

7IM: Assessment of value

September 2020

Succeeding together

7iM

For funds with an accounting period ending of 31 May 2020

7IM Specialist Funds

7IM Personal Injury

7IM Opportunity Funds

7IM Real Return

7IM Select Adventurous

7IM Select Moderately Adventurous

7IM Select Balanced

7IM Select Moderately Cautious

7IM Funds

7IM Absolute Return Portfolio

7IM Income Portfolio

7IM Private OEICs:

7IM Arden

7IM Capital Strategy

7IM CTACK CAPIV

7IM Matterhorn

7IM Mulgy

7IM Randolph Place Diversified

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1. Introduction: What is a value assessment?

Last year, our regulator the Financial Conduct Authority (FCA), introduced new rules as part of its Asset Management Market Study (AMMS) to ensure the asset management industry acted in investors' best interests. As a part of these new rules, all authorised fund managers (AFM) such as 7IM are now required to carry out an annual assessment across their fund range to determine whether they are delivering value for money to investors.

In conducting our assessment, we enlisted Square Mile Investment Consulting & Research, an independent research firm, to provide input into our review.

This report will look to assess value according to the 7 pillars set out in the FCA guidelines.

1. Quality of service
2. Performance
3. AFM costs
4. Comparable market rates
5. Economies of scale
6. Comparable services
7. Classes of units

Our report in March of this year covered the funds in our Investment Funds umbrella – our Multi Manager, AAP and Sustainable Balance funds. This report covers the remaining funds across our Specialist, Opportunity and ICVC Funds umbrellas, with an accounting year end date of 31 May. This includes six Private OEICs that we manage for specific individual or family clients. Due to the more bespoke nature of these funds, which are managed with reference to specific requirements of those clients, we shall cover them in a separate section within this report.

2. Quality of service

How are 7IM assessing value in relation to quality of service?

In appraising whether we offer good value when it comes to the quality of service we deliver, we have assessed both the quality of service we provide to our investors and also the quality of services we procure on behalf of them.

Quality of service assessment:

In conducting our assessment of the quality of service we provide, we have split our analysis into two broad areas – quality of fund management and the broader investor experience.

1. Quality of fund management:

Our analysis into the quality of fund management that we offer investors covers five areas which are listed below:

Investment Team structure and personnel. Our Investment Team is well-resourced with 15 investment professionals, many of whom have extensive experience in the industry and within the business. Each member of the Investment Team has clearly defined roles, responsibilities and accountabilities.

Philosophy. 7IM has always been clear about its investment philosophy, which is based on a number of key tenets:

- As investors we take a long-term approach
- Markets are not always efficient, and value can be added through active management
- No-one has perfect foresight, so in order to manage risk we favour well-diversified portfolios
- We seek to take the emotion out of investing so have built a process which helps to achieve this
- We are cost-conscious and seek to drive costs down where possible
- We collaborate with specialist third parties where their expertise is greater than our own
- We accept that we will not get everything right but are committed where we can to learn lessons from the past

Process. Our process is structured around our Strategic Asset Allocation (SAA), which provides a robust framework for each fund. The SAA is designed to meet each fund's long-term risk and return guidelines and is reviewed annually. In keeping with our philosophy on active management, we will also take tactical positions (Tactical Asset Allocation) away from our SAA in line with market conditions.

Fund Objectives. Our fund objectives are designed to provide investors with guidance. The objectives are clearly outlined in our documents however, we will be reviewing our documents to ensure that we are following the latest industry practice.

Transparency. We provide a high level of transparency on our funds. Detail of all the fund holdings and their weightings are clearly displayed and provided on a timely basis. This is further supported by regular market commentary from our Investment Team.

2. Broader investor experience:

In looking at the broader investor experience we deliver, we have looked at three key criteria:

Third Parties: We have assessed the quality of services that are provided by third parties. Our assessment found that all our suppliers are meeting the standards expected of them.

Client Feedback: We sought feedback from our investors regarding the quality of service we provide. The responses were largely positive but highlighted some room for improvement in certain areas such as our website.

Complaints: We looked at the volume of complaints received between June 2019 and May 2020. Over that period we received 72 complaints, with only a handful being directly related to the funds. On average, we took 28 days to resolve a complaint. To strengthen governance around complaints and provide superior outcomes for clients we have recently transferred supervision of complaints to the Client Experience Team.

Conclusion:

Providing a superior service has always been at the core of how 7IM operates. Our board of directors concluded that overall, 7IM provide a good quality of service.

However, we do not wish to be complacent and recognise that there are areas for improvement and we have put in place a programme to review various aspects of the service we provide to our investors through the Client Experience Team.

3. Performance

How are 7IM assessing value in relation to performance?

The regulator has asked 7IM to compare the performance of our funds against their stated objectives over an appropriate timescale. In reviewing the performance of our funds, we have assessed them against their investment objectives over the past five years and any relevant benchmarks contained in our fund literature, to determine whether they have performed in line with them.

7IM's investment philosophy and process is focused on long-term performance and the careful management of risks and is guided by 7 over-arching principles:

1. *A long-term approach to investing is essential.* The majority of returns are driven by asset allocation and it is important to get this right.
2. *We do not have perfect foresight.* We cannot predict what will happen tomorrow and so we ensure that portfolios are properly diversified.
3. *Financial markets are not always efficient.* We can add value through tactical tilts in portfolios.
4. *Emotional responses can damage wealth.* Making decisions based on emotions can be damaging. We try to rely on experience, discipline and patience.
5. *Independence and openness is important.* We collaborate with specialist third parties where their expertise is greater than our own.
6. *Controlling costs is critical.* The impact of costs can be significant. We implement investments flexibly (active or passive) and are always striving to drive down costs.
7. *Learn lessons.* We are constantly reviewing and evolving our investment process.

We therefore believe that it is also important that 7IM's investment philosophy is taken into account when assessing value in relation to performance.

Our findings for each fund are outlined overleaf:

7IM Personal Injury

The fund's objective and performance benchmark:

The fund aims to provide a long-term return (at least five years) from investment in a range of asset classes. Performance may be compared to the IA Mixed Investment 0-35% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

Performance assessment:

The fund has provided a return in line with the sector over the past five years when measured on a cumulative basis. It has recently started to underperform on a rolling five year basis because of the more defensive positioning of the fund in 2019, although it regained some ground during the heavy market falls resulting from the COVID-19 outbreak in Q1 2020.

We believe that the personnel changes and the accompanying improvements made to the investment and risk management processes have significantly increased the likelihood of us delivering on our objectives and over the long term, we believe that our tactical decisions will add value to a fundamentally strong SAA process.

Conclusion:

Our board of directors believe that the 7IM Personal Injury Fund has demonstrated good performance against its IA sector.

7IM Real Return

The fund's objective and performance benchmark:

The investment objective of the fund is to seek growth in real terms over the medium to long term. The fund will aim to provide a total return, net of fees, that exceeds UK inflation (as measured by Consumer Prices Index-All Items) by 2% on average over a rolling three year horizon. As well as this target benchmark, performance may be compared to the IA Targeted Absolute Return sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

Performance assessment:

The fund has provided a return ahead of the sector over the past five years when measured on a cumulative basis, as well as over the long term.

The wide variety of strategies within the IA Targeted Absolute Return sector can make a direct comparison more difficult. This is because there tends to be more dispersion in the underlying styles of investment, as well as the presence of performance fees that can complicate comparisons versus the other risk rated sectors (e.g. the

IA Mixed Investment 20-60% Shares sector). The last three years have been a challenging period for the style of investing adopted by absolute return funds generally and through this period the portfolio has underperformed its inflation plus objective, whilst performing broadly in line with the sector.

The inflation element of the mandate is a key explanatory factor for the nature and size of the pullback through the first few months of 2020, with the portfolio more exposed than many peers (through its mandate) to the deflationary shock that occurred.

Conclusion:

Our board of directors believe that the 7IM Real Return Fund has demonstrated good performance against its objective as well as its IA sector.

7IM Select Adventurous

The fund's objective and performance benchmark:

The fund aims to provide capital growth over the medium to long term (five years or more). Performance may be compared to the ARC Sterling Steady Growth Private Client Index which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

Performance assessment:

The fund was launched in July 2019 so as at the date of this report does not yet have a one-year track record.

The strategy utilises the 7IM SAA which has a strong long-term track record in addition to implementing the tactical views of the 7IM Strategy Team which have, in general, also been positive for returns over the longer term. The fund also makes use of derivatives and various alternative assets to provide some protection from falling markets.

Conclusion:

The 7IM Select Adventurous Fund has a limited track record so it is too early for the board of directors to draw conclusions on its performance. It is satisfied however, that we are deploying the investment strategy that will enable the fund to achieve its performance objectives in the future.

7IM Select Moderately Adventurous

The fund's objective and performance benchmark:

The fund aims to provide a return made up of capital growth with some income over the medium to long term (five years or more). Performance may be compared to the ARC Sterling Steady Growth Private Client Index which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

Performance assessment:

The fund was launched in July 2019 so as at the date of this report does not yet have a one-year track record.

The strategy utilises the 7IM SAA which has a strong long-term track record in addition to implementing the tactical views of the 7IM Strategy Team which have, in general, also been positive for returns over the longer term. The fund also makes use of derivatives and various alternative assets to provide some protection from falling markets.

Conclusion:

The 7IM Select Moderately Adventurous Fund has a limited track record so it is too early for the board of directors to draw conclusions on its performance. It is satisfied however, that we are deploying the investment strategy that will enable the fund to achieve its performance objectives in the future.

7IM Select Balanced

The fund's objective and performance benchmark:

The fund aims to provide a balance of income and capital growth over the medium to long term (five years or more). Performance may be compared to the ARC Sterling Balanced Private Client Index which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

Performance assessment:

The fund was launched in July 2019 so as at the date of this report does not yet have a one-year track record.

The strategy utilises the 7IM SAA which has a strong long-term track record in addition to implementing the tactical views of the 7IM Strategy Team which have, in general, also been positive for returns over the longer term. The fund also makes use of derivatives and various alternative assets to provide some protection from falling markets.

Conclusion:

The 7IM Select Balanced Fund has a limited track record so it is too early for the board of directors to draw conclusions on its performance. It is satisfied however, that we are deploying the investment strategy that will enable the fund to achieve its performance objectives in the future.

7IM Select Moderately Cautious**The fund's objective and performance benchmark:**

The fund aims to a return made up of income with some capital growth over the medium to long term (five years or more). Performance may be compared to the ARC Sterling Cautious Private Client Index which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

Performance assessment:

The fund was launched in July 2019 so as at the date of this report does not yet have a one-year track record.

The strategy utilises the 7IM SAA which has a strong long-term track record in addition to implementing the tactical views of the 7IM Strategy Team which have, in general, also been positive for returns over the longer term. The fund also makes use of derivatives and various alternative assets to provide some protection from falling markets.

Conclusion:

The fund has a limited track record so it is too early for the board of directors to draw conclusions on its performance. It is satisfied however, that we are deploying the investment strategy that will enable the fund to achieve its performance objectives in the future.

7IM Absolute Return Portfolio**The fund's objective and performance benchmark:**

The fund aims to provide a positive capital return (measured against LIBOR (3 month) + 2% per annum) over a 12 month period regardless of market conditions with a low level of volatility. As well as this target benchmark, performance may be compared to the IA Targeted Absolute Return sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

Performance assessment:

The fund has provided a return ahead of the sector over the past five years when measured on a cumulative basis.

The wide variety of strategies within the IA Targeted Absolute Return sector can make a direct comparison more difficult. This is because there tends to be more dispersion in the underlying styles of investment, as well as the presence of performance fees that can complicate comparisons versus the other risk rated sectors (e.g. 20-60% equity sector). The last three years have been a challenging period for the style of investing adopted by absolute return funds generally and through this period the portfolio has underperformed its cash plus objective, whilst outperforming the sector.

Conclusion:

Our board of directors believe that the 7IM Absolute Return Portfolio Fund has, despite some performance headwinds, generally delivered returns in line with its target benchmark and the peer group over the medium-to-long term.

7IM Income Portfolio**The fund's objective and performance benchmark:**

The fund aims to provide a relatively high level of income and some long-term capital growth (measured against LIBOR (3 month) + 2%). As well as this target benchmark, performance may be compared to the IA Mixed Investment 0-35% Shares sector which has been chosen because it is representative of the fund's agreed risk profile and the type of assets in which it invests. It is therefore an appropriate comparator for the fund's performance.

Performance assessment:

The fund had consistently been outperforming both its target benchmark and peer group until the first quarter of 2020. The market drawdown in 2020 has been very challenging for income funds which are a subset of the IA Mixed Investment 0-35% Shares peer group. Many of the more income oriented sectors of the economy such as Financials and Energy have suffered and in many cases dividends have been cancelled. In addition, the fund has been more exposed to corporate bonds over government bonds which also impacted the short-term performance.

The strategy utilises the 7IM SAA which has a strong long-term track record in addition to implementing the tactical views of the 7IM Strategy Team which have, in general, also been positive for returns over the longer term.

Conclusion:

Our board of directors concluded that the 7IM Income Portfolio Fund has, despite some performance headwinds, generally delivered returns in line with the peer group over the medium-to-long term.

Overall conclusion on performance:

Overall, our board of directors believes that the majority of our funds have performed broadly in line with their objectives.

Over the last five years our Strategic Asset Allocation (SAA) has delivered strong returns. However, our Tactical Asset Allocation (TAA) and fund selection has at times led to periods of short-term underperformance against their respective IA sectors. Nonetheless, all the funds have delivered positive cumulative returns.

We have learnt from these lessons, refined our investment process and bolstered our Investment Team with some senior appointments.

However, we do not wish to be complacent and have introduced further steps to strengthen our governance to ensure we regularly review our process with the view of helping our funds consistently perform in line with their objectives.

That said, we do not intend to change our investment philosophy and we continue to believe in the importance of diversification and taking a long-term investment view. This diversification and long-term investment view can help insulate our portfolios from sharp bouts of volatility.

4. Authorised fund manager (AFM) costs

How are 7IM assessing value in relation to AFM costs?

The FCA has asked authorised fund managers (AFMs) to compare the charges they levy against the cost of providing their services. In other words, we need to demonstrate that the charges paid by our investors are reasonable in comparison to the cost of the service they are receiving.

To assess whether our costs are reasonable and represent value, we have looked at the ongoing charge figure (OCF) of our primary clean share class of each of our funds, which is held by the majority of our investors. We have then compared these charges from our funds to the cost of all the funds within each of their respective sectors.

In addition, we have also reviewed all the underlying costs incurred in running the funds, including those provided by third parties. For example, authorised corporate director and depositary or trustee charges, audit fees, custody costs. We will also need to demonstrate that we are delivering value against these. In reviewing the additional costs incurred by the funds, the board were satisfied that these were equal to the amounts actually paid.

AFM costs assessment:

7IM Personal Injury

OCF: 0.71%

Relative to all of the funds in the IA Mixed Investment 0-35% Shares sector, the fund has an OCF that is lower than the sector median and in the second quartile.

7IM Real Return

OCF: 1.02%

Relative to all of the funds in the IA Targeted Absolute Return sector, the fund has an OCF that is higher than the sector median and in the third quartile.

7IM Select Adventurous, Moderately Adventurous, Balanced and Moderately Cautious

OCF: 2.10%, 1.40%, 1.31% and 1.47% respectively

For the assessment of costs in relation to the four 7IM Select Funds, which are distributed solely through the 7IM Private Client Service, we have compared their OCFs with those of the corresponding 7IM Multi-Manager Funds. The board has concluded that the Select Funds are priced in line with the Multi-Manager range which, as communicated in our March report, are due to be assessed for their price competitiveness by the end of this year.

The exception to this is the 7IM Select Adventurous Fund, which has a published OCF of 2.10%. This has been capped by 7IM until the fund has reached sufficient scale so that the published OCF is more in line with the other three Select Funds.

7IM Absolute Return Portfolio

OCF: 1.38%

Relative to all active funds in the IA Targeted Absolute Return sector, the fund has an OCF that is higher when compared to the sector median and in the fourth quartile.

7IM Income Portfolio

OCF: 1.41%

Relative to all active funds in the IA Mixed Investment 0-35% Shares sector, the fund has an OCF that is higher than the sector median and in the fourth quartile.

Conclusion:

7IM has always been conscious of costs. However, we also believe that being the cheapest does not necessarily mean that you are delivering value.

Having conducted our assessment on AFM costs, while our board of directors concluded that the majority of our funds are competitive on cost, we recognise that there is more that we could do.

As a result, we will be further assessing the costs and charges of our funds against comparable offerings to consider whether they are justified and appropriate, or whether they should be changed.

5. Comparable market rates

How are 7IM assessing value in relation to comparable market rates?

In determining whether 7IM offers value in relation to comparable market rates, we must assess the value of our charges objectively versus the market. In particular, we will be assessing the charges of each of the 7IM funds against a peer group of close competitors identified by an independent consultant.

Comparable market rates assessment:

Relative to their respective narrower peer groups, the funds within this assessment are priced at the more expensive end of their respective ranges and on this measure alone, it would indicate that we should review our costs and charges.

Conclusion:

When reviewing the cost of the 7IM funds against their respective peer groups alone, our board of directors concluded that action may be required across the range to ensure that 7IM's cost and charges remain competitive.

While we believe that being the cheapest does not necessarily mean that you are delivering value, we acknowledge that our costs could be more competitive against the various peer groups. As a result, we will be conducting a further assessment of the costs and charges of our funds as part of our Product Governance review.

6. Comparable services

How are 7IM assessing value in relation to comparable services?

In this section, we consider the charges our investors pay when compared with other investors in similar or comparable funds.

As part of our comparison the regulator expects us to compare how our charges compare to investors in institutional mandates.

Comparable services assessment:

7IM does not run segregated mandates for any institutional investors that could be defined as 'comparable services' to the funds covered in this report.

Many of the funds within this report, namely the Select Funds and Private OEICs, are managed with a similar objective, policy and strategy to the 7IM Multi-Manager Funds, so in this sense can be deemed to be 'comparable services'. We have analysed these ranges alongside each other in order to deduce whether the funds in this report are appropriately priced in relation to the Multi-Manager range.

In general terms, the costs of the Select and Private Funds are in line with those of the Multi-Manager Funds; however the 7IM Select Adventurous Fund OCF is currently higher than expected while it grows to a sufficient size whereby the fixed costs of the fund no longer inflate the OCF. To address this in the short term, 7IM has applied a cap to the fund's OCF until it has grown to a sufficient size.

Conclusion:

Having compared the charges associated with the funds in this report as outlined above, our board of directors have concluded that our investors receive good value when assessed against comparable services.

7. Economies of scale

How are 7IM assessing value in relation to economies of scale?

As the number of investors or assets under management grow within a fund, we may be able to achieve economies of scale. We look at whether the savings achieved by the economies of scale have been passed onto investors.

Economies of scale assessment

In determining whether we offer value in relation to passing on savings achieved through economies of scale we have looked at the 14 funds covered in this report. These funds are varied in terms of their investment objectives and target market client, but are all managed by the Investment Team as a collective, along with the other 7IM funds outside of the scope of this report.

Treating the full range of 7IM funds as a single portfolio of assets used across the different strategies enables the Investment Team to use economies of scale in the construction and management of each fund. This gives the Team more time to carry out investment research and analysis, with less operational portfolio management at a fund-by-fund level, which we believe adds value over time to our investors.

The scale of our business and our relationship with third parties allows for the use of operationally more complex instruments (such as futures, FX forwards, money market funds and structured products). This allows us to manage cost and risk, providing more flexibility and scope for us to again, over time, deliver value to our investors.

As the size of the 7IM funds has grown over the years, so has the skill and expertise within the Investment Team. This has enabled us to negotiate better terms with third party fund managers, as well as in some instances run in-house 'baskets' of stocks or bonds to gain the intended asset class exposure, rather than using other managers at additional costs. The result of this effort is that the general direction of change for all of our funds' ongoing charges figures (OCFs) is downwards.

Conclusion:

Over the years, 7IM has grown to a business looking after over £14.1bn of client assets (as at 31 May 2020). This scale has enabled us to achieve significant savings. Our board of directors are satisfied that these savings have been passed on to our investors.

8. Classes of units

How are 7IM assessing value in relation to classes of units?

7IM offers different share classes, so we need to appraise the relative expense of the share classes that investors hold as some may be more expensive than others. As such, we need to determine whether investors are in the most suitable share class given their investment objective.

Classes of unit assessment

The Retail Distribution Review (RDR), which came into effect at the beginning of 2013, triggered a wave of fund managers moving assets from bundled share classes to clean versions in an effort to create more transparency around fees.

Around this time, 7IM supported this development by converting all of its discretionary assets, as well as those fund investments held directly with 7IM as opposed to via platforms, to the more transparent and lower cost clean C share class. Similarly, the majority of retail platforms that previously held bundled share classes also converted investors to the C share class.

However, certain distributors of 7IM funds continue to have access to bundled share classes, where they have confirmed with 7IM that they are entitled to continue to receive rebates from fund managers.

As mentioned in the IA guidance on PS18/8, we now have the authority to carry out share class conversions without express consent and have identified clients who we believe could be in cheaper share classes.

Conclusion

Overall, the board of directors concluded that the vast majority of our investors are in the appropriate share class.

However, the board of directors recognised that some investors could benefit from being moved to the cheaper C share class. 7IM is able to confirm that we now have the authority to carry out share class conversions without express consent and have identified clients who we believe could be in cheaper share classes. We shall look to move them into the appropriate share class unless they inform us otherwise by the end of 2020.

9. 7IM Private OEICs

7IM runs six Private OEICs for specific individual or family clients. These are as follows:

- 7IM Arden
- 7IM Capital Strategy
- 7IM CTACK CAPIV
- 7IM Matterhorn
- 7IM Mulgy
- 7IM Randolph Place Diversified

These funds were set up for certain clients of Turcan Connell Asset Management (Tcam), prior to its acquisition by 7IM in 2018. The funds now sit under 7IM's management and are managed as part of a wider discretionary management service provided to those clients, for whom holding a unitised rather than segregated portfolio structure can bring certain tax benefits.

All six funds now utilise the 7IM Strategic Asset Allocation which has a strong long-term track record, in addition to implementing the tactical views of the 7IM Strategy Team which have, in general, also been positive for returns over the longer term. However, the funds can be adapted on a bespoke basis to reflect any specific objectives and investment preferences that each client may have.

The funds aim to provide long-term capital and income growth, and all can be benchmarked against an appropriate ARC Private Client Index for performance comparison purposes.

Despite some recent performance headwinds, the funds have generally performed in line with their benchmarks over the last five years, although three of the funds (7IM CTACK CAPIV, 7IM Matterhorn and 7IM Mulgy) do not yet have a five-year track record.

The funds' ongoing charges figures can vary according to their size, but are generally priced in line with other funds managed by 7IM to similar strategies and objectives. 7IM's continued efforts to apply economies of scale to our funds should benefit these funds going forward as well.

Finally, the service provided to these clients includes regular contact with a 7IM Private Client Manager and additional advice as required.

Conclusion

Our board of directors believe that these funds, coupled with the added level of service from our Private Client Team, provide each individual client with good value for money, although their costs will be reviewed along with all other 7IM Funds by the end of this year.

Despite some recent performance headwinds, the funds' alignment with 7IM's longstanding approach to Strategic and Tactical Asset Allocation stands them in good stead to deliver on their objectives going forward. This alignment should also bring economies of scale to the funds in the form of lower ongoing charges.









10. Summary of the value assessment


Our board of directors' overall conclusion was that in assessing value against the FCA's 7 pillars, 7IM provides good or reasonable value to investors in the 14 funds that are covered in the report.







However, we do not wish to be complacent and are of the mind-set that we should always operate in the spirit of our recently revised culture and vision, which is centred around the following values:





1. We put our clients first
2. We listen and respond
3. We demand excellence
4. We do the right thing
5. We keep things simple
6. We value our people
7. We succeed together

With this in mind, we recognise that there is more that we could do and we will be taking the remedial actions outlined in the report so that we can deliver even better value to our investors.

Fund	Assessment summary	Overall assessment of value
7IM Personal Injury	The Fund has generally delivered superior returns to the peer group over the medium-to-long term, at below average cost.	
7IM Real Return	The Fund, despite some recent performance headwinds, has generally delivered superior returns to the target benchmark and peer group over the medium-to-long term, albeit it at higher than average cost.	
7IM Select Adventurous	The Fund has less than a one-year track record so it is not yet appropriate to assess its performance; from a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	
7IM Select Moderately Adventurous	The Fund has less than a one-year track record so it is not yet appropriate to assess its performance; from a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	
7IM Select Balanced	The Fund has less than a one-year track record so it is not yet appropriate to assess its performance; from a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	
7IM Select Moderately Cautious	The Fund has less than a one-year track record so it is not yet appropriate to assess its performance; from a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	
7IM Absolute Return Portfolio	The Fund, despite some recent performance headwinds, has generally delivered returns in line with the target benchmark and peer group over the medium-to-long term, albeit it significantly higher cost (which is being reviewed).	
7IM Income Portfolio	The Fund has experienced some recent performance headwinds, although it has generally delivered returns in line with the peer group over the medium-to-long term, albeit it significantly higher cost (which is being reviewed).	

Key:  Good value for money  Value for money but action may be required  Poor value for money and action required  N/A – Insufficient track record

Fund	Assessment summary	Overall assessment of value
7IM Arden	The Fund has generally delivered superior returns to the target benchmark over the medium-to-long term; from a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	
7IM Capital Strategy	The Fund has underperformed versus its target benchmark since inception; going forward it will be more aligned with the core 7IM strategies. From a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	
7IM CTACK CAPIV	The Fund has less than a three-year track record so it is not yet appropriate to assess its performance; from a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	
7IM Matterhorn	The Fund has less than a three-year track record so it is not yet appropriate to assess its performance; from a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	
7IM Mulgy	The Fund has less than a three-year track record so it is not yet appropriate to assess its performance; from a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	
7IM Randolph Place Diversified	The Fund, despite some recent performance headwinds, has generally delivered returns in line with the target benchmark over the medium-to-long term; from a cost perspective it is charged in line with other 7IM Funds which are all due to be reviewed for their costs by the end of this year.	

Key:  Good value for money  Value for money but action may be required  Poor value for money and action required  N/A – Insufficient track record

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