

# Quarterly Investment Bulletin

## Foresters Stakeholder (Schroders) Managed Fund

Q2 2025

### Fund objective

The Foresters Stakeholder (Schroders) Managed Funds are professionally managed by Schroders with the aim to generate capital growth over the medium to long term by investing in a portfolio of UK and international company shares, global government and corporate bonds, and cash. No more than 60% of the portfolio is invested in stocks and shares. The fund has a medium-low risk profile.

### Foresters Stakeholder (Schroders) Managed 1 Fund

Fund Size: £3,223.2m\*

Launch Date: 1 January 2005

### Foresters Stakeholder (Schroders) Managed 2 Fund

Fund Size: £96.5m\*

Launch Date: 1 January 2005

#### Growth to 30<sup>th</sup> June 2025 (Net of charges)

	Q2	1yr	3yrs	5yrs	10yrs
<b>1</b>	4.6%	5.9%	21.9%	23.2%	39.1%
<b>1A</b>	4.7%	6.5%	23.8%	26.3%	46.2%

#### Growth to 30<sup>th</sup> June 2025 (Net of charges)

	Q2	1yr	3yrs	5yrs	10yrs
<b>2</b>	3.9%	4.8%	17.5%	17.4%	34.3%
<b>2A</b>	4.0%	5.4%	19.2%	20.4%	41.2%

### Fund yearly performance

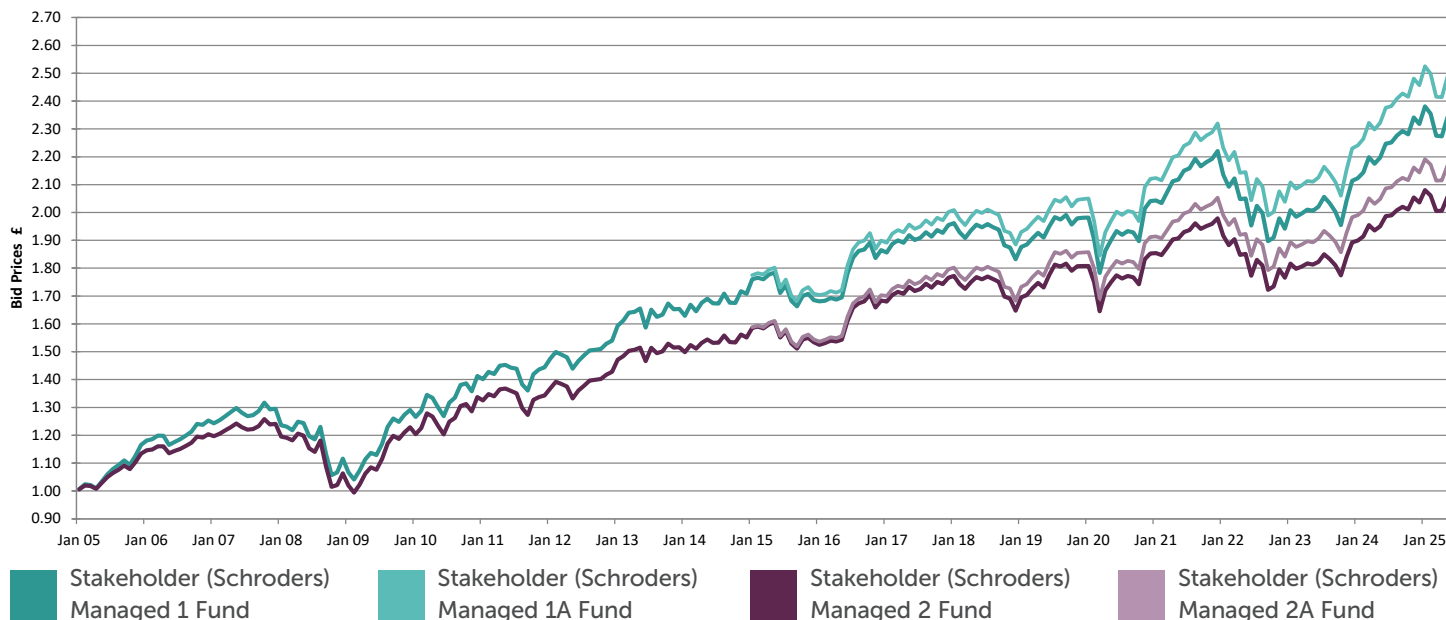
The table below shows the annual growth rate over the past 5 years.

#### Change in price of units over one year periods to end of June (Net of charges)

Period	2025	2024	2023	2022	2021
<b>Stakeholder (Schroders) Managed 1 Fund</b>	5.9%	11.2%	3.5%	-9.2%	11.2%
<b>Stakeholder (Schroders) Managed 1A Fund</b>	6.5%	11.8%	4.0%	-8.7%	11.8%
<b>Stakeholder (Schroders) Managed 2 Fund</b>	4.8%	9.0%	2.8%	-8.1%	8.8%
<b>Stakeholder (Schroders) Managed 2A Fund</b>	5.4%	9.5%	3.4%	-7.7%	9.4%

### Cumulative Performance

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



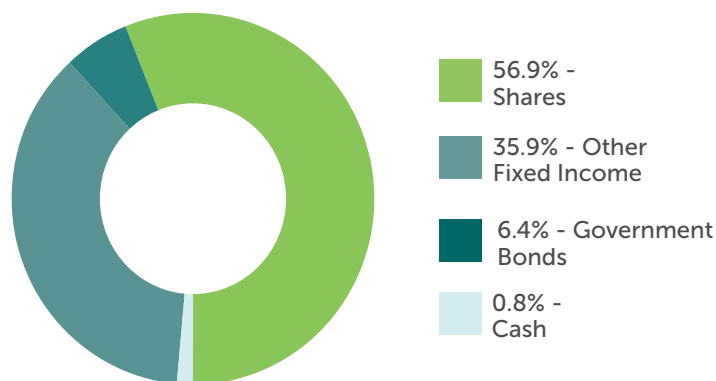
**Important Note:** Please remember that, with a unit-linked investment, the value of your investment may go down as well as up, and that past performance should not be seen as an indication of future performance.

The Foresters Stakeholder (Schroders) Managed 1 Funds are allocated to tax-efficient investments such as ISAs, while the Foresters Stakeholder (Schroders) Managed 2 Funds are allocated to taxable investments such as Savings & Investment Plans. Both funds follow an identical investment philosophy, although comparative performance can still be influenced by a number of factors. Most notably the Foresters Managed 1 Funds enjoy a tax-efficient way of investing and this is usually the key contributor to the differential in performance between the two fund types.

\* Fund sizes are net of charges and also include the 1A and 2A funds where funds are eligible for a reduced annual management charge for Plans invested for more than 10 years.

### 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	54.5%
2	UK Equities	17.8%
3	Emerging Markets Equities	11.9%
4	Europe ex-UK Equities	8.8%
5	Asia Pacific ex-Japan Equities	4.1%

## Schroders Quarterly Review

### Market/ Economic Review

- The second quarter of 2025 was particularly volatile. Despite some sharp falls at the start of the period when President Trump unveiled new trade tariffs, equity markets subsequently recovered amid the temporary suspension of most tariffs while trade talks took place.
- US shares posted gains, led by the information technology and communication services sectors, as investor enthusiasm and strong earnings results gave a boost to the "Magnificent 7" stocks.
- Eurozone shares also advanced, helped by the European Central Bank who cut interest rates twice over the period.
- UK shares rose over the quarter, despite sectors such as energy and healthcare, which make up a large part of the UK market, underperforming during this period. In May, the Bank of England lowered interest rates by 0.25%, bringing them down to 4.25%.
- Emerging market (EM) shares posted gains during the period. Easing trade tensions between the US and China, along with a falling US dollar, supported EM shares.
- In global bond markets, attention shifted away from central banks and their interest rate policies, as most appeared to be nearing the end of their rate-cutting cycles. Instead, the focus turned towards government spending and the implications for long-term debt sustainability. These concerns led to yield curves steepening in most major government bond markets over the quarter, indicating a greater difference between short-term and long-term bond yields (as bond prices move inversely to yields).

### Outlook

While trade tariff news continues to sway in multiple directions, the outcomes on trade so far—compared to "Liberation Day"—are consistent with our expectations of 30% tariffs on China and 10% on the rest of the world, resulting in an effective tariff rate of 12%. Economic uncertainty persists, and we need to monitor the impact of this uncertainty on company behaviour.

However, some of the potential negative risks now appear to be less severe. Consequently, we believe the risk of recession this year is lower, and our outlook on equities is positive. We have retained our neutral view on government bonds: yields are now higher meaning prices are lower and more attractive, but we still have concerns about rising debt levels and ongoing inflation risks in the US.

### 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.