

Quarterly Investment Bulletin

Foresters Stakeholder (Schroders) Managed Fund

Q4 2023

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: £2,506.6m*

Launch Date: 1 January 2005

Foresters Stakeholder (Schroders) Managed 2 Fund

Fund Size: £97.1m*

Launch Date: 1 January 2005

Growth to 31st December 2023 (Net of charges)

	Q4	1yr	3yrs	5yrs	10yrs
1	5.5%	8.9%	3.6%	15.4%	27.8%
1A	5.7%	9.4%	5.1%	18.3%	n/a

Growth to 31st December 2023 (Net of charges)

	Q4	1yr	3yrs	5yrs	10yrs
2	4.5%	7.2%	2.2%	14.9%	24.9%
2A	4.6%	7.7%	3.7%	17.8%	n/a

Fund yearly performance

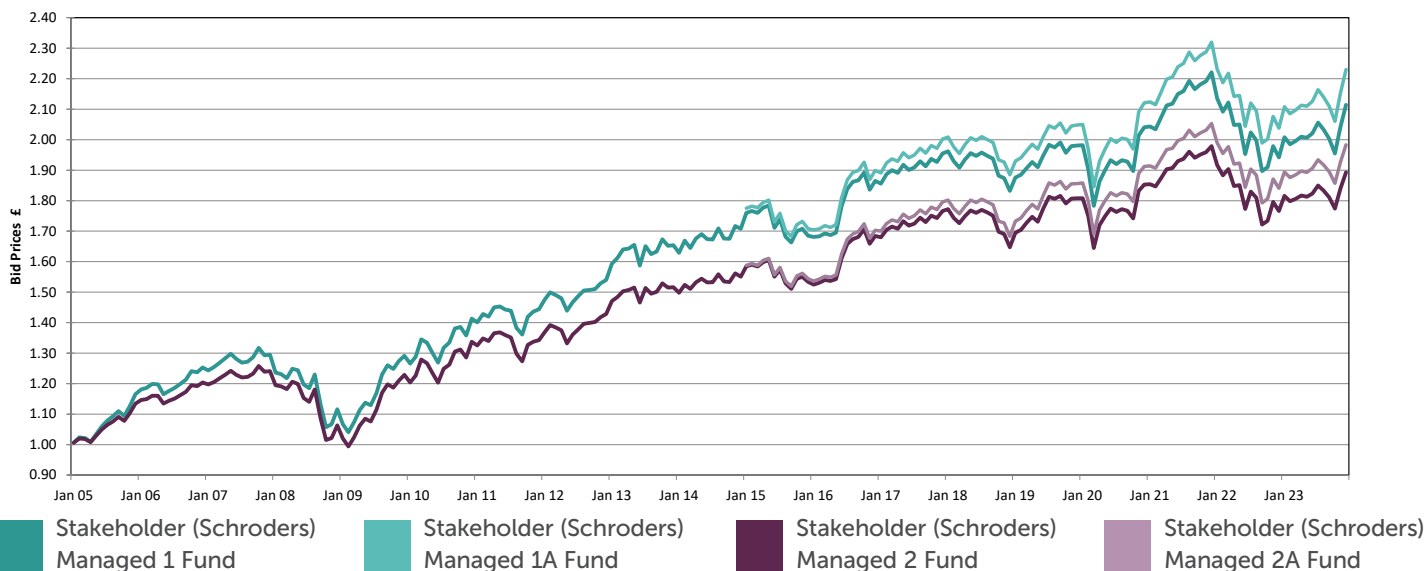
The table below shows the annual growth rate over the past 5 years.

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

Period	2023	2022	2021	2020	2019
Stakeholder (Schroders) Managed 1 Fund	8.9%	-12.6%	8.8%	3.0%	8.1%
Stakeholder (Schroders) Managed 1A Fund	9.4%	-12.2%	9.4%	3.6%	8.6%
Stakeholder (Schroders) Managed 2 Fund	7.2%	-10.8%	6.8%	2.5%	9.8%
Stakeholder (Schroders) Managed 2A Fund	7.7%	-10.3%	7.4%	3.0%	10.3%

Cumulative Performance

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



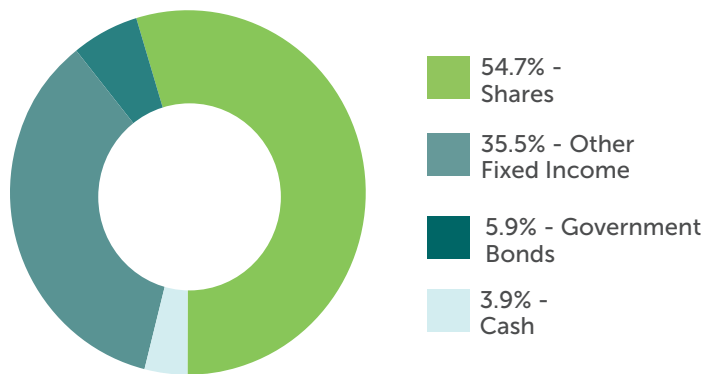
Important Note: Please remember that, with a unit-linked investment, the value of your investment may go down as well as up, and that past performance should not be seen as an indication of future performance.

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	51.8%
2 UK Equities	17.7%
3 Europe ex-UK Equities	11.4%
4 Emerging Markets Equities	10.6%
5 Asia Pacific ex-Japan Equities	4.5%

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.

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 ESG

ESG stands for Environmental, Social and Governance. The multi-asset team at Schroders recognise that ESG trends such as globalisation, changing political landscapes, ecosystem disruption, urbanisation and climate change may have a material impact on investments. At the heart of the team's investment philosophy is the belief that through analysis of ESG factors, better investment decisions can be made. Schroders utilise their comprehensive experience and expertise to integrate ESG analysis into their investment process on your behalf.