

## **Forester Life Limited – Directors’ Annual Report to With Profit Fund Planholders – 2024**

### **Introduction**

The Principles and Practices of Financial Management (PPFM) is a document that we are required by law to produce and which sets out how the company will manage the fund.

Each year, the Forester Life Board considers whether the business has been managed in line with the PPFM and we report to our planholders on compliance, how we managed the business over the year and on the exercise of discretion.

This is the report for the With Profits Fund.

This annual report explains:

- if our operation of the With Profits Fund during 2024 complied with the fund’s Principles and Practices of Financial Management (PPFM);
- the way we have exercised management discretion in making key decisions during 2024 and whether this was consistent with the PPFM; and
- how we have addressed any competing or conflicting rights, interests or expectations of the fund’s planholders.

A copy of the latest PPFM can be found on our website [www.foresters.com/wp](http://www.foresters.com/wp)

### **Governance**

The Board is responsible for decisions that affect the with-profits business, after considering advice from the With-Profits Actuary and the Forester Life Funds Advisory Panel.

The With-Profits Actuary is required to produce an annual report to planholders and a copy of the report for 2024 is also available on our website.

The Advisory Panel, although not required to do so, can choose to write to planholders if it feels it appropriate. However, as the panel considers that this report provides a full and fair view of the fund’s operation in 2024, they do not intend to produce a separate report.

### **Statement of Compliance**

Forester Life, having considered the advice of the panel and the With-Profits Actuary, believes that in respect of the calendar year 2024 it has materially complied with the PPFM.

Discretion has been exercised appropriately and the competing or conflicting rights, interests or expectations of different groups of planholders have been taken into account.

Two areas of minor non-compliance were identified, with no associated customer detriment. Additional controls have been implemented to address the first issue and clarifications to the PPFM wording are proposed to address the second issue.

## **Overview of 2024**

In managing the fund, key areas of management discretion concern pay-outs, investment management, expenses, management of the fund's surplus assets and changes to the PPFM. Each of these areas is now considered below.

### **Pay-outs**

Forester Life aims to provide the With Profit Fund's planholders with a fair return on their investment. This is achieved through the setting of bonuses, smoothing of returns and determining surrender values. To do this, we calculate a value known as an asset share.

An individual plan's asset share consists of the payments made into it, less management expenses, tax and other charges. These amounts are then built up at the rate of investment return allocated to the plan.

In addition, as the With Profit Fund is closed to new business, pay-outs will include a distribution of the fund's surplus assets. In order to distribute the surplus pay-outs are calculated as a proportion of the asset share, subject to any guaranteed values, to ensure that the entire assets of the fund are distributed to planholders over the remaining term of the liabilities.

There were no changes to the way we calculate pay-outs during 2024, and pay-outs were in line with the target ranges set out in the PPFM. This, together with the fact that the methodology uses individual asset shares to determine pay-outs, means that we consider pay-outs from the fund to be fair and reasonable.

### **Investment Management**

Investment management of the With Profit Fund is undertaken by Schroders and we regularly monitor performance.

The aim of the investment strategy is to secure the guaranteed liabilities of the fund with a high degree of confidence. The investment style is that of active portfolio management, seeking superior investment returns by way of income and capital appreciation.

### **Management of Expenses**

The expenses charged to the Fund in 2024 were, in line with the PPFM, an appropriate proportion of the total expenses incurred by Forester Life. The Company monitors expenses to ensure that the charges to planholders are fair.

**Further Information**

If you have any questions regarding this document, please write to the following:

Customer Services  
Foresters House  
2 Cromwell Avenue  
Bromley  
BR2 9BF

Email: [service@foresters.co.uk](mailto:service@foresters.co.uk)

Dated: 1 May 2025