

Foresters Stakeholder (Schroders) Sustainable Future Managed Fund

Fund objective

The fund invests in the Schroders Sustainable Future Multi-Asset Fund with the aim to achieve medium to long-term capital growth, by investing in a diversified range of assets and markets worldwide which meets the investment manager's sustainability criteria. The fund has a medium-low risk profile.

Foresters Stakeholder (Schroders) Sustainable Future Managed 1 Fund

Fund Size: £64.2m*

Launch Date: July 2023

Foresters Stakeholder (Schroders) Sustainable Future Managed 2 Fund

Fund Size: £2.7m*

Launch Date: July/September 2023

Growth to 31st December 2024 (Net of charges)

	Q4	1yr	3yrs	5yrs	10yrs
1	-0.5%	5.2%	n/a	n/a	n/a
1A	-0.4%	5.7%	n/a	n/a	n/a

Growth to 31st December 2024 (Net of charges)

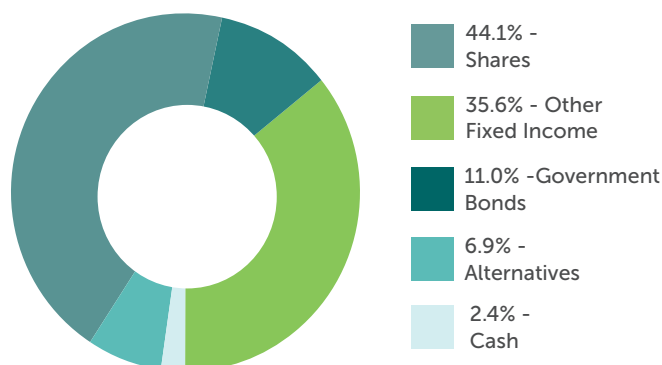
	Q4	1yr	3yrs	5yrs	10yrs
2	-0.5%	3.9%	n/a	n/a	n/a
2A	-0.4%	4.3%	n/a	n/a	n/a

Important Note: Please remember that, with a unit-linked investment, the value of your investment may go down as well as up, and that past performance should not be seen as an indication of future performance.

* Fund sizes include the 1A and 2A funds.

Asset allocation (% of fund)

The chart below shows the latest mix of investments held within our Funds, highlighting a risk-controlled balanced approach.



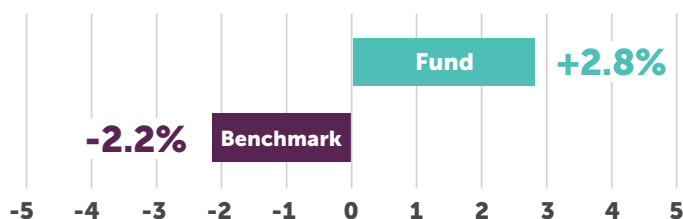
Top 5 global share holdings (% of shares by region)

Of the listed shares that we currently hold, our top 5 regional holdings are as follows:

Countries/Regions	% of Shares
1 North America Equities	56.5%
2 Europe ex-UK Equities	15.2%
3 Emerging Markets Equities	12.5%
4 Japan Equities	8.0%
5 UK Equities	5.3%

Overall impact on people and the planet

The below demonstrates the effect on people and planet as calculated by Schroders in-house sustainability tool.



The comparator/benchmark shows the estimated effect on people and planet if the fund were made of up the same combination of assets (i.e., the same weight in bonds, equities, cash etc.), but invested passively.

Schroders Quarterly Review

Market/ Economic Review

- US shares made gains in the fourth quarter, supported by Donald Trump's victory in the presidential election amid hopes that his policies will support domestic economic growth. However, there was a pullback in December after the US central bank indicated that higher inflation may result in fewer interest rate cuts in 2025 than financial markets had been anticipating.
- By comparison, Eurozone shares declined amid fears of a recession. There was political instability in France and Germany, as well as concerns over potential trade wars with the US following Donald Trump's victory in the US election.
- UK shares also fell over the quarter. In October, the UK's new Chancellor of the Exchequer, Rachel Reeves, laid out plans for £40 billion of tax rises with the increase in the national insurance tax on employers hurting business sentiment, in particular.
- As with Eurozone shares, Emerging market shares weakened in the face of investor concerns about the impact of Donald Trump's intended trade tariffs on the region, particularly on China.
- Fixed income markets faced significant volatility in the final quarter of the year. US government bond prices dropped in October, driven by concerns over potential inflationary policies linked to a possible Republican victory in the November elections. Inflation data released later that quarter showed prices had unexpectedly increased, resulting in rising bond yields and falling prices as markets adjusted to fewer anticipated rate cuts for 2025.
- Commodities gained in the fourth quarter. Energy and livestock were the best performers, while industrials metals and precious metals both declined in the quarter.

Outlook

As we enter 2025, leaving aside political risks, the economic backdrop remains benign. Inflation has mostly moved in the right direction and interest rates are generally falling in the US and Europe.

Our expectation is that economic growth will reaccelerate as we progress through 2025. There is the potential for US equities to perform well, particularly given Trump's focus on deregulation and corporate tax cuts. This could boost US growth at the expense of its neighbours, but we also expect more monetary stimulus outside the US to offset this.

Overall, we remain positive on equities. We are neutral on government bonds, as despite prices flagging as cheap, the US economy is not yet faltering. However, we recognise that bonds can provide a useful hedge against recession risks.

Schroders

Schroders is a global investment manager with broad expertise across international public and private investment markets. With over 200 years of expertise, and c.6,000 people based in 38 locations around the world, they use their professional expertise to make active investment choices to help customers achieve their long-term financial goals. Schroders global assets under management were £773.7bn at 30th June 2024.

Approach to sustainability

Schroders have evaluated the investments in this fund for their environmental and social impact. The fund maintains a higher overall sustainability score when compared with a bespoke comparator¹ as measured by Schroder's proprietary sustainability tool, SustainExTM². This positive impact on people and planet is achieved by investing in a diverse range of assets and markets worldwide which meet the investment manager's sustainability criteria.

¹This is a bespoke blend of MSCI World Index (hedged to GBP), MSCI Emerging Market Index (hedged to GBP), Barclays Global Aggregate Corporate Bond Index (hedged to GBP), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to GBP), ICE BofA US Treasury Index (hedged to GBP), JPM GBI Emerging Market Index - EM Local (hedged to GBP), JPM EMBI Index EM Hard Currency (hedged to GBP) and Thomson Reuters Global Convertible Bonds Index (hedged to GBP). The blend will evolve over time in line with the actual asset allocation of the fund.

²Schroders uses SustainExTM to estimate the net social and environmental "cost" or "benefit" of an investment portfolio with regard to certain sustainability measures in comparison to a product's benchmark where relevant. It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.