



# Standard Life Vanguard Euro Government Bond Index Fund

The Standard Life Vanguard Euro Government Bond Index Fund invests fully in the Vanguard Euro Government Bond Index Fund.

It seeks to provide returns consistent with the Bloomberg Barclays Euro Government Float Adjusted Bond Index (the Index), a market-weighted index comprised of euro-denominated government fixed income securities. It aims to track the performance (up and down) of the Index by investing in a portfolio that, insofar as possible and practicable, consists of a representative sample of the component securities of the Index. This market-weighted index is designed to reflect the total universe of euro-denominated eurozone<sup>1</sup> treasury and eurozone<sup>1</sup> government securities with maturities greater than one year.

Income received by the fund will be reinvested and reflected in the unit price of the fund.

## Why consider the Standard Life Vanguard Euro Government Bond Index Fund?

### 1. Access to highly quality government bonds

The fund provides access to a diversified portfolio of primarily investment grade eurozone government bonds, providing investors with exposure to individual bond markets across the euro zone.

### 2. No currency exchange risk

As the fund invests in euro denominated securities, currency exchange risk is eliminated for the euro investor.

### 3. Low-cost

A low-cost alternative to an actively managed Euro Government Bond fund.

### 4. Experienced fund manager

Managed by Vanguard, one of the world's largest fund managers with over 40 years of experience in passive investing.

<sup>1</sup>The eurozone is all countries in the European Union that have adopted the euro as their currency.

**Warning: If you invest in this fund you may lose some or all of the money you invest**

**Warning: The value of your investment may go down as well as up**

## Who is the fund suitable for?

Consider this fund if you

- are comfortable with a medium level of risk. This fund is rated three out of seven on the ESMA risk scale, seven being the highest
- are seeking the potential for investment returns that are similar to the underlying index that the fund tracks
- have an investment horizon of at least five years
- can take risk with your capital

This fund may not be suitable if you

- are a low risk investor
- do not want to take risk with your capital
- have an investment horizon of less than five years

## Why Vanguard?

Vanguard is the second largest asset manager in the world with over €4 trillion<sup>2</sup> in assets under management and more than 20 million investors around the globe<sup>3</sup>. Vanguard established the world's first index mutual fund for individual investors in 1976 and has been a leader in low-cost index investing ever since<sup>4</sup>. They also launched the first funds based on bond and international indices.

<sup>2</sup>Source: Investment & Pensions Europe, Top 400 Asset Managers, June 2018.

<sup>3</sup>Source: Vanguard, January 2018

<sup>4</sup>Source: Vanguard, February 2017

## Underlying fund performance

Gross performance to 31 July 2020<sup>5</sup>

	YTD	3M	1 Year	3 Year	5 Year	10 Year	Since launch <sup>6</sup>
Vanguard Euro Government Bond Index Fund	3.0%	2.2%	2.0%	3.7% p.a.	2.8% p.a.	4.1% p.a.	4.8% p.a.
Bloomberg Barclays Euro Government Float Adjusted Bond Index	3.0%	2.1%	2.0%	3.7% p.a.	2.8% p.a.	4.1% p.a.	4.8% p.a.

	2019	2018	2017	2016	2015
Vanguard Euro Government Bond Index Fund	6.4%	1.0%	0.1%	3.2%	1.5%
Bloomberg Barclays Euro Government Float Adjusted Bond Index	6.3%	0.9%	0.2%	3.1%	1.5%

The performance of the underlying fund is gross of annual management charge and taxes. The Standard Life Vanguard Euro Government Bond Index Fund has a standard annual management charge of 0.90% and was launched on 1 March 2019. Please talk to your financial adviser about the annual management charge that applies to your policy.

<sup>5</sup>Source: Vanguard, 31 July 2020.

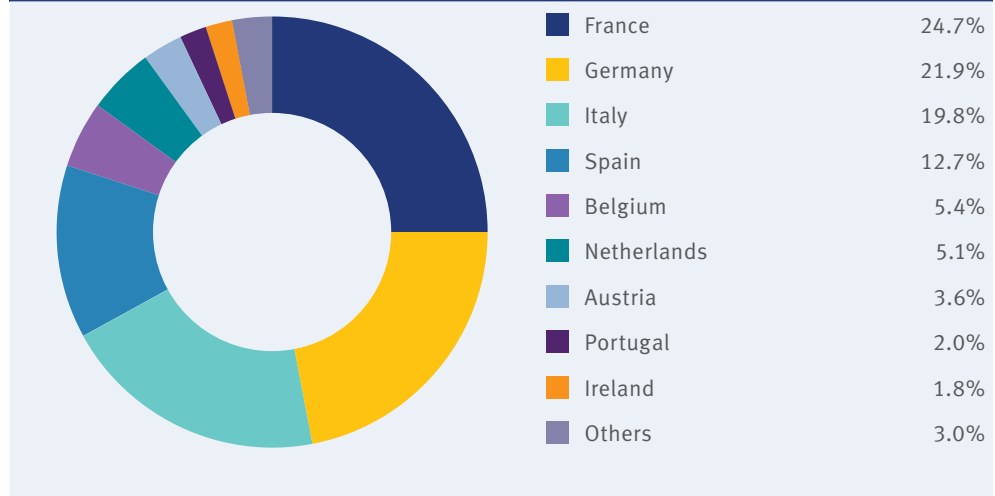
<sup>6</sup>29 September 2000

**Warning: Past performance is not a reliable guide to future performance**

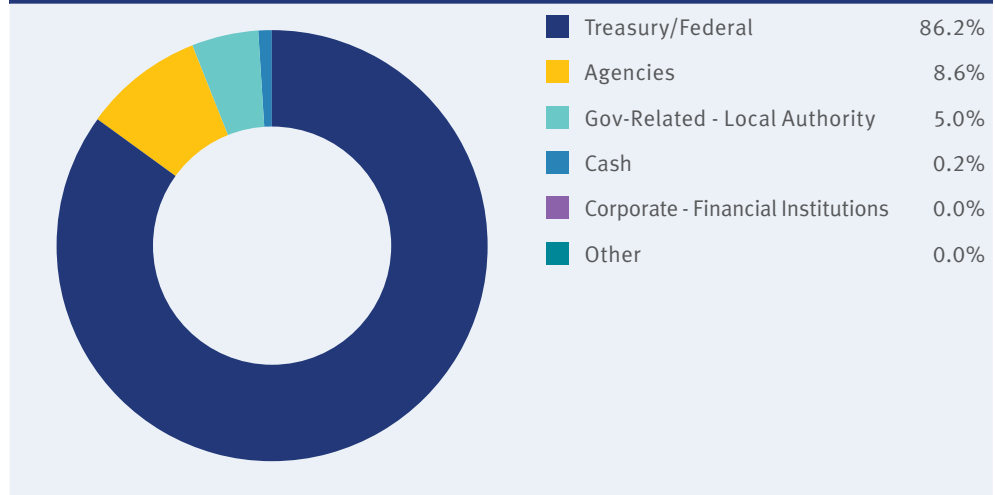
## Underlying fund information as at 31 July 2020

Fund size (all share classes): €6.1 billion

### Country allocation



### Sector allocation



Note: May not add to 100% due to rounding.

Number of bonds	845
Quality breakdown	% of fund
AAA	24.2%
AA	36.8%
A	16.2%
BBB	22.5%
NR	0.2%

\*Source: Vanguard, 31 July 2020.

## **Important things to consider**

The Standard Life Vanguard Euro Government Bond Index Fund invests in the Vanguard Euro Government Index Fund.

The value of bonds and fixed income-related securities is affected by influential factors such as interest rates, inflation, credit spreads and volatility which, in turn, are driven by other factors including political, economic news, company earnings and significant corporate events. Movements in currency exchange rates can adversely affect the return of your investment.

Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the fund is more sensitive to any localised economic, market, political or regulatory events.

Investors in the fund may buy and sell units on any normal business day.

The value of investments within the Standard Life Vanguard Euro Government Bond Index Fund can fall as well as rise and is not guaranteed – an investor may get back less than they paid in. The fund and its holdings may use derivatives for the purpose of efficient portfolio management, reduction of risk or to meet its respective investment objective if this is permitted and appropriate. The euro value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

At certain times and when you cash in your policy, there is likely to be tax payable. This will depend on the policy type you're invested in and your personal circumstances.

## **Risk Factors**

### **Counterparty risk**

The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the fund to financial loss.

### **Liquidity risk**

Liquidity risk occurs when the relevant market is inefficient and it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

### **Index tracking risk**

The fund is not expected to track the performance of the Index at all times with perfect accuracy. The fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of the Index.

### **Index sampling risk**

As the fund uses an index sampling technique whereby a representative sample of securities are selected to represent the Index, there is the risk that the securities selected for the fund may not, in the aggregate, approximate the full Index.

## **Inflation risk**

The value of your investments may not be worth as much in the future due to changes in purchasing power resulting from inflation.

## **Credit risk**

The fund invests in equities and equity related securities. These are sensitive to variations in the stock market which can be volatile and change substantially in short periods of time.

## **Use of derivatives**

The fund can use derivatives in order to meet its investment objective or to protect from price and currency movements. This may result in gains or losses that are greater than the original amount invested. Derivatives are financial instruments which derive their value from an underlying asset, such as a company share or a bond, and are used routinely in global financial markets. Used correctly, derivatives offer an effective and cost-efficient way of investing in financial markets. However, derivatives can lead to increased volatility of returns in a fund, thus requiring a robust and extensive risk management process. Some derivatives give rise to increased potential for loss where the fund's counterparty defaults in meeting its payment obligations.

## **Securities lending**

The assets in this fund may be used for the purpose of security lending in order to earn an additional level of return and offset the cost of the fund. While securities lending increases the level of risk in the fund it may provide an opportunity to increase the investment return.

### **Switching your fund, transferring or cashing in**

You may be one of many investors in a fund. Sometimes, in exceptional circumstances:

- we may also change the pricing basis of a fund to reflect cash flows in and out. If it's a property based fund, due to the high transaction charges associated with the assets, this can result in a significant movement of the fund price.
- we may also wait before we carry out your request to switch funds, transfer or cash in your policy. This delay could be up to a month. But for some funds this may be longer, for example, if it's a property based fund, it may be up to 12 months because property and land can take longer to sell.

If we have to delay switching, transferring or cashing in, we'll use the fund prices on the day the transactions take place – these prices could be very different from the prices on the day that you made the request.

These are processes which aim to maintain fairness between those remaining invested and those leaving a fund.

**For more information on our funds, please visit [www.standardlife.ie/funds](http://www.standardlife.ie/funds)**

# Find out more

**Talk to your financial adviser. They'll give you the information you need.  
Also, you can call us or visit our website**

**(01) 639 7000**

Mon-Fri, 9am to 5pm. Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

**[www.standardlife.ie](http://www.standardlife.ie)**