

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 Sustainable (Schroders) Managed 1 Fund

Fund Size: £22.5m*

Launch Date: July 2023

Foresters Stakeholder Sustainable (Schroders) Managed 2 Fund

Fund Size: £0.9m*

Launch Date: July/September 2023

Growth to 31st December 2023 (Net of charges)

	Since Launch**	Q4	1yrs	3yrs	5yrs
1	3.4%	5.3%	n/a	n/a	n/a
1A	3.9%	5.5%	n/a	n/a	n/a

Growth to 31st December 2023 (Net of charges)

	Since Launch**	Q4	3yrs	5yrs	10yrs
2	2.2%	4.3%	n/a	n/a	n/a
2A	3.2%	4.5%	n/a	n/a	n/a

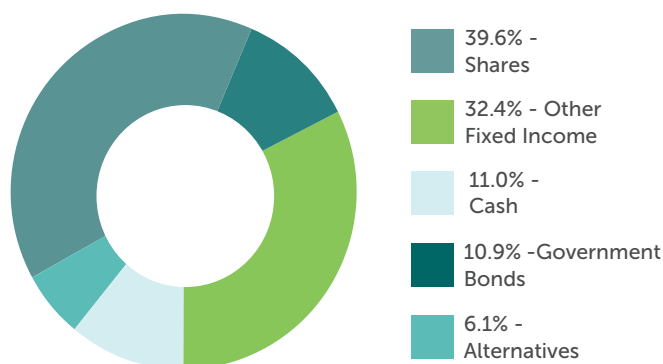
Important Note: Please remember that, with a unit-linked investment, the value of your investment may go down as well as up, and that past performance should not be seen as an indication of future performance.

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

**The Foresters Stakeholder Sustainable Managed 1 and 2 were launched on 11th July 2023. The Foresters Stakeholder Sustainable Managed 1A was launched on 13th July 2023. The Foresters Stakeholder Sustainable Managed 2A was launched on 14th September 2023.

Asset allocation (% of fund)

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



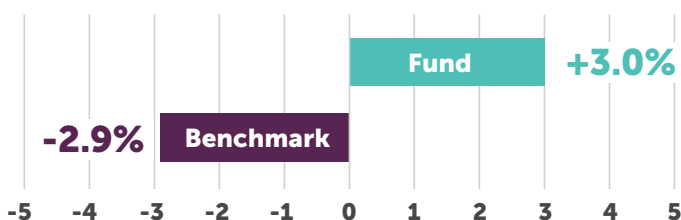
Top 5 global share holdings (% of shares by region)

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

Countries/Regions	% of Shares
1 North America Equities	36.5%
2 Europe ex-UK Equities	25.9%
3 Emerging Markets Equities	14.2%
4 UK Equities	12.9%
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 up of 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 performed strongly in the final quarter of the year. Investors became more optimistic over signs that interest rates may have peaked, given that inflationary pressures have eased. Top performing sectors included information technology and real estate as these industries are more sensitive to interest rates.
- Eurozone shares also delivered strong returns, boosted by expectations that there may be no further interest rate rises. Real estate and information technology sectors performed well whilst the bottom performing sectors were healthcare and energy. UK shares also rose over the quarter with hopes that interest rates may have peaked.
- Despite market concerns early in the quarter, due to the conflict in the Middle East weighing on investor sentiment, Emerging Market equities performed well in the fourth quarter. Stronger signs that the US economy may avoid a recession, along with expectations for interest rate cuts in 2024, supported the region's performance.
- The fourth quarter was marked by weaker economic growth, easing inflation and shifting interest rate expectations, leading to a decline in bond yields (meaning bond prices rose) across all major bond markets.
- In commodities energy was the worst performing sector and both gold and silver achieved strong price gains.

Outlook

Our expectations of a peak in US interest rates and the US avoiding a recession were supported by comments from the US central bank in December. The challenge we now face is that strong returns across equities and bonds mean that our view is now a view held by most investors, making it difficult for us to maintain our positive stance going forwards.

We have therefore downgraded our outlook on equities and bonds to neutral as we do not see any immediate signs of a recession in the US, as employment levels continue to support consumer demand.

Schroders

Schroders is a global investment manager with broad expertise across international public and private investment markets. With over 200 years of expertise, and c5,750 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 £726bn at 30th June 2023.

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, SustainEx™². 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 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.