

7IM Pathway 3 Model Portfolio

As at 31 January 2021



Investment Objective and Process

This model portfolio aims to blend asset classes in order to generate returns through a combination of capital growth and income.

The asset class weights are based on the 7IM Asset Allocation framework, which governs how 7IM combine different asset classes to optimise guideline returns for a given level of risk. For Pathway 3, a moderate part of the portfolio will be invested in fixed income assets, with a large allocation to equity.

There is a risk of wide fluctuations in capital values.

Key Information

Inception Date	09 September 2019
Initial Charge	0%
Base Currency	Sterling
Domicile	United Kingdom
Annual Portfolio Charge	0.15%
Underlying OCF*	0.11%
Average Annual Guideline Return**	5.5%
Yield†	3.0%

Risk Mapping Δ



EValue	Risk 1 - 5	4
	Risk 1 - 7	5
	Risk 1 - 10	8



Portfolio Performance

Portfolio Performance to 31/01/2021

Last 6 Months	1 Year	2 Years	3 Years	4 Years	5 Years	Since Launch
9.08%	4.96%	-	-	-	-	6.96%

Discrete Performance

Q(2019 - Q(2020	Q(2018 - Q(2019	Q(2017 - Q(2018	Q(2016 - Q(2017	Q(2015 - Q(2016
5.45%	-	-	-	-

The composite performance is calculated by 7IM using Financial Express Analytics data. This information is believed to be reliable but has not been independently audited.

Past performance is not a guide to the future.

Source: 7IM

Market Commentary

2021 kicked off with yet another historic moment. Mobs of Trump supporters stormed the US Capitol after the then president demanded support for the claim that he, not Biden, was the real election victor. Despite this attempt to overthrow democracy, the US congress confirmed Biden as president of America. Putting Trump in the rear view mirror might now be made even easier since, following the Capitol Riots, Twitter has permanently suspended his account.

Headlines in the UK painted a largely negative picture as COVID cases escalated. Over 68,000 confirmed cases were recorded on the worst single day, and the UK death toll has now surpassed 100,000. These losses are tragic, but we think it's important to keep in mind that the outlook is much brighter than the current picture. The approval of the Oxford AstraZeneca vaccine is a big step forward. It is cheaper and easier to store than the Pfizer vaccine. The UK vaccine rollout is racing ahead of the rest of Europe, and the ability of COVID to cause further recessions around the world is small and shrinking.

Markets may already have put COVID-19 behind them. Financial headlines have been dominated by the David and Goliath battle between small investors and Wall Street, with GameStop somewhere in the middle. After being hit hard by the pandemic, many institutional investors started shorting the stock. In a bid to get back at the short sellers, small investors came together on Reddit and have inflated its price dramatically, costing hedge funds many billions. GameStop, Tesla and Bitcoin are reminders of the froth investors are currently navigating. Over the course of January, developed market equities were slightly negative, as were most government bonds. Accordingly, most 7IM portfolios declined slightly, although the allocation to the strongly performing emerging market equity markets did mitigate this somewhat. We'll continue to look at the long term, rather than becoming distracted by violent movements in localised areas. As things begin to return to normal, the conditions for a strong period of global growth are firmly in place – so our portfolios have decent allocations to equities in order to benefit.

Awards



Model Ratings



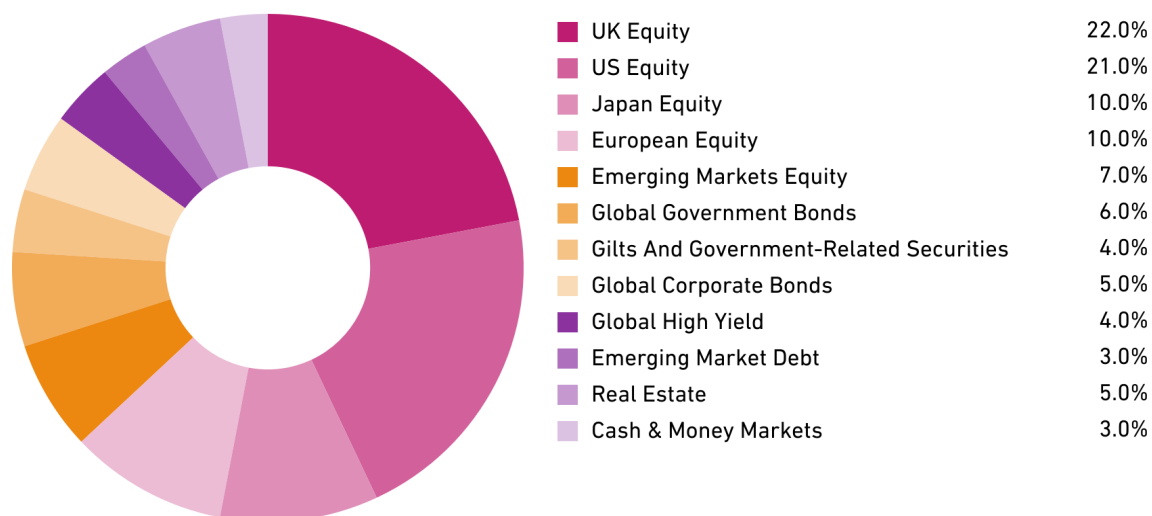
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Asset Allocation†



Important Information

Our investment approach is a long term one which means we may not be suitable for investors who wish to invest for less than 5 years. There can be no guarantees. The value of investments may go up and down and you may get back less than you invested originally.

Models are constructed under the principles of prudent diversification. All assets are denominated in UK Sterling.

Portfolio are rebalanced on a quarterly basis to bring the portfolio back in line with the SAA, which is reviewed and may change on an annual basis.

The investment or investment service may not be suitable for all recipients of this publication and any doubts regarding this should be addressed to your Financial Adviser.

*The additional ongoing charges figure (OCF) of the underlying holdings will vary but the average lies between the range given above. Any fees or charges payable to your Financial Advisor are in addition to the above.

**The Average Annual Guideline Return is based on investments being held for a period of 5 years or longer. This data is based on long-term forecast asset class data. Forecast returns are not a reliable indicator of future performance.

The Average Annual Guideline Return is quoted gross of fees. If the Average Annual Guideline Return is achieved, the return you actually receive will be lower, due to the effect of the fees and charges detailed in the Key Information section of this document, as well as any other fees payable to your Financial Adviser.

† Based on the yields paid on the underlying funds.

‡ The actual portfolio may vary and all data is subject to rounding.

Δ 7IM's Model Portfolios are mapped against a selection of third party risk profiling tools to assist advisers as part of suitability assessments for clients. Such tools are however only one aspect of an adviser's suitability process and other such as the clients' investment term/horizon and knowledge and experience should also be considered. The methodology of third party risk profiling tools is not endorsed by 7IM and individual model portfolio risk profiling scores may not correspond precisely to the risk indicators in the 7IM Model Portfolio literature.

All sources are 7IM, unless otherwise stated.

For further details, please contact your Financial Adviser.