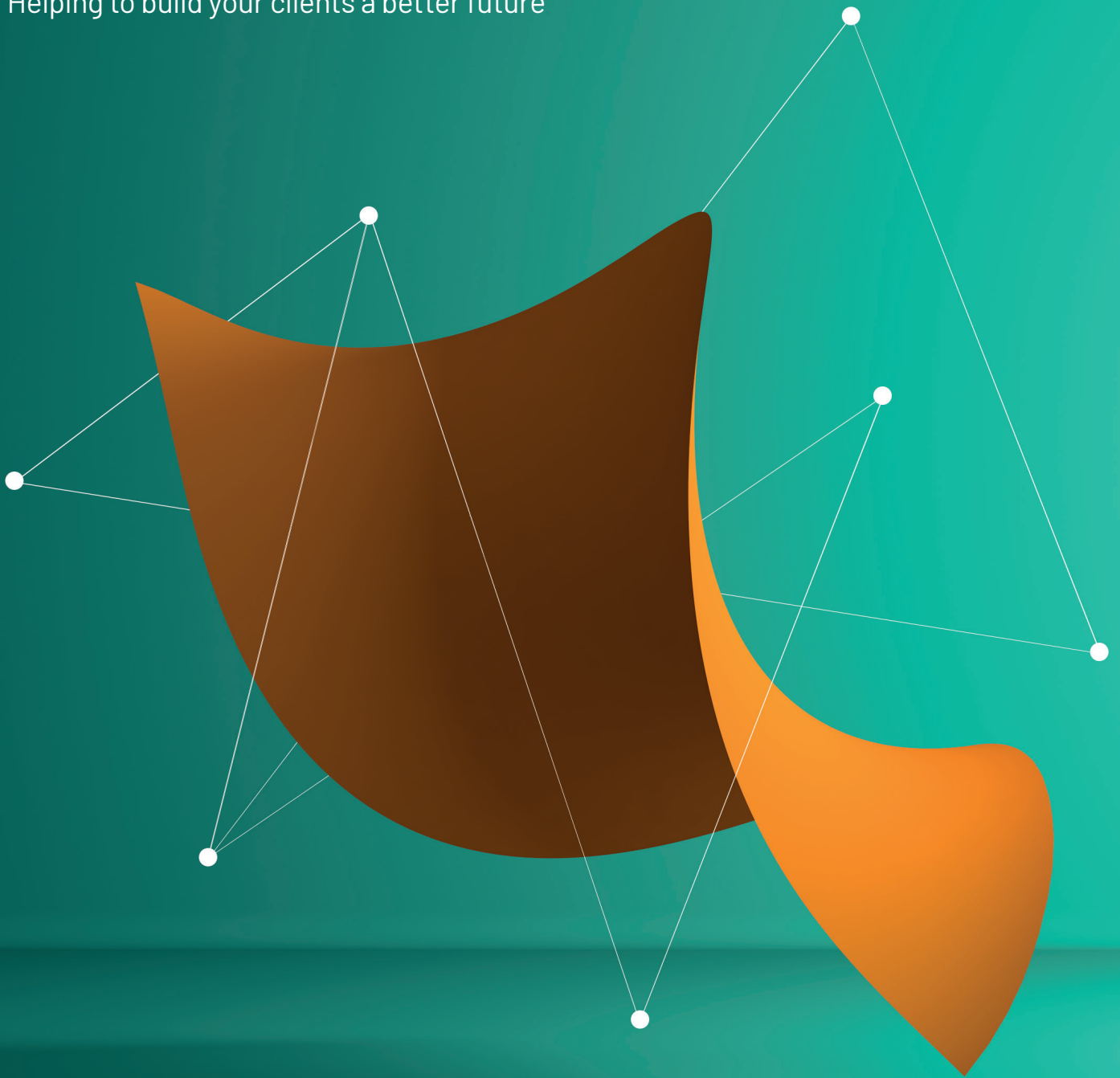


# Welcome to 7IM Pathbuilder

Helping to build your clients a better future



Succeeding together

**7IM**

### **Capital at risk**

You should be aware that the value of investments may go up and down and you may receive back less than you invested originally.

7IM considers that the obligation to provide appropriate advice and explain the risks inherent in the portfolios falls to advisers. In particular they should ensure that retail clients are aware, before investing, that the value of investments may fall as well as rise and that they may lose money by investing; that the portfolios are not suitable for those unable to take a long-term view and that their personal circumstances, objectives and capacity for loss are vital factors when considering investment.

**7IM PATHBUILDER**

**PROFESSIONAL ADVISERS ONLY**

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# Introducing 7IM Pathbuilder

Multi asset investing has long been and continues to be a compelling strategy for many clients. At 7IM we have been the leaders in building and managing genuinely diverse multi asset portfolios for almost 20 years. Our multi asset approach, which is underpinned by our robust Strategic Asset Allocation, has proven itself over the medium to long term for many clients.

We are now pleased to be able to offer our extensive multi asset expertise, with a very keen focus on cost but without compromising on quality, with the launch of the 7IM Pathbuilder funds.



A range of highly diversified funds, built on 7IM's robust Strategic Asset Allocation (SAA) framework



Multi asset investing underpinned by rigorous risk management processes



Clear and competitive charges and a choice of risk profiles to suit different clients

In an environment of market volatility, consumer anxiety, and tightening yields and regulation, our SAA framework offers the reassurance of diversified portfolios built on long-term thinking, sound research and sophisticated modelling.

Our multi asset funds help to spread risk. Investing across countries, global sectors, asset classes and currencies, we seek to protect your clients' investments against the market's ups and downs.

The three 7IM Pathbuilder funds allow you and your clients to choose from three clear risk levels, depending on whether they want a more cautious, a balanced or more adventurous approach. You can offer them confidence and choice without over-complication.

A range of **multi asset funds** built on 7IM's tried and tested Strategic Asset Allocation. Offering your clients the benefits of **diversified returns** and the reassurance of carefully **balanced and strictly managed risk** – at a competitive price.

### The reasons to take a closer look:

- 01 A proven investment approach**

Your clients can access an approach proven in the most difficult market environments. Asset values have emerged largely unscathed from the most difficult periods in the last 20 years such as the Great Financial Crisis and the Brexit referendum.
- 02 Risk comes equal first**

We're as much risk managers as investment managers. Management of risk is an integrated and active part of the investment decision-making process shaping your clients' portfolios.
- 03 We want to make your life easier**

We take pride in the resources, solutions and support we offer you in managing your relationships with your clients.



Traditional balanced portfolios usually aim to deliver diversification by mixing equities for growth and bonds for their defensive properties, but at 7IM we have long since believed that investors should be looking for far more than this traditional split."

**Martyn Surguy**  
Chief Investment Officer

# Building the portfolios

Our investment process for each 7IM Pathbuilder fund focuses on long-term performance and the careful management of risks to help your clients meet their investment goals.

Overseeing this approach are our established Investment Team – a team with decades of experience in asset allocation and investment selection between them. Your clients' investments are in experienced and expert hands.

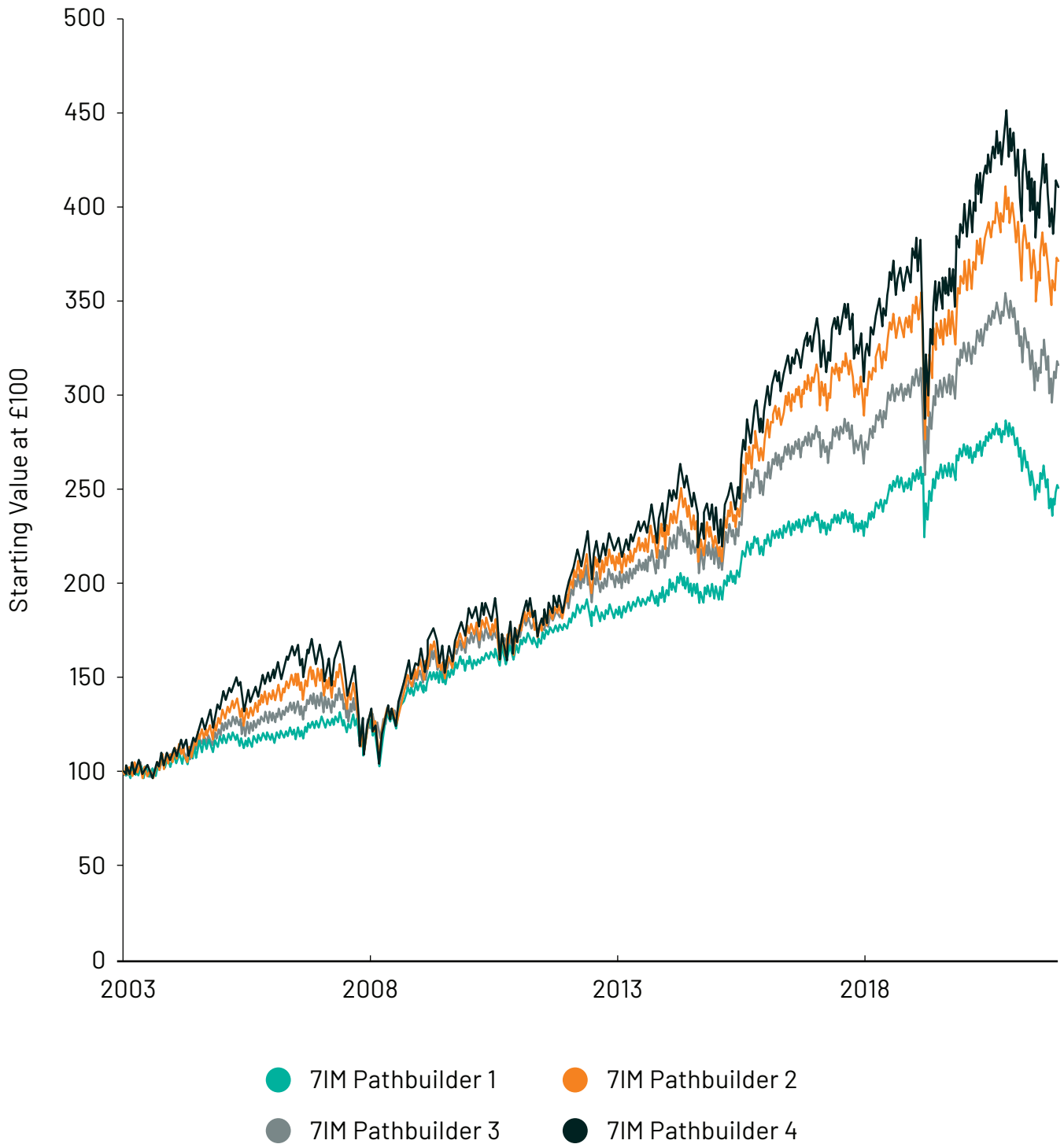
The team use 7IM's established Strategic Asset Allocation (SAA) process to provide the benefits of diversification in a cost-conscious offering. This means all three funds are positioned to realise returns from different asset classes and regions, without being overly vulnerable to any particular one.

Together, our SAA approach and stringent risk management process have allowed us to build a track record of delivering strong returns spanning 19 years (though this past performance is not a guide to the future).

For the 7IM Pathbuilder range, we use a more streamlined version of our SAA approach, built on simplified assumptions that help us to control costs. The graph overleaf shows a back test of this approach, applying these assumptions to our historical asset allocations over time.

As truly multi asset investors, our strategic asset allocation has a proven track record of controlling the downside of portfolios while delivering our clients strong returns with true diversification benefits. Something which has arguably never been more important than in the current environment.

FIGURE 01  
Back tested returns of 7IM Pathbuilder SAA



Source: 7IM

Fund	Back tested annualised returns	5 year back tested returns				
		31/12/2021 – 31/12/2022	31/12/2020 – 31/12/2021	31/12/2019 – 31/12/2020	31/12/2018 – 31/12/2019	31/12/2017 – 31/12/2018
		Q4/21 – Q4/22	Q4/20 – Q4/21	Q4/19 – Q4/20	Q4/18 – Q4/19	Q4/17 – Q4/18
7IM Pathbuilder 1	<b>4.9%</b>	-12.0%	4.3%	6.1%	11.6%	-2.8%
7IM Pathbuilder 2	<b>6.2%</b>	-9.9%	7.5%	5.2%	14.1%	-3.8%
7IM Pathbuilder 3	<b>7.1%</b>	-8.1%	10.6%	5.2%	16.2%	-4.8%
7IM Pathbuilder 4	<b>7.7%</b>	-6.9%	12.6%	4.0%	18.1%	-5.5%

Returns reflect back tested data from 31/12/2003 to 31/12/2022. Back tested results are for information purposes only. Performance is shown Net of an indicative 25bps in fund fees, but not any additional transaction costs or adviser charges. The back tests are based on 7IM's historic standard Strategic Asset Allocation which has been altered to remove asset classes that do not exist in the streamlined Strategic Asset Allocation. The portfolios are assumed to be rebalanced on a quarterly basis (March, June, September, December). For full details of the back test methodology please contact 7IM. Past performance is not a guide to the future. Source: 7IM

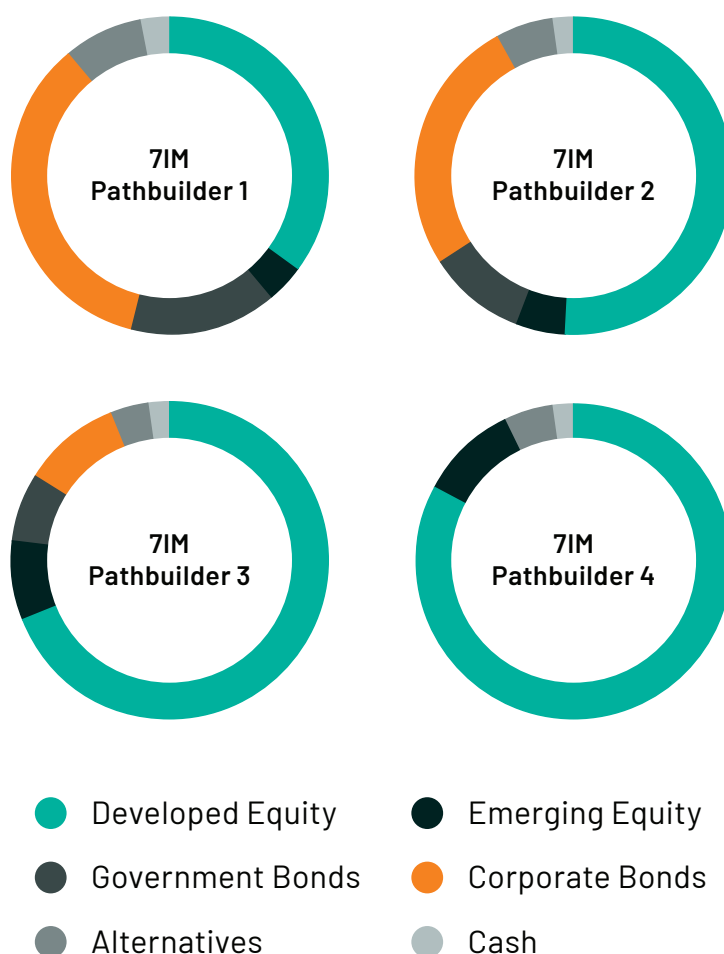


# What the portfolios look like

We don't split assets into binary, high and low risk buckets but instead use a risk based view of the world. We also analyse the interaction between all asset classes in the portfolio, to ensure we make best use of the benefits of diversification and optimise returns for each of the three levels of risk.

As a result we tend to allocate more of our portfolio to credit bearing bonds, as a more balanced way of taking that risk and avoiding standalone government debt. The philosophy also involves taking more emerging market specific risk as part of our SAA, through allocations to both equity and the debt markets.

**FIGURE 02**  
7IM Pathbuilder asset allocation



Source: 7IM



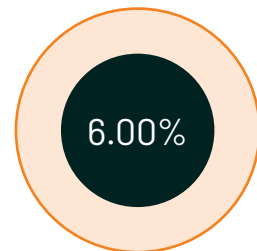
**FIGURE 03**  
Average Annual Guideline Returns and Volatility

**7IM Pathbuilder 1**



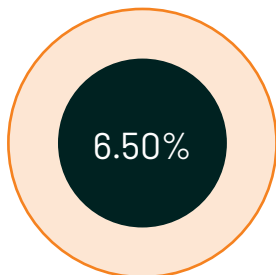
+/- 7.25%

**7IM Pathbuilder 2**



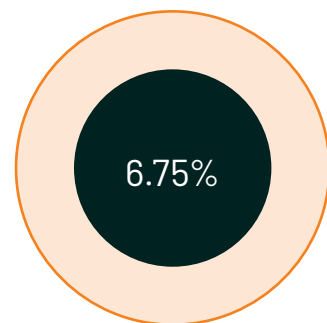
+/- 9.75%

**7IM Pathbuilder 3**



+/- 12.25%

**7IM Pathbuilder 4**



+/- 14.25%

● Average Guideline Return    ○ Volatility

The Average Annual Guideline Return is based on investments being held for a period of 5 years or longer. This data is based on long-term forecast asset class data. Forecast returns are not a reliable indicator of future performance.

The Average Annual Guideline Return is shown gross of fees. If the Average Annual Guideline Return is achieved, the return actually received will be lower, due to the effect of the fees and charges detailed in the fees and charges sheet available on our website.

Source: 7IM

# Smoothing the ride

Management of risk is an integrated and active part of the investment decision-making process we use to shape your clients' portfolios.

## The importance of risk

The understanding of risk and the way it is expressed and implemented in a portfolio is vital to successful investing. Risk has to be managed, not avoided. The role of effective risk management is to make sure that with each investment decision, we're adding the right risk to the portfolio as a whole – not creating unexpected or unrewarded risk elsewhere.

## The role of the Risk Team in the 7IM investment approach

The Risk Team at 7IM are an integral part of the investment decision-making process. Each decision is assessed for its impact on the portfolios' risk exposure and the way it is to be implemented. The Risk Team ensure that the Investment Team understand the implications of what they own and what that might mean in different market environments.

## Risk control in investment decision-making

### Where?

The Risk Team analyse portfolios for a detailed understanding of where we're taking risk, making sure we're taking only the risks we're comfortable can deliver the rewards.

### Why?

They monitor portfolios on 25-30 historic and forward-looking stress tests, analysing how shifts in underlying fund security exposure are impacting portfolios' risk exposure.

### How?

They are much more than a 'control' function. They have a collaborative role to challenge asset allocation and guide its implementation. As such, they report into our Chief Financial Officer as opposed to the Chief Investment Officer.





In simple terms, our Investment Team looks for investment opportunities, focusing on return but still taking risk into account. The Risk Team focus on understanding risk and the knock-on implications of every investment, taking the return into account.”



**Joe Cooper**  
Head of Risk and  
Portfolio Analytics

# Why 7IM?

At 7IM, we have a history of adopting a client-first approach, working hard to understand you and your clients' needs. This helps us to deliver excellent client service in addition to continually innovating and building products to suit evolving needs.

We have maintained our integrity through testing market conditions and as a result, over time, have earned a reputation as a trusted multi asset investment house.

## How to access the service

The funds are available on the 7IM Platform and will be made available on third party platforms soon.

- ✉ [bdmsupport@7im.co.uk](mailto:bdmsupport@7im.co.uk)
- ☎ **020 3823 8829**
- 🌐 [www.7im.co.uk](http://www.7im.co.uk)

All figures correct as at 24 November 2022.

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