

7IM Responsible Choice Model Portfolios

This is the future



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. Past performance is not a guide to future performance. 7IM considers that the obligation to provide appropriate advice to clients and explain the risks inherent in the portfolios falls to advisers. Any reference to specific investments are included for information purposes only and are not intended to provide stock recommendation or investment recommendations to individual investors.

Responsible investing with 7IM

We all want to make things better. For the world and everybody in it. That's why 7IM launched the Responsible Choice Model Portfolios. We're using our expertise in responsible and multi-asset investing to help you make a difference now.



Strong performance

We at 7IM are proven performers in responsible investing. We've been running a successful Sustainable Balance Fund for over 15 years, which boasts stronger performance than most other sustainable funds.



Long experience

By contrast, many new funds and managers in the space don't even have three-year track records. We've been actively investing with environmental, social and governance (ESG) issues in mind for a long time, which gives us a unique insight into how they work. We know how to spot problem areas like 'greenwashing', where managers make investments look greener than they really are.

We're also specialists in multi-asset investing. Our investment team has decades of experience in investing of this kind. We've developed our strategy and processes over time, and have the expertise to deal with whatever happens in the markets.



Consciously priced

At 7IM, we've always been focused on delivering value for money when it comes to costs. A model portfolio offers you an off-the-shelf solution – a highly efficient and low-priced way to invest. Just because we're trying to make the world a better place, doesn't mean we have to charge the earth. Our Responsible Choice Model Portfolios have a total cost of approx. 0.70% per annum.



Making responsible choices

We all want to make things better for the world and everybody in it. Investors are now taking this responsibility seriously and changing the way they invest.

Creating a better future

Investing with the environment, human rights and combatting inequality in mind will lead to better outcomes for everyone in the long run.

Protecting our wealth

And there's good reason to believe that ESG – environmental, social and governmental – issues can influence company and investment returns in the long run. Investing responsibly ensures the future of organisations and the wealth they create.

7IM's commitment

Achieving high standards

In 2019, 7IM signed up to the UN Principles for Responsible Investment (PRI), which encourages all investors to incorporate ESG considerations into their investment process. It covers how we view and manage our investments, and how we address ESG and sustainability issues inside the firm, as a corporate citizen.

Beyond the PRI, we're raising our ESG standards across the business. For example by targeting emissions in the investments we choose. We're also developing our corporate sustainability policy, including recycling, corporate citizenship and overall emissions.

Offering sustainable investments

7IM has run a successful Sustainable Balance Fund since 2007. The Sustainable Balance Fund has a 15-year track record, which is long in an area where many funds are not able to boast even three-year track records. Sustainable Balance has been managed to ethical, sustainable and ESG principles throughout. The lead fund manager regularly delivers ESG and stewardship training to both the Investment Management team and the broader business.



Building the portfolios: tried and tested processes

Our five 7IM Responsible Choice Model Portfolios are built using rigorous investment processes that we've developed over many years. We use them across all our portfolios and funds.



Each portfolio has a long-term investment plan. We call this the Strategic Asset Allocation (SAA). Developed and refined over the past 19 years, our SAAs have delivered consistently and are a major strength.



We also look for short-term opportunities to enhance performance from a portfolio. We call this our Tactical Asset Allocation.



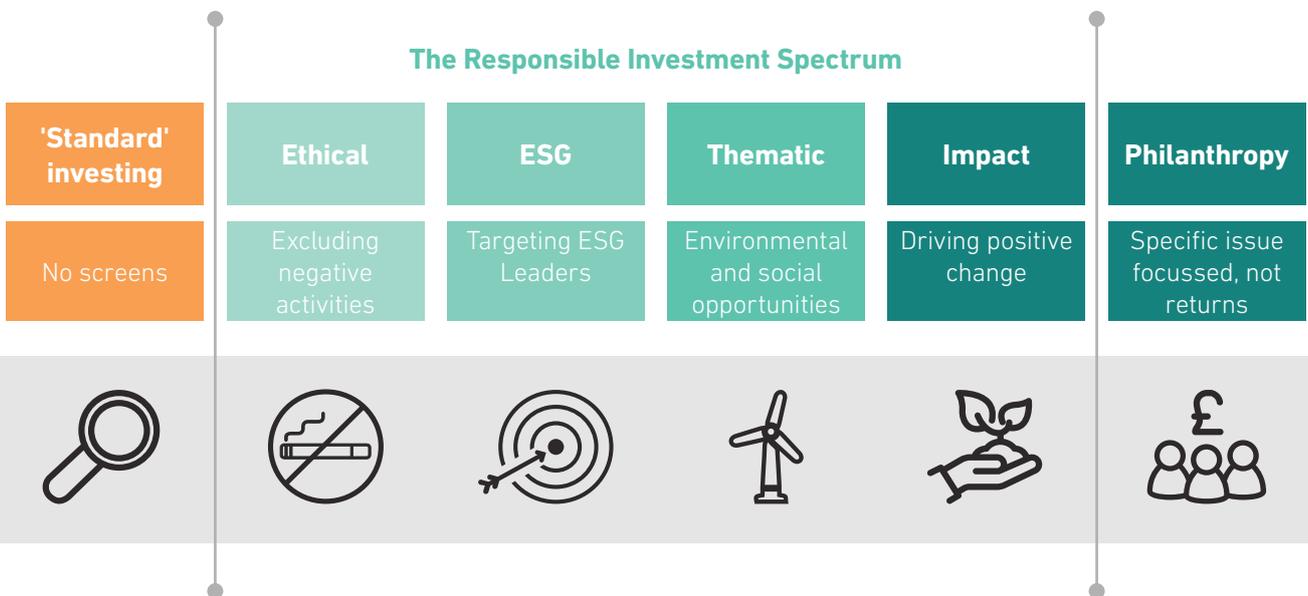
We look for appropriate products and blend active and passive investments to give you access to different markets and sources of returns.



We monitor what could go wrong in portfolios and have risk-management systems to deal with these challenges.

A better future: our responsible choices

Our portfolios cover the full responsible investment spectrum.



The portfolios focus on investments that score well on ESG factors and aim to avoid companies that produce products like weapons, tobacco and thermal coal.

We also look for investments that will have a positive long-term impact on society and the environment. All of this is done remaining true to our investment strategy and careful management of risks.

Measuring positive change

At 7IM, we are committed to fighting climate change in how we run our business and in our investments. The Responsible Choice Models are designed to reduce portfolio carbon emissions by at least 40%, compared with our standard models.*

*Based on MSCI Weighted Average Carbon Intensity, scope 1 & 2 emissions. Comparison versus the SAA is based on the allocations at the point of launch for the Responsible Choice Model Portfolios.

7IM's Responsible Choice Model Portfolios

7IM has a suite of five Responsible Choice Model Portfolios. Your adviser will work with you to choose what's most suitable for you depending on your attitude to risk, your goals and the stage of life you're at. The portfolios range from cautious to adventurous.





We have maintained a programme of charitable work for many years and take part in initiatives to reduce our carbon footprint.”

Anna Baker, Head of Strategy and Transformation

7IM's Responsible Choice Model Portfolios

Continued

Responsible investing in practice

Here's two examples of investments we've chosen from different parts of the responsible investment spectrum.

Befesa:

Steel and Aluminium are vital metals in the development of our homes and workplaces but the manufacturing processes used to produce them are hugely polluting. This is why some of the most impactful stocks are connected to making these processes cleaner.

Befesa is that type of company. It helps make the production of steel and Aluminium more efficient, increases the use of recyclable materials and therefore helps the circular economy. Befesa's best-in-class recycling technology offers an alternative to landfills and its technology can extract and re-use the valuable metals contained within hazardous waste created in the production process.

The company manages and recycles over 2 million tonnes of industrial waste annually with a production of around 1.5 tonnes of new materials. This significantly reduces the consumption of natural resources and also helps protect the environment.

Thematic investing: Responsible Finance

The world is heating up, and growing populations are straining food production, social care and housing. Who will pay to help solve these problems? Bonds could be part of the answer. A bond is essentially a loan where an organisation pays back investors with pre-agreed interest over a set timescale.

Responsible finance is one of the fastest-growing areas of sustainable investing, covering green, social and sustainability bonds. In 2020 alone, \$732 billion in responsible bonds were issued to finance a range of sustainable projects.

The largest growth was in social bonds where \$148 billion of bonds were issued. Most of these bonds were used to fight the Covid-19 pandemic and the subsequent recession. For example, the African Development Bank issued \$1 billion in bonds to shore up its finances.

We use the Threadneedle Social Bond Fund to access these bonds, unlocking their potential to deliver social benefits like financial inclusion, social care and community services in the UK. The fund works with Big Issue Invest (the social investment arm of the Big Issue Group) to select bonds from issuers that have a positive impact on social and economic development, along with healthy financial returns.

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