

## 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: £45.0m\*

Launch Date: July 2023

Growth to 28 <sup>th</sup> June 2024 (Net of charges)					
	Q2	Since Launch**	1yrs	3yrs	5yrs
<b>1</b>	1.0%	6.9%	n/a	n/a	n/a
<b>1A</b>	1.1%	7.7%	n/a	n/a	n/a

### Foresters Stakeholder Sustainable (Schroders) Managed 2 Fund

Fund Size: £1.4m\*

Launch Date: July/September 2023

Growth to 28 <sup>th</sup> June 2024 (Net of charges)					
	Q2	Since Launch**	3yrs	5yrs	10yrs
<b>2</b>	0.7%	4.9%	n/a	n/a	n/a
<b>2A</b>	0.9%	6.2%	n/a	n/a	n/a

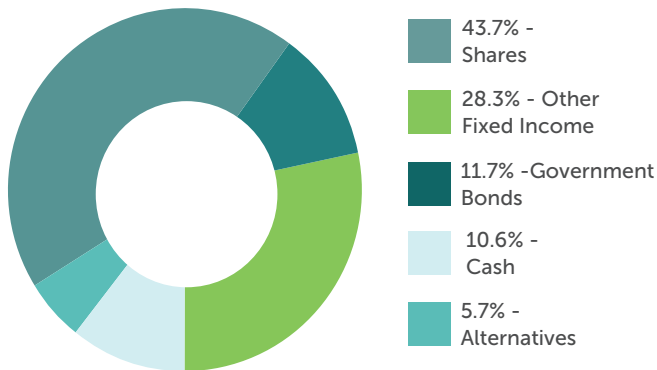
**Important Note:** Please remember that, with a unit-linked investment, the value of your investment may go down as well as up, and that past performance should not be seen as an indication of future performance.

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

\*\*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.



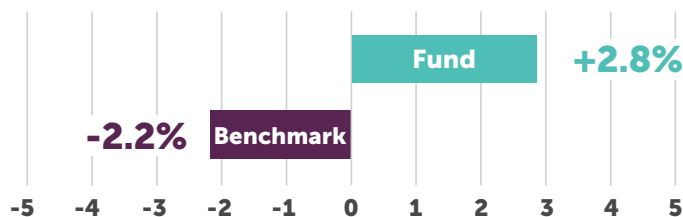
### Top 5 global share holdings (% of shares by region)

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

	Countries/Regions	% of Shares
1	North America Equities	47.2%
2	Europe ex-UK Equities	18.2%
3	Emerging Markets Equities	14.6%
4	UK Equities	10.3%
5	Japan Equities	7.0%

### 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 gained as stocks related to artificial intelligence outperformed the broader market. Investors closely monitored the projected timing and magnitude of interest rate cuts throughout the quarter. Initially, there were worries about the continued strength of the US economy, leading to negative reactions from investors who had concerns that future interest rate cuts may now be less likely. However, hopes of a soft landing for the economy grew as the quarter progressed.
- Eurozone shares moved lower in the second quarter. Shares fell amid uncertainty caused by the announcement of parliamentary elections in France and dwindling expectations for steep interest rate cuts.
- UK shares rose over the quarter. Having suffered a mild recession over the second half of 2023, it was confirmed that the UK economy rebounded strongly in the first quarter of 2024. Meanwhile, the annual consumer price index revealed inflation fell back to 2.0% in May, hitting the Bank of England's target for the first time since July 2021.
- Emerging market (EM) shares finished ahead of developed markets in the second quarter. This was partly because there were some signs of slower economic growth in the US, which made investors less worried about potential US interest rate hikes. Additionally, China's economy showed signs of improvement over the quarter, which also contributed to the positive performance of EM shares.
- Global government bond performance varied over the quarter. Inflation data remained surprisingly high in some regions and reduced the chances of imminent interest rate cuts, leading to a more volatile period for government bonds.
- In commodities, industrial metals and precious metals were the best performers this quarter, while agriculture achieved more modest growth.

## Outlook

Economic growth remains broadly positive, and inflation is moving in the right direction. Several central banks have started to cut interest rates, and we expect the Bank of England to follow suit soon, while the US central bank may wait until autumn. The earnings outlook for most major regions remains positive, and we believe there is still potential for further upside.

Therefore, this supports our positive outlook on equities. We are neutral on government bonds. Inflationary pressures are expected to ease further, but the team feels that bond prices are fairly priced, so we will wait for prices to fall further before upgrading our view.

## 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 £750.6bn at 31<sup>st</sup> December 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 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.