

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

Counterparty	30.11.21 £	30.11.20 £
Forward Currency Contracts		
Brokeondons	–	116
Northern Trust	(369,896)	1,326,413
Total net exposure¹	(369,896)	1,326,529

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

iv. Fair value

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

Level 1

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

Level 2

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

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

Level 3

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

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

30 November 2021	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Bonds	–	7,932,734	–	7,932,734
Collective Investment Schemes	31,795,219	61,222,099	–	93,017,318
Derivatives	–	901,053	–	901,053
Equities	84,387,876	–	–	84,387,876
Total	116,183,095	70,055,886	–	186,238,981
Liabilities				
Derivatives	–	(1,270,949)	–	(1,270,949)

7IM SUSTAINABLE BALANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value (continued)

30 November 2020	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Collective Investment Schemes	41,270,892	27,670,030	–	68,940,922
Derivatives	8,341,883	1,326,529	–	9,668,412
Equities	69,145,075	–	–	69,145,075
Total	118,757,850	28,996,559	–	147,754,409

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 195.

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

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	7,925	–	–	–	–	–
Collective Investment Schemes	54,323	–	–	–	–	–
Equities	67,031	12	14	26	0.02	0.02
Total	129,279	12	14	26	0.02	0.02

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Collective Investment Schemes	20,752	–	–	–	–	–
Equities	76,565	(6)	–	(6)	0.01	–
Total	97,317	(6)	–	(6)	0.01	–

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

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	17,962	–	–	–	–	–
Collective Investment Schemes	32,499	–	–	–	–	–
Equities	122,333	102	15	117	0.08	0.01
Total	172,794	102	15	117	0.08	0.01
Sales						
Bonds	44,178	–	–	–	–	–
Collective Investment Schemes	9,443	–	–	–	–	–
Equities	76,705	(17)	–	(17)	0.02	–
Total	130,326	(17)	–	(17)	0.02	–
Total as a percentage of the average NAV		0.10%	0.01%	0.11%		

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.11% (2020: 0.21%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Share class closure

On 22 December 2021, Class B Accumulation was closed and all shares had been redeemed.

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 195.61p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 186.96p. This represents a decrease of 4.42% from the year end value.

Non-adjusting event

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

7IM SUSTAINABLE BALANCE FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class A Income				
Group 1	1.3670	–	1.3670	1.0567
Group 2	1.3670	–	1.3670	1.0567
			Allocated 31.07.21	Allocated 31.07.20
Class A Accumulation				
Group 1	1.8074	–	1.8074	1.3830
Group 2	0.9184	0.8890	1.8074	1.3830
			Allocated 31.07.21	Allocated 31.07.20
Class B Accumulation				
Group 1	1.9453	–	1.9453	1.3991
Group 2	1.9453	–	1.9453	1.3991
			Allocated 31.07.21	Allocated 31.07.20
Class C Income				
Group 1	1.4988	–	1.4988	1.1138
Group 2	0.9350	0.5638	1.4988	1.1138
			Allocated 31.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	2.0358	–	2.0358	1.4814
Group 2	1.5336	0.5022	2.0358	1.4814
			Allocated 31.07.21	Allocated 31.07.20
Class D Income				
Group 1	1.3406	–	1.3406	1.0365
Group 2	0.7735	0.5671	1.3406	1.0365
			Allocated 31.07.21	Allocated 31.07.20
Class D Accumulation				
Group 1	1.7865	–	1.7865	1.3654
Group 2	1.1677	0.6188	1.7865	1.3654

7IM SUSTAINABLE BALANCE FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class S Income				
Group 1	1.5076	–	1.5076	1.0807
Group 2	1.1664	0.3412	1.5076	1.0807

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	1.7117	–	1.7117	1.2142
Group 2	1.3761	0.3356	1.7117	1.2142

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2021

Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class A Income				
Group 1	0.7523	–	0.7523	0.5535
Group 2	0.7523	–	0.7523	0.5535

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class A Accumulation				
Group 1	1.0131	–	1.0131	1.0165
Group 2	0.2892	0.7239	1.0131	1.0165

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class B Accumulation				
Group 1	0.8908	–	0.8908	0.7704
Group 2	0.8908	–	0.8908	0.7704

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	0.7488	–	0.7488	0.7254
Group 2	0.3513	0.3975	0.7488	0.7254

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	1.0176	–	1.0176	1.0194
Group 2	0.4971	0.5205	1.0176	1.0194

7IM SUSTAINABLE BALANCE FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income				
Group 1	0.7384	–	0.7384	0.5913
Group 2	0.1427	0.5957	0.7384	0.5913
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class D Accumulation				
Group 1	0.9940	–	0.9940	0.6416
Group 2	0.3940	0.6000	0.9940	0.6416
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	0.7172	–	0.7172	0.7567
Group 2	0.3464	0.3708	0.7172	0.7567
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	0.8266	–	0.8266	0.8921
Group 2	0.4936	0.3330	0.8266	0.8921

Equalisation

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

7IM AAP INCOME FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

7IM AAP (Asset Allocated Passives) Income Fund (the 'Sub-fund') aims to provide income, while seeking to maintain capital over the long term (5 years or more).

The Sub-fund invests at least 80% of its assets in fixed interest and equity instruments that, for the most part, use passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-fund will also invest in other asset classes such as property, commodities and private equity, indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

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

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

The Sub-fund's investments will be more focused on income generating assets such as corporate debt securities but there will be an allocation to growth generating assets such as global equities.

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

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 3.22%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2 to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced it's worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

¹ Calculated using 7IM AAP Income C Acc shares, published prices. Source: NTRS

71M AAP INCOME FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

We added to our Asia High Yield position in January in order to take advantage of the increased returns available vs. Global High Yield. The Asian index was offering a yield of over 3% more than the US and Europe dominated equivalents – and we believed that the risks were lower in Asia than most investors realised.

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

The change that was made as part of the growth+ basket in the AAP income fund was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

In July, we refreshed our SAA. This is led by an optimisation process that maps assets classes onto risk factors in order to create optimal portfolios for each risk profile. This year our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

7IM AAP INCOME FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth – For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt – Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 7IM portfolios are positioned for a changing environment – For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP
Investment Manager
January 2022

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM AAP INCOME FUND

FUND INFORMATION

The Comparative Tables on pages 231 to 239 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	93.30	97.20	96.37
Return before operating charges*	4.29	0.56	5.88
Operating charges (calculated on average price)	(1.82)	(1.74)	(1.81)
Return after operating charges*	2.47	(1.18)	4.07
Distributions on income shares	(2.36)	(2.72)	(3.24)
Closing net asset value per share	93.41	93.30	97.20
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	2.65%	(1.21)%	4.22%
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Other Information

Closing net asset value (£'000)	896	549	218
Closing number of shares	959,333	588,074	224,129
Operating charges ³	1.92%	1.88%	1.84%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest share price	96.57	99.43	101.02
Lowest share price	92.93	80.91	95.00

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 240.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	165.90	167.83	161.00
Return before operating charges*	7.66	1.11	9.92
Operating charges (calculated on average price)	(3.26)	(3.04)	(3.09)
Return after operating charges*	4.40	(1.93)	6.83
Distributions	(4.22)	(4.76)	(5.47)
Retained distributions on accumulation shares	4.22	4.76	5.47
Closing net asset value per share	170.30	165.90	167.83
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	2.65%	(1.15)%	4.24%
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Other Information

Closing net asset value (£'000)	523	284	300
Closing number of shares	307,378	171,408	178,603
Operating charges ³	1.92%	1.88%	1.84%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest share price	173.82	171.68	171.56
Lowest share price	165.81	140.62	158.74

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 240.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class B Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	170.27	172.05	164.85
Return before operating charges*	7.82	1.09	10.08
Operating charges (calculated on average price)	(3.09)	(2.87)	(2.88)
Return after operating charges*	4.73	(1.78)	7.20
Distributions	(4.33)	(4.88)	(5.62)
Retained distributions on accumulation shares	4.33	4.88	5.62
Closing net asset value per share	175.00	170.27	172.05
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	2.78%	(1.03)%	4.37%
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Other Information

Closing net asset value (£'000)	2,846	3,453	4,464
Closing number of shares	1,626,321	2,027,680	2,594,338
Operating charges ³	1.77%	1.73%	1.69%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest share price	178.57	176.04	175.81
Lowest share price	170.24	144.21	162.54

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 240.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	103.40	106.86	105.11
Return before operating charges*	4.56	0.45	6.21
Operating charges (calculated on average price)	(0.97)	(0.90)	(0.91)
Return after operating charges*	3.59	(0.45)	5.30
Distributions on income shares	(2.62)	(3.01)	(3.55)
Closing net asset value per share	104.37	103.40	106.86
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	3.47%	(0.42)%	5.04%
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Other Information

Closing net asset value (£'000)	35,671	27,742	35,623
Closing number of shares	34,176,264	26,830,145	33,334,885
Operating charges ³	0.92%	0.88%	0.84%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest share price	107.68	109.49	110.77
Lowest share price	103.27	89.19	103.69

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 240.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	183.57	184.23	175.31
Return before operating charges*	8.11	0.91	10.45
Operating charges (calculated on average price)	(1.74)	(1.57)	(1.53)
Return after operating charges*	6.37	(0.66)	8.92
Distributions	(4.69)	(5.24)	(6.00)
Retained distributions on accumulation shares	4.69	5.24	6.00
Closing net asset value per share	189.94	183.57	184.23
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	3.47%	(0.36)%	5.09%
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Other Information

Closing net asset value (£'000)	11,391	14,982	18,849
Closing number of shares	5,996,832	8,161,771	10,231,434
Operating charges ³	0.92%	0.88%	0.84%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest share price	193.50	188.76	187.83
Lowest share price	183.89	154.74	172.98

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 240.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	93.52	97.47	96.68
Return before operating charges*	4.32	0.57	5.91
Operating charges (calculated on average price)	(1.87)	(1.79)	(1.86)
Return after operating charges*	2.45	(1.22)	4.05
Distributions on income shares	(2.35)	(2.73)	(3.26)
Closing net asset value per share	93.62	93.52	97.47
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	2.62%	(1.25)%	4.19%
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Other Information

Closing net asset value (£'000)	181	252	268
Closing number of shares	193,173	268,936	275,040
Operating charges ³	1.97%	1.93%	1.89%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest share price	96.78	99.70	101.32
Lowest share price	93.13	81.13	95.30

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 240.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	164.49	166.46	159.76
Return before operating charges*	7.61	1.12	9.82
Operating charges (calculated on average price)	(3.32)	(3.09)	(3.12)
Return after operating charges*	4.29	(1.97)	6.70
Distributions	(4.18)	(4.72)	(5.44)
Retained distributions on accumulation shares	4.18	4.72	5.44
Closing net asset value per share	168.78	164.49	166.46
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	2.61%	(1.18)%	4.19%
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Other Information

Closing net asset value (£'000)	690	736	663
Closing number of shares	408,554	447,253	398,082
Operating charges ³	1.97%	1.93%	1.89%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest share price	172.29	170.28	170.20
Lowest share price	164.38	139.47	157.51

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 240.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	101.90	105.10	103.17
Return before operating charges*	4.44	0.39	6.05
Operating charges (calculated on average price)	(0.70)	(0.63)	(0.63)
Return after operating charges*	3.74	(0.24)	5.42
Distributions on income shares	(2.58)	(2.96)	(3.49)
Closing net asset value per share	103.06	101.90	105.10
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	3.67%	(0.23)%	5.25%
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Other Information

Closing net asset value (£'000)	8,376	10,771	13,262
Closing number of shares	8,126,854	10,569,436	12,618,635
Operating charges ³	0.67%	0.63%	0.59%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest share price	106.28	107.73	108.87
Lowest share price	101.83	87.77	101.79

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 240.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	126.13	126.33	119.98
Return before operating charges*	5.51	0.57	7.09
Operating charges (calculated on average price)	(0.87)	(0.77)	(0.74)
Return after operating charges*	4.64	(0.20)	6.35
Distributions	(3.23)	(3.60)	(4.11)
Retained distributions on accumulation shares	3.23	3.60	4.11
Closing net asset value per share	130.77	126.13	126.33
* After direct transaction costs of: ¹	0.01	0.01	0.01

Performance

Return after charges ²	3.68%	(0.16)%	5.29%
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Other Information

Closing net asset value (£'000)	2,097	3,173	3,828
Closing number of shares	1,603,705	2,515,427	3,030,472
Operating charges ³	0.67%	0.63%	0.59%
Direct transaction costs	0.01%	0.01%	0.01%

Prices

Highest share price	133.16	129.49	128.71
Lowest share price	126.41	106.18	118.40

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

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

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 240.

7IM AAP INCOME FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.50%	1.35%	0.50%	1.55%	0.25%
Other expenses	0.17%	0.17%	0.17%	0.17%	0.17%
	1.67%	1.52%	0.67%	1.72%	0.42%
Collective investment scheme costs	0.25%	0.25%	0.25%	0.25%	0.25%
Ongoing Charges Figure	1.92%	1.77%	0.92%	1.97%	0.67%

As at 30 November 2020

	Class A	Class B	Class C	Class D	Class S
ACD's periodic charge	1.50%	1.35%	0.50%	1.55%	0.25%
Other expenses	0.16%	0.16%	0.16%	0.16%	0.16%
	1.66%	1.51%	0.66%	1.71%	0.41%
Collective investment scheme costs	0.22%	0.22%	0.22%	0.22%	0.22%
Ongoing Charges Figure	1.88%	1.73%	0.88%	1.93%	0.63%

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 AAP INCOME FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was four.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM AAP Income Fund ¹	3.22	7.97	12.38

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 257 to 261.

7IM AAP INCOME FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value	30.11.21
		£	%
	ALTERNATIVES 10.80% (4.42%)		
	Alternative Strategies 6.27% (0.00%)		
729,196	iShares USD Treasury Bond 20+yr UCITS ETF ¹	3,929,637	6.27
	Infrastructure 2.76% (2.87%)		
497,282	BBGI	863,282	1.38
657,846	Renewables Infrastructure	865,725	1.38
		1,729,007	2.76
	Real Estate 1.77% (1.55%)		
751,926	LXI REIT	1,111,347	1.77
	DEBT SECURITIES 58.99% (64.86%)		
	Emerging Market Bonds 14.57% (16.80%)		
7,368,507	Legal & General Emerging Markets Government Bond Local Currency Index Fund Dist ¹	3,476,462	5.55
4,982,531	Legal & General Emerging Markets Government Bond USD Index Fund ¹	3,559,022	5.68
31,324	UBS Lux Bond SICAV - Asian High Yield ¹	2,095,682	3.34
		9,131,166	14.57
	Global Corporate Bonds 20.53% (22.42%)		
35,674	Angel Oak Multi-Strategy Income UCITS Fund ¹	4,302,780	6.87
2,558,061	BlackRock Overseas Corporate Bond Tracker ¹	4,326,961	6.90
38,823	Robeco Global Credits Inc ¹	4,237,157	6.76
		12,866,898	20.53
	Global Government Bonds 4.12% (0.00%)		
241,765	HSBC Global Funds ICAV - Global Government Bond Index Fund ¹	2,580,357	4.12
	Global High Yield Bonds 12.64% (17.53%)		
52,857	BlueBay Financial Capital Bond ¹	6,223,424	9.93
58,072	Xtrackers II EUR High Yield Corporate Bond UCITS ETF ¹	836,218	1.33
80,265	Xtrackers USD High Yield Corporate Bond UCITS ETF ¹	863,443	1.38
		7,923,085	12.64
	Sterling Corporate Bonds 7.13% (8.11%)		
4,323,724	MI TwentyFour - Monument Bond Fund ¹	4,465,542	7.13
	EQUITY 26.90% (29.28%)		
	Asia & Emerging Markets 5.45% (5.36%)		
312,167	SPDR S&P Emerging Markets Dividend UCITS ETF ¹	3,417,306	5.45
	Europe (ex UK) 2.96% (6.17%)		
1,218,095	Fidelity Investment Funds - Index Europe ex UK Fund P Income ¹	1,856,811	2.96

7IM AAP INCOME FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

		Value £	30.11.21 %
Holding	Portfolio of Investment		
	Japan 1.96% (0.00%)		
2,040,532	Legal & General Japan Index Trust ¹	1,224,115	1.96
	North America 8.05% (3.14%)		
428,574	iShares MSCI USA ESG Screened UCITS ETF ¹	1,254,994	2.00
2,973,326	Legal & General Global Health and Pharmaceuticals Index Trust ¹	1,878,105	3.00
183,752	Neuberger Berman P Inc	1,912,863	3.05
		5,045,962	8.05
	United Kingdom 8.48% (14.61%)		
768,032	iShares Core FTSE 100 UCITS ETF ¹	5,315,548	8.48
	FORWARD CURRENCY CONTRACTS -0.63% (1.59%)		
€(2,571,000)	Vs £2,194,737 Expiry 08.04.2022	1,308	–
US\$(480,000)	Vs £345,996 Expiry 14.01.2022	(13,487)	(0.02)
US\$(14,168,000)	Vs £10,218,956 Expiry 14.01.2022	(391,793)	(0.62)
¥60,170,000	Vs £(391,272) Expiry 20.05.2022	8,328	0.01
		(395,644)	(0.63)
	Portfolio of investment	60,201,137	96.06
	Net other assets ²	2,469,454	3.94
	Net assets	62,670,591	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹ Collective investment scheme

² Includes shares in the Northern Trust Global Sterling Fund to the value of £2,211,000 which is shown as Cash equivalents in the Balance Sheet of the Sub-fund.

7IM AAP INCOME FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains/(losses)	4		743,597		(2,515,188)
Revenue	5	1,785,987		2,375,864	
Expenses	6	(411,817)		(436,589)	
Interest payable and similar charges	8	(862)		(2,690)	
Net revenue before taxation for the year		1,373,308		1,936,585	
Taxation	7	(167,471)		(267,767)	
Net revenue after taxation for the year			1,205,837		1,668,818
Total return before distributions			1,949,434		(846,370)
Distributions	8		(1,540,434)		(2,023,017)
Change in net assets attributable to shareholders from investment activities			409,000		(2,869,387)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		61,941,801		77,474,633
Amounts received on creation of shares ¹	7,008,412		6,543,907	
Amounts receivable on in-specie transactions	16,967,217		–	
Amounts paid on cancellation of shares ¹	(24,108,655)		(19,930,105)	
		(133,026)		(13,386,198)
Change in net assets attributable to shareholders from investment activities		409,000		(2,869,387)
Retained distribution on accumulation shares		452,816		722,753
Closing net assets attributable to shareholders		62,670,591		61,941,801

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

The notes on pages 246 to 256 are an integral part of these Financial Statements.

7IM AAP INCOME FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		60,606,417	62,078,735
Current assets:			
Debtors	9	2,881,295	996,640
Cash and bank balances	10	202,038	434,878
Cash equivalents	10	2,211,000	–
Total assets		65,900,750	63,510,253
LIABILITIES			
Investment liabilities		(405,280)	(46,904)
Creditors:			
Bank overdrafts	10	(201,549)	(517,031)
Distribution payable		(361,016)	(291,783)
Other creditors	11	(2,262,314)	(712,734)
Total liabilities		(3,230,159)	(1,568,452)
Net assets attributable to shareholders		62,670,591	61,941,801

The notes on pages 246 to 256 are an integral part of these Financial Statements.

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains/(losses)

	30.11.21	30.11.20
	£	£
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	665,982	(2,344,247)
Derivative contracts	(128,239)	(137,718)
Forward currency contracts	106,453	(41,399)
Currency gains	88,488	6,401
Transaction charges	(14,658)	(22,843)
AMC rebates from underlying investments	25,571	24,618
Net capital gains/(losses)	<u>743,597</u>	<u>(2,515,188)</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	543,585	739,224
Taxable dividends	1,221,525	1,595,155
Unfranked interest	–	32,230
AMC rebates from underlying investments	14,596	3,910
Bank interest	402	691
Stock lending revenue ¹	5,879	4,654
Total revenue	<u>1,785,987</u>	<u>2,375,864</u>

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

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	323,201	350,952
Other expenses	7,720	5,297
	<u>330,921</u>	<u>356,249</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	10,701	11,762
Market risk fees	–	3,661
Safe custody and other bank charges	16,462	12,929
Stock lending fees	1,763	–
	<u>28,926</u>	<u>28,352</u>
Other Expenses:		
Audit fee ¹	9,695	9,616
Dealing and exchange fees	7,252	8,607
FCA and other Regulatory fees	41	233
Legal and professional fees	1,523	394
Market data fees	6,978	4,103
Printing, postage and distribution costs	18,516	22,086
Risk analysis fees	7,965	6,949
	<u>51,970</u>	<u>51,988</u>
Total expenses	<u>411,817</u>	<u>436,589</u>

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

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Corporation tax at 20%	171,059	244,500
Overseas tax	–	23,267
Prior year adjustment	(3,588)	–
	<hr/>	<hr/>
Current tax charge (note 7b)	167,471	267,767
	<hr/>	<hr/>
Total taxation	167,471	267,767
<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%) (2020: 20%) for the reasons explained below.		
Net revenue before taxation	1,373,308	1,936,585
	<hr/>	<hr/>
Corporation tax at 20%	274,662	387,317
Effects of:		
AMC rebates taken to capital	5,114	4,923
Franked CIS revenue	(16,604)	(47,668)
Non-taxable dividends	(17,037)	(27,381)
Offshore CIS revenue	(75,076)	(72,691)
Overseas tax	–	23,267
Prior year adjustment	(3,588)	–
	<hr/>	<hr/>
Current tax charge (note 7a)	167,471	267,767

c) Deferred tax

There is no deferred tax in the current year (2020: none).

8 Distributions

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

	30.11.21 £	30.11.20 £
First Interim	190,282	479,222
Second Interim	307,866	559,291
Third Interim	530,373	459,406
Final	500,449	458,525
	<hr/>	<hr/>
	1,528,970	1,956,444
Add: Revenue deducted on cancellation of shares	76,490	99,163
Deduct: Revenue received on issue of shares	(22,191)	(32,590)
Deduct: Revenue received on in-specie transactions	(42,835)	–
	<hr/>	<hr/>
Net distributions for the year	1,540,434	2,023,017
Interest payable and similar charges	862	2,690
	<hr/>	<hr/>
Total distribution	1,541,296	2,025,707

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 257 to 261.

Distributions represented by:

Net revenue after taxation	1,205,837	1,668,818
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	334,566	354,195
Equalisation on conversions ²	–	1
Net movement in revenue account	31	3
Net distributions for the year	<u>1,540,434</u>	<u>2,023,017</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	127,107	3,482
Sales awaiting settlement	2,205,653	753,576
Accrued revenue	187,593	178,683
Receivable from merger	272,439	–
Income tax recoverable	513	208
AMC rebates from underlying investments	87,274	57,370
Withholding tax recoverable	344	3,321
Currency deals awaiting settlement	372	–
Total debtors	<u>2,881,295</u>	<u>996,640</u>

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	202,005	335,793
Cash held at clearing houses	33	99,085
Cash equivalents	2,211,000	–
Total cash and bank balances	<u>2,413,038</u>	<u>434,878</u>
Bank overdrafts	(201,515)	(514,827)
Cash overdraft at clearing houses	(34)	(2,204)
Total bank overdrafts	<u>(201,549)</u>	<u>(517,031)</u>

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	141,438	466,271
Purchases awaiting settlement	1,973,432	86,108
Accrued expenses	55,385	51,855
Corporation tax payable	92,059	108,500
Total other creditors	2,262,314	712,734

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 244.

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 51.99% (2020: 48.74%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled £2,291,242 (2020: (£5,644,547)).

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

13 Classes of Shares

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

Class A	1.50%
Class B	1.35%
Class C	0.50%
Class D	1.55%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	588,074	391,242	(19,983)	–	959,333
Class A Accumulation	171,408	167,362	(31,392)	–	307,378
Class B Accumulation	2,027,680	45,210	(446,569)	–	1,626,321
Class C Income	26,830,145	19,409,472	(11,992,193)	(71,160)	34,176,264
Class C Accumulation	8,161,771	873,409	(3,113,360)	75,012	5,996,832
Class D Income	268,936	4,962	(80,725)	–	193,173
Class D Accumulation	447,253	10,036	(48,735)	–	408,554
Class S Income	10,569,436	894,927	(3,219,930)	(117,579)	8,126,854
Class S Accumulation	2,515,427	82,269	(1,037,840)	43,849	1,603,705

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	223	–	–	223
Danish krone	5	–	–	5
Euro	17,213	–	836,354	853,567
Japanese yen	–	–	399,600	399,600
Swiss franc	25,769	–	–	25,769
US dollar	85,189	–	7,631,426	7,716,615
Pound sterling	2,483,953	–	67,497,546	69,981,499
	2,612,352	–	76,364,926	78,977,278

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(223)	–	–	(223)
Danish krone	(5)	–	–	(5)
Euro	(17,208)	–	(2,193,429)	(2,210,637)
Swiss franc	(25,769)	–	–	(25,769)
US dollar	(85,220)	–	(10,970,232)	(11,055,452)
Pound sterling	–	–	(3,014,601)	(3,014,601)
	(128,425)	–	(16,178,262)	(16,306,687)

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	220	–	–	220
Danish krone	5	–	333	338
Euro	18,164	–	2,852,466	2,870,630
Japanese yen	–	–	752,852	752,852
Swiss franc	26,185	–	2,836	29,021
US dollar	85,182	–	9,968,276	10,053,458
Pound sterling	305,122	–	73,655,163	73,960,285
	434,878	–	87,231,926	87,666,804

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(220)	–	–	(220)
Danish krone	(5)	–	–	(5)
Euro	(18,158)	–	(5,346,257)	(5,364,415)
Swiss franc	(26,185)	–	–	(26,185)
US dollar	(86,748)	–	(15,812,652)	(15,899,400)
Pound sterling	(385,715)	–	(4,049,063)	(4,434,778)
	(517,031)	–	(25,207,972)	(25,725,003)

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

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	141	(1,357,211)	(1,357,070)
Japanese yen	–	399,600	399,600
US dollar	(31)	(3,338,806)	(3,338,837)
	110	(4,296,417)	(4,296,307)
Pound sterling	2,469,344	64,497,554	66,966,898
Net assets	2,469,454	60,201,137	62,670,591

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	333	–	333
Euro	158	(2,493,943)	(2,493,785)
Japanese yen	–	752,852	752,852
Swiss franc	2,836	–	2,836
US dollar	(1,566)	(5,844,376)	(5,845,942)
	1,761	(7,585,467)	(7,583,706)
Pound sterling	(91,791)	69,617,298	69,525,507
Net assets	(90,030)	62,031,831	61,941,801

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 30 November 2021 was 22%, 86% and 34% respectively (30 November 2020: 39%, 118% and 53% 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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303 51d HL)]$.

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.

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

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

Counterparty	30.11.21 £	30.11.20 £
Options		
Chicago Board of Trade	–	(3,346)
Forward Currency Contracts		
Northern Trust	(395,645)	981,510
Total net exposure¹	<u>(395,645)</u>	<u>978,164</u>

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

iv. Fair value

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

Level 1

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

Level 2

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

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

Level 3

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

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

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value (continued)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Collective Investment Schemes	25,359,940	30,483,624	–	55,843,564
Derivatives	–	9,636	–	9,636
Equities	4,753,217	–	–	4,753,217
Total	30,113,157	30,493,260	–	60,606,417
Liabilities				
Derivatives	–	(405,280)	–	(405,280)
30 November 2020				
Assets				
Collective Investment Schemes	31,904,670	25,814,552	–	57,719,222
Derivatives	–	1,028,414	–	1,028,414
Equities	3,334,445	–	–	3,334,445
Total	35,239,115	26,842,966	–	62,082,081
Liabilities				
Derivatives	(3,346)	(46,904)	–	(50,250)

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 230.

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

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	23,606	–	–	–	–	–
Equities	13,753	1	–	1	0.01	–
Total	37,359	1	–	1	0.01	–
	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Sales						
Collective Investment Schemes	22,092	–	–	–	–	–
Equities	17,576	(2)	–	(2)	0.01	–
Total	39,668	(2)	–	(2)	0.01	–
Total as a percentage of the average NAV		0.00%	0.00%	0.00%		

7IM AAP INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30 November 2020 :

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	39,757	–	–	–	–	–
Equities	1,545	1	–	1	0.06	–
Total	41,302	1	–	1	0.06	–
Sales						
Bonds	3,531	–	–	–	–	–
Collective Investment Schemes	40,718	–	–	–	–	–
Equities	8,510	(4)	–	(4)	0.05	–
Total	52,759	(4)	–	(4)	0.05	–
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 0.06% (2020: 0.18%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 189.62p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 181.28p. This represents a decrease of 4.40% from the year end value.

Non-adjusting event

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

7IM AAP INCOME FUND

DISTRIBUTION TABLES

for the period ended 30 November 2021

First Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 28 February 2021

	Net Revenue	Equalisation	Paid 30.04.21	Paid 30.04.20
Class A Income				
Group 1	0.3436	–	0.3436	0.6262
Group 2	0.0520	0.2916	0.3436	0.6262
			Allocated 30.04.21	Allocated 30.04.20
Class A Accumulation				
Group 1	0.6108	–	0.6108	1.0805
Group 2	0.3012	0.3096	0.6108	1.0805
			Allocated 30.04.21	Allocated 30.04.20
Class B Accumulation				
Group 1	0.6149	–	0.6149	1.0995
Group 2	0.2447	0.3702	0.6149	1.0995
			Paid 30.04.21	Paid 30.04.20
Class C Income				
Group 1	0.3432	–	0.3432	0.6843
Group 2	0.0949	0.2483	0.3432	0.6843
			Allocated 30.04.21	Allocated 30.04.20
Class C Accumulation				
Group 1	0.6092	–	0.6092	1.1746
Group 2	0.2774	0.3318	0.6092	1.1746
			Paid 30.04.21	Paid 30.04.20
Class D Income				
Group 1	0.3467	–	0.3467	0.6304
Group 2	0.0523	0.2944	0.3467	0.6304
			Allocated 30.04.21	Allocated 30.04.20
Class D Accumulation				
Group 1	0.6098	–	0.6098	1.0782
Group 2	0.3567	0.2531	0.6098	1.0782
			Paid 30.04.21	Paid 30.04.20
Class S Income				
Group 1	0.3383	–	0.3383	0.6727
Group 2	0.1485	0.1898	0.3383	0.6727

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the period ended 30 November 2021

	Net Revenue	Equalisation	Allocated 30.04.21	Allocated 30.04.20
Class S Accumulation				
Group 1	0.4192	–	0.4192	0.8073
Group 2	0.2666	0.1526	0.4192	0.8073
Second Interim - in pence per share				
Group 1 - Shares purchased prior to 1 March 2021				
Group 2 - Shares purchased on or after 1 March 2021 and on or before 31 May 2021				
	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class A Income				
Group 1	0.5106	–	0.5106	0.7532
Group 2	0.3308	0.1798	0.5106	0.7532
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class A Accumulation				
Group 1	0.9115	–	0.9115	1.3093
Group 2	0.6424	0.2691	0.9115	1.3093
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class B Accumulation				
Group 1	0.9363	–	0.9363	1.3518
Group 2	0.9363	–	0.9363	1.3518
	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class C Income				
Group 1	0.6020	–	0.6020	0.8361
Group 2	0.3424	0.2596	0.6020	0.8361
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	1.0714	–	1.0714	1.4508
Group 2	0.2935	0.7779	1.0714	1.4508
	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class D Income				
Group 1	0.5139	–	0.5139	0.7527
Group 2	0.0490	0.4649	0.5139	0.7527
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class D Accumulation				
Group 1	0.9063	–	0.9063	1.2943
Group 2	0.0746	0.8317	0.9063	1.2943

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the period ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class S Income				
Group 1	0.5934	–	0.5934	0.8229
Group 2	0.3246	0.2688	0.5934	0.8229
	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.7357	–	0.7357	0.9954
Group 2	0.3649	0.3708	0.7357	0.9954
Third Interim - in pence per share				
Group 1 - Shares purchased prior to 1 June 2021				
Group 2 - Shares purchased on or after 1 June 2021 and on or before 31 August 2021				
	Net Revenue	Equalisation	Paid 31.10.21	Paid 31.10.20
Class A Income				
Group 1	0.7556	–	0.7556	0.6520
Group 2	0.0410	0.7146	0.7556	0.6520
	Net Revenue	Equalisation	Allocated 31.10.21	Allocated 31.10.20
Class A Accumulation				
Group 1	1.3482	–	1.3482	1.1428
Group 2	0.5780	0.7702	1.3482	1.1428
	Net Revenue	Equalisation	Allocated 31.10.21	Allocated 31.10.20
Class B Accumulation				
Group 1	1.3856	–	1.3856	1.1740
Group 2	0.6569	0.7287	1.3856	1.1740
	Net Revenue	Equalisation	Paid 31.10.21	Paid 31.10.20
Class C Income				
Group 1	0.8365	–	0.8365	0.7211
Group 2	0.5657	0.2708	0.8365	0.7211
	Net Revenue	Equalisation	Allocated 31.10.21	Allocated 31.10.20
Class C Accumulation				
Group 1	1.5014	–	1.5014	1.2627
Group 2	0.6631	0.8383	1.5014	1.2627
	Net Revenue	Equalisation	Paid 31.10.21	Paid 31.10.20
Class D Income				
Group 1	0.7341	–	0.7341	0.6536
Group 2	0.1006	0.6335	0.7341	0.6536

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the period ended 30 November 2021

	Net Revenue	Equalisation	Allocated 31.10.21	Allocated 31.10.20
Class D Accumulation				
Group 1	1.3233	–	1.3233	1.1336
Group 2	0.5175	0.8058	1.3233	1.1336
			Paid 31.10.21	Paid 31.10.20
Class S Income				
Group 1	0.8277	–	0.8277	0.7090
Group 2	0.3110	0.5167	0.8277	0.7090
			Allocated 31.10.21	Allocated 31.10.20
Class S Accumulation				
Group 1	1.0330	–	1.0330	0.8651
Group 2	0.3296	0.7034	1.0330	0.8651
Final - in pence per share				
Group 1 - Shares purchased prior to 1 September 2021				
Group 2 - Shares purchased on or after 1 September 2021 and on or before 30 November 2021				
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class A Income				
Group 1	0.7512	–	0.7512	0.6933
Group 2	0.6919	0.0593	0.7512	0.6933
			Allocated 31.01.22	Allocated 31.01.21
Class A Accumulation				
Group 1	1.3542	–	1.3542	1.2238
Group 2	0.5341	0.8201	1.3542	1.2238
			Allocated 31.01.22	Allocated 31.01.21
Class B Accumulation				
Group 1	1.3915	–	1.3915	1.2557
Group 2	1.3915	–	1.3915	1.2557
			Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	0.8349	–	0.8349	0.7675
Group 2	0.4463	0.3886	0.8349	0.7675
			Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	1.5092	–	1.5092	1.3525
Group 2	1.0030	0.5062	1.5092	1.3525

7IM AAP INCOME FUND

DISTRIBUTION TABLES (continued) for the period ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income				
Group 1	0.7505	–	0.7505	0.6950
Group 2	0.3591	0.3914	0.7505	0.6950
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class D Accumulation				
Group 1	1.3429	–	1.3429	1.2134
Group 2	1.0101	0.3328	1.3429	1.2134
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	0.8247	–	0.8247	0.7561
Group 2	0.4888	0.3359	0.8247	0.7561
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	1.0382	–	1.0382	0.9290
Group 2	0.4894	0.5488	1.0382	0.9290

Equalisation

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

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

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

The Sub-Fund invests at least 80% of its assets in fixed interest and equity instruments that, for the most part, use passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-Fund will also invest in other asset classes such as property, commodities and private equity indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

The other 20% of the Sub-Fund will be invested in liquid assets such as cash, deposits, money market funds and money market instruments, as well as warrants.

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

The Sub-Fund's investments will be more focussed on income generating assets such as corporate debt securities but there will be an allocation to growth generating assets such as global equities.

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

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 3.1%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2% to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced it's worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

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

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)

for the year ended 30 November 2021

Investment Manager's Report (continued)

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

In December 2020, we increased our allocation to AT1 bonds funded by a reduction in our global high yield allocation. The motivation was that elevated defaults in high yield bonds were eating into their returns, but this was not the true with AT1 bonds. The COVID-19 recession had strengthened the case for AT1s as capital ratios were up and regulators forbearance was quicker and more forgiving than our expectations prior to the recession.

In light of reopening momentum, we allocated to Global Mid cap equities funded by a reduction in global equities in December. We did this as it would help us better capture a period of rotation to more cyclical stocks, many of which are mid cap size.

The last change we made in December was to increase our allocation to alternatives by reducing our allocation to corporate bonds. We increased the alternatives allocation by introducing the Soc Gen defensive short-term equity strategy, which capitalises on intraday trends. By introducing this strategy, we were able to make our alternatives basket more defensive, giving it more of the defensive properties that bonds are failing to deliver.

In January, we sold out of our 2023 dividends allocation. At the depth of the crisis in March 2020, there was a fear that dividends would simply not be paid by European businesses in the next few years. As optimism returned to the world, this mispricing has corrected sharply – leaving any future gains more fundamentally related to the earnings outlook. With that in mind, we switched back into the broad equity index.

We added to our Asia High Yield position in January in order to take advantage of the increased returns available vs. Global High Yield. The Asian index was offering a yield of over 3% more than the US and Europe dominated equivalents – and we believed that the risks were lower in Asia than most investors realised.

At the start of March, we increased our allocation to alternatives. This change continues the trend of increasing our allocation to this area. Interest rates remain historically low and we believe that a well-constructed alternatives basket will provide better returns than bonds while also providing desirable protection in a downturn.

Also in March, we added UBS AG London 2024 and Goldman Sachs International 2024 equity put selling strategies to portfolios at 3-5% (total) across risk profiles funded by US equity and corporate bonds. By selling puts, the strategies benefit from nervous investors fearing another equity market pullback.

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)

for the year ended 30 November 2021

Investment Manager's Report (continued)

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

The first change we made in order to implement the growth+ basket was that we increased our allocation to Berkshire Hathaway relative to a broader S&P 500 index tracker. The motivation is that Berkshire Hathaway contains more industrial and cyclical exposures than the broader index, and it is these stocks which were undervalued and looked better placed to benefit from US growth.

The second change that was made as part of the growth+ basket was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

The third change that was made in order to implement the growth+ basket was a tilt towards value companies. The motivation behind this was that companies with value and cyclical characteristics were likely to continue outperforming as the global economy continued to perform well. In our passive portfolios, this was achieved by adding the Xtrackers MSCI world value ETF by trimming the rest of our global equity allocation.

In July, we refreshed our SAA. This is led by an optimisation process that maps assets classes onto risk factors in order to create optimal portfolios for each risk profile. This year, our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the "clean energy" space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence, overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds freed up by the equity trim were added to alternatives and cash.

In October, we shifted our US Healthcare exposure to a Global Healthcare exposure. This switch reduced our exposure to some of the US-specific healthcare system businesses and replaces them with the undervalued large pharmaceutical companies in Europe and the UK.

7IM AAP MODERATELY CAUTIOUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth – For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt – Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 7IM portfolios are positioned for a changing environment – For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP
Investment Manager
January 2022

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION

The Comparative Tables on pages 267 to 274 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	118.96	115.24	111.80
Return before operating charges*	5.31	7.02	6.67
Operating charges (calculated on average price)	(1.50)	(1.38)	(1.35)
Return after operating charges*	3.81	5.64	5.32
Distributions on income shares	(1.88)	(1.92)	(1.88)
Closing net asset value per share	120.89	118.96	115.24
* After direct transaction costs of: ¹	0.00	0.01	0.02

Performance

Return after charges ²	3.20%	4.89%	4.76%
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Other Information

Closing net asset value (£'000)	79	87	137
Closing number of shares	65,414	73,011	118,698
Operating charges ³	1.23%	1.20%	1.18%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	124.04	120.31	117.92
Lowest share price	118.82	103.61	109.64

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 275.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	151.68	144.57	137.98
Return before operating charges*	6.24	8.86	8.26
Operating charges (calculated on average price)	(1.91)	(1.75)	(1.67)
Return after operating charges*	4.33	7.11	6.59
Distributions	(2.38)	(2.41)	(2.32)
Retained distributions on accumulation shares	2.38	2.41	2.32
Closing net asset value per share	156.01	151.68	144.57
* After direct transaction costs of: ¹	0.00	0.01	0.02

Performance

Return after charges ²	2.85%	4.92%	4.78%
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Other Information

Closing net asset value (£'000)	1,169	1,912	2,219
Closing number of shares	749,338	1,260,577	1,534,634
Operating charges ³	1.23%	1.20%	1.18%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	159.01	152.04	146.52
Lowest share price	151.52	129.98	135.32

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 275.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	126.24	121.81	117.69
Return before operating charges*	5.50	7.32	6.92
Operating charges (calculated on average price)	(0.94)	(0.86)	(0.82)
Return after operating charges*	4.56	6.46	6.10
Distributions on income shares	(1.99)	(2.03)	(1.98)
Closing net asset value per share	128.81	126.24	121.81
* After direct transaction costs of: ¹	0.00	0.01	0.02

Performance

Return after charges ²	3.61%	5.30%	5.18%
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Other Information

Closing net asset value (£'000)	21,996	24,660	28,205
Closing number of shares	17,076,089	19,533,109	23,154,092
Operating charges ³	0.73%	0.70%	0.68%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	132.04	127.68	124.53
Lowest share price	126.23	109.65	115.46

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 275.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	160.07	151.97	144.45
Return before operating charges*	6.42	9.17	8.53
Operating charges (calculated on average price)	(1.20)	(1.07)	(1.01)
Return after operating charges*	5.22	8.10	7.52
Distributions	(2.52)	(2.54)	(2.44)
Retained distributions on accumulation shares	2.52	2.54	2.44
Closing net asset value per share	165.29	160.07	151.97
* After direct transaction costs of: ¹	0.00	0.01	0.02

Performance

Return after charges ²	3.26%	5.33%	5.21%
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Other Information

Closing net asset value (£'000)	358,649	398,824	386,308
Closing number of shares	216,976,868	249,151,233	254,206,052
Operating charges ³	0.73%	0.70%	0.68%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	168.31	160.46	153.86
Lowest share price	160.06	136.79	141.71

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 275.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	114.07	110.87	107.89
Return before operating charges*	5.15	6.82	6.51
Operating charges (calculated on average price)	(1.90)	(1.78)	(1.74)
Return after operating charges*	3.25	5.04	4.77
Distributions on income shares	(1.77)	(1.84)	(1.79)
Closing net asset value per share	115.55	114.07	110.87
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	2.85%	4.55%	4.42%
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Other Information

Closing net asset value (£'000)	372	320	397
Closing number of shares	321,901	280,275	358,200
Operating charges ³	1.63%	1.60%	1.58%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	118.63	115.37	113.49
Lowest share price	113.83	99.57	105.77

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 275.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	145.45	139.08	133.17
Return before operating charges*	6.10	8.61	8.07
Operating charges (calculated on average price)	(2.43)	(2.24)	(2.16)
Return after operating charges*	3.67	6.37	5.91
Distributions	(2.25)	(2.31)	(2.22)
Retained distributions on accumulation shares	2.25	2.31	2.22
Closing net asset value per share	149.12	145.45	139.08
* After direct transaction costs of: ¹	0.00	0.01	0.02

Performance

Return after charges ²	2.52%	4.58%	4.44%
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Other Information

Closing net asset value (£'000)	23,056	25,902	28,941
Closing number of shares	15,461,979	17,807,997	20,808,914
Operating charges ³	1.63%	1.60%	1.58%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	152.09	145.80	141.06
Lowest share price	145.14	124.92	130.56

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 275.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	113.59	109.39	105.47
Return before operating charges*	4.90	6.52	6.16
Operating charges (calculated on average price)	(0.56)	(0.50)	(0.46)
Return after operating charges*	4.34	6.02	5.70
Distributions on income shares	(1.79)	(1.82)	(1.78)
Closing net asset value per share	116.14	113.59	109.39
* After direct transaction costs of: ¹	0.00	0.00	0.01

Performance

Return after charges ²	3.82%	5.50%	5.40%
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Other Information

Closing net asset value (£'000)	5,400	5,896	11,755
Closing number of shares	4,649,571	5,190,727	10,745,998
Operating charges ³	0.48%	0.45%	0.43%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	118.99	114.88	111.77
Lowest share price	113.64	98.53	103.49

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 275.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	126.82	120.15	113.98
Return before operating charges*	5.02	7.22	6.67
Operating charges (calculated on average price)	(0.63)	(0.55)	(0.50)
Return after operating charges*	4.39	6.67	6.17
Distributions	(2.00)	(2.02)	(1.93)
Retained distributions on accumulation shares	2.00	2.02	1.93
Closing net asset value per share	131.21	126.82	120.15
* After direct transaction costs of: ¹	0.00	0.01	0.02

Performance

Return after charges ²	3.46%	5.55%	5.41%
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Other Information

Closing net asset value (£'000)	59,727	70,638	80,060
Closing number of shares	45,518,399	55,701,058	66,631,404
Operating charges ³	0.48%	0.45%	0.43%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price	133.55	127.12	121.60
Lowest share price	126.87	108.23	111.84

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 275.

7IM AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%
	1.04%	0.54%	1.44%	0.29%
Collective investment scheme costs	0.19%	0.19%	0.19%	0.19%
Ongoing Charges Figure	1.23%	0.73%	1.63%	0.48%

As at 30 November 2020

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.05%	0.05%	0.05%	0.05%
	1.05%	0.55%	1.45%	0.30%
Collective investment scheme costs	0.15%	0.15%	0.15%	0.15%
Ongoing Charges Figure	1.20%	0.70%	1.60%	0.45%

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 AAP MODERATELY CAUTIOUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was three. The indicator has changed from four to three this year.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM AAP Moderately Cautious Fund ¹	3.10	14.51	15.23

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 294 to 296.

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value	30.11.21
		£	%
	ALTERNATIVES 23.57% (13.83%)		
	Alternative Strategies 18.87% (9.58%)		
193,376	AQR - Managed Futures UCITS Fund ¹	14,385,616	3.06
162,276	BlackRock Strategic Funds - Global Event Driven Fund ¹	19,187,466	4.08
23,315,000	BNP Paribas Issuance 0.00% 2024 ²	20,283,867	4.31
1,263,843	Dexion Absolute EUR ³	–	–
33,228	Dexion Equity Alternative ³	–	–
25,450,000	JP Morgan Structured Products 0.00% 2023 ²	20,041,014	4.26
20,485,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	14,882,967	3.16
		88,780,930	18.87
	Real Estate 4.70% (4.25%)		
286,253	iShares Edge MSCI World Size Factor UCITS ETF ¹	9,483,562	2.02
4,927,676	iShares Global Property Securities Index ¹	12,614,849	2.68
		22,098,411	4.70
	DEBT SECURITIES 50.10% (66.82%)		
	Emerging Market Bonds 9.26% (7.53%)		
22,130,095	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ¹	14,057,036	2.99
19,590,041	Legal & General Emerging Markets Government Bond USD Index Fund ¹	13,993,167	2.97
231,976	UBS Lux Bond SICAV - Asian High Yield ¹	15,520,131	3.30
		43,570,334	9.26
	Gilts 0.00% (1.96%)		
	Global Corporate Bonds 10.77% (24.38%)		
288,296	Angel Oak Multi-Strategy Income UCITS Fund ¹	34,772,770	7.39
1,951,917	HSBC Global Funds ICAV - Global Corporate Bond Index Fund ¹	15,875,463	3.38
		50,648,233	10.77
	Global Government Bonds 0.00% (3.84%)		
	Global High Yield Bonds 11.98% (6.23%)		
975,872	Invesco AT1 Capital Bond UCITS ETF ¹	40,259,600	8.56
64,577	WisdomTree AT1 CoCo Bond UCITS ETF ¹	6,713,425	1.43
341,713	Xtrackers MSCI World Value UCITS ETF ¹	9,390,273	1.99
		56,363,298	11.98
	Global Inflation Linked Bonds 3.27% (3.36%)		
1,239,301	iShares Global Inflation-Linked Bond Index ¹	15,374,338	3.27
	Short Term Sterling Bonds 11.24% (11.44%)		
£3,000,000	Bank of Nova Scotia FRN 2023	3,004,194	0.64
£3,400,000	Barclays Bank UK FRN 2023	3,410,853	0.73
£3,200,000	Bayerische Landesbank 1.25% 2021	3,201,582	0.68
£2,280,000	Commonwealth Bank of Australia 1.125% 2021	2,281,163	0.49
£1,930,000	Commonwealth Bank of Australia FRN 2025	1,949,242	0.41

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
Short Term Sterling Bonds (continued)			
£3,382,000	Deutsche Bahn Finance 2.75% 2022	3,423,903	0.73
£205,000	Kommunalbanken AS 1.125% 2022	206,292	0.04
£3,370,000	Lloyds Bank 1.75% 2022	3,386,762	0.72
£2,306,000	Municipality Finance 1.25% 2022	2,323,733	0.49
£200,000	National Australia Bank 5.125% 2021	200,176	0.04
£4,000,000	Nordea Bank 2.375% 2022	4,035,824	0.86
£2,000,000	NRW Bank 1.00% 2022	2,007,676	0.43
£1,700,000	Oversea-Chinese Banking FRN 2023	1,699,419	0.36
£4,500,000	Rabobank Nederland 2.25% 2022	4,523,823	0.96
£200,000	Rabobank Nederland 4.875% 2023	208,697	0.04
£3,000,000	Royal Bank of Canada 1.125% 2021	3,001,542	0.64
£600,000	Royal Bank of Canada FRN 2025	604,345	0.13
£4,500,000	Santander UK FRN 2022	4,506,606	0.96
£300,000	Skipton Building Society FRN 2023	300,990	0.06
£2,582,000	SpareBank 1 Boligkreditt AS FRN 2022	2,585,465	0.55
£3,700,000	Toronto-Dominion Bank FRN 2023	3,705,195	0.79
£2,000,000	Westpac Banking 2.625% 2022	2,037,072	0.43
£280,000	Yorkshire Building Society FRN 2023	282,396	0.06
		52,886,950	11.24
Sterling Corporate Bonds 3.58% (8.08%)			
146,243	UBS Sterling Corporate Bond Indexed ¹	16,858,264	3.58
EQUITY 8.31% (6.13%)			
Europe (ex UK) -0.01% (0.76%)			
368	MSCI Europe ex-UK Index Futures December 2021 ⁴	(26,636)	(0.01)
Japan -0.20% (0.20%)			
89	TOPIX Index Futures December 2021 ⁴	(958,507)	(0.20)
North America 3.15% (4.99%)			
46,491	Berkshire Hathaway	9,642,139	2.05
961,913	iShares MSCI USA ESG Screened UCITS ETF ¹	6,541,970	1.39
563	MSCI Emerging Markets Index Futures December 2021 ⁴	(1,770,255)	(0.38)
396	MSCI World Health Care Index Futures December 2021 ⁴	(349,325)	(0.07)
150	US Ultra CBT Futures March 2022 ⁴	767,693	0.16
		14,832,222	3.15
United Kingdom 5.37% (0.18%)			
214	FTSE 100 Index Futures December 2021 ⁴	80,892	0.02
82	FTSE 250 Index Futures December 2021 ⁴	(193,438)	(0.04)
12,373	Goldman Sachs International 2024	10,317,031	2.19
5,905,953	Ninety One Funds Series III ¹	9,924,955	2.11
6,263	UBS AG London 2024	5,113,160	1.09
		25,242,600	5.37
FORWARD CURRENCY CONTRACTS -0.81% (1.90%)			
€7,613,800	Vs £(6,499,528) Expiry 08.04.2022	(3,873)	—
US\$(4,000,000)	Vs £2,879,071 Expiry 14.01.2022	(116,623)	(0.03)
US\$(179,000,000)	Vs £129,107,363 Expiry 14.01.2022	(4,949,952)	(1.05)
¥1,277,000,000	Vs £(8,304,044) Expiry 20.05.2022	176,745	0.04

7IM AAP MODERATELY CAUTIOUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	FORWARD CURRENCY CONTRACTS (continued)		
US\$35,500,000	Vs £(25,482,645) Expiry 14.01.2022	1,104,141	0.23
		(3,789,562)	(0.81)
	Portfolio of investment	381,880,875	81.17
	Net other assets ⁵	88,566,994	18.83
	Net assets	470,447,869	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹ Collective investment scheme

² Structured product

³ Delisted security

⁴ Derivative contract

⁵ Includes shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £29,300,000, shares in the Morgan Stanley Liquidity Funds - Sterling Liquidity Fund to the value of £30,000,000 and shares in the Northern Trust Global Sterling Fund to the value of £21,639,000 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21 %	30.11.20 %
Investment grade debt securities	10.60	13.87
Non-rated debt securities	12.37	5.22
Other investments	58.20	81.64
Net other assets	18.83	(0.73)
	100.00	100.00

7IM AAP MODERATELY CAUTIOUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		12,565,172		17,803,088
Revenue	5	7,429,684		10,551,353	
Expenses	6	(2,727,066)		(2,710,615)	
Interest payable and similar charges	8	(23,018)		(73,835)	
Net revenue before taxation for the year		4,679,600		7,766,903	
Taxation	7	(881,659)		(1,607,983)	
Net revenue after taxation for the year			3,797,941		6,158,920
Total return before distributions			16,363,113		23,962,008
Distributions	8		(5,862,626)		(8,210,429)
Change in net assets attributable to shareholders from investment activities			10,500,487		15,751,579

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		528,238,513		538,021,629
Amounts received on creation of shares ¹	62,386,633		45,095,020	
Amounts receivable on in-specie transactions	–		52,096,171	
Amounts paid on cancellation of shares ¹	(136,057,819)		(130,477,931)	
		(73,671,186)		(33,286,740)
Change in net assets attributable to shareholders from investment activities		10,500,487		15,751,579
Retained distribution on accumulation shares		5,380,055		7,752,045
Closing net assets attributable to shareholders		470,447,869		528,238,513

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

The notes on pages 282 to 293 are an integral part of these Financial Statements.

7IM AAP MODERATELY CAUTIOUS FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		390,249,484	469,594,514
Current assets:			
Debtors	9	2,352,927	2,171,655
Cash and bank balances	10	10,673,884	3,753,077
Cash equivalents	10	80,939,000	63,608,000
Total assets		484,215,295	539,127,246
LIABILITIES			
Investment liabilities		(8,368,609)	(1,132,341)
Creditors:			
Bank overdrafts	10	(2,254,921)	(6,883,916)
Distribution payable		(186,239)	(276,569)
Other creditors	11	(2,957,657)	(2,595,907)
Total liabilities		(13,767,426)	(10,888,733)
Net assets attributable to shareholders		470,447,869	528,238,513

The notes on pages 282 to 293 are an integral part of these Financial Statements.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	(4,525,204)	17,923,132
Derivative contracts	16,443,991	576,060
Forward currency contracts	(203,390)	2,635,928
Currency gains/(losses)	688,275	(3,370,129)
Transaction charges	(14,053)	(38,313)
AMC rebates from underlying investments	175,553	76,410
Net capital gains	<u>12,565,172</u>	<u>17,803,088</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	448,850	654,421
Taxable dividends	6,725,277	8,446,070
Unfranked interest	173,307	1,238,776
AMC rebates from underlying investments	78,688	189,069
Bank interest	3,237	6,317
Stock lending revenue ¹	325	16,700
Total revenue	<u>7,429,684</u>	<u>10,551,353</u>

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

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,536,921	2,522,044
Other expenses	8,081	6,480
	<u>2,545,002</u>	<u>2,528,524</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	65,164	64,562
Market risk fees	–	3,661
Safe custody and other bank charges	24,849	21,517
	<u>90,013</u>	<u>89,740</u>
Other Expenses:		
Advisory fees	–	3,976
Audit fee ¹	9,695	9,616
Dealing and exchange fees	27,445	26,523
FCA and other Regulatory fees	41	215
Legal and professional fees	1,870	394
Market data fees	6,978	4,103
Printing, postage and distribution costs	38,057	40,575
Risk analysis fees	7,965	6,949
	<u>92,051</u>	<u>92,351</u>
Total expenses	<u>2,727,066</u>	<u>2,710,615</u>

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

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Corporation tax at 20%	881,260	1,454,787
Overseas tax	399	138,725
Irrecoverable CIS income tax	–	14,471
	<hr/>	<hr/>
Current tax charge (note 7b)	881,659	1,607,983
	<hr/>	<hr/>
Total taxation	881,659	1,607,983
<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%) (2020: 20%) for the reasons explained below.		
Net revenue before taxation	4,679,600	7,766,903
	<hr/>	<hr/>
Corporation tax at 20%	935,920	1,553,381
Effects of:		
AMC rebates taken to capital	35,110	15,282
Irrecoverable CIS income tax w/off	–	14,471
Movement in revenue accruals	–	109
Non-taxable dividends	(89,770)	(129,319)
Overseas tax	399	138,725
Tax effect on non-reporting offshore funds	–	15,334
	<hr/>	<hr/>
Current tax charge (note 7a)	881,659	1,607,983
<i>c) Deferred tax</i>		
There is no deferred tax in the current year (2020: none).		

8 Distributions

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

	30.11.21 £	30.11.20 £
Interim	2,598,680	3,571,798
Final	3,123,682	4,684,954
	<hr/>	<hr/>
Add: Revenue deducted on cancellation of shares	280,755	399,465
Deduct: Revenue received on issue of shares	(140,491)	(136,912)
Deduct: Revenue received on in-specie transactions	–	(308,876)
	<hr/>	<hr/>
Net distributions for the year	5,862,626	8,210,429
Interest payable and similar charges	23,018	73,835
	<hr/>	<hr/>
Total distribution	5,885,644	8,284,264

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 294 to 296.

Distributions represented by:

Net revenue after taxation	3,797,941	6,158,920
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	2,064,646	2,051,433
Equalisation on conversions ²	–	(2)
Net movement in revenue account	39	78
Net distributions for the year	<u>5,862,626</u>	<u>8,210,429</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	854,579	279,678
Accrued revenue	932,004	1,227,530
Income tax recoverable	71,475	13,381
AMC rebates from underlying investments	490,549	330,969
Withholding tax recoverable	4,320	7,989
Receivable from merger	–	312,108
Total debtors	<u>2,352,927</u>	<u>2,171,655</u>

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	2,254,166	3,608,228
Cash held at clearing houses	8,419,718	144,849
Cash equivalents	80,939,000	63,608,000
Total cash and bank balances	<u>91,612,884</u>	<u>67,361,077</u>
Bank overdrafts	(2,253,734)	(3,574,988)
Cash overdraft at clearing houses	(1,187)	(3,308,928)
Total bank overdrafts	<u>(2,254,921)</u>	<u>(6,883,916)</u>

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	1,645,344	1,148,203
Purchases awaiting settlement	444,975	370,215
Accrued expenses	252,078	257,702
Corporation tax payable	615,260	819,787
Total other creditors	<u>2,957,657</u>	<u>2,595,907</u>

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 280.

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 34.90% (2020: 35.62%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£22,545,770) (2020: £38,787,659).

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

13 Classes of Shares

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

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	73,011	–	(7,597)	–	65,414
Class A Accumulation	1,260,577	5,277	(516,516)	–	749,338
Class C Income	19,533,109	2,510,769	(4,874,767)	(93,022)	17,076,089
Class C Accumulation	249,151,233	29,304,156	(61,314,828)	(163,693)	216,976,868
Class D Income	280,275	50,629	(9,003)	–	321,901
Class D Accumulation	17,807,997	681,384	(3,027,402)	–	15,461,979
Class S Income	5,190,727	1,143,011	(1,818,975)	134,808	4,649,571
Class S Accumulation	55,701,058	6,720,595	(17,081,574)	178,320	45,518,399

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown next page.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	473,727	–	6,497,674	6,971,401
Hong Kong dollar	1	–	–	1
Japanese yen	17,064	–	8,480,789	8,497,853
Swiss franc	27,447	–	–	27,447
US dollar	1,110,093	55,207,847	113,582,453	169,900,393
Pound sterling	112,033,257	30,838,246	328,215,475	471,086,978
	113,661,589	86,046,093	456,776,391	656,484,073

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(474,910)	–	(26,636)	(501,546)
Hong Kong dollar	(1)	–	–	(1)
Japanese yen	(15,014)	–	(958,507)	(973,521)
Swiss franc	(27,447)	–	–	(27,447)
US dollar	(1,110,093)	–	(139,172,589)	(140,282,682)
Pound sterling	(627,456)	–	(43,623,551)	(44,251,007)
	(2,254,921)	–	(183,781,283)	(186,036,204)

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Danish krone	–	–	300	300
Euro	647,887	–	4,865,393	5,513,280
Hong Kong dollar	1	–	–	1
Japanese yen	15,992	–	15,214,551	15,230,543
Swiss franc	27,890	–	3,258	31,148
US dollar	509,699	30,069,420	143,861,574	174,440,693
Pound sterling	88,183,077	48,754,144	450,342,734	587,279,955
	89,384,546	78,823,564	614,287,810	782,495,920

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(503,035)	–	(13,730,774)	(14,233,809)
Hong Kong dollar	(1)	–	–	(1)
Japanese yen	(21,585)	–	(84,909)	(106,494)
Swiss franc	(27,890)	–	–	(27,890)
US dollar	(734,656)	–	(184,091,231)	(184,825,887)
Pound sterling	(5,596,749)	–	(49,466,577)	(55,063,326)
	(6,883,916)	–	(247,373,491)	(254,257,407)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21 %	30.11.20 %	30.11.21 Years	30.11.20 Years
Pound sterling	0.36	0.27	0	5
US dollar	(2.28)	(3.12)	3	5

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the weighted average effective duration was 2.91 years (30 November 2020: 4.41 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	835	6,469,019	6,469,854
Japanese yen	2,050	7,522,282	7,524,332
US dollar	95	29,617,616	29,617,711
	2,980	43,608,917	43,611,897
Pound sterling	88,564,014	338,271,958	426,835,972
Net assets	88,566,994	381,880,875	470,447,869

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	300	–	300
Euro	146,982	(8,867,511)	(8,720,529)
Japanese yen	(5,593)	15,129,642	15,124,049
Swiss franc	3,258	–	3,258
US dollar	(224,862)	(10,160,332)	(10,385,194)
	(79,915)	(3,898,201)	(3,978,116)
Pound sterling	59,856,255	472,360,374	532,216,629
Net assets	59,776,340	468,462,173	528,238,513

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 30 November 2021 was 11%, 130% and 65% respectively (30 November 2020: 69%, 180% and 87% 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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303 51d HL)]$.

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.

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

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	30.11.21 £	30.11.20 £
Futures Contracts		
Chicago Board of Trade	767,693	(12,097)
Chicago Mercantile Exchange	–	524,728
Eurex Deutschland	(26,636)	1,051,704
London International Financial Futures Exchange	(461,871)	3,932,013
New York Coffee, Sugar & Cocoa	(1,770,255)	1,611,276
Tokyo Stock Exchange	(958,507)	1,035,517
Forward Currency Contracts		
Northern Trust	(3,789,562)	10,032,058
Total net exposure¹	(6,239,138)	18,175,199

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

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value

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

Level 1

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

Level 2

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

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

Level 3

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

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

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	2,281,163	105,813,635	–	108,094,798
Collective Investment Schemes	159,672,100	95,280,785	–	254,952,885
Derivatives	848,585	1,280,886	–	2,129,471
Equities	25,072,330	–	–	25,072,330
Total	187,874,178	202,375,306	–	390,249,484
Liabilities				
Derivatives	(3,298,161)	(5,070,448)	–	(8,368,609)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2020				
Assets				
Bonds	15,465,312	85,381,719	–	100,847,031
Collective Investment Schemes	250,874,546	86,947,818	–	337,822,364
Derivatives	8,155,238	11,152,302	–	19,307,540
Equities	11,617,579	–	–	11,617,579
Total	286,112,675	183,481,839	–	469,594,514
Liabilities				
Derivatives	(12,097)	(1,120,244)	–	(1,132,341)

7IM AAP MODERATELY CAUTIOUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.17% (2020: 0.11%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 165.43p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 159.89p. This represents a decrease of 3.35% from the year end value.

Non-adjusting event

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

7IM AAP MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class A Income				
Group 1	0.6483	–	0.6483	0.8490
Group 2	0.6483	–	0.6483	0.8490
			Allocated 31.07.21	Allocated 31.07.20
Class A Accumulation				
Group 1	0.8232	–	0.8232	1.0644
Group 2	0.4995	0.3237	0.8232	1.0644
			Paid 31.07.21	Paid 31.07.20
Class C Income				
Group 1	0.6840	–	0.6840	0.8986
Group 2	0.3384	0.3456	0.6840	0.8986
			Allocated 31.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	0.8688	–	0.8688	1.1206
Group 2	0.4611	0.4077	0.8688	1.1206
			Paid 31.07.21	Paid 31.07.20
Class D Income				
Group 1	0.6476	–	0.6476	0.8157
Group 2	0.4389	0.2087	0.6476	0.8157
			Allocated 31.07.21	Allocated 31.07.20
Class D Accumulation				
Group 1	0.8242	–	0.8242	1.0230
Group 2	0.4485	0.3757	0.8242	1.0230
			Paid 31.07.21	Paid 31.07.20
Class S Income				
Group 1	0.6187	–	0.6187	0.8095
Group 2	0.2729	0.3458	0.6187	0.8095

7IM AAP MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.6795	–	0.6795	0.8862
Group 2	0.3877	0.2918	0.6795	0.8862
Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2021				
Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021				
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class A Income				
Group 1	0.8092	–	0.8092	1.0663
Group 2	0.8092	–	0.8092	1.0663
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class A Accumulation				
Group 1	1.0376	–	1.0376	1.3439
Group 2	0.7588	0.2788	1.0376	1.3439
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	0.8619	–	0.8619	1.1278
Group 2	0.6197	0.2422	0.8619	1.1278
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	1.0987	–	1.0987	1.4173
Group 2	0.7514	0.3473	1.0987	1.4173
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income				
Group 1	0.7496	–	0.7496	1.0213
Group 2	0.6655	0.0841	0.7496	1.0213
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class D Accumulation				
Group 1	0.9628	–	0.9628	1.2898
Group 2	0.6572	0.3056	0.9628	1.2898

7IM AAP MODERATELY CAUTIOUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	0.7768	–	0.7768	1.0140
Group 2	0.5658	0.2110	0.7768	1.0140
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	0.8719	–	0.8719	1.1320
Group 2	0.6871	0.1848	0.8719	1.1320

Equalisation

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

7IM AAP BALANCED FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

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

The Sub-fund invests its assets in fixed interest and equity instruments that, for the most part, use passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-fund will also invest in other asset classes such as property, commodities and private equity indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

The Sub-fund may be invested in liquid assets such as cash, deposits, money market funds and money market instruments, as well as warrants.

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

The Sub-fund's investments will comprise a mixture of income generating assets such as corporate debt securities and growth generating assets such as global equities.

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

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 6.74%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2% to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced its worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq, and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and FTSE 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

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

7IM AAP BALANCED FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

In December, we increased our allocation to AT1 bonds funded by a reduction in our global high yield allocation. The motivation was that elevated defaults in high yield bonds were eating into their returns, but this was not the true with AT1 bonds. The COVID-19 recession had strengthened the case for AT1s as capital ratios were up and regulators forbearance was quicker and more forgiving than our expectations prior to the recession.

In light of reopening momentum, we allocated to Global Mid cap equities funded by a reduction in global equities in December. We did this as it would help us better capture a period of rotation to more cyclical stocks, many of which are mid cap size.

The last change we made in December was to increase our allocation to alternatives by reducing our allocation to corporate bonds. We increased the alternatives allocation by introducing the SG Defensive Short Term Equity Strategy, which capitalises on intraday trends. By introducing this strategy, we were able to make our alternatives basket more defensive, giving it more of the defensive properties that bonds are failing to deliver.

In January, we sold out of our 2023 dividends allocation. At the depth of the crisis in March 2020, there was a fear that dividends would simply not be paid by European businesses in the next few years. As optimism returned to the world, this mispricing has corrected sharply – leaving any future gains more fundamentally related to the earnings outlook. With that in mind, we switched back into the broad equity index.

We added to our Asia High Yield position in January in order to take advantage of the increased returns available vs. Global High Yield. The Asian index was offering a yield of over 3% more than the US and Europe dominated equivalents – and we believed that the risks were lower in Asia than most investors realised.

7IM AAP BALANCED FUND

ACD'S REPORT (continued) for the year ended 30 November 2021

Investment Manager's Report (continued)

At the start of March, we increased our allocation to alternatives. This change continues the trend of increasing our allocation to this area. Interest rates remain historically low and we believe that a well-constructed alternatives basket will provide better returns than bonds while also providing desirable protection in a downturn.

Also in March, we added UBS AG London 2024 and Goldman Sachs International 2024 equity put selling strategies to portfolios at 3-5% (total) across risk profiles funded by US equity and corporate bonds. By selling puts, the strategies benefit from nervous investors fearing another equity market pullback.

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

The first change we made in order to implement the growth+ basket was that we increased our allocation to Berkshire Hathaway relative to a broader S&P 500 index tracker. The motivation is that Berkshire Hathaway contains more industrial and cyclical exposures than the broader index, and it is these stocks which were undervalued and looked better placed to benefit from US growth.

The second change that was made as part of the growth+ basket was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

The third change that was made in order to implement the growth+ basket was a tilt towards value companies. The motivation behind this was that companies with value and cyclical characteristics were likely to continue outperforming as the global economy continued to perform well. In our passive portfolios, this was achieved by adding the Xtrackers MSCI World Value UCITS ETF by trimming the rest of our global equity allocation.

In July, we refreshed our SAA. This is led by an optimisation process that maps assets classes onto risk factors in order to create optimal portfolios for each risk profile. This year our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the "clean energy" space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds freed up by the equity trim were added to alternatives and cash.

In October, we shifted our US Healthcare exposure to a Global Healthcare exposure. This switch reduced our exposure to some of the US-specific healthcare system businesses and replaces them with the undervalued large pharmaceutical companies in Europe and the UK.

7IM AAP BALANCED FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth – For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt – Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 7IM portfolios are positioned for a changing environment – For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP
Investment Manager
January 2022

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM AAP BALANCED FUND

FUND INFORMATION

The Comparative Tables on pages 302 to 309 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	139.47	134.59	129.25
Return before operating charges*	10.80	7.79	8.66
Operating charges (calculated on average price)	(1.80)	(1.58)	(1.52)
Return after operating charges*	9.00	6.21	7.14
Distributions on income shares	(1.07)	(1.33)	(1.80)
Closing net asset value per share	147.40	139.47	134.59
* After direct transaction costs of: ¹	0.00	0.01	0.04

Performance

Return after charges ²	6.45%	4.61%	5.52%
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Other Information

Closing net asset value (£'000)	136	129	146
Closing number of shares	92,069	92,401	108,366
Operating charges ³	1.23%	1.18%	1.15%
Direct transaction costs	0.00%	0.01%	0.03%

Prices

Highest share price	151.52	140.69	137.12
Lowest share price	140.25	114.56	125.02

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 310.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	168.32	160.87	152.41
Return before operating charges*	13.05	9.34	10.26
Operating charges (calculated on average price)	(2.18)	(1.89)	(1.80)
Return after operating charges*	10.87	7.45	8.46
Distributions	(1.29)	(1.59)	(2.14)
Retained distributions on accumulation shares	1.29	1.59	2.14
Closing net asset value per share	179.19	168.32	160.87
* After direct transaction costs of: ¹	0.00	0.01	0.05

Performance

Return after charges ²	6.46%	4.63%	5.55%
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Other Information

Closing net asset value (£'000)	3,280	2,991	4,544
Closing number of shares	1,830,531	1,777,194	2,824,981
Operating charges ³	1.23%	1.18%	1.15%
Direct transaction costs	0.00%	0.01%	0.03%

Prices

Highest share price	183.49	168.93	162.75
Lowest share price	169.19	136.92	147.43

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 310.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	143.68	138.38	132.62
Return before operating charges*	10.98	7.88	8.78
Operating charges (calculated on average price)	(1.10)	(0.93)	(0.88)
Return after operating charges*	9.88	6.95	7.90
Distributions on income shares	(1.40)	(1.65)	(2.14)
Closing net asset value per share	152.16	143.68	138.38
* After direct transaction costs of: ¹	0.00	0.01	0.04

Performance

Return after charges ²	6.88%	5.02%	5.96%
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Other Information

Closing net asset value (£'000)	60,286	63,900	75,787
Closing number of shares	39,618,971	44,475,446	54,769,085
Operating charges ³	0.73%	0.68%	0.65%
Direct transaction costs	0.00%	0.01%	0.03%

Prices

Highest share price	156.60	145.07	140.93
Lowest share price	144.49	117.92	128.32

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 310.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	177.60	169.06	159.52
Return before operating charges*	13.60	9.69	10.61
Operating charges (calculated on average price)	(1.37)	(1.15)	(1.07)
Return after operating charges*	12.23	8.54	9.54
Distributions	(1.73)	(2.01)	(2.58)
Retained distributions on accumulation shares	1.73	2.01	2.58
Closing net asset value per share	189.83	177.60	169.06
* After direct transaction costs of: ¹	0.00	0.01	0.05

Performance

Return after charges ²	6.89%	5.05%	5.98%
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Other Information

Closing net asset value (£'000)	940,179	996,192	906,450
Closing number of shares	495,277,797	560,906,260	536,177,020
Operating charges ³	0.73%	0.68%	0.65%
Direct transaction costs	0.00%	0.01%	0.03%

Prices

Highest share price	194.36	178.23	170.81
Lowest share price	178.53	144.07	154.36

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 310.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	136.02	131.48	126.52
Return before operating charges*	10.64	7.69	8.57
Operating charges (calculated on average price)	(2.33)	(2.06)	(2.01)
Return after operating charges*	8.31	5.63	6.56
Distributions on income shares	(0.90)	(1.09)	(1.60)
Closing net asset value per share	143.43	136.02	131.48
* After direct transaction costs of: ¹	0.00	0.01	0.04

Performance

Return after charges ²	6.11%	4.28%	5.18%
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Other Information

Closing net asset value (£'000)	854	802	933
Closing number of shares	595,695	589,540	709,598
Operating charges ³	1.63%	1.58%	1.55%
Direct transaction costs	0.00%	0.01%	0.03%

Prices

Highest share price	147.39	137.10	133.98
Lowest share price	136.78	111.80	122.34

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 310.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	161.39	154.73	147.07
Return before operating charges*	12.63	9.09	10.00
Operating charges (calculated on average price)	(2.76)	(2.43)	(2.34)
Return after operating charges*	9.87	6.66	7.66
Distributions	(1.07)	(1.28)	(1.86)
Retained distributions on accumulation shares	1.07	1.28	1.86
Closing net asset value per share	171.26	161.39	154.73
* After direct transaction costs of: ¹	0.00	0.01	0.05

Performance

Return after charges ²	6.12%	4.30%	5.21%
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Other Information

Closing net asset value (£'000)	36,609	38,289	43,479
Closing number of shares	21,375,950	23,724,479	28,099,370
Operating charges ³	1.63%	1.58%	1.55%
Direct transaction costs	0.00%	0.01%	0.03%

Prices

Highest share price	175.40	161.95	156.71
Lowest share price	162.22	131.57	142.22

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 310.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	122.76	118.11	113.08
Return before operating charges*	9.33	6.68	7.43
Operating charges (calculated on average price)	(0.62)	(0.50)	(0.46)
Return after operating charges*	8.71	6.18	6.97
Distributions on income shares	(1.33)	(1.53)	(1.94)
Closing net asset value per share	130.14	122.76	118.11
* After direct transaction costs of: ¹	0.00	0.01	0.04

Performance

Return after charges ²	7.10%	5.23%	6.16%
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Other Information

Closing net asset value (£'000)	14,162	14,616	28,015
Closing number of shares	10,881,898	11,906,442	23,720,168
Operating charges ³	0.48%	0.43%	0.40%
Direct transaction costs	0.00%	0.01%	0.03%

Prices

Highest share price	133.99	124.01	120.27
Lowest share price	123.45	100.72	109.44

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 310.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	136.99	130.14	122.55
Return before operating charges*	10.41	7.41	8.09
Operating charges (calculated on average price)	(0.69)	(0.56)	(0.50)
Return after operating charges*	9.72	6.85	7.59
Distributions	(1.48)	(1.68)	(2.11)
Retained distributions on accumulation shares	1.48	1.68	2.11
Closing net asset value per share	146.71	136.99	130.14
* After direct transaction costs of: ¹	0.00	0.01	0.04

Performance

Return after charges ²	7.10%	5.26%	6.19%
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Other Information

Closing net asset value (£'000)	166,291	186,301	200,873
Closing number of shares	113,343,584	135,993,830	154,351,715
Operating charges ³	0.48%	0.43%	0.40%
Direct transaction costs	0.00%	0.01%	0.03%

Prices

Highest share price	150.20	137.47	131.40
Lowest share price	137.70	110.97	118.60

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 310.

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.03%	0.03%	0.03%	0.03%
	1.03%	0.53%	1.43%	0.28%
Collective investment scheme costs	0.20%	0.20%	0.20%	0.20%
Ongoing Charges Figure	1.23%	0.73%	1.63%	0.48%

As at 30 November 2020

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.03%	0.03%	0.03%	0.03%
	1.03%	0.53%	1.43%	0.28%
Collective investment scheme costs	0.15%	0.15%	0.15%	0.15%
Ongoing Charges Figure	1.18%	0.68%	1.58%	0.43%

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

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

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

7IM AAP BALANCED FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator

Typically lower rewards

Typically higher rewards



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was four.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM AAP Balanced Fund ¹	6.74	19.22	24.51

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 329 to 331.

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
ALTERNATIVES 23.35% (13.67%)			
Alternative Strategies 17.52% (9.47%)			
512,254	AQR - Managed Futures UCITS Fund ¹	38,107,537	3.12
428,866	BlackRock Strategic Funds - Global Event Driven Fund ¹	50,709,117	4.15
60,800,000	BNP Paribas Issuance 0.00% 2024 ²	52,895,521	4.33
2,441,469	Dexion Absolute EUR ³	–	–
5,870	Dexion Equity Alternative ³	–	–
50,840,000	JP Morgan Structured Products 0.00% 2023 ²	40,034,780	3.28
44,407,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	32,263,018	2.64
		214,009,973	17.52
Real Estate 5.83% (4.20%)			
1,141,325	iShares Edge MSCI World Size Factor UCITS ETF ¹	37,743,618	3.09
12,996,188	iShares Global Property Securities Index ¹	33,510,670	2.74
		71,254,288	5.83
DEBT SECURITIES 41.64% (49.78%)			
Emerging Market Bonds 9.79% (7.91%)			
57,932,551	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ¹	36,798,756	3.01
51,233,252	Legal & General Emerging Markets Government Bond USD Index Fund ¹	36,595,912	3.00
690,604	UBS Lux Bond SICAV - Asian High Yield ¹	46,204,172	3.78
		119,598,840	9.79
Gilts 0.00% (0.03%)			
Global Corporate Bonds 4.90% (13.44%)			
496,457	Angel Oak Multi-Strategy Income UCITS Fund ¹	59,879,997	4.90
Global High Yield Bonds 13.19% (6.11%)			
2,526,403	Invesco AT1 Capital Bond UCITS ETF ¹	104,226,755	8.53
194,131	WisdomTree AT1 CoCo Bond UCITS ETF ¹	20,181,859	1.65
1,336,351	Xtrackers MSCI World Value UCITS ETF ¹	36,722,925	3.01
		161,131,539	13.19
Short Term Sterling Bonds 13.76% (18.32%)			
£30,000	African Development Bank 0.875% 2021	30,011	–
£3,880,000	Bank Nederlandse Gemeenten 1.00% 2022	3,888,427	0.32
£2,465,000	Bank of Montreal FRN 2023	2,469,338	0.20
£1,265,000	Bank of Nova Scotia 1.25% 2022	1,268,438	0.10
£7,625,000	Bank of Nova Scotia FRN 2023	7,635,660	0.63
£1,800,000	Barclays Bank 4.25% 2022	1,808,100	0.15
£4,300,000	Barclays Bank UK FRN 2023	4,313,726	0.35
£2,200,000	Bayerische Landesbank 1.25% 2021	2,201,088	0.18
£170,000	Canadian Imperial Bank of Commerce FRN 2022	170,068	0.01
£500,000	Commonwealth Bank of Australia 1.125% 2021	500,255	0.04
£3,860,000	Commonwealth Bank of Australia FRN 2025	3,898,484	0.32
£566,000	Deutsche Bahn Finance 2.75% 2022	573,013	0.05
£5,000,000	Dexia Credit Local 1.375% 2022	5,042,786	0.41
£750,000	European Investment Bank 4.25% 2021	750,420	0.06
£3,500,000	FMS Wertmanagement 1.00% 2022	3,514,966	0.29

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
Short Term Sterling Bonds (continued)			
£6,000,000	Kreditanstalt fuer Wiederaufbau 1.00% 2022	6,033,648	0.49
£20,000	Landeskreditbank 0.875% 2022	20,033	–
£5,000,000	Leeds Building Society FRN 2025	5,052,950	0.41
£5,127,000	Lloyds Bank 1.75% 2022	5,152,502	0.42
£2,600,000	Lloyds Bank FRN 2022	2,601,617	0.21
£5,632,000	Municipality Finance 1.25% 2022	5,675,310	0.47
£8,500,000	NRW Bank 1.00% 2022	8,532,623	0.70
£500,000	Oesterreichische 1.125% 2022	503,443	0.04
£8,000,000	Oversea-Chinese Banking FRN 2023	7,997,264	0.66
£1,058,000	Reseau Ferre de France 5.5% 2021	1,058,000	0.09
£7,400,000	Royal Bank of Canada FRN 2025	7,453,591	0.61
£6,000,000	Santander UK FRN 2022	6,008,808	0.49
£6,700,000	Santander UK FRN 2024	6,781,231	0.56
£7,893,000	Skipton Building Society FRN 2023	7,919,047	0.65
£6,633,000	SpareBank 1 Boligkreditt AS FRN 2022	6,641,902	0.54
£9,499,000	Svenska Handelsbanken 1.625% 2022	9,551,131	0.78
£1,454,000	Svenska Handelsbanken 2.375% 2022	1,457,533	0.12
£7,688,000	Swedbank 1.25% 2021	7,692,382	0.63
£8,100,000	Toronto-Dominion Bank FRN 2023	8,111,372	0.66
£1,709,000	Transport for London 2.25% 2022	1,728,353	0.14
£6,000,000	TSB Bank FRN 2024	6,088,188	0.50
£12,000,000	Westpac Banking FRN 2023	12,018,000	0.98
£5,990,000	Yorkshire Building Society FRN 2023	6,041,250	0.50
		168,184,958	13.76
Sterling Corporate Bonds 0.00% (3.97%)			
EQUITY 9.38% (14.51%)			
Europe (ex UK) -0.01% (1.40%)			
1,685	MSCI Europe ex-UK Index Futures December 2021 ⁴	(121,962)	(0.01)
Japan -0.28% (0.24%)			
323	TOPIX Index Futures December 2021 ⁴	(3,478,627)	(0.28)
North America 3.26% (12.58%)			
182,165	Berkshire Hathaway	37,780,650	3.09
1,024,659	iShares MSCI USA ESG Screened UCITS ETF ¹	6,968,706	0.57
1,884	MSCI Emerging Markets Index Futures December 2021 ⁴	(5,923,907)	(0.48)
1,980	MSCI USA ESG Screened Index Futures December 2021 ⁴	1,466,147	0.12
1,737	MSCI World Health Care Index Futures December 2021 ⁴	(1,532,268)	(0.13)
218	US Ultra CBT Futures March 2022 ⁴	1,115,715	0.09
		39,875,043	3.26
United Kingdom 6.41% (0.29%)			
1,535	FTSE 100 Index Futures December 2021 ⁴	580,230	0.05
592	FTSE 250 Index Futures December 2021 ⁴	(1,396,528)	(0.11)
32,281	Goldman Sachs International 2024	26,917,004	2.20
23,152,372	Ninety One Funds Series III ¹	38,907,562	3.18
872	Thames River Multi Hedge preference shares ³	–	–

7IM AAP BALANCED FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	United Kingdom (continued)		
16,339	UBS AG London 2024	13,339,281	1.09
		78,347,549	6.41
	FORWARD CURRENCY CONTRACTS -0.17% (0.66%)		
€43,000,000	Vs £(36,706,993) Expiry 08.04.2022	(21,873)	–
€(19,000,000)	Vs £16,341,748 Expiry 08.04.2022	132,044	0.01
US\$(7,000,000)	Vs £5,038,374 Expiry 14.01.2022	(204,090)	(0.02)
US\$(197,000,000)	Vs £142,090,227 Expiry 14.01.2022	(5,447,712)	(0.44)
¥5,800,000,000	Vs £(37,716,095) Expiry 20.05.2022	802,758	0.07
US\$83,000,000	Vs £(59,579,142) Expiry 14.01.2022	2,581,513	0.21
		(2,157,360)	(0.17)
	Portfolio of investment	906,524,238	74.20
	Net other assets ⁵	315,272,905	25.80
	Net assets	1,221,797,143	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹Collective investment scheme

²Structured product

³Delisted security

⁴Derivative contract

⁵Includes shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £116,865,497, shares in the Morgan Stanley Liquidity Funds - Sterling Liquidity Fund to the value of £40,000,529 and shares in the Northern Trust Global Sterling Fund to the value of £123,289,000 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21 %	30.11.20 %
Investment grade debt securities	13.76	18.26
Non-rated debt securities	10.25	5.23
Other investments	50.19	73.79
Net other assets	25.80	2.72
	100.00	100.00

7IM AAP BALANCED FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		76,818,715		39,469,647
Revenue	5	17,247,763		21,407,123	
Expenses	6	(6,579,538)		(5,871,192)	
Interest payable and similar charges	8	<u>(90,231)</u>		<u>(488,319)</u>	
Net revenue before taxation for the year		10,577,994		15,047,612	
Taxation	7	<u>(1,536,419)</u>		<u>(3,371,465)</u>	
Net revenue after taxation for the year			<u>9,041,575</u>		<u>11,676,147</u>
Total return before distributions			85,860,290		51,145,794
Distributions	8		<u>(11,610,570)</u>		<u>(13,978,526)</u>
Change in net assets attributable to shareholders from investment activities			<u>74,249,720</u>		<u>37,167,268</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		1,303,220,091		1,260,227,424
Amounts received on creation of shares ¹	161,678,540		115,069,276	
Amounts receivable on in-specie transactions	–		204,638,410	
Amounts paid on cancellation of shares ¹	<u>(328,099,527)</u>		<u>(327,187,001)</u>	
		(166,420,987)		(7,479,315)
Change in net assets attributable to shareholders from investment activities		74,249,720		37,167,268
Retained distribution on accumulation shares		<u>10,748,319</u>		<u>13,304,714</u>
Closing net assets attributable to shareholders		<u>1,221,797,143</u>		<u>1,303,220,091</u>

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

The notes on pages 317 to 328 are an integral part of these Financial Statements.

7IM AAP BALANCED FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		924,651,205	1,028,953,557
Current assets:			
Debtors	9	4,779,419	6,828,405
Cash and bank balances	10	42,726,251	36,948,235
Cash equivalents	10	280,155,026	244,276,741
Total assets		1,252,311,901	1,317,006,938
LIABILITIES			
Investment liabilities		(18,126,967)	(4,324,585)
Creditors:			
Bank overdrafts	10	(5,473,807)	(3,838,399)
Distribution payable		(395,188)	(495,434)
Other creditors	11	(6,518,796)	(5,128,429)
Total liabilities		(30,514,758)	(13,786,847)
Net assets attributable to shareholders		1,221,797,143	1,303,220,091

The notes on pages 317 to 328 are an integral part of these Financial Statements.

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	11,629,010	33,444,356
Derivative contracts	68,974,358	15,089,478
Forward currency contracts	(4,336,463)	1,655,406
Currency gains/(losses)	215,520	(10,822,676)
Transaction charges	(13,191)	(46,691)
AMC rebates from underlying investments	349,481	149,774
Net capital gains	<u>76,818,715</u>	<u>39,469,647</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	3,392,637	2,099,311
Taxable dividends	13,554,814	15,528,068
Unfranked interest	123,506	3,308,523
AMC rebates from underlying investments	166,282	406,841
Bank interest	7,930	26,832
Stock lending revenue ¹	2,594	37,548
Total revenue	<u>17,247,763</u>	<u>21,407,123</u>

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

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	6,248,398	5,558,134
Other expenses	8,035	6,509
	<u>6,256,433</u>	<u>5,564,643</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	158,364	141,941
Market risk fees	–	3,661
Safe custody and other bank charges	43,382	32,584
	<u>201,746</u>	<u>178,186</u>
Other Expenses:		
Advisory fees	–	9,570
Audit fee ¹	9,695	9,616
Dealing and exchange fees	41,688	40,991
FCA and other Regulatory fees	41	215
Legal and professional fees	1,717	547
Market data fees	6,978	4,103
Printing, postage and distribution costs	53,275	56,372
Risk analysis fees	7,965	6,949
	<u>121,359</u>	<u>128,363</u>
Total expenses	<u>6,579,538</u>	<u>5,871,192</u>

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

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Corporation tax at 20%	1,506,968	2,665,988
Overseas tax	29,451	705,477
	<hr/>	<hr/>
Current tax charge (note 7b)	1,536,419	3,371,465
	<hr/>	<hr/>
Total taxation	1,536,419	3,371,465
<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%) (2020: 20%) for the reasons explained below.		
Net revenue before taxation	10,577,994	15,047,612
	<hr/>	<hr/>
Corporation tax at 20%	2,115,599	3,009,522
Effects of:		
AMC rebates taken to capital	69,896	29,955
Franked CIS revenue	(15,132)	(122,760)
Movement in revenue accruals	–	516
Non-taxable dividends	–	(67,679)
Non-taxable overseas dividends	–	(49,837)
Offshore CIS revenue	(663,395)	(179,586)
Overseas tax	29,451	705,477
Tax effect on non-reporting offshore funds	–	45,857
	<hr/>	<hr/>
Current tax charge (note 7a)	1,536,419	3,371,465
<i>c) Deferred tax</i>		
There is no deferred tax in the current year (2020: none).		

8 Distributions

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

	30.11.21 £	30.11.20 £
Interim	5,163,401	6,219,711
Final	6,299,667	8,010,969
	<hr/>	<hr/>
Add: Revenue deducted on cancellation of shares	330,069	850,231
Deduct: Revenue received on issue of shares	(182,567)	(316,239)
Deduct: Revenue received on in-specie transactions	–	(786,146)
	<hr/>	<hr/>
Net distributions for the year	11,610,570	13,978,526
Interest payable and similar charges	90,231	488,319
	<hr/>	<hr/>
Total distribution	11,700,801	14,466,845

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 329 to 331.

Distributions represented by:

Net revenue after taxation	9,041,575	11,676,147
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	2,569,256	2,302,894
Equalisation on conversions ²	(102)	(834)
Net movement in revenue account	(159)	319
Net distributions for the year	<u>11,610,570</u>	<u>13,978,526</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	1,692,079	1,482,133
Accrued revenue	1,950,197	2,786,434
Income tax recoverable	174,667	136,167
AMC rebates from underlying investments	953,514	630,882
Withholding tax recoverable	8,962	54,035
Prepaid expenses	–	1,738,754
Total debtors	<u>4,779,419</u>	<u>6,828,405</u>

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	5,465,974	3,833,282
Cash held at clearing houses	37,260,277	33,114,953
Cash equivalents	280,155,026	244,276,741
Total cash and bank balances	<u>322,881,277</u>	<u>281,224,976</u>
Bank overdrafts	(5,463,743)	(3,806,747)
Cash overdraft at clearing houses	(10,064)	(31,652)
Total bank overdrafts	<u>(5,473,807)</u>	<u>(3,838,399)</u>

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	3,882,204	2,990,653
Purchases awaiting settlement	1,164,157	824,339
Accrued expenses	598,467	550,449
Corporation tax payable	873,968	762,988
Total other creditors	<u>6,518,796</u>	<u>5,128,429</u>

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 315.

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 47.50% (2020: 48.12%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£44,643,404) (2020: £166,609,109).

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

13 Classes of Shares

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

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	92,401	–	(332)	–	92,069
Class A Accumulation	1,777,194	249,436	(196,099)	–	1,830,531
Class C Income	44,475,446	4,158,872	(8,997,232)	(18,115)	39,618,971
Class C Accumulation	560,906,260	65,273,891	(130,900,837)	(1,517)	495,277,797
Class D Income	589,540	19,596	(13,441)	–	595,695
Class D Accumulation	23,724,479	1,270,950	(3,619,479)	–	21,375,950
Class S Income	11,906,442	1,167,902	(2,192,446)	–	10,881,898
Class S Accumulation	135,993,830	21,071,877	(43,743,131)	21,008	113,343,584

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown below.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	8,290	–	–	8,290
Danish krone	23	–	–	23
Euro	1,154,245	–	36,691,018	37,845,263
Japanese yen	57,175	–	38,518,853	38,576,028
South African rand	211	–	–	211
Swedish krona	–	–	125	125
Swiss franc	7	–	–	7
US dollar	2,602,287	125,193,319	227,092,329	354,887,935
Pound sterling	420,261,534	66,982,462	631,068,685	1,118,312,681
	424,083,772	192,175,781	933,371,010	1,549,630,563

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(8,290)	–	–	(8,290)
Danish krone	(3)	–	–	(3)
Euro	(1,164,307)	–	(16,331,666)	(17,495,973)
Japanese yen	(48,580)	–	(3,478,627)	(3,527,207)
South African rand	(211)	–	–	(211)
US dollar	(2,602,288)	–	(160,236,578)	(162,838,866)
Pound sterling	(1,650,129)	–	(142,312,741)	(143,962,870)
	(5,473,808)	–	(322,359,612)	(327,833,420)

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
Canadian dollar	8,167	–	–	8,167
Danish krone	24	–	3,711	3,735
Euro	1,550,305	–	47,920,829	49,471,134
Japanese yen	100,422	–	49,373,574	49,473,996
South African rand	222	–	–	222
Swedish krona	–	–	134	134
Swiss franc	8	–	32,275	32,283
US dollar	2,395,814	67,172,727	274,829,663	344,398,204
Pound sterling	384,815,140	131,523,249	867,709,941	1,384,048,330
	388,870,102	198,695,976	1,239,870,127	1,827,436,205

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
Canadian dollar	(8,167)	–	–	(8,167)
Danish krone	(2)	–	–	(2)
Euro	(1,219,839)	–	–	(1,219,839)
Japanese yen	(52,743)	–	–	(52,743)
South African rand	(60)	–	–	(60)
US dollar	(2,407,921)	–	(296,055,099)	(298,463,020)
Pound sterling	(149,667)	–	(224,322,616)	(224,472,283)
	(3,838,399)	–	(520,377,715)	(524,216,114)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21	30.11.20	30.11.21	30.11.20
	%	%	Years	Years
Pound sterling	0.48	0.15	1	1
US dollar	(2.52)	(3.46)	3	3

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the weighted average effective duration was 1.55 years (30 November 2020: 2.47 years).

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	20	–	20
Euro	(4,164)	20,353,454	20,349,290
Japanese yen	8,595	35,040,226	35,048,821
Swedish krona	125	–	125
Swiss franc	7	–	7
US dollar	1,167	192,047,902	192,049,069
	5,750	247,441,582	247,447,332
Pound sterling	315,267,155	659,082,656	974,349,811
Net assets	315,272,905	906,524,238	1,221,797,143

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	3,733	–	3,733
Euro	344,306	47,906,989	48,251,295
Japanese yen	47,679	49,373,574	49,421,253
South African rand	162	–	162
Swedish krona	134	–	134
Swiss franc	32,276	7	32,283
US dollar	(11,218)	45,946,403	45,935,185
	417,072	143,226,973	143,644,045
Pound sterling	278,174,046	881,402,000	1,159,576,046
Net assets	278,591,118	1,024,628,973	1,303,220,091

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 30 November 2021 was 19%, 105% and 71% respectively (30 November 2020: 60%, 146% and 90% respectively).

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303\ 51d\ HL)]$.

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	30.11.21 £	30.11.20 £
Futures Contracts		
Chicago Board of Trade	1,115,715	(48,903)
Chicago Mercantile Exchange	–	2,049,717
Eurex Deutschland	(121,962)	5,409,829
Eurex USA	1,466,147	–
London International Financial Futures Exchange	(2,348,566)	16,600,252
New York Coffee, Sugar & Cocoa	(5,923,907)	5,166,987
Tokyo Stock Exchange	(3,478,627)	3,166,617
Forward Currency Contracts		
Northern Trust	(2,157,362)	8,612,320
Total net exposure¹	(11,448,562)	40,956,819

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

iv. Fair value

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

Level 1

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

Level 2

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

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

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value (continued)

Level 3

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

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

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	7,284,323	286,093,954	–	293,378,277
Collective Investment Schemes	350,856,738	195,700,848	–	546,557,586
Derivatives	3,162,092	3,516,315	–	6,678,407
Equities	78,036,935	–	–	78,036,935
Total	439,340,088	485,311,117	–	924,651,205
Liabilities				
Derivatives	(12,453,292)	(5,673,675)	–	(18,126,967)
30 November 2020				
Assets				
Bonds	36,973,909	269,367,192	–	306,341,101
Collective Investment Schemes	499,265,582	151,420,811	–	650,686,393
Derivatives	32,393,402	12,888,003	–	45,281,405
Equities	26,644,658	–	–	26,644,658
Total	595,277,551	433,676,006	–	1,028,953,557
Liabilities				
Derivatives	(48,903)	(4,275,682)	–	(4,324,585)

7IM AAP BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.18% (2020: 0.10%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 190.17p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 185.23p. This represents a decrease of 2.60% from the year end value.

Non-adjusting event

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

7IM AAP BALANCED FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class A Income				
Group 1	0.4973	–	0.4973	0.6063
Group 2	0.4973	–	0.4973	0.6063
			Allocated 31.07.21	Allocated 31.07.20
Class A Accumulation				
Group 1	0.6011	–	0.6011	0.7230
Group 2	0.4566	0.1445	0.6011	0.7230
			Paid 31.07.21	Paid 31.07.20
Class C Income				
Group 1	0.6110	–	0.6110	0.7593
Group 2	0.4439	0.1671	0.6110	0.7593
			Allocated 31.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	0.7592	–	0.7592	0.9270
Group 2	0.5463	0.2129	0.7592	0.9270
			Paid 31.07.21	Paid 31.07.20
Class D Income				
Group 1	0.4237	–	0.4237	0.4922
Group 2	0.3455	0.0782	0.4237	0.4922
			Allocated 31.07.21	Allocated 31.07.20
Class D Accumulation				
Group 1	0.5033	–	0.5033	0.5735
Group 2	0.4456	0.0577	0.5033	0.5735
			Paid 31.07.21	Paid 31.07.20
Class S Income				
Group 1	0.5877	–	0.5877	0.7181
Group 2	0.4454	0.1423	0.5877	0.7181

7IM AAP BALANCED FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.6529	–	0.6529	0.7761
Group 2	0.4775	0.1754	0.6529	0.7761
Final - in pence per share				
Group 1 - Shares purchased prior to 1 June 2021				
Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021				
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class A Income				
Group 1	0.5679	–	0.5679	0.7235
Group 2	0.5679	–	0.5679	0.7235
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class A Accumulation				
Group 1	0.6912	–	0.6912	0.8669
Group 2	0.5232	0.1680	0.6912	0.8669
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	0.7862	–	0.7862	0.8858
Group 2	0.6035	0.1827	0.7862	0.8858
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	0.9756	–	0.9756	1.0878
Group 2	0.7832	0.1924	0.9756	1.0878
	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income				
Group 1	0.4786	–	0.4786	0.6022
Group 2	0.4556	0.0230	0.4786	0.6022
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class D Accumulation				
Group 1	0.5701	–	0.5701	0.7092
Group 2	0.4858	0.0843	0.5701	0.7092

7IM AAP BALANCED FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	0.7382	–	0.7382	0.8168
Group 2	0.5222	0.2160	0.7382	0.8168
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	0.8276	–	0.8276	0.9047
Group 2	0.6297	0.1979	0.8276	0.9047

Equalisation

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

7IM AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

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

The Sub-fund invests at least 80% of its assets in equity and fixed interest instruments that, for the most part, use passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-fund will also invest in other asset classes such as property, commodities and private equity, indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

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

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

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

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

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 9.63%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2 to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced its worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

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

71M AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued)

for the year ended 30 November 2021

Investment Manager's Report (continued)

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

In December 2020, we increased our allocation to AT1 bonds funded by a reduction in our global high yield allocation. The motivation was that elevated defaults in high yield bonds were eating into their returns, but this was not the true with AT1 bonds. The COVID-19 recession had strengthened the case for AT1s as capital ratios were up and regulators forbearance was quicker and more forgiving than our expectations prior to the recession.

In light of reopening momentum, we allocated to Global Mid cap equities funded by a reduction in global equities in December. We did this as it would help us better capture a period of rotation to more cyclical stocks, many of which are mid cap size.

In January, we sold out of our 2023 dividends allocation. At the depth of the crisis in March 2020, there was a fear that dividends would simply not be paid by European businesses in the next few years. As optimism returned to the world, this mispricing has corrected sharply – leaving any future gains more fundamentally related to the earnings outlook. With that in mind, we switched back into the broad equity index.

We added to our Asia High Yield position in January in order to take advantage of the increased returns available vs. Global High Yield. The Asian index was offering a yield of over 3% more than the US and Europe dominated equivalents – and we believed that the risks were lower in Asia than most investors realised.

Also in March, we added UBS AG London 2024 and Goldman Sachs International 2024 equity put selling strategies to portfolios at 3-5% (total) across risk profiles funded by US equity and corporate bonds. By selling puts, the strategies benefit from nervous investors fearing another equity market pullback.

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

The first change we made in order to implement the growth+ basket was that we increased our allocation to Berkshire Hathaway relative to a broader S&P 500 index tracker. The motivation is that Berkshire Hathaway contains more industrial and cyclical exposures than the broader index, and it is these stocks which were undervalued and looked better placed to benefit from US growth.

7IM AAP MODERATELY ADVENTUROUS FUND

ACD'S REPORT (continued)

for the year ended 30 November 2021

Investment Manager's Report (continued)

The second change that was made as part of the growth+ basket was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

The third change that was made in order to implement the growth+ basket was a tilt towards value companies. The motivation behind this was that companies with value and cyclical characteristics were likely to continue outperforming as the global economy continued to perform well. In our passive portfolios, this was achieved by adding the Xtrackers MSCI World Value ETF by trimming the rest of our global equity allocation.

In July, we refreshed our SAA. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the "clean energy" space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence, overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds freed up by the equity trim were added to alternatives and cash.

In October, we shifted our US Healthcare exposure to a Global Healthcare exposure. This switch reduced our exposure to some of the US-specific healthcare system businesses and replaces them with the undervalued large pharmaceutical companies in Europe and the UK.

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth – For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt – Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word "Goldilocks" for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 7IM portfolios are positioned for a changing environment – For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP

Investment Manager

January 2022

7IM AAP MODERATELY ADVENTUROUS FUND

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 337 to 344 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	159.92	154.04	146.57
Return before operating charges*	17.15	8.03	10.80
Operating charges (calculated on average price)	(2.02)	(1.73)	(1.76)
Return after operating charges*	15.13	6.30	9.04
Distributions on income shares	(0.15)	(0.42)	(1.57)
Closing net asset value per share	174.90	159.92	154.04
* After direct transaction costs of: ¹	0.00	0.02	0.05

Performance

Return after charges ²	9.46%	4.09%	6.17%
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Other Information

Closing net asset value (£'000)	161	201	259
Closing number of shares	91,876	125,859	168,363
Operating charges ³	1.18%	1.15%	1.17%
Direct transaction costs	0.00%	0.01%	0.04%

Prices

Highest share price	180.44	161.06	157.38
Lowest share price	161.06	125.30	139.97

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 345.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	181.15	174.02	163.87
Return before operating charges*	19.39	9.09	12.12
Operating charges (calculated on average price)	(2.29)	(1.96)	(1.97)
Return after operating charges*	17.10	7.13	10.15
Distributions	(0.17)	(0.48)	(1.76)
Retained distributions on accumulation shares	0.17	0.48	1.76
Closing net asset value per share	198.25	181.15	174.02
* After direct transaction costs of: ¹	0.00	0.02	0.06

Performance

Return after charges ²	9.44%	4.10%	6.19%
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Other Information

Closing net asset value (£'000)	1,063	1,064	1,272
Closing number of shares	536,207	587,571	730,846
Operating charges ³	1.18%	1.15%	1.17%
Direct transaction costs	0.00%	0.01%	0.04%

Prices

Highest share price	204.45	182.15	176.97
Lowest share price	182.38	141.55	156.49

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 345.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	161.13	155.19	147.66
Return before operating charges*	17.11	8.05	10.74
Operating charges (calculated on average price)	(1.18)	(0.99)	(1.01)
Return after operating charges*	15.93	7.06	9.73
Distributions on income shares	(0.84)	(1.12)	(2.20)
Closing net asset value per share	176.22	161.13	155.19
* After direct transaction costs of: ¹	0.00	0.02	0.05

Performance

Return after charges ²	9.89%	4.55%	6.59%
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Other Information

Closing net asset value (£'000)	22,093	24,578	29,355
Closing number of shares	12,537,218	15,253,408	18,915,121
Operating charges ³	0.68%	0.65%	0.67%
Direct transaction costs	0.00%	0.01%	0.04%

Prices

Highest share price	182.25	162.58	158.67
Lowest share price	162.28	126.39	141.06

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 345.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	192.00	183.71	172.30
Return before operating charges*	20.38	9.46	12.60
Operating charges (calculated on average price)	(1.40)	(1.17)	(1.19)
Return after operating charges*	18.98	8.29	11.41
Distributions	(1.00)	(1.22)	(2.58)
Retained distributions on accumulation shares	1.00	1.22	2.58
Closing net asset value per share	210.98	192.00	183.71
* After direct transaction costs of: ¹	0.00	0.02	0.06

Performance

Return after charges ²	9.89%	4.51%	6.62%
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Other Information

Closing net asset value (£'000)	442,093	490,320	428,456
Closing number of shares	209,542,772	255,372,013	233,221,782
Operating charges ³	0.68%	0.65%	0.67%
Direct transaction costs	0.00%	0.01%	0.04%

Prices

Highest share price	217.72	193.05	186.57
Lowest share price	193.31	149.62	164.59

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 345.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	159.35	153.67	146.22
Return before operating charges*	17.20	8.01	10.90
Operating charges (calculated on average price)	(2.70)	(2.33)	(2.36)
Return after operating charges*	14.50	5.68	8.54
Distributions on income shares	–	–	(1.09)
Closing net asset value per share	173.85	159.35	153.67
* After direct transaction costs of: ¹	0.00	0.02	0.05

Performance

Return after charges ²	9.10%	3.70%	5.84%
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Other Information

Closing net asset value (£'000)	989	974	997
Closing number of shares	569,110	610,952	648,583
Operating charges ³	1.58%	1.55%	1.57%
Direct transaction costs	0.00%	0.01%	0.04%

Prices

Highest share price	179.17	160.24	156.92
Lowest share price	160.43	124.85	139.60

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 345.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	173.00	166.84	157.61
Return before operating charges*	18.66	8.69	11.77
Operating charges (calculated on average price)	(2.93)	(2.53)	(2.54)
Return after operating charges*	15.73	6.16	9.23
Distributions	–	–	(1.17)
Retained distributions on accumulation shares	–	–	1.17
Closing net asset value per share	188.73	173.00	166.84
* After direct transaction costs of: ¹	0.00	0.02	0.06

Performance

Return after charges ²	9.09%	3.69%	5.86%
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Other Information

Closing net asset value (£'000)	17,978	18,862	20,605
Closing number of shares	9,525,732	10,903,065	12,350,587
Operating charges ³	1.58%	1.55%	1.57%
Direct transaction costs	0.00%	0.01%	0.04%

Prices

Highest share price	194.52	173.96	169.84
Lowest share price	174.17	135.55	150.47

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 345.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	132.06	127.19	121.02
Return before operating charges*	13.95	6.47	8.75
Operating charges (calculated on average price)	(0.61)	(0.50)	(0.52)
Return after operating charges*	13.34	5.97	8.23
Distributions on income shares	(0.98)	(1.10)	(2.06)
Closing net asset value per share	144.42	132.06	127.19
* After direct transaction costs of: ¹	0.00	0.01	0.04

Performance

Return after charges ²	10.10%	4.69%	6.80%
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Other Information

Closing net asset value (£'000)	3,495	4,037	6,899
Closing number of shares	2,419,896	3,056,790	5,424,562
Operating charges ³	0.43%	0.40%	0.42%
Direct transaction costs	0.00%	0.01%	0.04%

Prices

Highest share price	149.53	133.38	130.08
Lowest share price	133.01	103.65	115.62

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 345.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	146.87	140.25	131.27
Return before operating charges*	15.52	7.17	9.55
Operating charges (calculated on average price)	(0.68)	(0.55)	(0.57)
Return after operating charges*	14.84	6.62	8.98
Distributions	(1.09)	(1.21)	(2.24)
Retained distributions on accumulation shares	1.09	1.21	2.24
Closing net asset value per share	161.71	146.87	140.25
* After direct transaction costs of: ¹	0.00	0.02	0.05

Performance

Return after charges ²	10.10%	4.72%	6.84%
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Other Information

Closing net asset value (£'000)	96,069	94,276	102,702
Closing number of shares	59,408,723	64,190,661	73,229,633
Operating charges ³	0.43%	0.40%	0.42%
Direct transaction costs	0.00%	0.01%	0.04%

Prices

Highest share price	166.90	147.67	142.34
Lowest share price	147.87	114.29	125.41

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 345.

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.04%	0.04%	0.04%	0.04%
	1.04%	0.54%	1.44%	0.29%
Collective investment scheme costs	0.14%	0.14%	0.14%	0.14%
Ongoing Charges Figure	1.18%	0.68%	1.58%	0.43%

As at 30 November 2020

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.05%	0.05%	0.05%	0.05%
	1.05%	0.55%	1.45%	0.30%
Collective investment scheme costs	0.10%	0.10%	0.10%	0.10%
Ongoing Charges Figure	1.15%	0.65%	1.55%	0.40%

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.

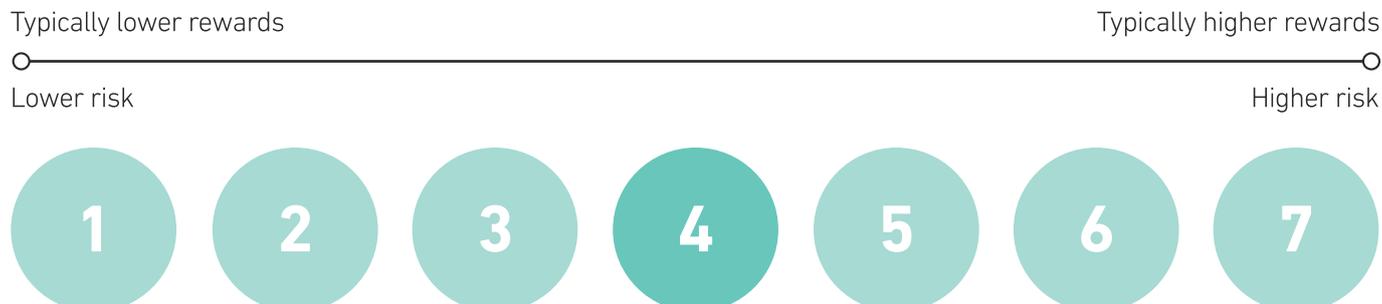
The Sub-fund undertakes securities lending and receives 70% of the revenue generated and the remaining 30% is received by Northern Trust as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Sub-fund, this has been excluded from the Other expenses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

7IM AAP MODERATELY ADVENTUROUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was four. The indicator has changed from five to four this year.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM AAP Moderately Adventurous Fund ¹	9.63	22.76	33.39

¹ Source: Bloomberg

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

Details of the distributions per share for the period are shown in the Distribution Tables on pages 364 to 366.

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
ALTERNATIVES 20.35% (11.89%)			
Alternative Strategies 12.54% (5.62%)			
154,616	AQR - Managed Futures UCITS Fund ¹	11,502,173	1.97
149,862	BlackRock Strategic Funds - Global Event Driven Fund ¹	17,719,636	3.04
22,405,000	BNP Paribas Issuance 0.00% 2024 ²	19,492,173	3.34
1,171,008	Dexion Absolute EUR ³	–	–
30,098	Dexion Absolute GBP ³	–	–
15,360,000	JP Morgan Structured Products 0.00% 2023 ²	12,095,480	2.07
17,041,000	SG Defensive Short Term Equity Strategy 0.00% 2023 ²	12,380,798	2.12
		73,190,260	12.54
Real Estate 7.81% (6.27%)			
726,937	iShares Edge MSCI World Size Factor UCITS ETF ¹	24,039,806	4.12
8,367,896	iShares Global Property Securities Index ¹	21,576,619	3.69
		45,616,425	7.81
DEBT SECURITIES 29.57% (36.82%)			
Emerging Market Bonds 6.85% (6.35%)			
13,847,967	Legal & General Emerging Markets Government Bond Local Currency Index Fund Acc ¹	8,796,229	1.51
12,704,158	Legal & General Emerging Markets Government Bond USD Index Fund ¹	9,074,580	1.55
330,384	UBS Lux Bond SICAV - Asian High Yield ¹	22,103,987	3.79
		39,974,796	6.85
Gilts 0.00% (0.01%)			
Global High Yield Bonds 7.60% (4.07%)			
516,636	Invesco AT1 Capital Bond UCITS ETF ¹	21,313,818	3.65
839,340	Xtrackers MSCI World Value UCITS ETF ¹	23,065,064	3.95
		44,378,882	7.60
Short Term Sterling Bonds 15.12% (26.39%)			
£45,000	African Development Bank 0.875% 2021	45,017	0.01
£50,000	Asian Development Bank 0.75% 2022	50,080	0.01
£500,000	Bank Nederlandse Gemeenten 1.00% 2022	501,086	0.08
£1,000,000	Bank of Nova Scotia 1.25% 2022	1,002,718	0.17
£4,580,000	Bank of Nova Scotia FRN 2023	4,586,403	0.78
£2,550,000	Barclays Bank 4.25% 2022	2,561,475	0.44
£3,100,000	Barclays Bank UK FRN 2023	3,109,895	0.53
£5,000,000	Canadian Imperial Bank of Commerce FRN 2022	5,002,000	0.86
£2,320,000	Commonwealth Bank of Australia FRN 2025	2,343,130	0.40
£30,000	Deutsche Bahn Finance 2.75% 2022	30,372	–
£4,000,000	FMS Wertmanagement 1.00% 2022	4,017,104	0.69
£10,000	Inter-American Development Bank 0.625% 2021	10,002	–
£25,000	Landeskreditbank 0.875% 2022	25,041	–
£3,000,000	Leeds Building Society FRN 2025	3,031,770	0.52
£2,778,000	Lloyds Bank 1.75% 2022	2,791,818	0.48
£1,600,000	Lloyds Bank FRN 2022	1,600,995	0.27
£1,500,000	Lloyds Bank FRN 2024	1,514,328	0.26
£453,000	Municipality Finance 1.25% 2022	456,484	0.08
£1,500,000	National Westminster Bank FRN 2023	1,509,195	0.26

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued)

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
Short Term Sterling Bonds (continued)			
£1,500,000	NRW Bank 1.00% 2022	1,505,757	0.26
£4,000,000	NRW Bank FRN 2024	4,018,576	0.69
£4,100,000	Oesterreichische 1.125% 2022	4,128,233	0.71
£3,200,000	Oversea-Chinese Banking FRN 2023	3,198,906	0.55
£115,000	Rabobank Nederland 4.875% 2023	120,001	0.02
£1,500,000	Royal Bank of Canada FRN 2024	1,514,853	0.26
£4,000,000	Royal Bank of Canada FRN 2025	4,028,968	0.69
£4,000,000	Santander UK FRN 2022	4,005,872	0.69
£1,100,000	Santander UK FRN 2024	1,113,336	0.19
£5,500,000	Skipton Building Society FRN 2023	5,518,150	0.94
£2,001,000	Svenska Handelsbanken 1.625% 2022	2,011,981	0.34
£4,886,000	Svenska Handelsbanken 2.375% 2022	4,897,873	0.84
£3,600,000	Toronto-Dominion Bank FRN 2023	3,605,054	0.62
£1,100,000	Transport for London 2.25% 2022	1,112,456	0.19
£1,500,000	TSB Bank FRN 2022	1,503,105	0.26
£2,800,000	TSB Bank FRN 2024	2,841,154	0.49
£6,100,000	Westpac Banking FRN 2023	6,109,150	1.05
£2,870,000	Yorkshire Building Society FRN 2023	2,894,556	0.49
		88,316,894	15.12
EQUITY 11.62% (18.62%)			
Europe (ex UK) -0.02% (1.92%)			
1,812	MSCI Europe ex-UK Index Futures December 2021 ⁴	(131,155)	(0.02)
Japan -0.65% (0.59%)			
355	TOPIX Index Futures December 2021 ⁴	(3,823,258)	(0.65)
North America 3.92% (15.76%)			
116,615	Berkshire Hathaway	24,185,714	4.14
485,907	iShares MSCI USA ESG Screened UCITS ETF ¹	3,304,654	0.57
1,277	MSCI Emerging Markets Index Futures December 2021 ⁴	(4,015,302)	(0.69)
774	MSCI USA ESG Screened Index Futures December 2021 ⁴	445,713	0.08
1,156	MSCI World Health Care Index Futures December 2021 ⁴	(1,019,748)	(0.18)
		22,901,031	3.92
United Kingdom 8.37% (0.35%)			
924	FTSE 100 Index Futures December 2021 ⁴	349,272	0.06
364	FTSE 250 Index Futures December 2021 ⁴	(858,676)	(0.15)
18,662	Goldman Sachs International 2024	15,561,015	2.66
14,759,458	Ninety One Funds Series III ¹	24,803,269	4.25
11,076	UBS AG London 2024	9,042,529	1.55
		48,897,409	8.37
FORWARD CURRENCY CONTRACTS 0.22% (-0.66%)			
€51,700,000	Vs £(44,133,757) Expiry 08.04.2022	(26,299)	-
€(5,500,000)	Vs £4,730,506 Expiry 08.04.2022	38,223	0.01
US\$(11,000,000)	Vs £7,917,446 Expiry 14.01.2022	(320,713)	(0.06)
¥7,173,304,000	Vs £(46,646,382) Expiry 20.05.2022	992,832	0.17
US\$12,000,000	Vs £(8,613,852) Expiry 14.01.2022	373,231	0.06

7IM AAP MODERATELY ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	FORWARD CURRENCY CONTRACTS (continued)		
US\$9,000,000	Vs £(6,491,432) Expiry 14.01.2022	248,880	0.04
		1,306,154	0.22
	Portfolio of investment	360,627,438	61.76
	Net other assets ⁵	223,313,778	38.24
	Net assets	583,941,216	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹ Collective investment scheme

² Structured product

³ Delisted security

⁴ Derivative contract

⁵ Includes shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £85,500,000, shares in the Morgan Stanley Liquidity Funds - Sterling Liquidity Fund to the value of £75,421,820 and shares in the Northern Trust Global Sterling Fund to the value of £37,104,000 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21 %	30.11.20 %
Investment grade debt securities	15.12	26.39
Non-rated debt securities	7.53	1.37
Other investments	39.11	68.13
Net other assets	38.24	4.11
	100.00	100.00

7IM AAP MODERATELY ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		56,344,998		16,583,181
Revenue	5	6,504,988		7,998,759	
Expenses	6	(3,219,017)		(2,807,568)	
Interest payable and similar charges	8	(82,087)		(311,703)	
Net revenue before taxation for the year		3,203,884		4,879,488	
Taxation	7	(253,071)		(1,057,821)	
Net revenue after taxation for the year			2,950,813		3,821,667
Total return before distributions			59,295,811		20,404,848
Distributions	8		(3,004,087)		(3,880,209)
Change in net assets attributable to shareholders from investment activities			56,291,724		16,524,639

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		634,312,011		590,544,838
Amounts received on creation of shares ¹	71,333,512		72,453,761	
Amounts receivable on in-specie transactions	–		118,262,882	
Amounts paid on cancellation of shares ¹	(180,853,463)		(167,183,129)	
		(109,519,951)		23,533,514
Change in net assets attributable to shareholders from investment activities		56,291,724		16,524,639
Retained distribution on accumulation shares		2,857,432		3,709,020
Closing net assets attributable to shareholders		583,941,216		634,312,011

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

The notes on pages 352 to 363 are an integral part of these Financial Statements.

7IM AAP MODERATELY ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		370,822,589	428,262,226
Current assets:			
Debtors	9	1,578,215	2,966,028
Cash and bank balances	10	33,095,720	32,927,330
Cash equivalents	10	198,025,820	185,332,358
Total assets		603,522,344	649,487,942
LIABILITIES			
Investment liabilities		(10,195,151)	(5,347,279)
Creditors:			
Bank overdrafts	10	(6,685,854)	(5,541,612)
Distribution payable		(60,026)	(119,536)
Other creditors	11	(2,640,097)	(4,167,504)
Total liabilities		(19,581,128)	(15,175,931)
Net assets attributable to shareholders		583,941,216	634,312,011

The notes on pages 352 to 363 are an integral part of these Financial Statements.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	16,017,629	(2,923,226)
Derivative contracts	49,203,123	27,702,461
Forward currency contracts	(8,167,246)	(1,430,496)
Currency losses	(715,577)	(6,765,902)
Transaction charges	(11,644)	(44,157)
AMC rebates from underlying investments	18,713	44,501
Net capital gains	<u>56,344,998</u>	<u>16,583,181</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	2,010,728	1,901,482
Taxable dividends	3,941,191	3,952,424
Unfranked interest	419,442	1,897,698
AMC rebates from underlying investments	126,536	208,629
Bank interest	4,621	18,110
Stock lending revenue ¹	2,470	20,416
Total revenue	<u>6,504,988</u>	<u>7,998,759</u>

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

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,012,735	2,606,859
Other expenses	7,982	6,389
	<u>3,020,717</u>	<u>2,613,248</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	79,934	69,289
Market risk fees	–	3,661
Safe custody and other bank charges	23,403	25,416
	<u>103,337</u>	<u>98,366</u>
Other Expenses:		
Advisory fees	–	4,669
Audit fee ¹	9,695	9,616
Dealing and exchange fees	29,388	28,393
FCA and other Regulatory fees	40	215
Legal and professional fees	1,717	547
Market data fees	6,978	4,103
Printing, postage and distribution costs	39,180	41,462
Risk analysis fees	7,965	6,949
	<u>94,963</u>	<u>95,954</u>
Total expenses	<u>3,219,017</u>	<u>2,807,568</u>

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

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Corporation tax at 20%	242,374	635,901
Overseas tax	10,697	421,920
	<hr/>	<hr/>
Current tax charge (note 7b)	253,071	1,057,821
	<hr/>	<hr/>
Total taxation	253,071	1,057,821
<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%) (2020: 20%) for the reasons explained below.		
Net revenue before taxation	3,203,884	4,879,488
	<hr/>	<hr/>
Corporation tax at 20%	640,777	975,898
Effects of:		
AMC rebates taken to capital	3,743	–
Double taxation relief expensed	–	8,900
Franked CIS revenue	–	107,687
Movement in revenue accruals	–	233
Non-taxable dividends	(402,146)	(56,535)
Non-taxable overseas dividends	–	(427,462)
Overseas tax	10,697	421,920
Tax effect on non-reporting offshore funds	–	27,180
	<hr/>	<hr/>
Current tax charge (note 7a)	253,071	1,057,821
<i>c) Deferred tax</i>		
There is no deferred tax in the current year (2020: none).		

8 Distributions

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

	30.11.21 £	30.11.20 £
Interim	1,651,744	1,649,080
Final	1,340,504	2,277,174
	<hr/>	<hr/>
Add: Revenue deducted on cancellation of shares	24,431	290,644
Deduct: Revenue received on issue of shares	(12,592)	(131,330)
Deduct: Revenue received on in-specie transactions	–	(205,359)
	<hr/>	<hr/>
Net distributions for the year	3,004,087	3,880,209
Interest payable and similar charges	82,087	311,703
	<hr/>	<hr/>
Total distribution	3,086,174	4,191,912

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 364 to 366.

Distributions represented by:		
Net revenue after taxation	2,950,813	3,821,667
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	3,743	36,080
Equalisation on conversions ²	2,431	(1,193)
Income deficit	47,101	23,639
Net movement in revenue account	(1)	16
Net distributions for the year	<u>3,004,087</u>	<u>3,880,209</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	477,587	778,782
Accrued revenue	652,516	1,150,690
Income tax recoverable	137,760	65,690
AMC rebates from underlying investments	257,241	166,863
Withholding tax recoverable	9,485	51,925
Receivable from merger	–	752,078
Prepaid corporation tax	43,626	–
Total debtors	<u>1,578,215</u>	<u>2,966,028</u>

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	6,670,375	5,597,394
Cash held at clearing houses	26,425,345	27,329,936
Cash equivalents	198,025,820	185,332,358
Total cash and bank balances	<u>231,121,540</u>	<u>218,259,688</u>
Bank overdrafts	(6,669,848)	(5,535,448)
Cash overdraft at clearing houses	(16,006)	(6,164)
Total bank overdrafts	<u>(6,685,854)</u>	<u>(5,541,612)</u>

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	2,058,075	3,278,402
Purchases awaiting settlement	284,749	233,413
Accrued expenses	297,273	275,788
Corporation tax payable	–	379,901
Total other creditors	<u>2,640,097</u>	<u>4,167,504</u>

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 350.

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 55.56% (2020: 55.79%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled (£30,520,418) (2020: £102,879,229).

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

13 Classes of Shares

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

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	125,859	–	(33,983)	–	91,876
Class A Accumulation	587,571	25,740	(77,104)	–	536,207
Class C Income	15,253,408	1,109,445	(3,681,614)	(144,021)	12,537,218
Class C Accumulation	255,372,013	26,650,269	(70,224,533)	(2,254,977)	209,542,772
Class D Income	610,952	6,912	(48,754)	–	569,110
Class D Accumulation	10,903,065	1,143,568	(2,520,901)	–	9,525,732
Class S Income	3,056,790	195,960	(634,316)	(198,538)	2,419,896
Class S Accumulation	64,190,661	8,019,950	(16,080,643)	3,278,755	59,408,723

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown on the next page.

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	7,532	–	–	7,532
Euro	633,216	–	44,115,422	44,748,638
Japanese yen	51,246	–	47,639,214	47,690,460
South African rand	3	–	–	3
Swedish krona	–	–	117	117
Swiss franc	490,898	–	–	490,898
US dollar	2,023,554	43,968,451	98,569,231	144,561,236
Pound sterling	290,964,488	25,267,497	168,260,327	484,492,312
	294,170,937	69,235,948	358,584,311	721,991,196

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(7,532)	–	–	(7,532)
Euro	(642,950)	–	(4,823,438)	(5,466,388)
Japanese yen	(41,583)	–	(3,823,258)	(3,864,841)
South African rand	(3)	–	–	(3)
Swiss franc	(490,897)	–	–	(490,897)
US dollar	(2,029,826)	–	(13,273,209)	(15,303,035)
Pound sterling	(3,473,064)	–	(109,444,220)	(112,917,284)
	(6,685,855)	–	(131,364,125)	(138,049,980)

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	7,419	–	–	7,419
Danish krone	–	–	3,981	3,981
Euro	806,824	–	64,210,244	65,017,068
Japanese yen	43,793	–	59,745,047	59,788,840
South African rand	3	–	–	3
Swedish krona	–	–	125	125
Swiss franc	498,826	–	34,104	532,930
US dollar	2,029,346	8,683,784	155,354,583	166,067,713
Pound sterling	288,961,363	93,363,186	258,307,372	640,631,921
	292,347,564	102,046,970	537,655,456	932,049,990

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(7,419)	–	–	(7,419)
Euro	(667,520)	–	(539,753)	(1,207,273)
Japanese yen	(43,735)	–	–	(43,735)
South African rand	(3)	–	–	(3)
Swiss franc	(498,825)	–	–	(498,825)
US dollar	(1,998,593)	–	(77,726,385)	(79,724,978)
Pound sterling	(2,325,517)	–	(213,930,229)	(216,255,746)
	(5,541,612)	–	(292,196,367)	(297,737,979)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21 %	30.11.20 %	30.11.21 Years	30.11.20 Years
Pound sterling	0.39	0.08	1	1
US dollar	(2.52)	(5.06)	2	4

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the weighted average effective duration was 0.54 year (30 November 2020 1.07 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Euro	(1,770)	39,284,020	39,282,250
Japanese yen	9,663	43,815,956	43,825,619
Swedish krona	117	–	117
Swiss franc	1	–	1
US dollar	(5,567)	129,263,768	129,258,201
	2,444	212,363,744	212,366,188
Pound sterling	223,311,334	148,263,694	371,575,028
Net assets	223,313,778	360,627,438	583,941,216

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	3,981	–	3,981
Euro	150,546	63,659,249	63,809,795
Japanese yen	48	59,745,047	59,745,095
Swedish krona	125	–	125
Swiss franc	34,105	–	34,105
US dollar	31,458	86,311,277	86,342,735
	220,263	209,715,573	209,935,836
Pound sterling	211,176,800	213,199,375	424,376,175
Net assets	211,397,063	422,914,948	634,312,011

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 30 November 2021 was 23%, 122% and 85% respectively (30 November 2020: 57%, 141% and 109% respectively).

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

VaR is calculated for the funds under the parametric method. The time horizon for the calculation is 1 day, using a 99% confidence level. The methodology is derived from MSCI's Barra risk engine and blends the VaR produced from two different risk models, namely MSCI Barra Integrated Model: Long Version (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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303\ 51d\ HL)]$.

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	30.11.21 £	30.11.20 £
Futures Contracts		
Chicago Board of Trade	–	1,433,478
Eurex Deutschland	(131,155)	4,734,280
Eurex USA	445,713	–
London International Financial Futures Exchange	(1,529,152)	9,653,481
New York Coffee, Sugar & Cocoa	(4,015,302)	3,758,635
Tokyo Stock Exchange	(3,823,258)	3,716,820
Forward Currency Contracts		
Northern Trust	1,306,154	(4,162,861)
Total net exposure¹	(7,747,000)	19,133,833

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

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value

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

Level 1

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

Level 2

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

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

Level 3

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

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

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	–	132,285,345	–	132,285,345
Collective Investment Schemes	122,672,943	64,626,892	–	187,299,835
Derivatives	794,985	1,653,166	–	2,448,151
Equities	48,789,258	–	–	48,789,258
Total	172,257,186	198,565,403	–	370,822,589
Liabilities				
Derivatives	(9,848,139)	(347,012)	–	(10,195,151)

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2020				
Assets				
Bonds	25,287,019	150,847,827	–	176,134,846
Collective Investment Schemes	180,506,424	30,909,739	–	211,416,163
Derivatives	23,306,217	1,174,895	–	24,481,112
Equities	16,230,105	–	–	16,230,105
Total	245,329,765	182,932,461	–	428,262,226
Liabilities				
Derivatives	(9,523)	(5,337,756)	–	(5,347,279)

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 336.

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

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	69,506	–	–	–	–	–
Collective Investment Schemes	42,202	–	–	–	–	–
Equities	66,917	1	–	1	–	–
Total	178,625	1	–	1	–	–
Sales						
Bonds	88,138	–	–	–	–	–
Collective Investment Schemes	42,314	–	–	–	–	–
Derivatives	3,336	–	–	–	–	–
Equities	100,238	(1)	–	(1)	–	–
Total	234,026	(1)	–	(1)	–	–
Total as a percentage of the average NAV		0.00%	0.00%	0.00%		

Analysis of direct transaction costs for the year ended 30 November 2020:

	Principal £'000	Commissions £'000	Taxes £'000	Total Transaction Costs £'000	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	61,986	–	–	–	–	–
Collective Investment Schemes	120,874	–	–	–	–	–
Equities	149,477	5	36	41	–	0.02
Total	332,337	5	36	41	–	0.02
Sales						
Bonds	176,959	–	–	–	–	–
Collective Investment Schemes	179,112	–	–	–	–	–
Equities	133,856	(17)	–	(17)	0.01	–
Total	489,927	(17)	–	(17)	0.01	–
Total as a percentage of the average NAV		0.00%	0.01%	0.01%		

7IM AAP MODERATELY ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.08% (2020: 0.08%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 211.45p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 206.90p. This represents a decrease of 2.15% from the year end value.

Non-adjusting event

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

7IM AAP MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Paid 30.07.21	Paid 31.07.20
Class A Income				
Group 1	0.0462	–	0.0462	0.1605
Group 2	0.0462	–	0.0462	0.1605
			Allocated 30.07.21	Allocated 31.07.20
Class A Accumulation				
Group 1	0.0466	–	0.0466	0.1817
Group 2	0.0466	–	0.0466	0.1817
			Paid 30.07.21	Paid 31.07.20
Class C Income				
Group 1	0.4456	–	0.4456	0.4616
Group 2	0.4114	0.0342	0.4456	0.4616
			Allocated 30.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	0.5340	–	0.5340	0.5461
Group 2	0.4980	0.0360	0.5340	0.5461
			Paid 30.07.21	Paid 31.07.20
Class D Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Allocated 30.07.21	Allocated 31.07.20
Class D Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Paid 30.07.21	Paid 31.07.20
Class S Income				
Group 1	0.5185	–	0.5185	0.5013
Group 2	0.4058	0.1127	0.5185	0.5013

7IM AAP MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2021

	Net Revenue	Equalisation	Allocated 30.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.5747	–	0.5747	0.5519
Group 2	0.4870	0.0877	0.5747	0.5519

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2021

Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class A Income				
Group 1	0.1028	–	0.1028	0.2601
Group 2	0.1028	–	0.1028	0.2601

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class A Accumulation				
Group 1	0.1187	–	0.1187	0.2951
Group 2	0.1187	–	0.1187	0.2951

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class C Income				
Group 1	0.3898	–	0.3898	0.6621
Group 2	0.3898	–	0.3898	0.6621

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class C Accumulation				
Group 1	0.4661	–	0.4661	0.6788
Group 2	0.4661	–	0.4661	0.6788

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class D Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–

7IM AAP MODERATELY ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	0.4571	–	0.4571	0.5959
Group 2	0.3998	0.0573	0.4571	0.5959
	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class S Accumulation				
Group 1	0.5103	–	0.5103	0.6581
Group 2	0.4496	0.0607	0.5103	0.6581

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

Equalisation

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

7IM AAP ADVENTUROUS FUND

ACD'S REPORT

for the year ended 30 November 2021

Investment Objective and Policy

7IM AAP (Asset Allocated Passives) Adventurous Fund (the 'Sub-fund') aims to provide capital growth.

The Sub-fund invests its assets in equity and fixed interest instruments that, for the most part, use passive strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-fund will also invest in other asset classes such as property, commodities and private equity indirectly through holdings in equities including investment trusts, exchange traded funds or other funds. The asset allocation for the entire portfolio will be actively managed.

The Sub-fund may be invested in liquid assets such as cash, deposits, money market funds and money market instruments, as well as warrants.

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

The Sub-fund's investments will be more focused on growth generating assets such as equities.

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

Investment Manager's Report

Performance Report

In the reporting year, 1 December 2020 to 30 November 2021, the portfolio delivered a total return of 12.21%¹.

Investment Background

In December 2020, a new and more transmissible variant of COVID-19 emerged resulting in restrictions curtailing the usual holiday festivities. This wasn't enough to stop strong returns from being achieved in equities. Emerging Markets lead the pack with a return of approximately 6%, while developed markets returned approximately 2% to 4%. Somewhat lost in other news was the fact that a Brexit deal was reached in December. As far as markets were concerned, pretty much any deal was better than no deal.

A lot happened in January. We saw the GameStop saga begin causing considerable volatility in markets, the UK experienced its worst month in terms of cases as the new variant spread, and huge economic stimulus plans were announced, most notably in the US and the UK. On top of this, European stocks took a hit as vaccine availability concerns spread.

In February, US treasury yields took to the headlines as they started to rise. Although the actual level of the yields didn't really go that high, the rise in yields did shake up markets somewhat as investors' appetite for the highly valued US stocks was dampened. Drops in the prices of some big US stocks wiped out positive returns for US indices for the month. The shockwaves from US markets spread to the UK too as the FTSE suffered its largest one day fall since October.

March marked the one-year anniversary of the first COVID-19 lockdown in the UK. The UK also had its annual budget. The key takeaways were that: the UK government would continue fiscal support packages, and that the outlook for growth and employment had significantly improved since July 2020. Elsewhere, the approval of Biden's huge spending plans caused a sell off in bond markets as treasury yields hit 14-month highs, and Archegos capital management shook up some large investment banks.

Globally, equities performed well in April. The rise in bond yields that had been dampening equity performance earlier in the year slowed down, and the UK and US really felt the benefit of this. In the US, the Dow Jones, Nasdaq and S&P climbed approximately 2.5%, 5.4%, and 5.2% respectively, and in the UK, the FTSE 100 and 250 were both up around 3.5%. As well as this, US consumer price data indicated that inflation was a little higher than expected.

The market performed well again in May despite concerns over the new Delta variant. European equity markets lead the way with a fourth consecutive monthly gain. Positive economic data and ongoing commitment to expansionary policy from the ECB resulted in positive sentiment continuing to rise. As well as this, US markets continued to rise, and UK markets did too even in light of COVID-19 cases creeping back up a little.

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

7IM AAP ADVENTUROUS FUND

ACD'S REPORT (continued)

for the year ended 30 November 2021

Investment Manager's Report (continued)

Markets were mixed in June. Concerns over the Delta variant pushed UK indices down after a good start to the year. In the US, markets saw some volatility as the Federal Reserve's messaging caused some confusion. Chair Jerome Powell suggested at the Federal Open Market Committee that inflation would not be transitory. This caused the S&P to sell off. A few days later, he suggested that inflation would be transitory and the S&P bounced back to pretty much exactly where it was before the first announcement.

July was again mixed as US and European indices posted all-time highs while the UK and emerging markets struggled. In the UK, fears over higher cases and the Delta variant continued to cause wobbles in UK risk assets. Emerging market indices had a tough time for two main reasons. First, concerns over COVID-19 variants caused issues in some markets. Second, China began its clamping down on certain industries and their lending practices. This caused fear in Chinese indices and a sell off that heavily impacted emerging market indices.

August saw markets forget about the Delta variant; it turned out to be a very positive month for the US, UK, European, and emerging markets as all were up. China temporarily forgot about its regulatory issues that troubled its markets in July, helping emerging market indices post a good month.

In September, fears of a Chinese financial crisis gripped markets with the property company Evergrande at the centre of this. Fortunately, there was not considerable contagion, and it didn't turn into a Chinese Lehman-style crisis as a number of commentators had feared. Given the other forces that moved markets – rising rates, supply shortages, and inflation fears – it is hard to know how much of an impact China's issues had on global markets.

October was a relatively quiet, but positive month for markets as UK, US, emerging market and European indices were mostly up. Supply shortages in the UK were largely resolved. Concerns over China's regulatory clampdown remained but did not hold emerging markets back too much as indices ended the month firmly up.

The main story in November was the emergence of the Omicron COVID-19 variant. Despite scientific and medical authorities not saying anything concrete about the severity of the symptoms from the variant or the extent to which vaccines protect against it, markets reacted badly and sold off. Many countries began to take preventative measures against the spread of the variant. On top of this, November saw the renomination of J Powell as well the election of the new German chancellor, Olaf Scholz.

Portfolio Review

In light of reopening momentum, we allocated to Global Mid cap equities funded by a reduction in global equities in December 2020. We did this as it would help us better capture a period of rotation to more cyclical stocks, many of which are mid cap size.

In January, we sold out of our 2023 dividends allocation. At the depth of the crisis in March 2020, there was a fear that dividends would simply not be paid by European businesses in the next few years. As optimism returned to the world, this mispricing has corrected sharply – leaving any future gains more fundamentally related to the earnings outlook. With that in mind, we switched back into the broad equity index.

Also in March, we added UBS and Goldman Sachs equity put selling strategies to portfolios at 3-5% (total) across risk profiles funded by US equity and corporate bonds. By selling puts, the strategies benefit from nervous investors fearing another equity market pullback.

During April, we decided to adjust our portfolios such that they would benefit from growth of the global economy that would follow the recovery from the pandemic. This meant implementing a "growth+" basket.

The first change we made in order to implement the growth+ basket was that we increased our allocation to Berkshire Hathaway relative to a broader S&P 500 index tracker. The motivation is that Berkshire Hathaway contains more industrial and cyclical exposures than the broader index, and it is these stocks which were undervalued and looked better placed to benefit from US growth.

The second change that was made as part of the growth+ basket was an increase in the beta of portfolios. This was done by increasing our exposure to global equities by reducing the amount that we have in cash.

The third change that was made in order to implement the growth+ basket was a tilt towards value companies. The motivation behind this was that companies with value and cyclical characteristics were likely to continue outperforming as the global economy continued to perform well. In our passive portfolios, this was achieved by adding the Xtrackers MSCI World Value UCITS ETF by trimming the rest of our global equity allocation.

7IM AAP ADVENTUROUS FUND

ACD'S REPORT (continued)
for the year ended 30 November 2021

Investment Manager's Report (continued)

In July, we refreshed our SAA. This is led by an optimisation process that maps assets classes onto risk factors in order to create optimal portfolios for each risk profile. This year, our SAA optimisation led us to increase our exposure to risk assets (equity and emerging markets), decrease our exposure to interest rates, and increase our exposure to alternatives in our SAA.

As part of our SAA refresh in July, we added a thematic position that allocates to companies with business models that are likely to benefit from the shift towards a greener world. We believe there is a real opportunity for innovative companies to profit from solving some of the challenges of reducing emissions and helping the world to cope with climate change. We think many of the biggest opportunities available lie outside the “clean energy” space: with companies that are solving problems in areas like logistics, packaging and construction.

However, this SAA refresh came at the same time as a tactical reduction in our beta exposure. The magnitude of this change was larger than the SAA change in equity allocation and hence, overall beta and equity allocation of portfolios was reduced slightly when both the SAA and TAA change were implemented simultaneously.

At the beginning of September, we trimmed to a neutral equity weight relative to our SAA. Our economic outlook remains very much positive, but global equity markets had rallied significantly since we went overweight equities in August 2020. Hence, markets were pricing the strong economic outlook that we believe in. The proceeds freed up by the equity trim were added to alternatives and cash.

During September, we introduced Asia high yield position into our aggressive risk profile, reducing the Sub-fund's exposure to world equity markets. Issues in the Chinese property sector meant that we thought the asset class was offering returns appropriate for an aggressive risk profile.

In October, we shifted our US Healthcare exposure to a Global Healthcare exposure. This switch reduced our exposure to some of the US-specific healthcare system businesses and replaces them with the undervalued large pharmaceutical companies in Europe and the UK.

Investment Outlook

At 7IM, we have a number of long-term core views that help to guide our investment decisions and allocations within portfolios:

1. A new wave of economic growth - For the past decade or so, the virtuous circle of consumption and investment has just not been able to get going. The scars of the financial crisis were too deep – people bought less stuff while governments reined in spending. As a result, companies kept putting off investing in longer-term projects.

The 2020 recession hit the reset button. People are willing to spend again, while governments have ditched austerity. And so, companies are starting to invest for the future. We are now at the start of a sustained period of growth, fueled by confidence and expansion across all sectors of the global economy.

2. And a little inflation won't hurt - Economists tend to dislike thinking about the psychology of inflation, but in a lot of ways, someone's inflation expectations are a good proxy for their confidence levels. With the right amount of price and wage growth, people are encouraged to make life decisions which are positive for the economy. We haven't heard the word “Goldilocks” for some years now, but there really is an amount of inflation which is just right to keep things humming.

3. 7IM portfolios are positioned for a changing environment - For this coming growth phase, we believe a more selective exposure will be better than a large overweight to the broad equity market. A more robust consumer-driven cycle will see different winners emerge. Regions and industries which have struggled to attract investors over the past decade are better positioned to capitalize than the huge US tech giants (although there are lots of small US companies which will do well).

Seven Investment Management LLP
Investment Manager
January 2022

Important note from the ACD

In response to recent events in Eastern Europe, the ACD in conjunction with the Crisis Management Team, is continuously monitoring the financial markets for any potential liquidity and volatility risks which may have an impact on the Sub-fund. 7IM have a fair value pricing procedure in place if there are extreme short term market movements.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION

The Comparative Tables on pages 371 to 378 give the performance of each active share class in the Sub-fund.

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

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

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

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

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables

Class A Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	164.09	158.04	149.98
Return before operating charges*	21.33	7.98	11.85
Operating charges (calculated on average price)	(1.89)	(1.73)	(1.84)
Return after operating charges*	19.44	6.25	10.01
Distributions on income shares	–	(0.20)	(1.95)
Closing net asset value per share	183.53	164.09	158.04
* After direct transaction costs of: ¹	0.00	0.02	0.07

Performance

Return after charges ²	11.85%	3.95%	6.67%
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Other Information

Closing net asset value (£'000)	169	179	183
Closing number of shares	92,353	109,342	115,551
Operating charges ³	1.18%	1.13%	1.19%
Direct transaction costs	0.00%	0.01%	0.05%

Prices

Highest share price	190.08	165.38	162.40
Lowest share price	165.50	123.76	141.27

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 379.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class A Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	183.40	176.42	165.33
Return before operating charges*	23.85	8.91	13.12
Operating charges (calculated on average price)	(2.12)	(1.93)	(2.03)
Return after operating charges*	21.73	6.98	11.09
Distributions	–	(0.23)	(2.15)
Retained distributions on accumulation shares	–	0.23	2.15
Closing net asset value per share	205.13	183.40	176.42
* After direct transaction costs of: ¹	0.00	0.02	0.08

Performance

Return after charges ²	11.85%	3.96%	6.71%
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Other Information

Closing net asset value (£'000)	656	590	622
Closing number of shares	319,996	321,718	352,770
Operating charges ³	1.18%	1.13%	1.19%
Direct transaction costs	0.00%	0.01%	0.05%

Prices

Highest share price	212.44	184.61	180.32
Lowest share price	184.78	138.15	155.74

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 379.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	163.98	157.92	149.86
Return before operating charges*	21.35	8.01	11.86
Operating charges (calculated on average price)	(1.00)	(0.97)	(1.07)
Return after operating charges*	20.35	7.04	10.79
Distributions on income shares	(0.42)	(0.98)	(2.73)
Closing net asset value per share	183.91	163.98	157.92
* After direct transaction costs of: ¹	0.00	0.02	0.07

Performance

Return after charges ²	12.41%	4.46%	7.20%
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Other Information

Closing net asset value (£'000)	7,321	6,130	8,401
Closing number of shares	3,980,871	3,738,274	5,319,996
Operating charges ³	0.68%	0.63%	0.69%
Direct transaction costs	0.00%	0.01%	0.05%

Prices

Highest share price	190.43	165.67	162.42
Lowest share price	165.39	123.85	141.22

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative 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 379.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class C Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	195.16	186.80	174.18
Return before operating charges*	25.42	9.50	13.87
Operating charges (calculated on average price)	(1.19)	(1.14)	(1.25)
Return after operating charges*	24.23	8.36	12.62
Distributions	(0.49)	(1.16)	(3.18)
Retained distributions on accumulation shares	0.49	1.16	3.18
Closing net asset value per share	219.39	195.16	186.80
* After direct transaction costs of: ¹	0.00	0.03	0.08

Performance

Return after charges ²	12.42%	4.48%	7.25%
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Other Information

Closing net asset value (£'000)	162,304	154,857	164,151
Closing number of shares	73,980,274	79,347,351	87,875,823
Operating charges ³	0.68%	0.63%	0.69%
Direct transaction costs	0.00%	0.01%	0.05%

Prices

Highest share price	227.17	196.44	190.61
Lowest share price	196.64	146.51	164.14

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 379.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	164.10	158.35	150.28
Return before operating charges*	21.18	8.07	11.85
Operating charges (calculated on average price)	(2.63)	(2.32)	(2.47)
Return after operating charges*	18.55	5.75	9.38
Distributions on income shares	–	–	(1.31)
Closing net asset value per share	182.65	164.10	158.35
* After direct transaction costs of: ¹	0.00	0.02	0.07

Performance

Return after charges ²	11.30%	3.63%	6.24%
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Other Information

Closing net asset value (£'000)	6	1	4
Closing number of shares	3,334	679	2,661
Operating charges ³	1.58%	1.53%	1.59%
Direct transaction costs	0.00%	0.01%	0.05%

Prices

Highest share price	189.19	165.13	162.61
Lowest share price	165.28	123.83	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 379.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class D Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	174.59	168.62	158.65
Return before operating charges*	22.67	8.46	12.57
Operating charges (calculated on average price)	(2.77)	(2.49)	(2.60)
Return after operating charges*	19.90	5.97	9.97
Distributions	–	–	(1.41)
Retained distributions on accumulation shares	–	–	1.41
Closing net asset value per share	194.49	174.59	168.62
* After direct transaction costs of: ¹	0.00	0.02	0.08

Performance

Return after charges ²	11.40%	3.54%	6.28%
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Other Information

Closing net asset value (£'000)	6,808	6,463	7,513
Closing number of shares	3,500,234	3,702,013	4,455,409
Operating charges ³	1.58%	1.53%	1.59%
Direct transaction costs	0.00%	0.01%	0.05%

Prices

Highest share price	201.45	175.75	172.57
Lowest share price	175.90	131.88	149.40

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

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

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 379.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Income

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	136.92	131.85	125.12
Return before operating charges*	17.84	6.70	9.90
Operating charges (calculated on average price)	(0.47)	(0.49)	(0.57)
Return after operating charges*	17.37	6.21	9.33
Distributions on income shares	(0.51)	(1.14)	(2.60)
Closing net asset value per share	153.78	136.92	131.85
* After direct transaction costs of: ¹	0.00	0.02	0.06

Performance

Return after charges ²	12.69%	4.71%	7.46%
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Other Information

Closing net asset value (£'000)	1,701	812	2,050
Closing number of shares	1,105,945	593,406	1,554,462
Operating charges ³	0.43%	0.38%	0.44%
Direct transaction costs	0.00%	0.01%	0.05%

Prices

Highest share price	159.22	138.49	135.65
Lowest share price	138.10	103.50	117.93

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 379.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Comparative Tables (continued)

Class S Accumulation

	30.11.21 (pence per share)	30.11.20 (pence per share)	30.11.19 (pence per share)
Change in Net Asset Value Per Share			
Opening net asset value per share	153.08	146.16	135.94
Return before operating charges*	19.95	7.46	10.84
Operating charges (calculated on average price)	(0.52)	(0.54)	(0.62)
Return after operating charges*	19.43	6.92	10.22
Distributions	(0.58)	(1.26)	(2.84)
Retained distributions on accumulation shares	0.58	1.26	2.84
Closing net asset value per share	172.51	153.08	146.16
* After direct transaction costs of: ¹	0.00	0.02	0.07

Performance

Return after charges ²	12.69%	4.73%	7.52%
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Other Information

Closing net asset value (£'000)	26,949	30,319	39,284
Closing number of shares	15,621,286	19,805,714	26,878,572
Operating charges ³	0.43%	0.38%	0.44%
Direct transaction costs	0.00%	0.01%	0.05%

Prices

Highest share price	178.61	154.08	149.01
Lowest share price	154.24	114.72	128.13

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

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

³ Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding securities lending fees and overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion. A detailed breakdown of the OCF per share class is shown on page 379.

7IM AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Ongoing Charges Figures

As at 30 November 2021

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.06%	0.06%	0.06%	0.06%
	<hr/>	<hr/>	<hr/>	<hr/>
	1.06%	0.56%	1.46%	0.31%
Collective investment scheme costs	0.12%	0.12%	0.12%	0.12%
Ongoing Charges Figure	<hr/>	<hr/>	<hr/>	<hr/>
	1.18%	0.68%	1.58%	0.43%

As at 30 November 2020

	Class A	Class C	Class D	Class S
ACD's periodic charge	1.00%	0.50%	1.40%	0.25%
Other expenses	0.08%	0.08%	0.08%	0.08%
	<hr/>	<hr/>	<hr/>	<hr/>
	1.08%	0.58%	1.48%	0.33%
Collective investment scheme costs	0.05%	0.05%	0.05%	0.05%
Ongoing Charges Figure	<hr/>	<hr/>	<hr/>	<hr/>
	1.13%	0.63%	1.53%	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 AAP ADVENTUROUS FUND

FUND INFORMATION (continued)

Synthetic Risk and Reward Indicator

Synthetic Risk and Reward Indicator



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

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

The risk and reward indicator shown above is as at the date of publication of the annual report and financial statements, the risk and reward indicator as at the year end date 30 November 2021 was five.

Fund performance to 30 November 2021 (%)

	1 year	3 years	5 years
7IM AAP Adventurous Fund ¹	12.21	26.33	40.06

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 397 to 399.

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT

as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	ALTERNATIVES 9.66% (6.69%)		
	Alternative Strategies 6.24% (0.00%)		
52,073	BlackRock Strategic Funds - Global Event Driven Fund ¹	6,157,068	2.99
7,682,000	BNP Paribas Issuance 0.00% 2024 ²	6,683,279	3.25
20,321	Dexion Equity Alternative ³	–	–
		12,840,347	6.24
	Real Estate 3.42% (6.69%)		
2,747,739	iShares Global Property Securities Index ¹	7,034,211	3.42
	DEBT SECURITIES 28.39% (28.02%)		
	Emerging Market Bonds 2.77% (0.00%)		
85,257	UBS Lux Bond SICAV - Asian High Yield ¹	5,704,041	2.77
	Global High Yield Bonds 5.09% (0.00%)		
381,167	Xtrackers MSCI World Value UCITS ETF ¹	10,474,469	5.09
	Short Term Sterling Bonds 20.53% (28.02%)		
£1,500,000	Bank Nederlandse Gemeenten 1.00% 2022	1,503,258	0.73
£800,000	Bank of Montreal FRN 2023	801,408	0.39
£2,600,000	Bank of Nova Scotia FRN 2023	2,603,635	1.26
£1,100,000	Barclays Bank 4.25% 2022	1,104,950	0.54
£3,000,000	Barclays Bank UK FRN 2023	3,009,576	1.46
£1,900,000	Canadian Imperial Bank of Commerce FRN 2022	1,900,760	0.92
£1,500,000	Commonwealth Bank of Australia 1.125% 2021	1,500,765	0.73
£775,000	Commonwealth Bank of Australia FRN 2025	782,727	0.38
£1,500,000	FMS Wertmanagement 1.00% 2022	1,506,414	0.73
£3,000,000	Leeds Building Society FRN 2025	3,031,770	1.47
£4,000,000	Lloyds Bank FRN 2024	4,038,208	1.96
£4,000,000	National Westminster Bank FRN 2023	4,024,520	1.96
£1,600,000	NRW Bank FRN 2024	1,607,430	0.78
£1,000,000	Oesterreichische 1.125% 2022	1,006,886	0.49
£1,000,000	Oversea-Chinese Banking FRN 2023	999,658	0.49
£2,000,000	Royal Bank of Canada FRN 2025	2,014,484	0.98
£1,050,000	Skipton Building Society FRN 2023	1,053,465	0.51
£2,445,000	SpareBank 1 Boligkreditt AS FRN 2022	2,448,281	1.19
£1,700,000	Svenska Handelsbanken 1.625% 2022	1,709,330	0.83
£501,000	Temasek Financial 4.625% 2022	514,073	0.25
£1,200,000	Toronto-Dominion Bank FRN 2023	1,201,685	0.58
£2,700,000	Westpac Banking FRN 2023	2,704,050	1.31
£1,200,000	Yorkshire Building Society FRN 2023	1,210,267	0.59
		42,277,600	20.53
	EQUITY 19.37% (22.64%)		
	Asia & Emerging Markets -0.94% (0.00%)		
612	MSCI Emerging Markets Index Futures December 2021 ⁴	(1,924,326)	(0.94)
	Europe (ex UK) -0.02% (2.14%)		
669	MSCI Europe ex-UK Index Futures December 2021 ⁴	(48,423)	(0.02)

7IM AAP ADVENTUROUS FUND

PORTFOLIO STATEMENT (continued) as at 30 November 2021

Holding	Portfolio of Investment	Value £	30.11.21 %
	Japan -0.68% (0.86%)		
130	TOPIX Index Futures December 2021 ⁴	(1,400,067)	(0.68)
	North America 10.65% (19.22%)		
49,633	Berkshire Hathaway	10,293,783	5.00
323,429	iShares Edge MSCI World Size Factor UCITS ETF ¹	10,695,797	5.19
177,850	iShares MSCI USA ESG Screened UCITS ETF ¹	1,209,558	0.59
315	MSCI USA ESG Screened Index Futures December 2021 ⁴	193,187	0.09
523	MSCI World Health Care Index Futures December 2021 ⁴	(461,356)	(0.22)
		21,930,969	10.65
	United Kingdom 10.36% (0.42%)		
384	FTSE 100 Index Futures December 2021 ⁴	145,152	0.07
150	FTSE 250 Index Futures December 2021 ⁴	(353,850)	(0.17)
6,574	Goldman Sachs International 2024	5,481,627	2.66
6,330,961	Ninety One Funds Series iii ¹	10,639,180	5.17
6,635	UBS AG London 2024	5,416,863	2.63
		21,328,972	10.36
	FORWARD CURRENCY CONTRACTS 0.71% (-1.67%)		
€19,300,000	Vs £(16,475,464) Expiry 08.04.2022	(9,817)	(0.01)
US\$(9,000,000)	Vs £6,477,910 Expiry 14.01.2022	(262,402)	(0.13)
¥2,610,000,000	Vs £(16,972,243) Expiry 20.05.2022	361,241	0.18
US\$50,000,000	Vs £(36,063,509) Expiry 14.01.2022	1,382,668	0.67
		1,471,690	0.71
	Portfolio of investment	119,689,483	58.13
	Net other assets ⁵	86,224,609	41.87
	Net assets	205,914,092	100.00

Comparative figures shown in brackets relate to 30 November 2020.

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

¹Collective investment scheme

²Structured product

³Delisted security

⁴Derivative contract

⁵Includes shares in the JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund to the value of £31,000,000, shares in the Morgan Stanley Liquidity Funds - Sterling Liquidity Fund to the value of £29,879,195 and shares in the Northern Trust Global Sterling Fund to the value of £14,017,000 which are shown as Cash equivalents in the Balance Sheet of the Sub-fund.

Credit Quality	30.11.21 %	30.11.20 %
Investment grade debt securities	20.53	28.02
Non-rated debt securities	3.25	—
Other investments	34.35	27.66
Net other assets	41.87	44.32
	100.00	100.00

7IM AAP ADVENTUROUS FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 November 2021

	Notes	£	30.11.21 £	£	30.11.20 £
Income					
Net capital gains	4		23,805,983		6,876,763
Revenue	5	1,386,014		2,718,514	
Expenses	6	(1,151,060)		(1,104,263)	
Interest payable and similar charges	8	<u>(21,167)</u>		<u>(148,115)</u>	
Net revenue before taxation for the year		213,787		1,466,136	
Taxation	7	<u>(37,270)</u>		<u>(206,367)</u>	
Net revenue after taxation for the year			<u>176,517</u>		<u>1,259,769</u>
Total return before distributions			23,982,500		8,136,532
Distributions	8		<u>(484,840)</u>		<u>(1,291,543)</u>
Change in net assets attributable to shareholders from investment activities			<u>23,497,660</u>		<u>6,844,989</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 November 2021

	£	30.11.21 £	£	30.11.20 £
Opening net assets attributable to shareholders		199,351,249		222,207,765
Amounts received on creation of shares ¹	33,911,139		27,733,758	
Amounts paid on cancellation of shares ¹	<u>(51,311,012)</u>		<u>(58,648,133)</u>	
		(17,399,873)		(30,914,375)
Change in net assets attributable to shareholders from investment activities		23,497,660		6,844,989
Retained distribution on accumulation shares		465,056		1,212,870
Closing net assets attributable to shareholders		<u>205,914,092</u>		<u>199,351,249</u>

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

The notes on pages 385 to 396 are an integral part of these Financial Statements.

7IM AAP ADVENTUROUS FUND

BALANCE SHEET

as at 30 November 2021

	Notes	30.11.21 £	30.11.20 £
ASSETS			
Fixed assets:			
Investments		124,149,724	114,749,292
Current assets:			
Debtors	9	568,470	569,795
Cash and bank balances	10	14,889,916	11,432,402
Cash equivalents	10	74,896,195	80,967,643
Total assets		214,504,305	207,719,132
LIABILITIES			
Investment liabilities		(4,460,241)	(3,758,072)
Creditors:			
Bank overdrafts	10	(3,672,794)	(3,229,999)
Distribution payable		(35)	(27,057)
Other creditors	11	(457,143)	(1,352,755)
Total liabilities		(8,590,213)	(8,367,883)
Net assets attributable to shareholders		205,914,092	199,351,249

The notes on pages 385 to 396 are an integral part of these Financial Statements.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 November 2021

1 Statement of Compliance

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

2 Summary of Significant Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Summary of Significant Accounting Policies disclosed on pages 11 to 14.

3 Risk Management Policies

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

4 Net capital gains

	30.11.21	30.11.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	8,215,420	(4,016,859)
Derivative contracts	18,928,042	12,519,686
Forward currency contracts	(2,812,785)	(307,665)
Currency losses	(511,231)	(1,294,328)
Transaction charges	(8,274)	(37,673)
AMC rebates from underlying investments	(5,189)	13,602
Net capital gains	<u>23,805,983</u>	<u>6,876,763</u>

5 Revenue

	30.11.21	30.11.20
	£	£
Non-taxable dividends	896,905	785,874
Taxable dividends	231,644	1,146,011
Unfranked interest	246,806	665,789
AMC rebates from underlying investments	7,542	96,679
Bank interest	999	4,147
Stock lending revenue ¹	2,118	20,014
Total revenue	<u>1,386,014</u>	<u>2,718,514</u>

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

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

6 Expenses

	30.11.21 £	30.11.20 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,027,246	974,458
Other expenses	6,363	4,886
	<u>1,033,609</u>	<u>979,344</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	30,800	29,212
Market risk fees	–	3,661
Safe custody and other bank charges	9,288	16,272
	<u>40,088</u>	<u>49,145</u>
Other Expenses:		
Advisory fees	–	1,717
Audit fee ¹	9,695	9,616
Dealing and exchange fees	21,120	20,215
FCA and other Regulatory fees	41	215
Legal and professional fees	1,870	394
Market data fees	6,978	4,103
Printing, postage and distribution costs	29,694	32,565
Risk analysis fees	7,965	6,949
	<u>77,363</u>	<u>75,774</u>
Total expenses	<u>1,151,060</u>	<u>1,104,263</u>

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

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

7 Taxation

	30.11.21 £	30.11.20 £
<i>a) Analysis of charge for the year</i>		
Overseas tax	13,407	22,526
Irrecoverable CIS income tax	23,863	25,466
Prior year adjustment	–	158,375
	<hr/>	<hr/>
Current tax charge (note 7b)	37,270	206,367
	<hr/>	<hr/>
Total taxation	37,270	206,367

b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (2020: 20%) for the reasons explained below.

Net revenue before taxation	213,787	1,466,136
	<hr/>	<hr/>
Corporation tax at 20%	42,757	293,227
Effects of:		
AMC rebates taken to capital	–	2,720
FX loss non taxable	–	763
Irrecoverable CIS income tax w/off	23,863	25,466
Movement in revenue accruals	–	151
Non-taxable dividends	(179,725)	(157,937)
Overseas tax	13,407	22,526
Prior year adjustment	–	158,375
Tax effect on non-reporting offshore funds	–	11,938
Unutilised excess management expenses	136,968	(150,862)
	<hr/>	<hr/>
Current tax charge (note 7a)	37,270	206,367

c) Deferred tax

There is no deferred tax in the current year (2020: none).

At the year end, there is a potential deferred tax asset of £230,588 (2020: £93,619) due to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax asset has been recognised.

8 Distributions

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

	30.11.21 £	30.11.20 £
Interim	483,483	508,620
Final	35	749,947
	<hr/>	<hr/>
	483,518	1,258,567
Add: Revenue deducted on cancellation of shares	1,589	74,594
Deduct: Revenue received on issue of shares	(267)	(41,618)
	<hr/>	<hr/>
Net distributions for the year	484,840	1,291,543
Interest payable and similar charges	21,167	148,115
	<hr/>	<hr/>
Total distribution	506,007	1,439,658

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

8 Distributions (continued)

Details of the distributions per share are set out in the table on pages 397 to 399.

Distributions represented by:

Net revenue after taxation	176,517	1,259,769
Allocations to capital:		
Capitalised expenses, net of tax relief ¹	–	14,659
Equalisation on conversions ²	–	(2,011)
Income deficit	308,258	19,078
Net movement in revenue account	65	48
Net distributions for the year	<u>484,840</u>	<u>1,291,543</u>

¹ Please refer to Note 2(i) Distributions policy on page 12 for further details.

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

9 Debtors

	30.11.21	30.11.20
	£	£
Amounts receivable for issue of shares	339,633	175,004
Accrued revenue	123,112	257,758
Income tax recoverable	20,982	13,088
AMC rebates from underlying investments	79,809	95,106
Withholding tax recoverable	4,934	28,839
Total debtors	<u>568,470</u>	<u>569,795</u>

10 Cash and bank balances

	30.11.21	30.11.20
	£	£
Cash and bank balances	3,668,034	3,266,815
Cash held at clearing houses	11,221,882	8,165,587
Cash equivalents	74,896,195	80,967,643
Total cash and bank balances	<u>89,786,111</u>	<u>92,400,045</u>
Bank overdrafts	(3,667,235)	(3,229,999)
Cash overdraft at clearing houses	(5,559)	–
Total bank overdrafts	<u>(3,672,794)</u>	<u>(3,229,999)</u>

11 Other Creditors

	30.11.21	30.11.20
	£	£
Amounts payable for cancellation of shares	335,636	1,234,692
Purchases awaiting settlement	–	2,482
Accrued expenses	121,507	115,581
Total other creditors	<u>457,143</u>	<u>1,352,755</u>

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

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 383.

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 41.43% (2020: 39.48%)

The net value of creations and cancellations for Pershing Nominees Limited during the year totalled £7,117,297 (2020: (£8,133,169)).

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

13 Classes of Shares

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

Class A	1.00%
Class C	0.50%
Class D	1.40%
Class S	0.25%

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

Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A Income	109,342	132	(17,121)	–	92,353
Class A Accumulation	321,718	1,467	(3,190)	1	319,996
Class C Income	3,738,274	950,339	(707,743)	1	3,980,871
Class C Accumulation	79,347,351	12,481,698	(17,898,460)	49,685	73,980,274
Class D Income	679	3,251	(596)	–	3,334
Class D Accumulation	3,702,013	267,544	(469,323)	–	3,500,234
Class S Income	593,406	711,548	(199,008)	(1)	1,105,945
Class S Accumulation	19,805,714	2,540,003	(6,661,198)	(63,233)	15,621,286

14 Contingent liabilities and commitments

There are no contingent liabilities or unrecorded outstanding commitments at the balance sheet date (2020: none).

15 Risks Disclosures

The main risks from the Sub-fund's holding of financial instruments, together with the ACD's policy for managing these risks are detailed in note 3 on pages 14 to 16. Further analysis and numeric disclosure of interest rate risk, foreign currency risk and derivatives are shown next page.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk

The table below shows the direct interest rate risk profile:

Interest rate exposure as at 30 November 2021

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	3,873	–	–	3,873
Euro	259,440	–	16,469,389	16,728,829
Japanese yen	25,014	–	17,333,484	17,358,498
Swedish krona	–	–	35	35
Swiss franc	151,837	–	–	151,837
US dollar	1,274,129	6,683,279	64,535,809	72,493,217
Pound sterling	121,503,743	8,845,676	53,397,908	183,747,327
	123,218,036	15,528,955	151,736,625	290,483,616

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(3,873)	–	–	(3,873)
Euro	(262,124)	–	(48,423)	(310,547)
Japanese yen	(22,088)	–	(1,400,066)	(1,422,154)
Swiss franc	(151,837)	–	–	(151,837)
US dollar	(1,277,004)	–	(9,125,995)	(10,402,999)
Pound sterling	(1,955,869)	–	(70,322,244)	(72,278,113)
	(3,672,795)	–	(80,896,728)	(84,569,523)

Interest rate exposure as at 30 November 2020

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Canadian dollar	3,815	–	–	3,815
Danish krone	–	–	1,802	1,802
Euro	287,767	–	22,955,082	23,242,849
Japanese yen	60,161	–	21,237,591	21,297,752
Swedish krona	–	–	38	38
Swiss franc	154,289	–	15,442	169,731
US dollar	1,315,369	–	71,824,183	73,139,552
Pound sterling	124,710,384	21,724,365	75,970,102	222,404,851
	126,531,785	21,724,365	192,004,240	340,260,390

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

i. Interest rate risk (continued)

	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Canadian dollar	(3,815)	–	–	(3,815)
Euro	(279,194)	–	–	(279,194)
Japanese yen	(23,351)	–	–	(23,351)
Swiss franc	(154,289)	–	–	(154,289)
US dollar	(1,244,179)	–	(28,466,178)	(29,710,357)
Pound sterling	(1,525,171)	–	(109,212,964)	(110,738,135)
	(3,229,999)	–	(137,679,142)	(140,909,141)

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

Currency	Fixed Rate Financial Assets			
	Weighted average interest rate		Weighted average period for which rate is fixed	
	30.11.21	30.11.20	30.11.21	30.11.20
	%	%	Years	Years
Pound sterling	0.34	0.13	–	1
US dollar	(5.56)	–	3	–

The average effective duration of the Sub-fund's portfolio is a measure of the sensitivity of the fair value of the Sub-fund's bond portfolio (excludes all other investments) to changes in market interest rates. As at 30 November 2021, the weighted average effective duration was 0.22 years (30 November 2020: 0.18 years).

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

Foreign currency risk exposure as at 30 November 2021

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
	Euro	1,058	16,417,224
Japanese yen	2,926	15,933,418	15,936,344
Swedish krona	35	–	35
US dollar	(2,744)	62,092,962	62,090,218
	1,275	94,443,604	94,444,879
Pound sterling	86,223,334	25,245,879	111,469,213
Net assets	86,224,609	119,689,483	205,914,092

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

ii. Foreign currency risk (continued)

Foreign currency risk exposure as at 30 November 2020

Currency	Monetary Exposure £	Non-Monetary Exposure £	Total £
Danish krone	1,802	–	1,802
Euro	19,505	22,944,150	22,963,655
Japanese yen	36,810	21,237,591	21,274,401
Swedish krona	38	–	38
Swiss franc	15,442	–	15,442
US dollar	71,321	43,357,873	43,429,194
	144,918	87,539,614	87,684,532
Pound sterling	88,215,112	23,451,605	111,666,717
Net assets	88,360,030	110,991,219	199,351,249

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 30 November 2021 was 27%, 170% and 115% respectively (30 November 2020: 72%, 199% and 144% 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: $VaR = 0.3 * VaR(BIM303L) + 0.7 * MAX[VaR(BIM303L), VaR(BIM303 51d HL)]$.

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.

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iii. Derivatives (continued)

The types of derivatives held at the balance sheet date were forward foreign currency contracts and futures 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	30.11.21 £	30.11.20 £
Futures Contracts		
Chicago Mercantile Exchange	–	573,921
Eurex Deutschland	(48,423)	1,493,450
Eurex USA	193,187	–
London International Financial Futures Exchange	(670,055)	3,618,086
New York Coffee, Sugar & Cocoa	(1,924,326)	1,841,459
Tokyo Stock Exchange	(1,400,066)	1,704,520
Forward Currency Contracts		
Brokeondons	–	(131,186)
Northern Trust	1,471,690	(3,199,027)
Total net exposure¹	<u>(2,377,993)</u>	<u>5,901,223</u>

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

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

15 Risks Disclosures (continued)

iv. Fair value

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

Level 1

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

Level 2

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

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

Level 3

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

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

	Level 1 £	Level 2 £	Level 3 £	Total £
30 November 2021				
Assets				
Bonds	1,500,765	47,460,114	–	48,960,879
Collective Investment Schemes	29,414,035	22,500,289	–	51,914,324
Derivatives	338,339	1,743,909	–	2,082,248
Equities	21,192,273	–	–	21,192,273
Total	52,445,412	71,704,312	–	124,149,724
Liabilities				
Derivatives	(4,188,022)	(272,219)	–	(4,460,241)
30 November 2020				
Assets				
Bonds	2,569,291	53,286,814	–	55,856,105
Collective Investment Schemes	42,916,530	–	–	42,916,530
Derivatives	9,231,436	427,859	–	9,659,295
Equities	6,317,362	–	–	6,317,362
Total	61,034,619	53,714,673	–	114,749,292
Liabilities				
Derivatives	–	(3,758,072)	–	(3,758,072)

7IM AAP ADVENTUROUS FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 November 2021

16 Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.09% (2020: 0.06%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post Balance Sheet Events

Market price movement

As at the balance sheet date, the Net Asset Value price per share of Class C Accumulation was 219.95p. The Net Asset Value price per share of Class C Accumulation for the Sub-fund on 18 March 2022 was 215.12p. This represents a decrease of 2.20% from the year end value.

Non-adjusting event

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

7IM AAP ADVENTUROUS FUND

DISTRIBUTION TABLES

for the year ended 30 November 2021

Interim - in pence per share

Group 1 - Shares purchased prior to 1 December 2020

Group 2 - Shares purchased on or after 1 December 2020 and on or before 31 May 2021

	Net Revenue	Equalisation	Paid 31.07.21	Paid 31.07.20
Class A Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Allocated 31.07.21	Allocated 31.07.20
Class A Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Paid 31.07.21	Paid 31.07.20
Class C Income				
Group 1	0.4162	–	0.4162	0.3684
Group 2	0.4162	–	0.4162	0.3684
			Allocated 31.07.21	Allocated 31.07.20
Class C Accumulation				
Group 1	0.4850	–	0.4850	0.4374
Group 2	0.4850	–	0.4850	0.4374
			Paid 31.07.21	Paid 31.07.20
Class D Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Allocated 31.07.21	Allocated 31.07.20
Class D Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–
			Paid 31.07.21	Paid 31.07.20
Class S Income				
Group 1	0.5091	–	0.5091	0.4718
Group 2	0.4575	0.0516	0.5091	0.4718

7IM AAP ADVENTUROUS FUND

DISTRIBUTION TABLES (continued)

for the year ended 30 November 2021

	Net Revenue	Equalisation	Allocated 31.07.21	Allocated 31.07.20
Class S Accumulation				
Group 1	0.5805	–	0.5805	0.5155
Group 2	0.5680	0.0125	0.5805	0.5155

Final - in pence per share

Group 1 - Shares purchased prior to 1 June 2021

Group 2 - Shares purchased on or after 1 June 2021 and on or before 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22 ¹	Paid 31.01.21
Class A Income				
Group 1	–	–	–	0.1991
Group 2	–	–	–	0.1991

	Net Revenue	Equalisation	Allocated 31.01.22 ¹	Allocated 31.01.21
Class A Accumulation				
Group 1	–	–	–	0.2315
Group 2	–	–	–	0.2315

	Net Revenue	Equalisation	Paid 31.01.22 ¹	Paid 31.01.21
Class C Income				
Group 1	–	–	–	0.6115
Group 2	–	–	–	0.6115

	Net Revenue	Equalisation	Allocated 31.01.22 ¹	Allocated 31.01.21
Class C Accumulation				
Group 1	–	–	–	0.7233
Group 2	–	–	–	0.7233

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class D Income¹				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Revenue	Equalisation	Allocated 31.01.22	Allocated 31.01.21
Class D Accumulation¹				
Group 1	–	–	–	–
Group 2	–	–	–	–

7IM AAP ADVENTUROUS FUND

DISTRIBUTION TABLES (continued) for the year ended 30 November 2021

	Net Revenue	Equalisation	Paid 31.01.22	Paid 31.01.21
Class S Income				
Group 1	0.0032	–	0.0032	0.6707
Group 2	0.0032	–	0.0032	0.6707

	Net Revenue	Equalisation	Allocated 31.01.22¹	Allocated 31.01.21
Class S Accumulation				
Group 1	–	–	–	0.7484
Group 2	–	–	–	0.7484

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

Equalisation

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

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR)

The European Regulation on reporting and transparency of securities financing transactions and reuse ('SFTR'), which aims to improve the transparency and monitoring of the financial system, became effective on 13 January 2016. The SFTR applies to the 7IM Investment Funds ('the Company') as a UCITS scheme and requires the ACD to comply with a series of obligations. In particular, the ACD is required to provide investors with information on the use of securities financing transactions ('SFT's) and total return swaps ('TRS') by the Company in all interim and annual reports for the Company published from 13 January 2017.

The following details the SFTR activities of the Sub-funds during the year ended 30 November 2021 and as at the balance sheet date.

7IM Cautious Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-fund's total lendable assets of £1,022,559 and net asset value of £34,672,621 as at 30 November 2021 and the income earned for the year ended 30 November 2021. 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 £
62.16%	1.83%	870	261

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2021.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
J.P. Morgan Securities (Europe)	UK	509,746	524,912
Merrill Lynch International	UK	125,861	128,419
Total		635,607	653,331

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2021.

Currency	Collateral received £
Pound sterling	653,331
Total	653,331

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) (continued)

7IM Cautious Fund (continued)

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2021.

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	–	–	109,401	543,930	–	653,331
Equities						
Recognised equity index	–	–	–	–	–	–
Total	–	–	109,401	543,930	–	653,331

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2021, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depository or through its delegates.

	Non-cash collateral received £
Custodian	
Northern Trust	653,331

7IM Moderately Cautious Fund

Securities Lending

The Sub-fund may engage in securities lending activities. During the year ended 30 November 2021, securities lending was not undertaken and as at the year end 30 November 2021, no securities were on loan.

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 30 November 2021, no collateral arrangements were in place in respect of securities lending transactions.

7IM Balanced Fund

Securities Lending

The Sub-fund may engage in securities lending activities. During the year ended 30 November 2021, securities lending was not undertaken and as at the year end, 30 November 2021, no securities were on loan.

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 30 November 2021, no collateral arrangements were in place in respect of securities lending transactions.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) (continued)

7IM Moderately Adventurous Fund

Securities Lending

The Sub-fund may engage in securities lending activities. During the year ended 30 November 2021, securities lending was not undertaken and as at the year end, 30 November 2021, no securities were on loan.

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 30 November 2021, no collateral arrangements were in place in respect of securities lending transactions.

7IM Adventurous Fund

Securities Lending

The Sub-fund may engage in securities lending activities. During the year ended 30 November 2021, securities lending was not undertaken and as at the year end, 30 November 2021, no securities were on loan.

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 30 November 2021, no collateral arrangements were in place in respect of securities lending transactions.

7IM Sustainable Balance Fund

Securities Lending

The Sub-fund may engage in securities lending activities. During the year ended 30 November 2021, securities lending was not undertaken and as at the year end, 30 November 2021, no securities were on loan.

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 30 November 2021, no collateral arrangements were in place in respect of securities lending transactions.

7IM AAP Income Fund

Securities Lending

The following table details the value of securities on loan as a proportion of the Sub-fund's total lendable assets of £907,528 and net asset value of £62,670,591 as at 30 November 2021 and the income earned for the year ended 30 November 2021. 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 £
100.00%	1.45%	5,879	—

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.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2021.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) (continued)

7IM AAP Income Fund (continued)

Securities Lending (continued)

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Goldman Sachs	US	907,528	1,000,315
Total		907,528	1,000,315

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2021.

Currency	Collateral received £
US dollar	1,000,315
Total	1,000,315

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2021.

Collateral type and quality	Maturity Tenor				Open £	Total £
	0 – 30 days £	31 – 90 days £	91 – 365 days £	More than 365 days £		
Collateral received						
Fixed Income						
Investment grade	–	–	–	1,000,315	–	1,000,315
Equities						
Recognised equity index	–	–	–	–	–	–
Total	–	–	–	1,000,315	–	1,000,315

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2021, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depository or through its delegates.

Custodian	Non-cash collateral received £
Northern Trust	1,000,315

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) (continued)

7IM AAP Moderately Cautious 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 £11,279,072 and net asset value of £470,447,869 as at 30 November 2021 and the income earned for the year ended 30 November 2021. 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 £
13.80%	0.33%	464	139

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2021.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Credit Suisse International	UK	1,556,233	1,663,769
Total		1,556,233	1,663,769

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2021.

Currency	Collateral received £
Euro	1,663,769
Total	1,663,769

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) (continued)

7IM AAP Moderately Cautious Fund (continued)

Collateral (continued)

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2021.

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	–	–	502	1,663,267	–	1,663,769
Equities						
Recognised equity index	–	–	–	–	–	–
Total	–	–	502	1,663,267	–	1,663,769

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2021, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

Custodian	Non-cash collateral received £
Northern Trust	1,663,769

7IM AAP Balanced 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 £39,222,962 and net asset value of £1,221,797,143 as at 30 November 2021 and the income earned for the year ended 30 November 2021. 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 £
2.87%	0.09%	3,705	1,111

The total income earned from securities lending transactions is split between the Sub-fund and the Securities Lending Agent. The Sub-fund receives 70% while the Securities Lending Agent receives 30% of such income, with all operational costs borne out of the Securities Lending Agent's share.

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 30 November 2021.

Counterparty	Counterparty's country of establishment	Amount on loan £	Collateral received £
Credit Suisse International	UK	1,125,494	1,203,234
Total		1,125,494	1,203,234

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) (continued)

7IM AAP Balanced Fund (continued)

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Sub-fund, in respect of securities lending transactions as at 30 November 2021.

Currency	Collateral received £
Euro	1,203,234
Total	1,203,234

The Sub-fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Sub-fund by way of title transfer collateral arrangement in respect of securities lending transactions as at 30 November 2021.

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	–	–	363	1,202,871	–	1,203,234
Equities						
Recognised equity index	–	–	–	–	–	–
Total	–	–	363	1,202,871	–	1,203,234

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while equity securities are presented as open transactions as they are not subject to a contractual maturity date.

As at 30 November 2021, all non-cash collateral received by the Sub-fund in respect of securities lending transactions is held by the Sub-fund's Depositary or through its delegates.

Custodian	Non-cash collateral received £
Northern Trust	1,203,234

7IM AAP Moderately Adventurous Fund

Securities Lending

The Sub-fund may engage in securities lending activities. During the year ended 30 November 2021, securities lending was not undertaken and as at the year end, 30 November 2021, no securities were on loan.

7IM INVESTMENT FUNDS

SECURITIES FINANCING TRANSACTION AND REUSE (SFTR) (continued)

7IM AAP Moderately Adventurous Fund (continued)

Collateral

The Sub-fund engages in activities which may require collateral to be provided to a counterparty ('collateral posted') or may hold collateral received ('collateral received') from a counterparty. As at 30 November 2021, no collateral arrangements were in place in respect of securities lending transactions.

7IM AAP Adventurous Fund

Securities Lending

The Sub-fund may engage in securities lending activities. During the year ended 30 November 2021, securities lending was not undertaken and as at the year end, 30 November 2021, no securities were on loan.

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 30 November 2021, no collateral arrangements were in place in respect of securities lending transactions.

7IM INVESTMENT FUNDS

GENERAL INFORMATION

Head Office

3rd Floor
55 Bishopsgate
London EC2N 3AS

Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency

The base currency of the Company is Pounds Sterling. Each Sub-fund and class is designated in Pounds Sterling.

Share Capital

The minimum share capital of the company is £1 and the maximum is £100,000,000,000.

Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the Sub-funds.

Structure of the Company

The Company is structured as an umbrella company in that different Sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Sub-fund or class of share, a revised prospectus will be prepared setting out the relevant details of each Sub-fund or class.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. The Sub-funds which are currently available are:

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

In the future there may be other Sub-funds of the Company.

Classes of Shares

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

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

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

Valuation Point

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

7IM INVESTMENT FUNDS

GENERAL INFORMATION (continued)

Buying and Selling Shares

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

Prices

The prices of all shares are published on: 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.

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 year ended 30 November 2021. These statements will be available on Seven Investment Management's website no later than 31 March 2022.

Change in Trustee and Depositary

The depositary of the Company has changed with effect from 27 November 2021. The depositary is the entity we are required by regulation to appoint to carry out certain services in relation to the Company, namely, safekeeping of the assets, cash monitoring and regulatory oversight.

As you may know, the depositary of the Company was Northern Trust Global Services SE, UK branch ("NTGS-UK"). NTGS-UK is the UK branch of Northern Trust Global Services SE, which is a bank established in Luxembourg, and was permitted to provide trustee and depositary services into the UK by virtue of having extra permissions in the UK.

As a consequence of the UK's decision to leave the European Union, however, the UK financial services regulator which regulates NTGS-UK, the Financial Conduct Authority ("FCA"), has provided that UK branches of EU banks are no longer able to provide trustee and depositary services into the UK and those services have to be provided from a UK incorporated company. The FCA has provided a grace period for firms to implement the new rules which came into force on 1 January 2021.

In order to comply with the new rules, Northern Trust has established Northern Trust Investor Services Limited ("NTISL") to be the new trustee and depositary. NTISL is a company established in England and Wales and is authorised by the FCA to be a trustee and depositary. NTISL will provide the same services as NTGS-UK with the same processes and procedures in place. The change of depositary took place on 27 November 2021 and we have amended the Prospectus of Company to reflect the details.

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