

Jane Smyth

# Investment proposal

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Prepared by Joe Adviser

ABZ Advisers

02 October 2023

# Introduction

Dear Jane,

Thank you for meeting with us today to discuss your €250,000 investment.

Please find included in this report details of our proposed portfolio for your investment.

As discussed we are recommending the Standard Life Global Index Fund 60 and as you indicated a preference for sustainable investing in your risk questionnaire, we also included the Standard Life Global Equity Impact Fund.

Should you have any questions in relation to this report, please do not hesitate to contact me.

Kind regards,

Joe

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# Welcome to your investment journey

On the following pages, you'll see how this portfolio has performed recently and the degree of risk experienced. You can also see a high-level breakdown of this portfolio's underlying asset allocation. The fund factsheets provide a detailed breakdown of the individual funds.

This report is produced with the objective of being clear, comprehensive and informative. There is a balance between making it easy to comprehend and making all the information available to you, so let me know if you do need anything clarified or need any further information.

For an explanation on the terms used, please refer to the glossary at the end of this document.

## Proposed investment

| Fund                               | Percentage Allocation | Monetary Allocation |
|------------------------------------|-----------------------|---------------------|
| Standard Life Global Index Fund 60 | 85%                   | €212,500.00         |
| Standard Life Global Equity Impact | 15%                   | €37,500.00          |
| <b>Total</b>                       | <b>100%</b>           | <b>€250,000.00</b>  |

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

**Warning:** The income you get from this investment may go down as well as up.

**Warning:** The value of an investment in these funds may go down as well as up.

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## Fund descriptions

### Standard Life Global Index Fund 60

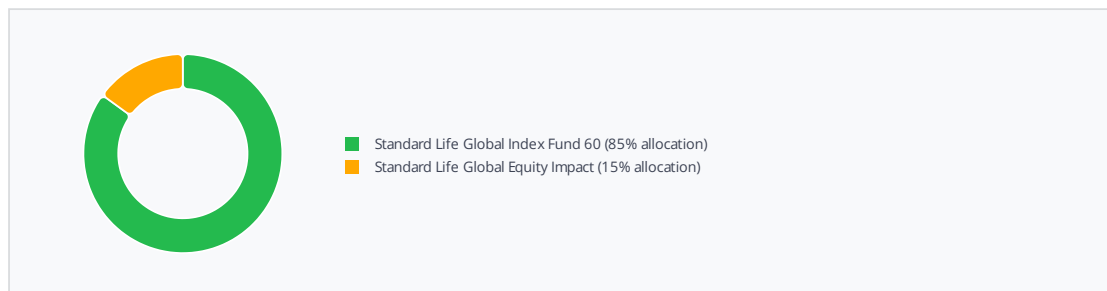
The Fund aims to generate long-term investment returns through a combination of income and capital growth by investing in funds which are from a broadly diversified range of global shares and bonds. The Fund invests in a portfolio of index funds comprising approximately 60% in global shares (including Emerging Markets) and approximately 40% in global bonds and other similar fixed income investments (e.g. corporate bonds, government backed securities, index-linked bonds).

### Standard Life Global Equity Impact

The Standard Life Global Equity Impact fund invests in the abrdn Global Equity Impact fund. The aim of the abrdn Global Equity Impact fund is summarised below. The fund aims to generate growth over the long term by investing in equities which aim to create positive measurable environmental and/or social impacts. It will invest primarily in equities of corporations listed on recognised stock exchanges. The impact criteria may change from time to time and may include areas such as sustainable energy, recycling practices, health and social care, sanitation, education and employment, agriculture, housing and financial inclusion. The investment team will maintain a diverse asset mix at impact, country, sector and stock level, with the regional, country and sector weightings within the portfolio a by-product of the underlying stock exposure. Their primary focus is on stock selection to try to take advantage of opportunities they have identified. Due to the concentrated nature of the fund investors must be willing to accept a relatively high degree of stock specific risk. The impact criteria applicable to the fund are set out in an Impact Policy which is available from the Management Company and may be amended from time to time as considered necessary.

## How is this portfolio invested?

Understanding which assets and markets your portfolio is invested in is key to assessing the likely risks and returns you can expect in the future.



| Portfolio asset allocation         | Standard Life Global Index Fund 60 | Standard Life Global Equity Impact | Lookthrough Asset Allocation |
|------------------------------------|------------------------------------|------------------------------------|------------------------------|
| Equities                           | 50.5%                              | 14.6%                              | 65.1%                        |
| Fixed Income                       | 32.5%                              | 0.0%                               | 32.5%                        |
| Cash, money market and equivalents | 1.0%                               | 0.4%                               | 1.4%                         |
| Other                              | 0.9%                               | 0.0%                               | 0.9%                         |
| <b>Total</b>                       | <b>85.0%</b>                       | <b>15.0%</b>                       | <b>100.0%</b>                |

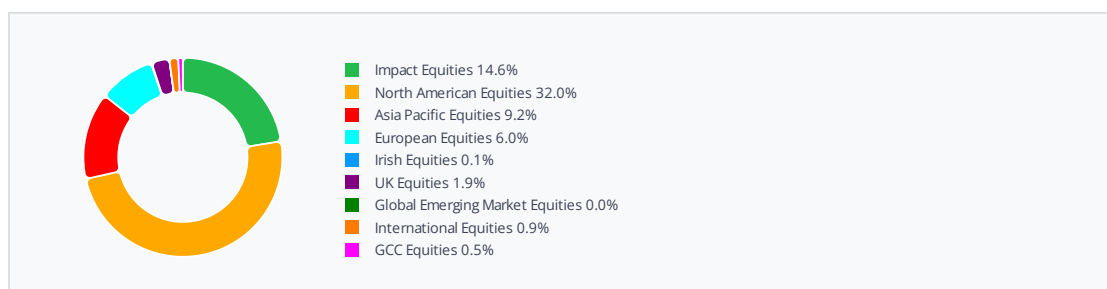
Source: Standard Life, using latest available asset data as at date of report. May not add to 100% due to rounding.

### High-level asset allocation



Source: Standard Life, using latest available asset data as at date of report. May not add to 100% due to rounding.

### Regional Equity Breakdown (65.1%)



Source: Standard Life, using latest available asset data as at date of report. May not add to 100% due to rounding.

## How has this portfolio performed?

You will want to know how this proposed portfolio has performed. Below, I've illustrated the historical performance of this portfolio. The actual value of your investment will rise and fall depending on future market movements.

### Portfolio performance - five years

- €250,000 invested with a 100.00% allocation in September 2018



Source: FE fundinfo 2023, net of annual management charge, gross of taxes and adviser charges. The actual return achieved by policies may be lower because of these charges and taxes.

The Standard Life Global Index Fund 60 launched in August 2021. In order to show the historic performance of a similar portfolio, we use the past performance of the three underlying funds in which Global Index Fund 60 invests. The historic portfolio is comprised of the underlying Vanguard Global Stock Index Institutional EUR (ISIN IE00B03HD191), the Vanguard Emerging Markets Stock Index Institutional EUR (ISIN IE0031786696) and the Vanguard Global Bond Index Institutional Plus Hedged Acc EUR (ISIN IE00BGCZ0B53). This performance track history assumes a fixed allocation of 40% Global Bonds and 60% Global Equities. The portfolio past performance is reflective of asset allocation rebalancing on a monthly basis. Please note that the Global Index Fund 60 is rebalanced on an ongoing basis. The annual management charge (AMC) of these underlying funds is different to the AMC of the Standard Life Global Index Fund 60.

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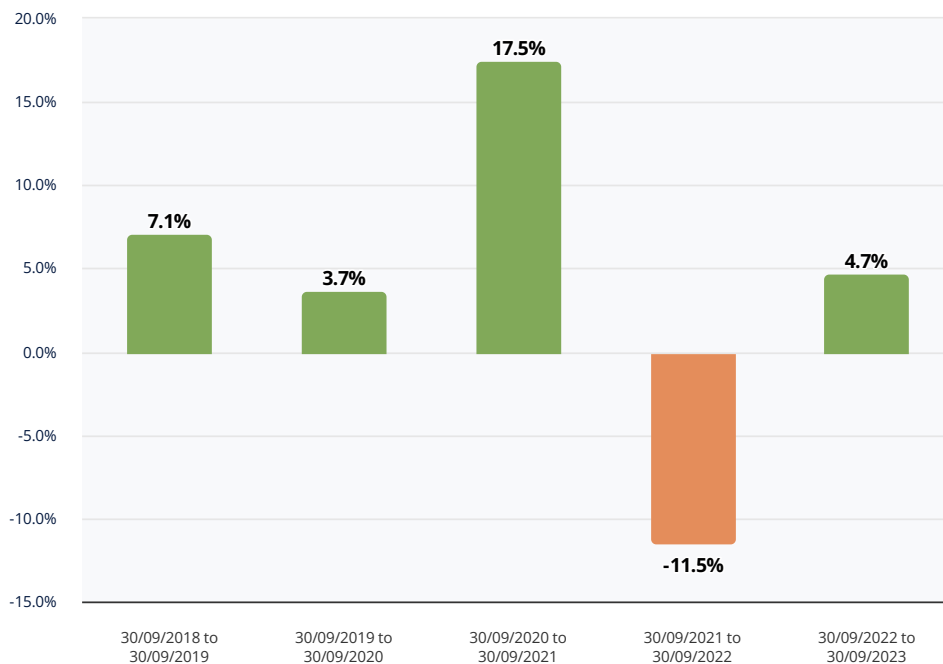
**Warning:** An investment in these funds may be affected by changes in currency exchange rates.

### Portfolio performance

| Value on 30 September 2018 | Value on 29 September 2023 |
|----------------------------|----------------------------|
| €250,000                   | €302,359                   |

## Discrete portfolio performance - five years

The following chart shows the performance of the portfolio over discrete 12 month periods. The overall annualised return over the last 5 years is **3.9%**.



Source: FE fundinfo 2023, Performance 30 September 2023, net of annual management charge, gross of taxes and adviser charges. The actual return achieved by policies may be lower because of these charges and taxes.

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# Individual fund performance

## Standard Life Global Index Fund 60

|            | YTD  | 1yr  | 3yr  | 5yr   | 7yr   | 10yr  | Since launch | Launch date      |
|------------|------|------|------|-------|-------|-------|--------------|------------------|
| Cumulative | 5.04 | 5.07 | 8.69 | 19.29 | 32.64 | 68.57 | 76.44        | 27 February 2013 |
| Annualised | -    | 5.07 | 2.82 | 3.59  | 4.12  | 5.36  | 5.51         |                  |

## Standard Life Global Equity Impact

|            | YTD   | 1yr  | 3yr  | 5yr   | 7yr | 10yr | Since launch | Launch date   |
|------------|-------|------|------|-------|-----|------|--------------|---------------|
| Cumulative | -3.29 | 2.58 | 9.71 | 29.85 | -   | -    | 34.38        | 09 April 2018 |
| Annualised | -     | 2.58 | 3.14 | 5.36  | -   | -    | 5.55         |               |

Source: FE fundinfo 2023, Performance to 30 September 2023, net of annual management charge, gross of taxes and adviser charges. The actual return achieved by policies may be lower because of these charges and taxes.

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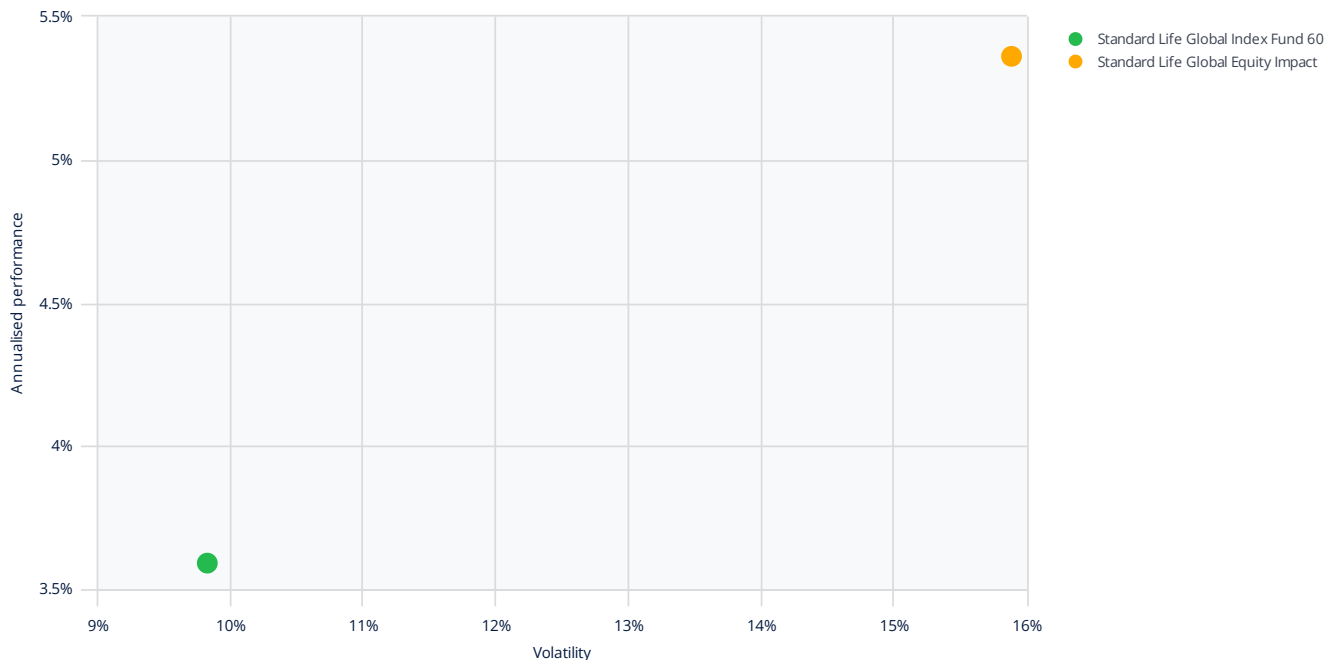
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## Risk profile - five years

Investments have different risk and return characteristics, with the potential to rise and fall in value. As a rule, the higher the risk an investment is, the higher the potential investment returns and losses can be. The lower the risk an investment is, the lower the potential investment returns and losses can be.

The table below shows the level of risk of each investment fund and how these investments combine into the proposed portfolio.



| Fund                               | Annualised performance | Volatility   | 5 Yr Max Drawdown |
|------------------------------------|------------------------|--------------|-------------------|
| Standard Life Global Index Fund 60 | 3.6%                   | 9.8%         | -14.1%            |
| Standard Life Global Equity Impact | 5.4%                   | 15.9%        | -21.5%            |
| <b>Investment Portfolio</b>        | <b>3.9%</b>            | <b>10.6%</b> | <b>-15.2%</b>     |

Source: FE fundinfo 2023, Performance to 30 September 2023, net of annual management charge, gross of taxes and adviser charges. The actual return achieved by policies may be lower because of these charges and taxes.

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# Standard Life Policy - Synergy Investment Bond

## Terms and charges

|                |         |
|----------------|---------|
| Net allocation | 100.00% |
| FBRC           | 0.25%   |
| Rebate         | 0.25%   |

## Life Assurance Premium Levy

A 1% government levy applies to all investment products sold in Ireland. Remember to factor this in when calculating the net allocation.

## Exit Tax

Realised gains for investment bonds are subject to an exit tax of 41%. There is a deemed disposal every eight years, where exit tax is deducted on unrealised gains on the 8th anniversary of the policy. Exit tax is deducted at source.

## Annual Management Charge

| Fund                                      | Annual Management Charge (AMC) | Fund mix | Blended AMC | Less rebate | Plus FBRC | Effective portfolio AMC |
|---|--------------------------------|----------|-------------|-------------|-----------|-------------------------|
| <b>Standard Life Global Index Fund 60</b> | 0.95%                          | 85.00%   | 0.97%       | 0.25%       | 0.25%     | <b>0.97%</b>            |
| <b>Standard Life Global Equity Impact</b> | 1.10%                          | 15.00%   |             |             |           |                         |

## Additional Expenses

| Fund                                      | Additional expense | Fund mix | Blended additional expenses | Effective portfolio AMC | Effective portfolio TER |
|---|--------------------|----------|-----------------------------|-------------------------|-------------------------|
| <b>Standard Life Global Index Fund 60</b> | 0.00%              | 85.00%   | 0.02%                       | 0.97%                   | <b>0.99%</b>            |
| <b>Standard Life Global Equity Impact</b> | 0.13%              | 15.00%   |                             |                         |                         |

## Fund Providers

### Standard Life

Standard Life is a life savings company. That means that they provide pensions, retirement solutions, savings, investments and funds for each stage of your life journey. Standard Life have been working in partnership with financial advisers helping Irish people plan and enjoy their futures for more than 180 years. Standard Life International has a team of almost 400 people in Ireland which delivers products and services to support customers and advisers.

They work with carefully selected fund managers in abrdn and Vanguard to offer you a choice of investment funds to suit your needs. They also give you options to invest in deposits, shares and exchange-traded funds.

Standard Life's funds are available across the range of savings, pensions and investment products. The range of investments available provide flexible options suitable for customers with different attitudes to risk, and each client is entitled to 12 free switches in a year. As Standard Life innovate and grow the number of funds available, these automatically become available to clients.

Customers have online access to their policy details through MyStandardLife.ie

Financial strength is arguably one of the most important considerations when choosing a financial provider. Standard Life International dac is a subsidiary of Phoenix Group Holdings plc. Phoenix is listed on the London Stock Exchange, a constituent of the FTSE 100 Index. Independent credit rating agency Fitch recognised its strong financial position with an A+ credit rating.

Standard Life International dac is regulated by the Central Bank of Ireland.



Vanguard was founded in the United States in 1975 on a simple but revolutionary idea: that an investment company should manage its funds solely in the interests of its clients. Vanguard is now the second largest fund manager in the world, helping over 30 million clients in 170 countries. They pioneered index tracking fund management in 1976 and have a strong reputation for minimising tracking errors in managing large global index funds. They manage over \$7.7 trillion assets (as at 30 April 2023).

### abrdn

abrdn invest to help their clients create more. They offer investment expertise across all key asset classes, regions, and markets. By combining market and economic insight with technology and diverse perspectives, they look for optimal ways to help investors navigate the future. And by putting environmental, social and governance (ESG) considerations at the heart of their process, abrdn seeks to find the most sustainable investment opportunities globally. By ensuring the assets they invest in are ready for and resilient to a world in transition, they act as guardians of their clients' assets.

They manage €424bn billion on behalf of individuals, governments, pension funds, insurers, companies, charities, and foundations (as at 31 December 2022) - with support and expertise from 800 investment specialists in 24 locations worldwide.

# Glossary of terms and charges

The following pages explain some terms found in this document or terms that you may come across on your investment journey.

## Equities

These are investments predominantly in shares in North American companies in Dollars, European companies in local currency (mostly Euro) and UK Companies in Pound Sterling. Factors such as, but not limited to, employment, inflation, consumer activity in these regions, currency fluctuations and investor activity impact their value.

## Fixed Income

These are investments predominantly in loans to global companies and governments. The ability of these companies and governments to repay the interest and capital affect the value. When Interest rates and inflation rise, the value of a bond tends to lose value. Conversely, when interest rates and inflation fall, the value of bonds tend to increase in value.

## Money Market Instruments

Money market instruments are securities that provide businesses, banks, and the government with large amounts of low-cost capital for a short period. These periods are overnight, a few days, weeks, or even months, but always less than a year. An example of such an instrument is a certificate of deposit. The main advantages to money market instruments are safety and liquidity.

## Active Management

An investment approach whereby an Investment Manager uses research, skill and judgement in selecting the composition of an investment portfolio and in actively trading the assets within the portfolio with the aim of, over time, outperforming other funds or benchmarks.

## Annual Management Charge (AMC)

Annual Management Charge is the charge for the management of the fund, including administration costs.

## Asset class

An asset class is a group of investments that have similar financial characteristics. Traditional asset classes include cash, equity securities (shares or stocks) and fixed-income securities (bonds).

## Basis points

Unit of measure commonly used in investments, rates and other percentages used in finance. 1 basis point = 0.01%, 100 basis points = 1%.

## Cumulative return

A cumulative return is an aggregate amount an investment has gained or lost over time, independent of the time involved.

## European Securities and Markets Authority (ESMA)

Established in 2011, under EU regulations, the European Securities and Markets Authority is an independent EU Authority that contributes to safeguarding the stability of the European Union's financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets, as well as enhancing investor protection.

## Investment style

Describes the way a fund is managed (either Active or Passive) based on its investment strategy. A fund manager who makes specific investments to achieve performance in line with a stated investment objective runs actively managed funds. Actively managed funds typically aim to outperform an index or benchmark. Passive funds (or Tracker funds) are run by following a pre-determined strategy and usually aim to track the performance of an index or benchmark.

## GCC Equities

Shares of companies in the GCC. The Cooperation Council for the Arab States of the Gulf, originally known as the Gulf Cooperation Council, is a regional, intergovernmental political and economic union that consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

## Max Drawdown

Maximum drawdown is defined as the peak-to-trough decline of an investment during a specific period before reaching a new peak. It is usually shown as a percentage of the peak value.

## Risk

See volatility

## Risk Tolerance

The extent to which you are prepared to accept short term volatility or risk, for example, tolerance of potentially greater fluctuations in short term investment returns in anticipation of higher investment returns in the long run.

## Risk profile

An assessment of an investor's attitude to, and capacity for, investment risk, based on their circumstances and preferences.

## Volatility

Volatility is a statistical measurement of the extent to which an asset, fund or index's price fluctuates. Volatility is a measurement of risk.

### Volatility rating

The volatility rating for a fund indicates how much the fund price might move compared to other funds. The higher the volatility rating, the less stable the fund price is likely to be. You can use this to help you choose between funds with different volatility ratings. The volatility ratings of our funds are calculated using the European Security and Markets Authority (ESMA) guidelines, which use a 7 point scale to rate funds based on their five year annualised volatilities. Higher volatility ratings typically mean greater potential investment returns over the longer term. But high volatility funds can suddenly fall or rise in value. Volatility ratings are regularly reviewed, and the ratings may change over time. The volatility rating is not the only factor you should consider when selecting a fund.

### YTD (Year to date)

Refers to the period extending from the beginning of the year to the present.

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## Further important information

**Before making a decision or completing an application or switch form, please read the relevant investment literature, such as:**

- [Investment options guide](#)
- [Fund Factsheets](#)
- [Supplementary information documents](#)
- [Investment Bond Key features document](#)
- [Key Information Document](#)
- Personal illustration

Past performance is not a guide to future performance. Currency exchange fluctuations can have an impact on the value of your investments. That value of investments and the income from them will fluctuate. This can cause the value of the fund to fall as well as rise, and you may not get back the original amount you invested.

If you are using more than one fund in your portfolio, it is likely they will have different risk profiles. This is part of building a diversified portfolio, and it is the risk of the portfolio as a whole that needs to match your risk profile. However, it is worth understanding the specific risks of each of your funds, so you are aware of the potential volatility of each.

This material is for information purposes only. This should not be relied upon as a forecast, research or investment advice. It does not constitute an offer, or solicitation of an offer, to sell or buy any securities or an endorsement with respect to any investment vehicle.

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## Summary

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All data contained in this report is compiled and sourced by FE fundinfo (UK) Limited, with the exception of the following information, which is provided by Standard Life, Fund name, Asset class, AMC.

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