The 7IM Discretionary Service

Working in partnership with your financial adviser



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 considers that the obligation to provide appropriate advice and explain the risks inherent in the portfolios falls to advisers.

7IM DISCRETIONARY SERVICE

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A word from us

We're delighted you've decided to consider 7IM as your discretionary investment manager. This brochure will provide a comprehensive overview of the service we provide and how we work in partnership with your financial adviser, in order for you to make an informed decision.

Our vision as a firm is to deliver an unrivalled experience for our clients, allowing all parties involved to succeed together. We believe in putting our clients first, keeping things simple, and listening and responding.

The same values are applied to our discretionary service, where we provide a tailored investment portfolio and supporting technology, to help you achieve your longer-term investment ambitions.



Howard Hardy-King

Head of Discretionary Investment Management

"I have worked with 7IM's Discretionary Desk for more than 10 years. Although the investment industry continues to change and evolve, one thing that 7IM has never departed from is its delivery of outstanding client service."

About 7IM

Whether you're investing for growth, planning for retirement, or drawing an income from your investments, we work with your financial adviser to build a portfolio that works best for you.

From the very first days of 7IM – back in 2002 – we've worked with financial advisers and planners to achieve the best for you, their clients. They get to know you and your financial goals, and we provide them with cost-effective investment management services and technology to help you achieve them.

We think it's the ideal arrangement – for you, for advisers and for us. In fact, the services we're proudest of have been shaped from conversations we've had with advisers about what their clients want.

We're incredibly proud of our commitment to sustainable investing. We're mindful of the impact as a business that our portfolios have and are constantly working on developing our sustainable investing options.

2002

Founded in 2002

600

Over 600 people working as part of the 7IM Group

£25 billion

Over £25 billion of assets under management

Awards

You can view our awards on our website **www.7im.co.uk**

And while it's great to be recognised in the industry, what's even more rewarding is the positive impact we have on our clients.

Signatory of:

PRI Principles for Responsible Investment

UK STEWARDSHIP CODE

"As I have often said this is "our future in your hands" and you have been and are someone who we trust with our future."

What you can expect from us

Your financial goals are always put first. Whether they are saving for retirement, providing an income to support your lifestyle, or building wealth for future generations - our role is to make that happen.

To do that, we'll work closely with your financial adviser. As discretionary managers, 7IM will be responsible for investing your money on your behalf. Our clients include individuals, multi-generational families, trustees and corporates.

Your financial adviser will provide us with an overview of your circumstances, including your tolerance to risk, investment objectives and preferences, and then construct a portfolio tailored specifically to your needs.

People evolve, and so should their investments. We understand that individuals' circumstances change, so whether it's the case your attitude to risk has changed, or you're rethinking your financial goals, or market conditions dictate – we'll regularly review and adjust your portfolio as and when necessary.

The process:

01 Your Investment Director will work with you and your adviser to understand your needs and long-term aspirations.

02 We will create a suitable portfolio to achieve these.

03 Your adviser will present our recommendation and ensure it is suitable for you.

04 We will maintain your portfolio, manage your investments and make use of any tax allowances.

05 Your circumstances will be reviewed annually or as often as is required.

06 We'll bring your portfolio to life by keeping you up to date on any changes.

07 Your adviser is your first port of call, however we're always on hand to answer any questions or queries you may have.

What we offer

The benefits:



Real people with real expertise

We have regional teams, covering all corners of the UK, with extensive experience in the discretionary investment management industry. You will be personally assigned a dedicated Investment Director, who will work in close collaboration with you and your adviser to implement your financial plan.



Tailored investment portfolios

We will construct a portfolio to reflect your specific needs and objectives, using our broad range of risk-rated strategies.



Peace of mind and reassurance

We will ensure safe custody of your investments, which are readily accessible via the 7IM app and portal. We have tried and tested risk management processes in place to navigate all market conditions and will be on hand to support you through uncertain times.



Being mindful of costs

From outset, we have operated a simple and transparent fee structure - with no hidden charges. Through economies of scale, we have been able to negotiate access to institutional investment strategies, driving down costs, passing any savings directly back to you.



Communication, reporting and engagement

Ultimately, these arrangements are set by you. We offer personalised reporting and commentary for every client. This includes portfolio insights, market updates, ad-hoc reporting and our availability for virtual or face-to-face meetings.

Additional services

Alongside your portfolio, we can incorporate the following additional services:

- Capital gains tax management
- Custody of execution only or treasured holdings
- Phasing of new monies into the market
- Ability to incorporate other investment managers for further diversification
- Cash management services, to match anticipated spending or liabilities
- Ethical or responsibly managed portfolios
- Income portfolios for clients in or approaching retirement, trusts, charities, or school fees
- Bespoke UK Government bond portfolios
- Offshore custody.

In focus:
Bespoke Income Strategies

Our Income Service is designed to protect against two risks: sequence risk (selling in a stressed market) and goals risk (running out of money prematurely). We do this by pairing sophisticated cashflow modeling with an advanced and bespoke portfolio structure.

The Income Service provides regular, tax-efficient cash flow from your portfolio, tailored to your financial plan, with flexibility to adapt to changing needs and a focus on providing you an understanding of the sustainability of your strategy. We choose not to rely on natural income methods like dividends and interest because they're unpredictable (fluctuating with market conditions, making budgeting challenging), inflexible (they are paid on the issuers' schedules and not yours), tax-inefficient (often taxed at higher rates), and value-erosive (inflation, fees, and costs can reduce real capital over time).

Our modern approach offers greater control, reliability, and efficiency than traditional methods.

The benefits:



Tailored

Your portfolio will be built around your specific circumstances. We can apply strategies that aim to shield you from the negative impact of returns when you draw down money in a market downturn.



Sustainable

The last thing you want is to run out of money in retirement. Using sophisticated modelling techniques, we can show you what your future finances could look like for specific timeframes.



Flexible

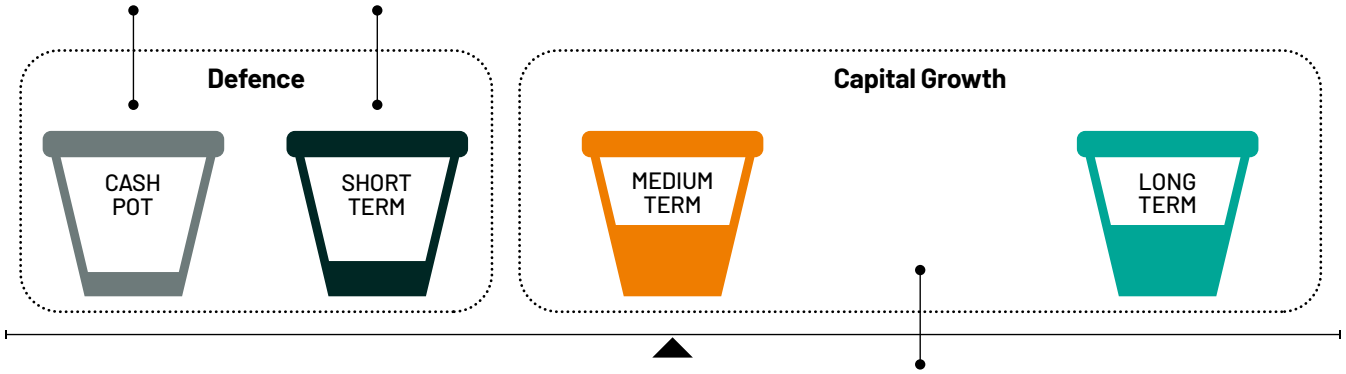
We understand how circumstances can change quickly, so we've built our service to allow you the flexibility to take unscheduled withdrawals, vary your income over time, change how your investments are managed, and potentially leave a legacy for the next generation.

FIGURE 01

A structure to go the distance

Two years' income held in cash aiming to protect it from market movements and avoiding your investments being sold in falling markets.

The short-term bucket provides the equivalent of 3 years' further income in lower risk investments, allowing for a further defence against prolonged portfolio drawdowns.



The capital growth buckets are calculated to offset the 'cash drag' from the defensive buckets, ensuring the whole portfolio is working hard and generating the same risk and return profile as if it was all fully invested. This allows you to balance your short-term cash flow requirements without compromising your longer-term aspirations.

An example of a cash flow model is shown on the next page.

Applications may include:

Retiring/business sale clients

Helping to draw a sustainable income in retirement.

Divorce

E.g. to agree a specific settlement based on a known required income level.

Interest in possession trusts

E.g. working out approximate end values, balancing the needs of life tenant and remainderman.

Charities

E.g. ensuring sustainable withdrawals over the long-term.

> By understanding the unique risks and requirements of a drawdown investor, we can make small but meaningful changes to the structure, allocation and maintenance of portfolios. Ultimately, our goal is to deliver greater predictability of outcomes where income sustainability is at the forefront of all decision making."

Ben Mastel

Senior Investment Director

FIGURE 02

Don't leave things to chance

An example of a balanced risk client taking a 5% annual income of £37,500 based on an original investment amount of £750,000. We have factored in the State Pension and indexation of 2% p.a.

Sustainability

How likely is it that there would be money left at the end of the time period you have specified for this plan?

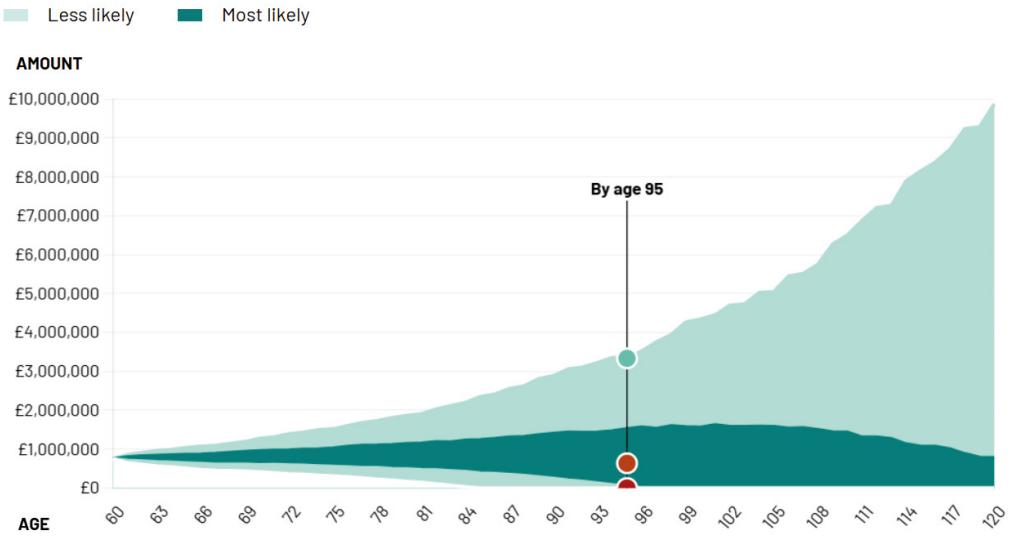
71%
Probability



End value

How much money could you have left at the end of the plan?

Range of potential outcomes



Original investment amount
£750,000

Potential outcome at end of term
£3,333,483
Favourable
£636,426
Neutral
£0
Unfavourable

Based on our calculations, 7IM model the favourable (90th percentile), neutral (50th percentile) and unfavourable (10th percentile) outcomes for the term of your investment. These returns are not guaranteed and will change dependent on market conditions. However, it is important to understand that the amount could fall anywhere within these ranges, as well as potentially outside of them in extreme circumstances.

Please note this chart is for illustrative purposes and shouldn't be relied upon.

How we manage your money

Strong investment performance = Inflation adjusted growth of capital

7 Core Beliefs

We believe to do anything properly, there needs to be a plan. There's no point in setting out on a journey if you don't know where you're going, and there's no point in having a destination if you haven't thought about how to get there.

We build a foundation for all investors which maximises **diversification** as much as possible. Portfolios which are exposed to multiple sources of return deliver better outcomes for investors over the long-run. That's the plan we start with.

What we believe in	How we do it
Invest for the long term	Strategic asset allocation is key
Markets are not always efficient	Tactical tilts can add value
No perfect foresight	Diversification
Emotional responses damage wealth	Composure and patience
Independence and openness	High challenge, high support team environment
Control costs	Flexible implementation (active & passive)
Learn lessons	Constant review and evolution



Properly diversified portfolios



Institutional investment tools, with boutique service levels



20+ years of delivering for our clients



Multi-disciplinary investment team



Industry-leading investment management technology



Best-in-class reporting and communication

FIGURE 03

Properly diversified portfolios

The pie charts below show the distribution of different asset classes for specific risk profiles. Below there is also a brief explanation of the main asset classes we use.



Last updated August 2024

Source: 7IM

Equities

Owning shares (or equity) makes you a part-owner of a company, meaning you could benefit from the company's growth and profits over time (although you always run the risk that they don't do well). We own shares across different industries and geographies to diversify and spread risk.

Fixed income

Fixed income, also known as bonds, is debt issued by governments and corporations. Underlying a bond is a contract which gives legal protection around the money being returned; making bonds less risky than the equity investment mentioned above.

Alternatives

Alternative investments look outside of traditional equities and fixed income to generate returns. At 7IM, our alternatives selection is focused on providing liquidity, diversification and protection for portfolios.

Cash

Having a small, easily accessible cash pot provides some liquidity against market downturns.

Our approach to risk

Risk Management is at the heart of our business, and our specialist Risk Management Team work in parallel with our Investment Management team. They provide a system of checks and balances which help to strengthen our investment approach.

The team constantly monitor portfolio level risks across a whole range of risks, using integrated systems and data. Whether it's liquidity management or market stress tests, every single portfolio is filtered through the same screens and analysis.

Investment Team

- Identify investment opportunities
- Make choices on asset allocation
- Research investment selection

Risk Team

- Analyse and challenge investment decisions
- Assess their potential impact on portfolios
- Identify unintended risks and suggest how to mitigate them

Portfolio

Stress testing

We run stress tests using 30+ historical events and forward-looking scenarios, ensuring we are prepared to react to changing threats and opportunities.

Liquidity management

We do not select any investments where we aren't provided full transparency of the underlying holdings. This means that there are no hidden surprises. If you require cash and assets to be sold, we can do so without delay.

Volatility controls

Your adviser is responsible for assessing your attitude to risk and tolerance of associated volatility. We ensure that our portfolios do not deviate from those set parameters, otherwise resulting in you taking too much or too little risk.

Attribution analysis

We regularly review our portfolios to evaluate the drivers and detractors of investment returns. This enables our Investment Team to make timely tactical adjustments that work favourably in changing markets.

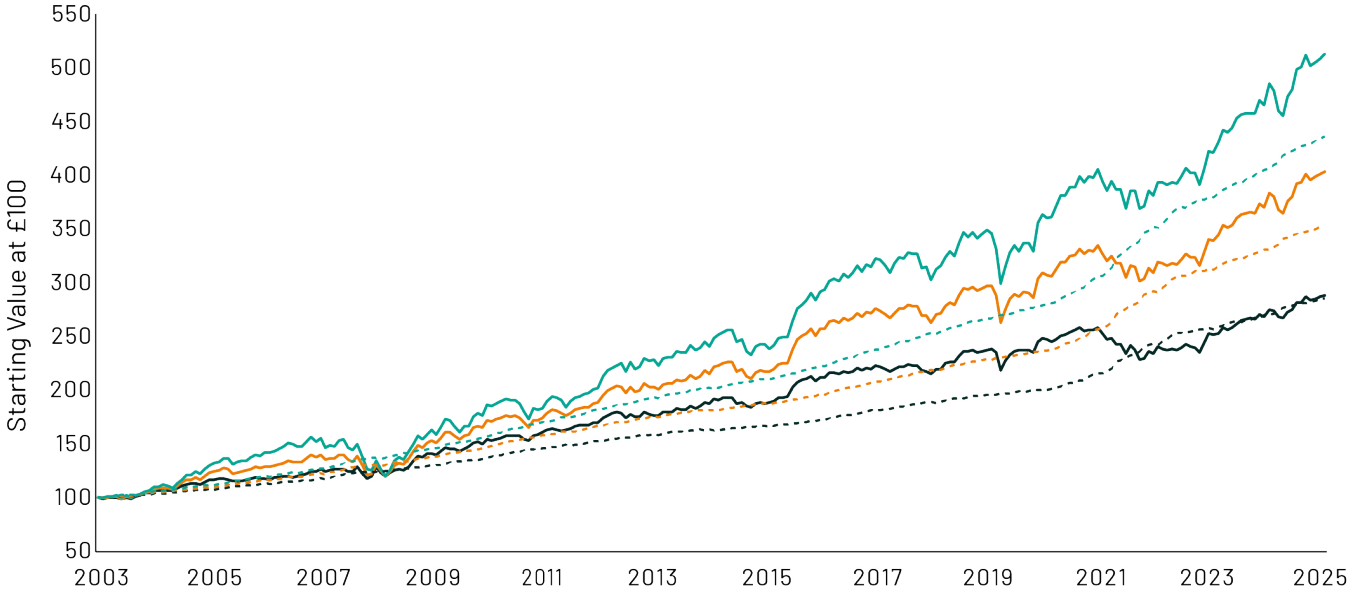
A genuine long-term track record

We don't often think of holding cash as a risk. But if inflation averages 2% a year over twenty years (which is the Bank of England's target) your spending power falls by a third; £100 is worth only £67.

So, the ultimate reason for investing is to keep inflation from eating away at your life's savings. It's that simple.

We've been turning academically robust theory into practice for over two decades, building diversified portfolios to protect and grow our client's wealth, no matter their appetite for risk.

FIGURE 04
Cumulative performance



		Cumulative	Annualised
	7IM SAA Mod Adventurous	412%	7.8%
	CPI +4%	329%	6.9%
	7IM SAA Balanced	301%	6.6%
	CPI +3%	248%	5.9%
	7IM SAA Mod Cautious	187%	5.0%
	CPI +2%	181%	4.9%

Source: 7IM, Financial Express. Data as at 31 January 2026. SAA returns are Net of Fees (0.3% p.a.). Past performance is not a guide to future returns, chart(s)/data for illustration purposes and are not for further distribution.

Reporting, communications and engagement

We offer personalised reporting and commentary for every client. This includes portfolio insights, market updates, ad-hoc reporting and our availability for virtual or face-to-face meetings with your dedicated Investment Director.



Meetings
You can meet with your Investment Director virtually or face to face, where we'll explain the latest changes in your portfolio.



Insights
We will share a range of resources including articles and commentary from our Investment Team.



Reporting
We'll provide you with comprehensive asset allocation and performance reports as you require them.



7IM app and portal
The 7IM app and portal gives access to a host of information about your investments, with useful tools to further understand how they have performed.

Features

- Get access to summaries of your portfolio and its performance
- Easily find your statements and transactions when you need them
- Receive updates when new reports are available to view

Our commitment to you

We will always put you, our client, first

From seven people who founded this company two decades ago, we've grown to more than 600 employees. And while we will continue to steadily evolve, there's one thing that won't change and that's us shaping what we do around you. You can always count on us to put you and your best interests first.

We will value our people

It's our people that you put your trust in so that's why we promise to look after our colleagues. After all, the better we look after our people, the better they will look after you.

We will demand excellence

We've always believed it's a privilege to look after our clients' money, so we don't ever wish to become complacent about it. You can rely on us to always challenge ourselves to do better and keep innovating as we chase our vision of delivering an unrivalled experience.

We will keep things simple

Life is complicated enough. That's why we like to keep things as simple as possible. So, whether it's how we manage money or the language we use to communicate with you, we promise to keep it straightforward and transparent so you can easily understand what we are doing.

We will do the right thing

We understand that from time to time, we won't get everything right. We are only human after all. But when things don't go according to plan you can trust us to put things right as soon as we can.

We will listen and respond

It's no secret that communication is the key to any strong relationship, so we will try to make sure you have all of the information you need, any time you need it. And this goes both ways; we will always listen to any feedback you have. In fact, we need it - we can only improve by learning what we're not doing so well.

We will succeed together

We wouldn't be where we are today without you. Our success has been and always will be dependent on yours. That's why we believe in forming long-term and collaborative partnership with you so we can succeed together.

If you have further questions, please contact your financial adviser in the first instance or your 7IM Investment Director.

Seven Investment Management LLP is authorised and regulated by the Financial Conduct Authority.
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