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# 7IM PathBuilder Range: Fund Manager Review – December 2025

## Strategy Overview

7IM Pathbuilder (PB) is a low-cost, multi-asset fund range (PB1–PB4) built on 7IM's Strategic Asset Allocation (SAA) and reviewed annually. The aim is diversified, global exposure with risk taken deliberately across equities, bonds (including credit and EM debt), real assets and alternative, rather than a simple "equity/bond" split. Implementation is passive/efficient (index funds/ETFs and futures) to keep costs down.

The range is explicitly pitched as "lacks concentration, unfashionable, and disloyal" to cap weightings—i.e., it avoids over-reliance on US mega-cap tech and adjusts SAA as the world changes.

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| A range of highly diversified funds, built on 7IM's robust Strategic Asset Allocation (SAA) framework | Multi asset investing underpinned by rigorous risk management processes | Clear and competitive charges and a choice of risk profiles to suit different clients |

## Team

7IM manages £34bn AUM (2025) with 21 investment professionals and over 20 years running SAA-based multi-asset portfolios. Risk management is embedded alongside the investment team, with independent risk analytics, stress testing and governance over each allocation decision.

## Process

1. **Long-term research & SAA:** annual refresh using long-run return/volatility/correlation assumptions. The SAA is deliberately broader than traditional balanced mixes (more credit, EM debt/equity, and diversifiers).
2. **Portfolio build:** use core index exposures (e.g., iShares/HSBC/Amundi vehicles) mapped to four risk levels (PB1 most cautious → PB4 most adventurous).
3. **Risk oversight:** sector/region/asset constraints, 25–30 stress tests and ongoing challenge from the Risk Team; objective is smoothness of journey, not market timing.

## Portfolio (strategic mix, as at 30 Nov 2025)

- **PB1:** broad mix with sizeable global gov't & corporate bonds; equities c. 43% across UK/US/Europe/Japan/EM; plus EM bonds, inflation-linked, HY, alternatives and real assets. **OCF 0.34%.**
- **PB2:** higher equity (c. 56%) and more EM exposure; credit and gov't bonds remain meaningful; alternatives/real assets included. **OCF 0.36%.**
- **PB3:** equity-led (c. 70%) with UK/US/Europe/Japan/EM; reduced fixed income; small real assets sleeve. **OCF 0.35%.**
- **PB4:** equity-dominant (c. 89% equity) across regions; small real assets/cash. **OCF 0.34%.**

**Holdings examples:** Amundi S&P 500, iShares US Equity ESG Index, HSBC European Index, UK equity index funds, EM equity futures, and global bond indices (gov't, corporate, inflation-linked, HY).

## Performance (to most recent factsheets)

- **PB1 C Acc:** 1y **7.96%**; 3y **23.13%**; since launch **14.17%**.
- **PB2 C Acc:** 1y **10.30%**; 3y **31.05%**; since launch **29.61%**.
- **PB3 C Acc:** 1y **12.81%**; 3y **37.60%**; since launch **42.10%**.
- **PB4 C Acc:** 1y **14.52%**; 3y **42.32%**; since launch **37.31%**. *(PB4 launched Dec-21.)*

*(Past performance is not a guide to the future.)*

## Key themes / what's different

- **Deliberate de-concentration:** Pathbuilder carries less US than a cap-weighted global index (illustrative: US ~39% vs c. 65% in the global equity index), dialling in Europe, UK, Japan and EM to broaden return drivers.
- **Broader bond toolkit:** beyond gov't bonds—systematic use of corporate credit, EM debt and inflation-linked to balance risk more efficiently.
- **Annual SAA "disloyalty":** if the data changes, the SAA changes (e.g., EM bonds added when vehicles became diversified/cheap; expected return table shows shifts 2024→2025).
- **Journey management:** guideline gross long-term returns and vol bands published to set expectations (e.g., PB2 5.6% ±9.8%, PB3 6.2% ±14.3%).

## Strengths

- **Clear philosophy and governance:** evidence-based SAA, embedded risk, transparent instruments.
- **True diversification:** equity and bond sub-sectors plus alternatives/real assets; materially less concentrated than cap-weighted peers.
- **Costs:** OCFs around 0.34–0.36% across the range.
- **Platform reach & mappings:** mainstream platform availability and third-party risk mappings (Defaqto, Dynamic Planner, etc.).

## Watch-outs / risks

- **Relative lag vs US-heavy peers** if US mega-cap tech continues to dominate; the proposition is intentionally "unfashionable."
- **EM debt/equity and credit** introduce spread/FX/regime risk—managed via diversification but still present.
- **Model risk**: SAA relies on long-run assumptions; annual changes are incremental, not tactical timing.

## Role in a diversified portfolio

Pathbuilder works as a core multi-asset building block for clients wanting cap-agnostic global diversification at low cost—and for firms seeking to de-concentrate existing CIPs from US/tech without jumping to high-fee active or illiquid solutions. The four funds ladder risk cleanly (PB1→PB4), making mapping to client risk profiles straightforward.

## Summary / verdict

Positive (Core). A credible, governance-rich multi-asset range that broadens exposures, keeps fees tight, and manages risk deliberately. Over its first five years, returns have been competitive with mainstream low-cost peers while being less concentrated—consistent with the team's "explore another way" thesis. For advisory firms updating CRP/CIP frameworks in light of concentration and sequence risks, Pathbuilder merits inclusion on shortlists.

### Disclaimer

Past performance is not a reliable guide to future results. The value of investments can fall as well as rise, and investors may not get back the amount originally invested.

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This review has been prepared for informational purposes only, based on publicly available fund documentation, performance materials, and meetings with the fund manager. Money Wise UK has not received any fee for preparing this review.

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Review Completed: December 2025