

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 (Schroders) Sustainable Future Managed 1 Fund

Fund Size: £56.2m*

Launch Date: July 2023

Foresters Stakeholder (Schroders) Sustainable Future Managed 2 Fund

Fund Size: £2.1m*

Launch Date: July/September 2023

Growth to 30th September 2024 (Net of charges)

	Since Launch**	Q3	1yrs	3yrs	5yrs
1	9.3%	2.2%	11.3%	n/a	n/a
1A	10.2%	2.3%	11.9%	n/a	n/a

Growth to 30th September 2024 (Net of charges)

	Since Launch**	Q3	1yrs	3yrs	5yrs
2	6.7%	1.7%	8.8%	n/a	n/a
2A	8.1%	1.8%	9.4%	n/a	n/a

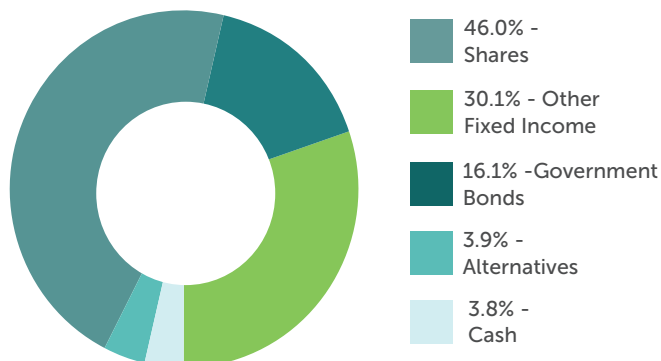
Important Note: Please remember that, with a unit-linked investment, the value of your investment may go down as well as up, and that past performance should not be seen as an indication of future performance.

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

**The Foresters Stakeholder (Schroders) Sustainable Future Managed Fund 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.



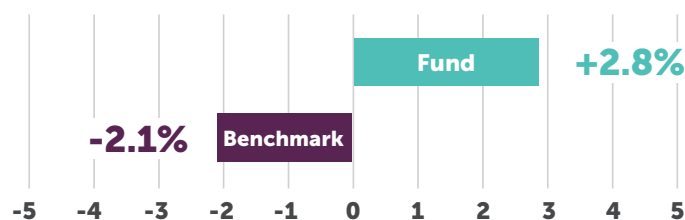
Top 5 global share holdings (% of shares by region)

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

Countries/Regions	% of Shares
1 North America Equities	52.6%
2 Europe ex-UK Equities	15.5%
3 Emerging Markets Equities	13.8%
4 UK Equities	8.3%
5 Japan Equities	7.5%

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 advanced strongly over the quarter. The US central bank announced a 0.5% interest rate cut in September following weaker jobs data, which indicated that the unemployment rate had risen to 4.3%.
- Eurozone shares also posted gains, led by the real estate, utilities and healthcare sectors, as the prospect of lower interest rates saw investors reassess some previously out-of-favour parts of the market.
- UK shares also rose, helped initially by Labour's landslide general election win at the start of the quarter which fuelled hopes for a sustained recovery in the domestic economy. This was helped further by the Bank of England who announced its first interest rate cut in four years in August, reducing the Bank Rate by 0.25% to 5%.
- Emerging market shares outperformed developed markets in the third quarter. It was a volatile start to the period due to concerns over slowing global growth which led to share prices significantly falling. However, there was some relief as both the US and Chinese governments implemented measures to stimulate their economies. This helped emerging markets to post strong returns in September.
- Interest rate cuts in a number of major economies during the quarter, along with the prospect of more to come, helped bond markets deliver positive returns. Corporate bonds outperformed government bonds during this period.
- In commodities, energy was the weakest component this quarter, while agriculture, industrial metals, livestock and precious metals gained.

Outlook

Consistent with the conclusion we reached over the summer, we remain in the soft landing camp when it comes to the US economy, a scenario where economic growth slows and inflation pressures ease, however a recession is avoided. Falling inflation is giving the US central bank room for manoeuvre, while labour markets remain relatively healthy. All in all, these factors lead us to maintain our positive view on equities.

We have downgraded our view on government bonds to negative, as we believe that the extent of further rate cuts expected by investors still seems excessive, particularly for US bonds.

Nonetheless, in the longer term, we expect bonds to become more attractive as a means of protecting against recession risks.

Schroders

Schroders is a global investment manager with broad expertise across international public and private investment markets. With over 200 years of expertise, and c.6000 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 £773.7bn at 30th June 2024.

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, SustainExTM². 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 SustainExTM 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.