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## 7IM enhances Pathbuilder range with ‘trend following’ strategy

7IM has added a medium-term ‘trend following’ strategy to its Pathbuilder multi-asset fund range. The Pathbuilder range provides advisers with a lower cost ‘passive’ option for their clients, with deep diversification.

The Pathbuilder funds are underpinned by 7IM’s established Strategic Asset Allocation (SAA) process, but to keep costs down the SAA focuses on allocating to the most liquid and cost-effective traditional assets. The newly implemented trend-following strategy, which accounts for up to 4% of the portfolios, seeks to offer significant diversification to the drivers of the returns of many of the traditional asset classes within the SAA.

Trend following can take advantage of trends in both rising and falling markets to make profits, which can be helpful for the portfolio when other return seeking assets are not performing well. It takes advantage of the fact that rising markets tend to continue to rise, and conversely that falling markets tend to continue to fall (i.e. they “trend”).

Trend strategies have delivered strong performance during market turmoil and add a further layer of diversification and risk management to traditional passive strategies. They have additional defensive properties in environments where market concentration can leave investors highly exposed, like in 2022, for example.

Launched in 2020, 7IM’s Pathbuilder range comprises four funds with an annual management charge of 0.22%. The funds are available on the 7IM Platform as well as a range of other adviser platforms.

**“Matthew Yeates, Deputy Chief Investment Officer at 7IM, said:** “As many traditional assets continue to move in lockstep, access to deeper levels of diversification has never been more important. To respond to this, we’ve bolstered our Pathbuilder range with ‘trend following’. Whilst we already use trend following for some time in our more active portfolios, we feel the setup can also be very fruitful for our passive portfolios given the current macro environment.

“Passive to many people can simply mean “low cost”. For us it’s important that “passive” means a *properly* diversified portfolio that follows a strategic asset allocation. This means constructing something more robust than simply ‘cap weighting’ equities and watering that down with some government bonds. This evolution of Pathbuilder is our latest thinking for a fund vehicle taking that approach.”

**Chris Justham, Managing Director of Intermediary Solutions at 7IM said:** “We’re always looking at how we can enhance so our offering for planners so that they can deliver the best outcomes for their clients. Following recent conversations with a number of our key partners, we’ve listened to feedback and improved our Pathbuilder range to offer deeper levels of diversification. We’ve been innovators in the passive industry for 16 years and are pleased to be able to offer something different here.

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## **Notes to Editors:**

### **About 7IM**

At 7IM we want to deliver an unrivalled experience for all of our clients – whether that’s individuals, families or businesses.

For financial advisers and planners, this involves us standing alongside them to support them with whatever they need, so they can focus more on what really matters: nurturing their relationships with clients to deliver on their financial plans. Our offering for advisers reflects that: an open architecture platform, multi asset investment solutions to fit whatever their investment philosophy is, and help with discretionary investment management.

For our private wealth clients, it all starts with understanding the client, their families, and their goals and then creating a bespoke financial plan designed to help them achieve financial freedom.

We use cutting-edge technology to help make things simple and clear, but what really sets us apart is our real, honest, human service. No automated helplines or chatbots. You’ll always talk to a person.

Today, from our offices in London and Edinburgh, our team of more than 550 talented people are entrusted to manage approximately £23 billion (as at January 2024) for a range of clients, including individuals and families, financial advisers, corporates, charities and trustees.

In January 2024, Ontario Teachers’ Pension Plan, a global investor with net assets of \$249.8 billion (as at June 30, 2023), acquired a majority stake in 7IM.

**Important information:** The information contained in this document does not constitute investment advice and if you are in any doubt about the suitability of the investment or service, you should consult a professional financial adviser. The value of investments, and the income from them, can fall as well as rise and you may not get back the full amount invested. Seven Investment Management LLP is authorised and regulated by the Financial Conduct Authority. Registered office: 1 Angel Court, London EC2R 7HJ. Registered in England and Wales No. OC378740.