

7IM Responsible Balanced Fund

OCTOBER 2026**Reporting Period - 1 April 2025 - 30 June 2026**

Overview

This report will cover information on the 7IM Responsible Balanced Fund and how it is performing in line with its sustainable strategy goals.

Fund objective:

The 7IM Responsible Balanced Fund aims to provide a balance of income and capital growth. The Sub-Fund invests at least 80% of its assets in a range of shares and corporate bonds, supranational and government bonds and other funds managed by selected fund managers. Up to 20% of the Sub-Fund will be invested in liquid assets such as cash, deposits, money market funds and money market instruments, as well as warrants.

The full Objective, Policy and Strategy can be found in the Fund Prospectus at <https://www.7im.co.uk/media/sv5hxmsh/7im-investment-funds-prospectus.pdf>

Sustainable investment strategy

What the fund invests in

1) Negative screening

We apply exclusions to company shares, corporate bonds and other funds and keep controversial activities to a minimum in this fund. This includes, gambling, alcohol, armaments and tobacco.

2) Positive selection

We take active steps to include other funds that align with our desired sustainability characteristics. These include assessing:

- Environmental issues, including supporting and managing climate change mitigation (i.e. reduction of greenhouse gases) and adaptation, waste and water management or land management;
 - Human capital issues, including fair labour practices, health and safety practices or supply chain management; and
 - Social capital issues, including access to healthcare or finance, privacy and data security or consumer protection.
- For companies to be considered as having sustainable characteristics, they must meet at least one of the following considerations:
- a key issue score that is above the global equity index 'average'; or
 - a carbon intensity that is below the global equity index 'average'.

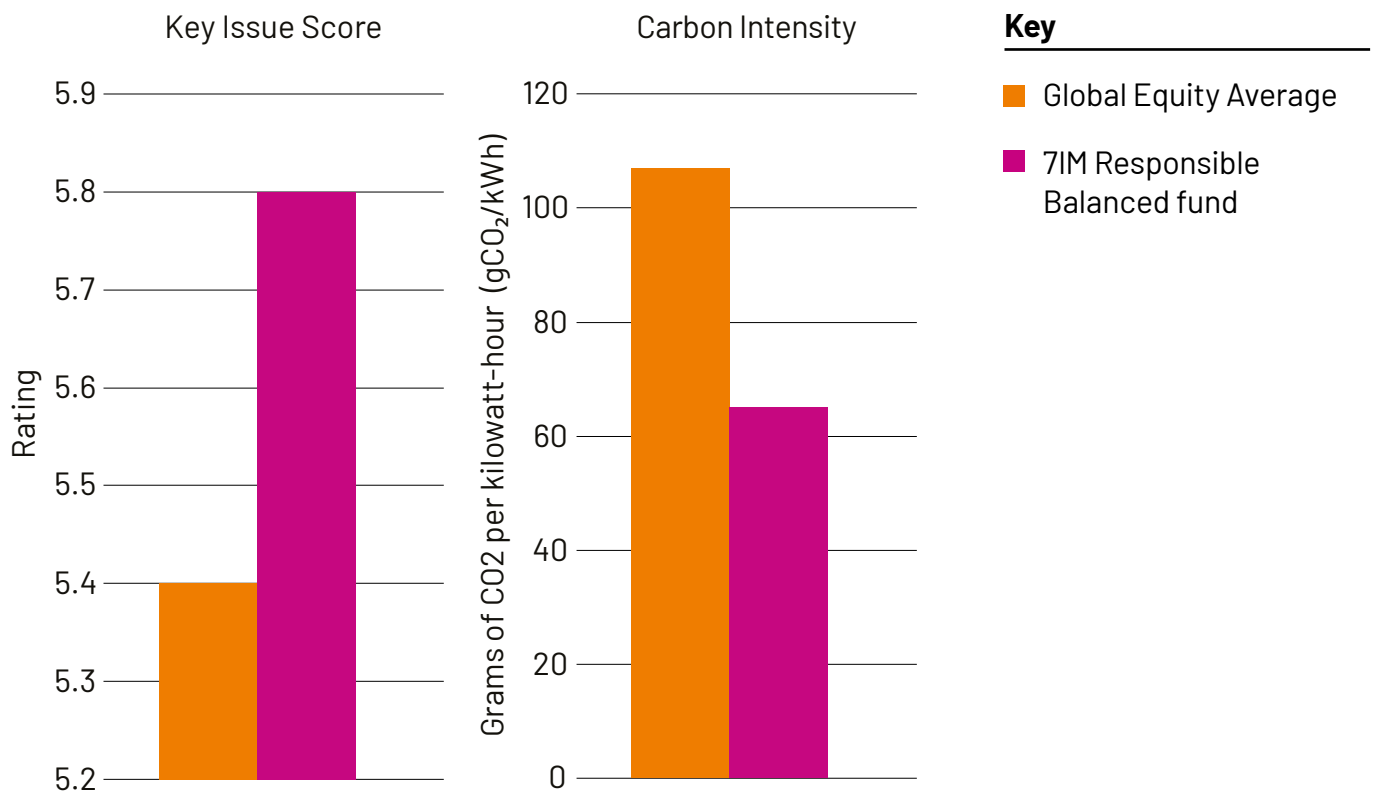
For third-party funds to be considered as having sustainability characteristics, they must also demonstrate compliance with at least one of the following criteria for selection:

- the fund must systematically integrate Environmental, Social and Governance ESG factors into investment decisions, or the fund must analyse ESG materiality before and after investment decisions, or the fund must act as good stewards and implement responsible investment and engagement practices.
- We will invest at least 70% of the fund's value in collective investment vehicles and other assets that demonstrate sustainability characteristics.

Sustainability metrics:

Key Sustainability metrics:

- 1) Negative Screening: 0 breaches of the portfolio limit.
- 2) Positive Selection: Over 90% of the fund is invested in assets that meet positive selection process.



Data above as at 30 June 2026

Source: 7IM, MSCI

Having screened out individual securities that do not satisfy the above criteria, the Manager then uses two inputs to judge whether the security has sustainability characteristics. The inputs are a key issue score and a WACI score.

A company will be judged as having sustainability characteristics if it has:

- a key issue score that is above the global equity index “average”; or
- a WACI that is below the global equity index “average”.

The inputs together measure:

- Environmental issues, including supporting and managing climate change mitigation (i.e. reduction of greenhouses gases) and adaptation, waste and water management or land management;
- Human capital issues, including fair labour practices, health and safety practices or supply chain management; and
- Social capital issues, including access to healthcare or finance, privacy and data security or consumer protection.

Further information on each of the inputs is set out below.

First input

The first input is a third-party key issue score which evaluates how well a company manages issues that are material to the industry that the company operates in. The material issues are selected based on the business activities of the companies in each industry and each business activity is assessed on the extent of the social and environmental impact generated for each issue. The scoring process takes into account the company’s exposure and management of material issues.

Second input

The second input is a carbon intensity measure to judge environmental harm. The measure used is the weighted average Scope 1 and 2 carbon intensity (WACI) normalised by company revenues. This is expressed as tonnes of Scope 1 and 2 carbon emissions per USD million (tCO₂e/US\$m revenues).

The Manager uses an intensity measure instead of an absolute measure for two reasons. Firstly, an absolute measure does not allow easy comparison between companies of different sizes, which presents difficulties for diversified portfolios with many underlying companies. This metric can be also used across multiple asset classes which is useful for multi asset portfolios.

This metric is recommended by the Taskforce on Climate related Financial Disclosures (TCFD), which is a set of recommendations across four thematic areas focused on climate-related risks and opportunities financial disclosures. TCFD is a group originally established by the Financial Stability Board of the G20 nations, to focus on climate-related risks and opportunities disclosures.

Scope 1 emissions comprise all emissions generated directly at the company site. This includes, for example, emissions from on-site heating boilers or chemical processes. Scope 2 emissions cover all indirect emissions linked to energy generation by energy suppliers, particularly electricity. Scope 3 emissions cover all other emissions produced through the value chain such as the operations, products and services of a business. Scope 3 emissions are not included in the carbon intensity measure. While Scope 3 emissions are broader, covering all indirect emissions in a company's value chain, measuring them is still in its infancy and questions remain regarding disclosure, incomplete reporting and data quality.

The manager's approach in relation to the product does not materially deviate from the manager's overarching approach disclosed in the manager's sustainability entity report.

Links:

Stewardship Report 2025

TCFD Product Level Report - 7IM Responsible Balanced Fund

TCFD Report 2025

CFD (Consumer Facing Disclosure) - 7IM Responsible Balanced Fund

Coverage:

This section is a high-level summary explaining the treatment of the asset classes not covered by our data providers. Where possible we have used the recommendations from the Partnership for Carbon Accounting Financials (PCAF) however, where we think it is prudent, we have introduced overrides based on our internal research.

Asset classes not covered

The following asset classes are not included in our calculations:

- Cash/money market funds
- Holdings in the Alternatives Basket
- Government bonds
- Derivatives (excluding index futures)

These asset classes either do not have sufficient industry guidance or we have insufficient look through data to calculate a conservative estimate. In the case of government bonds, we have the ability to estimate climate risk but we are unable to aggregate with the rest of the portfolio. Much of our cash is held in fixed NAV (net asset value) money market funds. These money market funds typically consist of very short-dated securities where climate risk is negligible.

Aggregation method

When we do not have 100% coverage of the underlying securities within a 7IM portfolio, we will normalise the portfolio figure to 100%. All metrics are aggregated at an underlying holdings level to achieve portfolio results.

Asset Class	Override Used	Comments
Index Futures	Underlying Index	We use Index Futures extensively in the 7IM funds. Despite no industry consensus on their climate modelling currently, we believe it is necessary to place an override to correctly estimate the climate risk associated with them. Therefore, where possible, we use the underlying index as a proxy for the climate risk of the index future and estimate using the full economic exposure of the contract.
Funds	SAA (strategic asset allocation) Asset Class Index Values	In instances where we do not have mutual fund look-throughs we can proxy the fund's climate risk using the relevant SAA index value.

Glossary:

Key Issues Score

The third-party key issue score evaluates how well a company manages issues that are material to the industry that the company operates in, for example, a utility company that lowers its environmental impact will have a higher key issue score.

Carbon intensity

The measure used is the weighted average Scope 1 and 2 carbon intensity (WACI) normalised by company revenues. Carbon intensity refers to how much carbon dioxide (CO₂) is emitted per unit of economic output or activity. For example, generally a large energy company will emit more carbon in production than a company in the healthcare sector.

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