

PROFESSIONAL ADVISERS ONLY

# Risk mapping

7IM Funds and Model Portfolios

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.

# 7IM & risk mapping

At 7IM we recognise the need for financial planners to provide investment solutions that are appropriately matched to their clients' risk profile scores.

To this end, we work with a number of leading risk profiling tool providers, who 'map' our Funds/Model Portfolios to their risk profile scores.







It is important to emphasise that these risk profiling tools are only one aspect of an adviser's suitability process, and others such as the client's investment term / horizon, knowledge and experience should also be considered.





The methodology of the third party risk profiling tools is not endorsed by 7IM and individual fund risk profiling scores may not correspond precisely to the risk indicators in the 7IM fund literature. The responsibility for the mapping rests with these providers. The Risk Management Team at 7IM maintains a close dialogue with them all, to discuss how most appropriately to interpret the 7IM investment and risk management processes with respect to their risk rating process.

# defaqto







Defaqto's vision is to help people make better informed decisions. Risk Ratings are a key element of how they achieve this, by helping advisers match suitable funds with their clients' mandates. Risk Ratings uniquely map fund family members to Defaqto's 10 risk profiles. These have been created in partnership with Moody's Analytics. A Risk Rating of 1 indicates that a proposition represents the lowest risk profile; a Risk Rating of 10 indicates the highest risk profile. Defaqto's adviser research software 'Engage' allows advisers to extract their clients' mandates in a compliant manner, and to find suitable funds to match these.

## 7IM Funds risk rated by Defaqto

7IM Funds	Defaqto Risk Rating
Cautious / Personal Injury / AAP Income	
Moderately Cautious / AAP Moderately Cautious	
Balanced / AAP Balanced / Sustainable Balance	
Moderately Adventurous / AAP Moderately Adventurous	
Adventurous / AAP Adventurous	
<b>AAP Income</b>	

7IM Pathbuilder Funds	Defaqto Risk Rating
Pathbuilder 1	
Pathbuilder 2	
Pathbuilder 3	
Pathbuilder 4	

## 7IM Model Portfolios risk rated by Defaqto

7IM Active / Blended / Passive Model Portfolios:	Defaqto Risk Rating
Cautious	
Moderately Cautious	
Balanced / Income*	
Moderately Adventurous	
Adventurous	
Adventurous Plus	

\*Only applies to the Blended range

7IM Responsible Choice Model Portfolios	Defaqto Risk Rating
Cautious	
Moderately Cautious	
Balanced	
Moderately Adventurous	
Adventurous	



Please visit the Dynamic Planner website [www.dynamicplanner.com/home/dynamic-planner-for-financial-planners/manage/risk-profiles/](http://www.dynamicplanner.com/home/dynamic-planner-for-financial-planners/manage/risk-profiles/) for information relating to their risk mapping methodology.

### 7IM Funds and Model Portfolios risk rated by Dynamic Planner

7IM Funds Risk Rating	7IM Model Portfolios Risk Rating*	DP Risk Rating
Personal Injury / Cautious / Real Return	Cautious	3
Moderately Cautious / Income	Moderately Cautious	4
Balanced / Sustainable Balance	Balanced / Income	5
Moderately Adventurous	Moderately Adventurous	6
Adventurous	Adventurous	7

7IM Pathbuilder Funds	7IM Passive Model Portfolios	DP Risk Rating
	Cautious	3
Pathbuilder 1	Moderately Cautious	4
Pathbuilder 2	Balanced	5
Pathbuilder 3	Moderately Adventurous	6
	Adventurous	7
Pathbuilder 4	Adventurous Plus	7

\*Risk ratings apply to blended models only.



The EValue ratings shown here are based on a 15 year investment time horizon. Ratings based on other time horizons are available. Mappings are based on the Strategic Asset Allocations of the 7IM Multi-Asset Funds and Model Portfolios.

### 7IM Funds and Model Portfolios risk rated by eValue

Name of Fund (AAP and Multi Manager)	Model Portfolio (Active and Blended)	EV Risk Ratings (Scale 1 – 5)	EV Risk Ratings (Scale 1 – 7)	EV Risk Ratings (Scale 1 – 10)
		15 Years	15 Years	15 Years
Cautious / Personal Injury	Cautious	eV 2	eV 2	eV 3
Moderately Cautious	Moderately Cautious	eV 2	eV 3	eV 4
AAP Income		eV 3	eV 4	eV 5
Balanced	Balanced	eV 3	eV 5	eV 7
	Income*	eV 3	eV 5	eV 7
Moderately Adventurous	Moderately Adventurous	eV 4	eV 6	eV 8
Adventurous	Adventurous	eV 4	eV 6	eV 9
	Adventurous Plus*	eV 5	eV 7	eV 9

Fund (Pathbuilder and Sustainable Balance)	Model Portfolio (Passive and Responsible Choice)	EV Risk Ratings (Scale 1 – 5)	EV Risk Ratings (Scale 1 – 7)	EV Risk Ratings (Scale 1 – 10)
		15 Years	15 Years	15 Years
	Cautious	eV 2	eV 3	eV 3
Pathbuilder 1	Moderately Cautious	eV 3	eV 4	eV 5
Pathbuilder 2 / Sustainable Balance	Balanced	eV 3	eV 5	eV 7
Pathbuilder 3	Moderately Adventurous	eV 4	eV 6	eV 8
	Adventurous	eV 5	eV 6	eV 9
Pathbuilder 4	Adventurous Plus**	eV 5	eV 7	eV 9

\* Applies **only** to the Blended range

\*\* Applies **only** to the Passive range



Multi Manager / AAP Funds		Risk Tolerance Score Ranges					
Asset Allocation	Growth Assets	Best Fit	Too Much Risk	Marginal	OK Risk	Marginal	Too Little Risk
Cautious / Personal Injury	35%	30 – 48	<30	30 – 37	38 – 49	50 – 55	>55
Moderately Cautious	48%	49 – 58	<40	40 – 45	46 – 57	58 – 63	>63
Balanced	68%	59 – 68	<52	52 – 57	58 – 69	70 – 77	>77
Moderately Adventurous	82%	69 – 77	<60	60 – 65	66 – 80	81 – 100	n/a
Adventurous	92%	78 – 100	<66	66 – 72	73 – 100	n/a	n/a

Active / Blended Model Portfolios		Risk Tolerance Score Ranges					
Asset Allocation	Growth Assets	Best Fit	Too Much Risk	Marginal	OK Risk	Marginal	Too Little Risk
Cautious	35%	30 – 48	<30	30 – 37	38 – 49	50 – 55	>55
Moderately Cautious	48%	49 – 58	<40	40 – 45	46 – 57	58 – 63	>63
Balanced	68%	59 – 68	<52	52 – 57	58 – 69	70 – 77	>77
Moderately Adventurous	82%	69 – 77	<60	60 – 65	66 – 80	81 – 100	n/a
Adventurous	92%	78 – 100	<66	66 – 72	73 – 100	n/a	n/a

Income Fund / Model Portfolio		Risk Tolerance Score Ranges					
Asset Allocation	Growth Assets	Best Fit	Too Much Risk	Marginal	OK Risk	Marginal	Too Little Risk
7IM AAP Income Fund	45%	-	<38	38 – 43	44 – 55	56 – 61	>61
7IM Blended Income Model Portfolio	68%	-	<52	52 – 57	58 – 69	70 – 77	>77



Sustainable Balance Fund		Risk Tolerance Score Ranges					
Asset Allocation	Growth Assets	Best Fit	Too Much Risk	Marginal	OK Risk	Marginal	Too Little Risk
7IM Sustainable Balance	67%	-	<51	51 – 56	57 – 69	70 – 76	>76

Real Return Fund		Risk Tolerance Score Ranges					
Asset Allocation	Growth Assets	Best Fit	Too Much Risk	Marginal	OK Risk	Marginal	Too Little Risk
Real Return	58%	-	<46	46 – 51	52 – 63	64 – 69	>69

7IM Passive Model Portfolios		Risk Tolerance Score Ranges					
Asset Allocation	Growth Assets	Best Fit	Too Much Risk	Marginal	OK Risk	Marginal	Too Little Risk
Cautious	33%	29 – 47	<29	29 – 35	36 – 48	49 – 54	>54
Moderately Cautious	46%	48 – 57	<38	38 – 44	45 – 55	56 – 61	>61
Balanced	67%	58 – 67	<51	51 – 56	57 – 69	70 – 76	>76
Moderately Adventurous	81%	68 – 78	<59	59 – 65	66 – 79	80 – 100	n/a
Adventurous	95%	79 – 100	<68	68 – 74	75 – 100	n/a	n/a
Adventurous Plus	98%	81 – 100	<70	70 – 77	78 – 100	n/a	n/a

This review was conducted in August 2023.

© Morningstar, Inc. Risk tolerance scores were mapped to the funds' strategic asset allocations as at 21/08/2023. The mappings are only for use by financial advisors licensed to use FinaMetrica, are for guidance purposes only and do not constitute financial or investment advice. Financial advisers must satisfy themselves that the funds' current asset allocations reflect the risk/return expectations of the funds when mapped. 7IM does pay Morningstar for the mappings in the table however these mappings are calculated independently by Morningstar.

# Oxford Risk

## 7IM Funds and Model Portfolios risk rated by Oxford Risk








7IM Funds Risk Rating	7IM Model Portfolios Risk Rating	Oxford Risk Risk Rating
	7IM Passive Cautious	<div> <div>Oxford Risk</div> <div>2 / 5</div> <div>2 / 7</div> </div>
7IM Cautious 7IM Moderately Cautious 7IM AAP Moderately Cautious 7IM Pathbuilder 1	7IM Active Cautious 7IM Blended Cautious 7IM Active Moderately Cautious 7IM Blended Moderately Cautious 7IM Passive Moderately Cautious	<div> <div>Oxford Risk</div> <div>2 / 5</div> <div>3 / 7</div> </div>
7IM Balanced 7IM AAP Balanced 7IM Pathbuilder 2 7IM Sustainable Balance	7IM Active Balanced 7IM Blended Balanced 7IM Blended Income 7IM Passive Balanced	<div> <div>Oxford Risk</div> <div>3 / 5</div> <div>4 / 7</div> </div>
7IM Moderately Adventurous 7IM AAP Moderately Adventurous 7IM Pathbuilder 3	7IM Active Moderately Adventurous 7IM Blended Moderately Adventurous 7IM Passive Moderately Adventurous	<div> <div>Oxford Risk</div> <div>4 / 5</div> <div>5 / 7</div> </div>
7IM Adventurous 7IM AAP Adventurous	7IM Active Adventurous 7IM Blended Adventurous 7IM Passive Adventurous	<div> <div>Oxford Risk</div> <div>4 / 5</div> <div>6 / 7</div> </div>
7IM Pathbuilder 4	7IM Passive Adventurous Plus	<div> <div>Oxford Risk</div> <div>5 / 5</div> <div>6 / 7</div> </div>

















### 7IM Funds and Model Portfolios risk rated by Synaptic







#### Synaptic 1 – 5 Risk Stamp

7IM Fund / Active & Blended Model Portfolio Risk Profile	Synaptic Risk Profile	Synaptic Risk Rating
Cautious / Personal Injury	Moderately Cautious	
Moderately Cautious	Moderately Cautious	
Income	Moderately Cautious	
Sustainable Balance	Balanced	
Balanced	Balanced	
Moderately Adventurous	Moderately Adventurous	
Adventurous	Moderately Adventurous	

#### Synaptic 1 – 5 Risk Stamp

7IM Passive / Responsible Choice Model Portfolio Risk Profile	Synaptic Risk Profile	Synaptic Risk Rating
Cautious*	Moderately Cautious	
Moderately Cautious	Balanced	
Balanced	Balanced	
Moderately Adventurous	Moderately Adventurous	
Adventurous	Moderately Adventurous	
Adventurous Plus**	Adventurous	

Synaptic 1 – 10 Risk Stamp		
7IM Fund / Active & Blended Model Portfolio Risk Profile	Synaptic Risk Profile	Synaptic Risk Rating
Cautious / Personal Injury	Moderately Cautious (Low End)	
Moderately Cautious	Moderately Cautious (High End)	
Income	Moderately Cautious (High End)	
Balanced / Sustainable Balance	Balanced (High End)	
Moderately Adventurous	Moderately Adventurous (Low End)	
Adventurous	Moderately Adventurous (High End)	

Synaptic 1 – 10 Risk Stamp		
7IM Passive / Responsible Choice Model Portfolio Risk Profile	Synaptic Risk Profile	Synaptic Risk Rating
Cautious*	Moderately Cautious (High End)	
Moderately Cautious	Balanced (Low End)	
Balanced	Balanced (High End)	
Moderately Adventurous	Moderately Adventurous (Low End)	
Adventurous	Moderately Adventurous (High End)	
Adventurous Plus**	Adventurous	

\* Applies **only** to the Responsible Choice range

\*\* Applies **only** to the Passive range

# Things to note

7IM's funds are mapped against a selection of third party risk profiling tools to assist advisers as part of suitability assessments for clients. Such tools are however only one aspect of an adviser's suitability process and others such as the clients' investment term/horizon and knowledge and experience should also be considered.

The methodology of third party risk profiling tools is not endorsed by 7IM and individual fund risk profiling scores may not correspond precisely to the risk indicators in the 7IM fund literature.





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