



Schroders is an independent asset manager who are responsible for over £444.4 billion of funds under management and an international network spanning 34 offices in 32 countries, as at 30th June 2019.

Fund objective

The Foresters Stakeholder (Schroders) Managed Funds have been specifically designed for our customers with a range of outcomes in mind. A conservative fund strategy is followed with growth targeted by an active approach to managing investment risk, whilst protection against inflation is also taken into account.

The fund management team at Schroders use their expertise to identify new investment opportunities into a mixture of UK and Global securities. The funds offer a cost effective solution designed to help you to achieve your goals. The funds give access to a professionally managed portfolio of UK and international company shares along with global government and corporate securities and cash. They aim to outperform the IA Mixed Investment 20-60% Shares sector median and to generate capital growth over the medium to long-term through an active asset allocation strategy, and the individual performances of underlying investments.

Foresters Stakeholder (Schroders) Managed 1 Funds

Fund Size: £1,320.5m Launch Date: 1 January 2005

Growth to 31 st August 2019				
	1 Yr	3 Yrs	5 Yrs	10 Yrs
1	1.4%	6.1%	15.6%	60.6%
1A	1.9%	7.7%	n/a	n/a

The Foresters Stakeholder (Schroders) Managed 1 Funds represent tax-efficient investments such as ISAs, while the Foresters Stakeholder (Schroders) Managed 2 Funds represent taxable investments such as Savings & Investment Plans. The Fund Size includes the Foresters Stakeholder (Schroders) Managed 1A Fund and Stakeholder (Schroders) Managed 2A Fund, where funds are eligible for a reduced annual management charge for plans invested for more than 10 years.

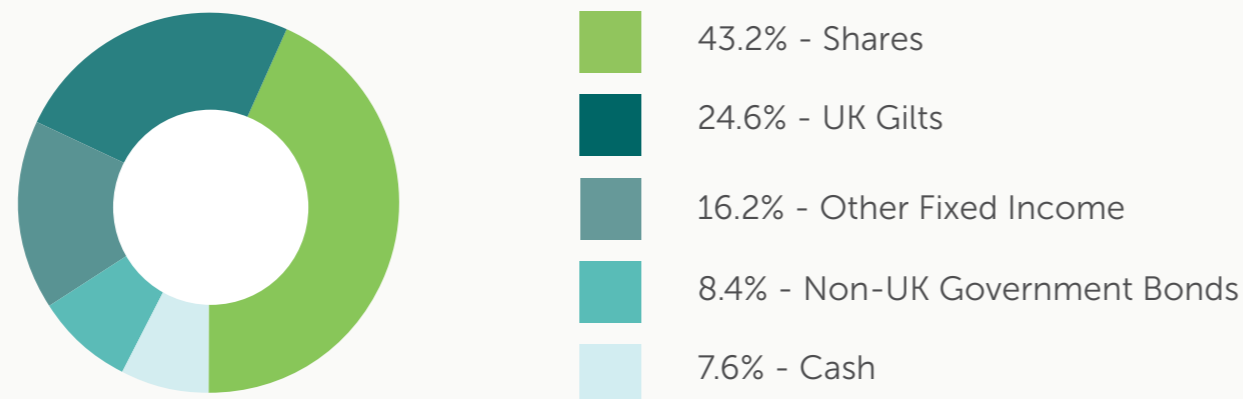
Foresters Stakeholder (Schroders) Managed 2 Funds

Fund Size: £98.7m Launch Date: 1 January 2005

Growth to 31 st August 2019				
	1 Yr	3 Yrs	5 Yrs	10 Yrs
2	2.6%	7.9%	15.9%	54.4%
2A	3.1%	9.5%	n/a	n/a

Asset allocation (% of fund)

The chart below shows the 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 this month are as follows:

Countries/Region	% of Shares
1 UK Equities	39.4%
2 North America Equities	25.6%
3 Europe ex-UK Equities	23.5%
4 Asia Pacific ex-Japan Equities	9.6%
5 Emerging Markets Equities	2.7%

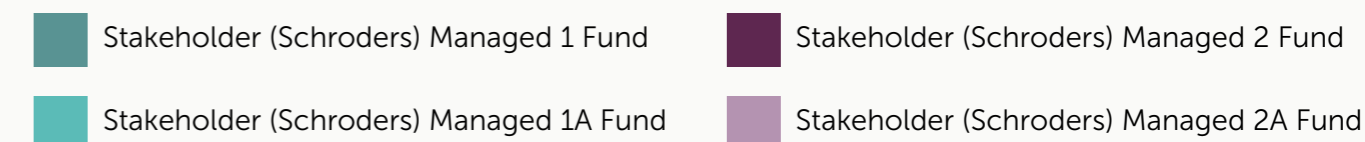
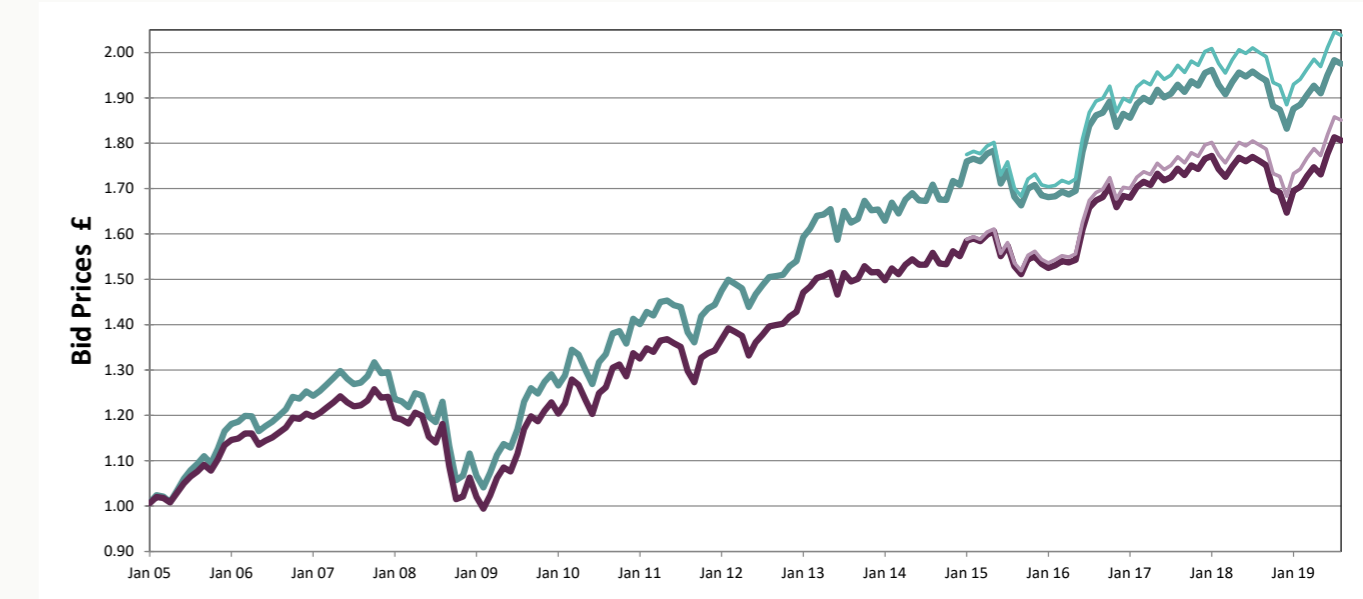
Single year performance

The table below shows the annual growth rate over the past 5 years.

Change in price of units over one year periods to end of August					
Period	2019	2018	2017	2016	2015
Stakeholder (Schroders) Managed 1 Fund	1.4%	0.9%	3.6%	10.7%	-1.6%
Stakeholder (Schroders) Managed 1A Fund	1.9%	1.4%	4.2%	11.3%	n/a
Stakeholder (Schroders) Managed 2 Fund	2.6%	1.0%	4.2%	9.5%	-1.9%
Stakeholder (Schroders) Managed 2A Fund	3.1%	1.5%	4.7%	10.1%	n/a

Cumulative performance

This shows the growth in unit prices of the funds. Please refer to the important note below.



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.

Market/Economic summary

The US-China trade war continued to drive markets, escalating once more as China allowed the Chinese yuan to devalue and halted US agricultural purchases, followed by the US labelling China a currency manipulator.

Later in the month, President Trump decided to delay the 10% tariff on slightly over half of the \$300 billion of Chinese imports that were set to be hit on September 1. Days later President Trump announced he would heap an additional 5% duty on targeted Chinese goods, as well as demanding US companies move their operations out of China.

In the UK, second quarter GDP contracted for the first time since 2012, down 0.2%, after a strong growth of 0.5% in the first quarter. The main drag was inventories, as stockpiling occurred in the first quarter.

In Europe, trade tensions continued to drag on the industrial and export performance of Germany. Germany contracted in the last quarter as GDP slipped to -0.1%, down from 0.4% in the first quarter.

Chinese industrial growth came in at 4.8% over the 12 months to 31 July, the slowest rate of growth in 17 years and a troubling indicator of faltering demand in the world's second largest economy.

Equity summary

August saw global stock markets decline and safe haven assets outperform amid escalating worries over trade and global growth.

The S&P 500 fell 1.6% over the month; while the Federal Reserve (Fed) had cut interest rates at the end of July, comments indicated that the move was an adjustment of stance rather than the start of an easing cycle, which appeared to disappoint investors.

Eurozone shares ended lower in August, with the Eurostoxx 50 returning -1.1%. Weak economic data from Germany contributed to heightened worries over global growth. In the UK, the FTSE 100 fell -4.1%.

The prospect of a no-deal Brexit rose with the government unveiling plans for a lengthy prorogation of parliament. The MSCI Emerging Markets index (local currency) fell -2.5% as US-China trade tensions escalated.

Amid rising uncertainty, those markets most sensitive to US dollar strength came under pressure.

Fixed income summary

Government bond yields declined significantly amid various geopolitical concerns (bond prices move inversely of yields). The US 10-year government bond yield fell by 0.51%, closing the month at 1.50%, a three-year low. The UK 10-year gilt yield fell by 0.14% from 0.61% to 0.47%.

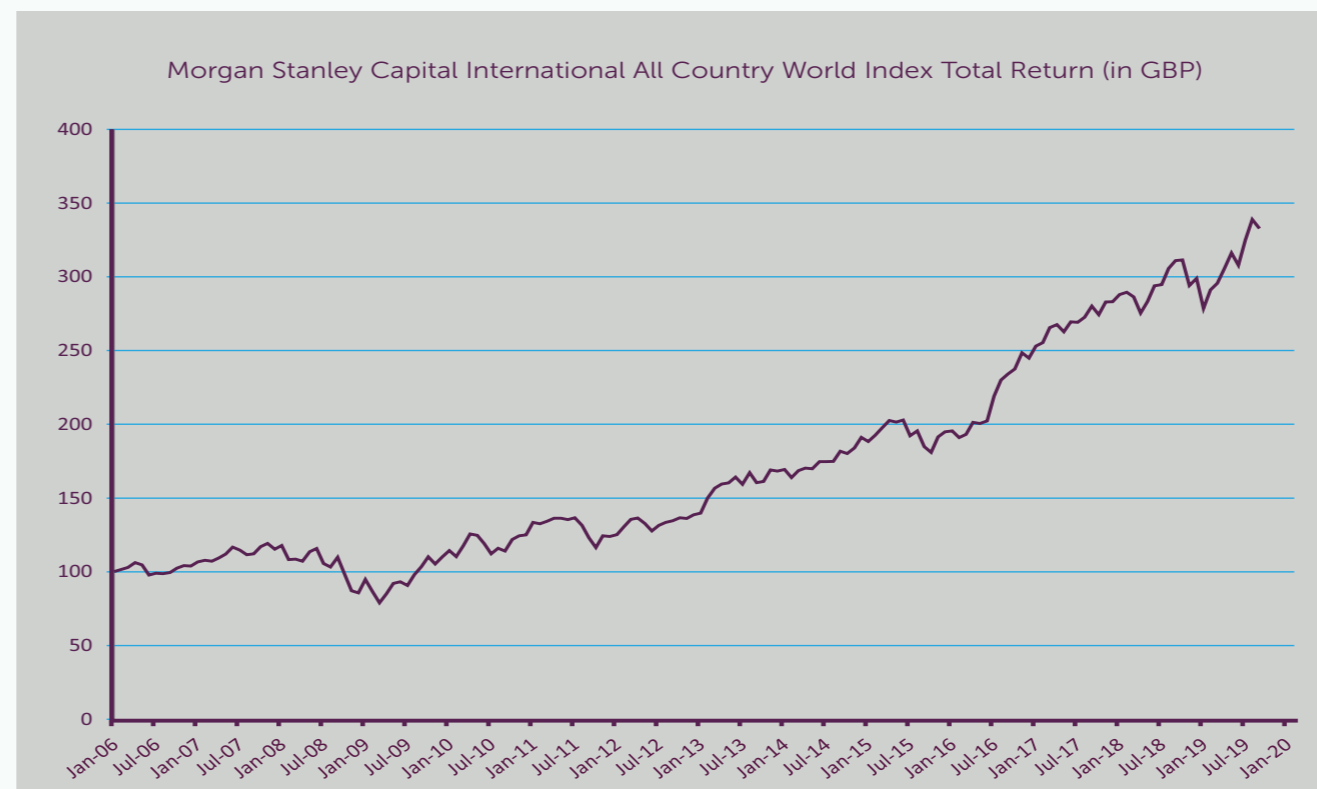
European yields were meaningfully lower too, with 10-year Bund yields falling 0.26% further into negative territory, finishing the month at -0.70%.

Investment grade corporate bonds produced positive total returns, supported by falling global yields, but were outperformed by government debt.

Outlook

All year we have been focused on two inter-linked and somewhat offsetting trends: ample central bank liquidity and a weakening economic cycle. These two trends continue to intensify with more central banks, including the

European Central Bank and the Bank of Japan, expected to join the "cutting club" before the end of the year, as well as the risk that political events (trade tensions, Brexit, etc.) might push an environment of anaemic growth into outright recession. In this environment, we remain neutral on equities, in part due to seemingly stretched valuations and an anaemic backdrop for growth. Although government bond valuations look stretched, positive momentum and soft cyclical indicators point towards maintaining a positive view on bonds as defensive positions in our portfolios.



MSCI AC World TR Index in GBP (Morgan Stanley Capital International All Country World Total Returns Index in Great British pounds): This index is used as a benchmark for the global equity holdings in the fund.



For further information about our products and services, please speak to your local Forester Life Financial Adviser or Customer Services:

Customer Services
Forester Life
Foresters House
2 Cromwell Avenue
Bromley BR2 9BF

T 0333 600 0333 8:30am to 5:00pm weekdays
E service@foresters.co.uk

foresters.com