

The 7IM Retirement Income Service

Your income, your way



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 INTERMEDIARY RETIREMENT INCOME SERVICE

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It's time for something better

In recent years there has been a radical change in how people entering retirement generate income. The number of people enjoying final salary pensions is in decline and far fewer people are opting for annuities. Meanwhile, demand for income drawdown strategies has never been higher. With the introduction of pension freedoms in 2015, people have more control than ever over how they use their pension pots.

That's why we created the 7IM Retirement Income Service (RIS). It is a bespoke solution designed to support the retirement plan that you and your adviser have created. It provides you with greater control over your income in retirement while mitigating many of the pitfalls associated with income drawdown. It is important to understand that as with any investment your capital is at risk and returns cannot be guaranteed.

Above all, the 7IM RIS allows you and your adviser to remain in control of your capital. It adapts to changing personal needs and circumstances, using sophisticated modelling techniques to manage risk and provide you with a clear view of how your plan is progressing.

About the 7IM RIS

Drawing on our investment management expertise, the 7IM RIS combines robust science with real-life application and life scenarios to create your personalised retirement income plan.

The 7IM RIS takes into account all of the pensions and investments you select and is managed according to your objectives and timelines while always keeping you in your agreed risk profile and comfort zone. Working in partnership with your financial adviser, the 7IM RIS allows you to manage your income in retirement, providing you with the flexibility you need.

The benefits:



Bespoke

Your portfolio will be built around your specific circumstances, including your attitude to risk, the timeframe you are planning for, the level of income you wish to take and your plans for the future.



Sustainable

By using sophisticated modelling techniques, the 7IM RIS seeks to provide you with an income that not only meets your immediate requirements but which is achievable throughout your desired timeframe.



Flexible

As your circumstances can change at any time, we have designed the 7IM RIS to support this. You can vary your income over time, change how your investments are managed, and also potentially leave a legacy for the next generation.

The drawbacks:



Investment risk

Unlike annuities, which once purchased provide you with a regular income, the income from the 7IM RIS cannot be guaranteed. This is because your money remains invested and is dependent on these investments to provide the income.



Capital at risk

It is important to understand that with any investment, your capital is at risk and returns cannot be guaranteed.

Where to start?

Building and managing your 7IM RIS

STEP 01

Review your entire investable portfolio

The starting point is for your adviser to understand your entire wealth position including pension savings, ISAs and other investments, to determine which of these should sit inside the 7IM RIS.

STEP 02

Understand your income requirements

You and your financial adviser will determine your objectives and your attitude to risk, plus establish your income requirements. This information will help us determine how to build your bespoke portfolio.

STEP 03

Build your portfolio

We take the information that you and your adviser provide and create your personalised portfolio based on our own bespoke modelling and testing. We then provide a detailed Investment Proposal report for your adviser to review and discuss with you.

STEP 04

Assessing suitability

Your adviser will review the Investment Proposal and ensure that it is suitable for your needs and attitude to risk.

STEP 05

Manage your portfolio

We manage your portfolio according to your objectives to provide your required income throughout changing market conditions. This includes frequently topping up cash balances in the most tax-efficient manner to minimise the risks of liquidating investments when markets fall.

STEP 06

Regular review

Your financial adviser will regularly review your 7IM RIS plan. We provide updates on how your portfolio is performing, including an annual review and ad hoc reviews on request, and make adjustments as necessary to ensure it remains in line with your objectives.

STEP 07

Align with your risk profile

Your investments will be matched to your risk profile at the beginning as determined by you and your financial adviser. Our Risk Management Team continues to monitor and assess the portfolios used within the 7IM RIS to ensure they are in line with your chosen risk profile.

How the 7IM RIS works

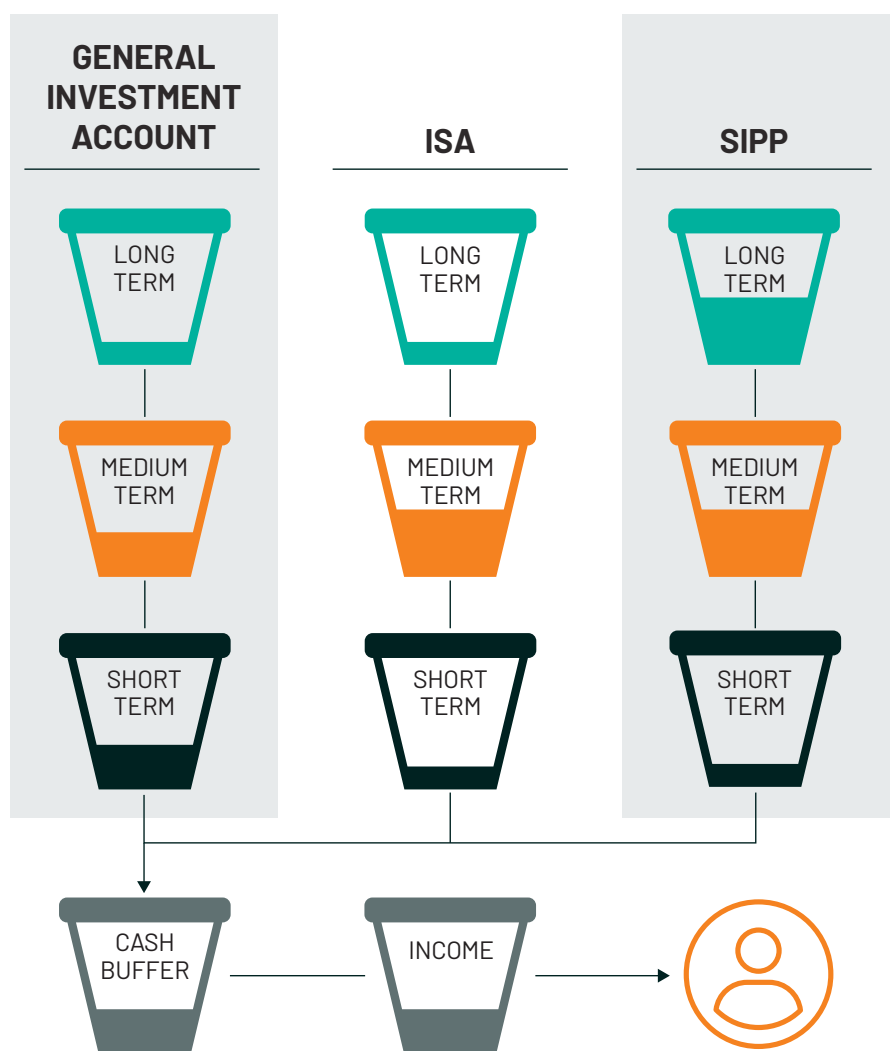
The 7IM RIS takes all of your selected assets and treats them as a single portfolio that is aligned with your risk profile.

Your investments are then allocated into a series of pots invested across three time horizons: short term, medium term and long term. The long term and medium term pots aim to provide capital growth and therefore contain more higher-risk investments. The short term pots are invested in assets which have a lower risk profile relative to the rest of the portfolio.

You also have two cash pots, one – the income pot – to provide a full year of income and another – the cash buffer pot. The cash buffer pot is there to provide another year of income if markets are unfavourable when a top up of the income pot is planned, meaning that we would be able to wait until market conditions change.

This structure is designed to help you meet your income objectives for today and in the future, while keeping you in line with your risk profile.

A single portfolio, allocated across a series of pots and time horizons:



Each year, we review your plan with your financial adviser. As part of this review:

- 01 We provide your adviser with an updated report – your Annual Update.
- 02 We check to see if your needs or circumstances have changed.
- 03 Investment performance is compared against market conditions.
- 04 If necessary, we may change the make-up of your investments so that they are optimised for your current needs.
- 05 The coming year's income requirement is allocated to your income pot, either from your short-term pot or cash buffer. If the market conditions are favourable, we will sell down investments in your short-term pot. If they are unfavourable, i.e. the market is experiencing a downturn, then we will wait in order to reduce potential losses, and instead use the cash buffer.

How we communicate with you

At 7IM, we keep you informed about your portfolio every step of the way through personalised reporting.

When you are considering using the 7IM RIS, we provide your financial adviser with an Investment Proposal Report that illustrates how your money will be invested and the likelihood of your income requirement being achieved. Your adviser will discuss this document with you to

ensure that you understand the process, risks and costs associated with using the 7IM RIS.

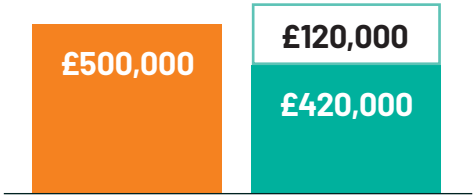
We believe that a key part of successfully managing your income in retirement is regularly reviewing your plan with your financial adviser.

We provide clear and concise information about your portfolio so that you are up to date with how your investments have performed and can make informed decisions about whether any changes need to be made.

Each year, we will provide you with an Annual Update which explains the following:

01


How your current portfolio value compares with your initial investment value on opening your 7IM RIS, including detail on how much income has been taken.



● Total Amount Invested ● Current Value ○ Income Withdrawn


02

An updated likelihood of your income requirement being achieved.



03

How your investments will be split across the different time horizons for the coming year.



Updates can also be provided on request

Why choose the 7IM RIS?

How you fund your retirement is an important decision that is crucial to get right.

We believe we are defined by providing you with what matters most:

- Innovative products that we are constantly improving to meet your changing needs;
- Exceptional client service.

Your financial adviser has recommended the 7IM RIS to you because it offers a solution to your overall investment portfolio in answer to many of the complex challenges that you face when seeking to take an income in retirement. The 7IM RIS is a sophisticated solution that helps to ensure your assets are managed to suit you and your needs.

The 7IM RIS may be right for you if:



You are seeking a flexible income drawdown solution



You have other sources of secure income that can cover your basic retirement income needs



You are seeking income to improve your retirement lifestyle



You have investable assets of more than £200,000

What's next?

Please speak to your financial adviser to gauge your suitability for the 7IM Retirement Income Service and how it could work for you and your retirement needs.

It is important to understand that investments carry risk and you may not get back what you invested.

About 7IM

We're 7IM. As an investment management business, we help individuals, their families and advisers manage their capital to meet their financial needs and aspirations.

We look after over £19 billion of our clients' money as well as our own. Our team of more than 600 people is focused on delivering the best outcomes for all of our partners and clients.

2002

Founded in 2002

600

A team of almost 600 people

£19 billion

Over £19 billion of assets under management

