

# Quarterly Investment Bulletin

Q1 2025

## 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: £72.6m\* Launch Date: July 2023

Growth to 31 <sup>st</sup> March 2025 (Net of charges)					
	Q1	1yr	3yrs	5yrs	10yrs
1	-0.2%	2.5%	n/a	n/a	n/a
1A	0.0%	3.0%	n/a	n/a	n/a

**Foresters Stakeholder (Schroders) Sustainable Future Managed 2 Fund**  
Fund Size: £2.9m\* Launch Date: July/September 2023

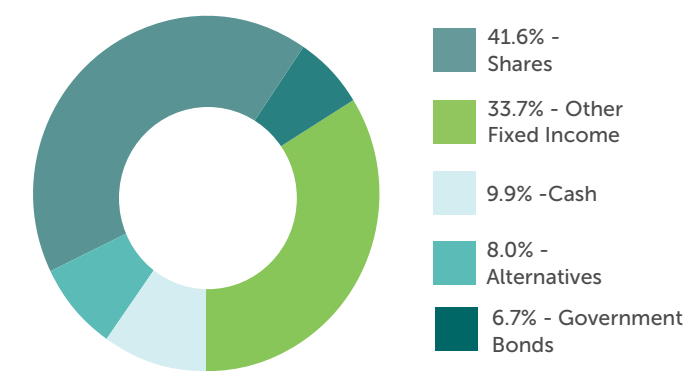
Growth to 31 <sup>st</sup> March 2025 (Net of charges)					
	Q1	1yr	3yrs	5yrs	10yrs
2	-0.2%	1.8%	n/a	n/a	n/a
2A	0.0%	2.2%	n/a	n/a	n/a

**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.



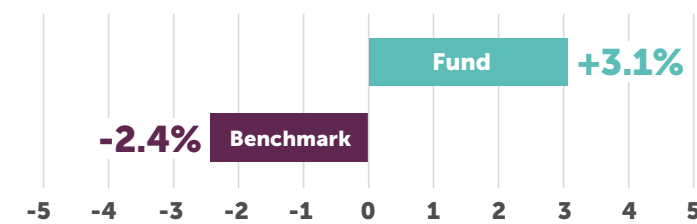
**Top 5 global share holdings (% of shares by region)**

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

Countries/Regions		% of Shares
1	North America Equities	48.4%
2	Europe ex-UK Equities	17.9%
3	Emerging Markets Equities	15.3%
4	UK Equities	8.4%
5	Japan Equities	6.9%

**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 fell in the first quarter with the information technology and consumer discretionary sectors posting the steepest declines. Chinese technology firm DeepSeek's latest artificial intelligence (AI) model caused investors to reassess US leadership in this area, while looming trade tariffs caused concern about the impact on US growth and consumer spending.
- By comparison, Eurozone shares posted strong gains in the first quarter. The financials sector advanced amid some robust earnings updates from banks. Hopes of increased investment by Germany in defence and infrastructure also helped lift shares.
- UK shares also rose over the quarter, with larger companies outperforming. However, UK small and mid-sized companies underperformed amid ongoing worries about the domestic economic outlook.
- Emerging market shares posted gains, supported by a weaker US dollar. China also continued to benefit from optimism regarding its AI capabilities and the stimulus measures announced by the government.
- Fixed income markets saw an increase in market uncertainty, especially in the US. This was driven by the current administration's policy agenda, as well as several key indicators showing signs of weakness in the economy, including a dip in consumer confidence and retail sales. This led to US government bonds outperforming other major bond markets, with yields falling in response to weaker activity data (prices move inversely to yields).
- Commodities rose in the first quarter. Precious metals were the best performers, with strong price gains achieved by gold and silver.

## Outlook

The recent US trade tariffs announcement exceeded market expectations and raised effective US tariff rates to their highest level since the 1930s. This policy announcement worsens the near-term growth and inflation trade-off, increasing the risks to both economic activity and price stability in the short term. It also increases the probability of a US recession, a risk scenario we have been considering in recent months. We have adjusted our forecasts accordingly. This leads us to reduce our equity exposure, and we see value in government bonds as a hedge against the risk of recession for the first time in this cycle.

Going forward, the reaction of the rest of the world will be critical. The countries on the list will have to make their decision either to retaliate and escalate the trade war – or to contemplate reducing their trade imbalance with the US. How long this will take will also matter for the financial markets. Nevertheless, we continue to assess the consequences across economies, sectors and companies, because in the midst of every crisis lies opportunity.

## Schroders

Schroders is a global investment manager with broad expertise across international public and private investment markets. With over 200 years of expertise and over 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 £778.7 billion at 31<sup>st</sup> December 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 comparator<sup>1</sup> as measured by Schroder's proprietary sustainability tool, SustainEx™<sup>2</sup>. 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.

<sup>1</sup>This 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.

<sup>2</sup>Schroders uses SustainEx™ 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.