



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: £1,314.5m Launch Date: 1 January 2005

Growth to 31 <sup>st</sup> July 2019				
	1 Yr	3 Yrs	5 Yrs	10 Yrs
1	1.3%	7.9%	18.5%	69.6%
1A	1.8%	9.5%	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.

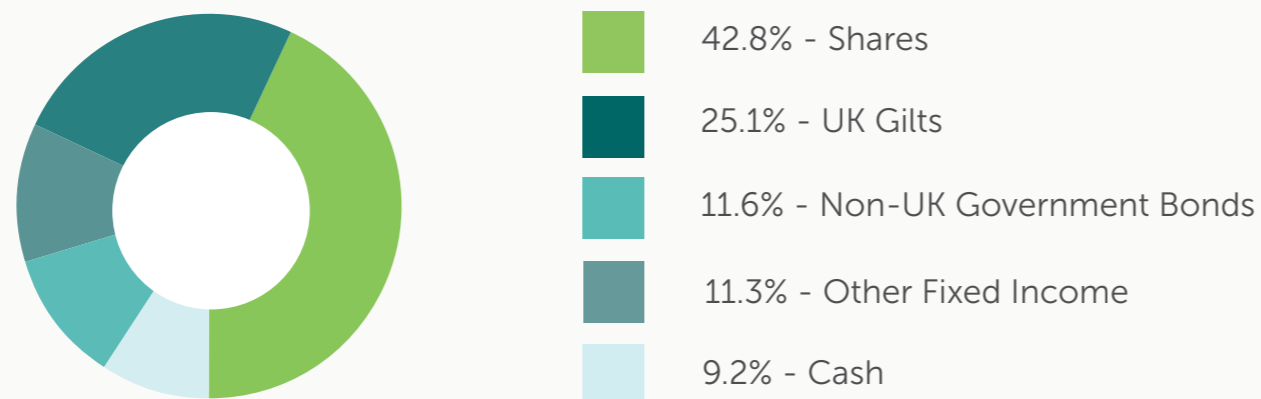
### Foresters Stakeholder (Schroders) Managed 2 Funds

Fund Size: £99.1m Launch Date: 1 January 2005

Growth to 31 <sup>st</sup> July 2019				
	1 Yr	3 Yrs	5 Yrs	10 Yrs
2	2.4%	9.3%	18.3%	62.6%
2A	2.9%	11.0%	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	25.4%
3 Europe ex-UK Equities	22.7%
4 Asia Pacific ex-Japan Equities	9.9%
5 Emerging Markets Equities	2.5%

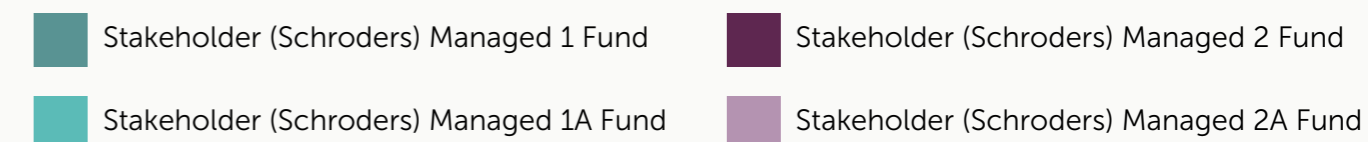
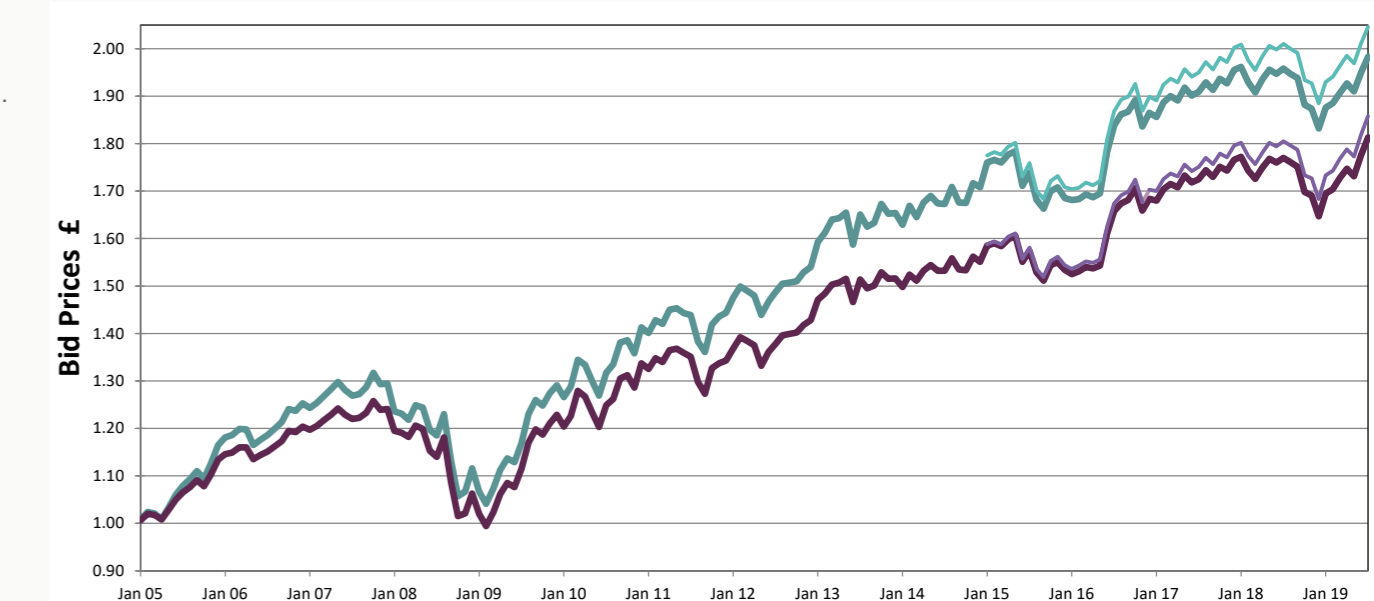
### Single year performance

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 July					
Period	2019	2018	2017	2016	2015
Stakeholder (Schroders) Managed 1 Fund	1.3%	2.6%	3.9%	5.7%	4.0%
Stakeholder (Schroders) Managed 1A Fund	1.8%	3.1%	4.4%	6.2%	n/a
Stakeholder (Schroders) Managed 2 Fund	2.4%	2.6%	4.0%	5.3%	2.7%
Stakeholder (Schroders) Managed 2A Fund	2.9%	3.1%	4.6%	5.9%	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

Not affected by the recent heatwave, global markets delivered a lukewarm performance in July. Despite the rebound in US business activity in June, trade tensions continued to cloud the outlook for companies and suppress business confidence. In a move widely anticipated by the markets, the US Federal Reserve (the Fed) cut interest rates by 0.25% for the first time since 2008, hinting that it was ready to make further cuts if required. The EU Commission decided not to go ahead with an excessive deficit procedure (EDP) against Rome after the Italian government approved deficit-reducing measures of 0.3% of GDP.

The EU confirmed former German Defence Minister Ursula von der Leyen as the next President of the EU Commission, succeeding Jean-Claude Juncker on 1 November. The European Central Bank (ECB) kept interest rates on hold but strengthened its forward guidance, opening the door to rate cuts and other policy initiatives.

In the UK, Boris Johnson won the Conservative Party leadership contest to succeed Theresa May as Prime Minister. Brexit uncertainty remains a key feature for the UK, with little clarity on the detail for Mr Johnson's plans.

Japanese Prime Minister Shinzo Abe declared victory in national elections and is now set to become the country's longest-serving prime minister. The International Monetary Fund (IMF) cut Chinese growth estimates to 6.2% and 6.0% for 2019 and 2020 respectively, both down 0.1%. Slower expansion was also pencilled in for Russia, India and Brazil as the impact of the US-China trade dispute continues to weigh on the global outlook.

### Equity summary

Shares in developed markets broadly rose in July, while emerging markets fell amid US dollar strength. In the US, the S&P 500 index returned 1.4%. Although US GDP growth slowed to 2.1% in Q2, economic data and earnings generally remained resilient compared to the rest of the world.

Eurozone equities were virtually flat in July, with the Eurostoxx 50 index returning -0.1%. The ECB indicated that it was drawing up plans to stimulate the economy given weak growth and below-target inflation.

Despite the increased probability of a no-deal Brexit, the UK was one of the best performing major stock markets in July, but only in local currency terms.

The FTSE 100 index gained 2.2%. Sterling's decline provided a boost for the overseas earners at the top end of the market.

Emerging market equities fell in July faced by the headwind of a stronger US dollar. The MSCI Emerging Markets index in local terms posted a return of -1.0%.

### Fixed income summary

The 10-year US Treasury yield finished the month unchanged at 2.01%. Yields fell in Europe, with 10-year German and French yields down by 0.11% and 0.18% respectively. Yields on 10-year Italian bonds were more than 0.5% lower.

The 10-year UK gilt yield, having lagged in previous months, fell 0.22% from

0.83% to 0.61%. Corporate bonds had another positive month, outperforming government bonds as spreads narrowed.

### Outlook

Markets continue to be supported by liquidity.

There were further dovish comments from both the Fed and the ECB over the month, with both central banks focused on pre-empting further economic weakness and suppressing the potential appreciation of their respective currencies.

The challenge for markets is that global trade data remains soft.

Our cyclical indicators point to waning economic momentum, and there are some concerns about the Fed's ability to ease aggressively when confronted with the strength of the US labour market.

We remain neutral on equities, as weakening economic data is set squarely against support from dovish central banks.

Although valuations look stretched for government bonds, positive momentum and soft cyclical indicators point towards maintaining a positive view on bonds as defensive positions in the portfolio.

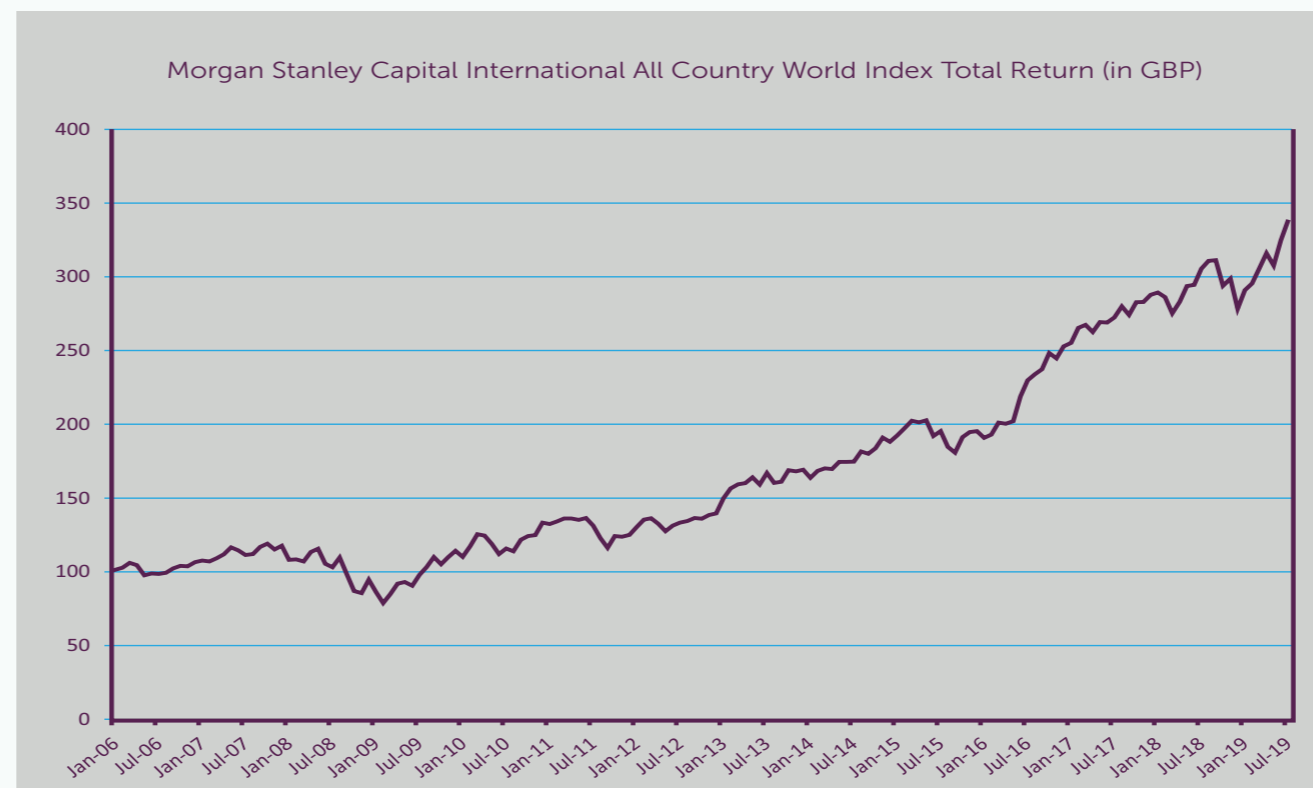


For further information about our products and services, please speak to your local Forester Life Financial Adviser or Customer Services:

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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.