

7IM portfolios continue decarbonisation journey of SAA

7IM continues to make progress with its plans to decarbonise its Strategic Asset Allocation (SAA). In 2020, it embarked on a programme to reduce carbon emissions of the SAA of all portfolios by 30% over five years (by mid-2026) and has already switched over £300million of assets into lower carbon investments. 7IM plans on implementing phase two of its Strategic Asset Allocation carbon reduction project later this year where it will be focusing on its Corporate Bond assets.

As part of its SAA annual review and update, 7IM has moved its Moderately Cautious AAP and Multi Manager Funds from the IA Mixed Investment 0-35% Shares sector and into the IA Mixed Investment 20-60% Shares sector. While these funds have moved sectors, this is not a departure from the way 7IM runs portfolios – and its investment philosophy and identity remain unchanged. The increase in equity exposure in strategic benchmarks is broadly consistent with levels 7IM have positioned tactically over the last year or so.

Commenting on the SAA update, **Matthew Yeates, Deputy Chief Investment Officer at 7IM** said:

“Every year we undergo a process to refresh our Strategic Asset Allocations (SAAs), which represent the long-term anchor and starting point for all of our tactical moves in all the 7IM portfolios.

“However, unlike many of the previous years, the period we have been through in 2022 has seen especially heightened volatility in lower risk portfolios such as Cautious and Moderately Cautious. What has been particularly unusual is that the volatility in these portfolios has been driven as much by the bond component of portfolios, as by the equity portion. This has seen the risk of bonds relative to equities increase, due to the inflationary backdrop and rising interest rates.

“We have long been advocates of using alternative assets to protect more cautious portfolios against such environments. Over the last few years, we have been increasing the allocation to alternatives, which have continued to deliver exactly the sort of defensive properties we wanted – and have done so again in 2022, despite equity and bond markets both falling. This continued robust and stable performance of alternatives has given us increased confidence in their diversification properties in strategic portfolios.

“SAA decarbonisation and measuring ESG factor exposure continues to be a key part of our process. We have identified corporate bonds as the next point of focus, having made definitive steps in equity allocations in recent years.”

- Ends -

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Notes to Editors:

About 7IM

It all began in 2002, with seven of us in a basement establishing 7IM because we couldn't find anywhere we wanted to invest our families' money. Our assets under management now stand at over £18bn, and we have moved from 'basement' to 'Bishopsgate' in the City of London.

We manage money aiming to meet people's medium to long term return expectations. Fundamentally, we believe in active asset allocation in both active and passive investments (where we were one of the first to offer actively managed passive portfolios). We build global portfolios based on that allocation, and include alternative assets where appropriate to manage the risk reward trade off. Active currency management is also at the core of what we do.

7IM provides investment services to professional wealth managers, planners, advisers and private investors. These include: discretionary investment management, a range of multi-asset portfolios, an investment and open architecture trading platform and a fantastic app, 7IMagine, which brings client portfolios to life.

Multigenerational investing

We do our best to pass on economies of scale, reducing fees so more investors within a family save with us. Grandparents, through to parents and their children can invest as individuals with one charging structure – whether they live under the same roof or not.

A story of continuous innovation.

In 2013, we launched 7IMagine, an app allowing investors and advisers to keep up to date with their portfolio. The brainchild of some clients – professional 'gamers' uninspired by their paper statements – 7IMagine was enriched in February 2016, with My Future. Again using gaming technology, My Future allows advisers and investors to capture details about family or individual finances, including any number of streams of income, properties, other assets and expenses, to help identify how sustainable their finances are and if / when their retirement income will run out.

Our funds

- Our **Pathbuilder fund range**, launched in 2020, offers clients a well-diversified range of passive funds that benefit from our robust Strategic Asset Allocation at a competitive price.
- Our **AAP fund range (Asset Allocated Passive)** is populated largely with passive structures to keep costs to a minimum. Asset allocation is actively managed to help exploit opportunities and reduce risk across the spectrum: **7IM AAP Adventurous, 7IM AAP Moderately Adventurous, 7IM AAP Balanced, 7IM AAP Moderately Cautious, 7IM Cautious and 7IM AAP Income.**
- Our **Multi-Manager fund range** invests in a range of active and passive vehicles. Costs still matter, but if we think an actively managed fund can outperform a passive alternative we have the freedom to choose it. Asset allocation is actively managed. There are different funds for different profiles: **7IM Adventurous, 7IM Moderately Adventurous, 7IM Balanced and 7IM Moderately Cautious.**
- We also have a selection of funds designed to meet specific needs, such as the **7IM Personal Injury Fund**, the **7IM Real Return Fund** or the SRI focussed **7IM Sustainable Balance Fund.**

Our Model Portfolios

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The 7IM Model Portfolios are a range of risk rated portfolios and are available within our discretionary investment services and standalone on the 7IM platform and other platforms. The Models use the same investment process and asset allocation as our funds.

Our range of Model Portfolios are available across the risk profiles: **7IM Adventurous Plus Model Portfolio, 7IM Adventurous Model Portfolio, 7IM Moderately Adventurous Model Portfolio, 7IM Balanced Model Portfolio, 7IM Moderately Cautious Model Portfolio, 7IM Cautious Model Portfolio and 7IM Income Model Portfolio.**

In 2019, we launched the **7IM Passive Model Portfolios**, a diversified range of passive multi asset model portfolios underpinned by our robust Strategic Asset Allocation (SAA) process. The Passive Model Portfolios differ from our traditional offering and are built purely using a streamlined version of 7IM's robust (SAA).

In 2020, we launched the 7IM Responsible Choice Model Portfolios, combining our experience and expertise in both responsible investing and multi-asset investing to provide clients with a range of ESG focussed risk rated model portfolios.

The 7IM funds and Model Portfolios are available through the 7IM Discretionary and Platform as well as on other platforms.

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