

# **Standard Life Vanguard Global Small-Cap Index Fund**



# Introduction

Small-cap stocks are the world's smallest companies by market-capitalisation, or size, often ranging from a few hundred million to billions of euros. Investing in smaller companies can offer the potential for higher investment returns than their large cap counterparts, but with greater investment risk. The Standard Life Vanguard Global Small-Cap Index Fund provides you with access to the entire small cap universe across developed markets.

## Fund Objective

The Standard Life Vanguard Global Small-Cap Index Fund invests fully in the Vanguard Global Small-Cap Index Fund. It seeks to generate long-term capital growth by tracking the performance of the MSCI World Small Cap Index, a broad global index comprised of small-sized companies across 23 developed market countries.

The fund aims to track the performance of the MSCI Global Small-Cap Index, gross of fees, by investing through physical acquisition in all constituent securities of the index in the same proportion as the index. Income received by the fund will be reinvested and reflected in the unit price of the fund.

The value of investments within the fund will fall as well as rise and is not guaranteed – you may get back less than you pay 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.

## Why invest in the Standard Life Vanguard Global Small-Cap Index Fund?

### 1. Improved diversification

The fund offers exposure to the entire smaller company universe across developed markets. That's over 4,000 companies, across 23 countries and 12 industry sectors.

### 2. Potential for growth

Small-cap companies tend to have the potential for faster growth than the larger counterparts and as such the potential for achieving higher investment returns. But this comes with higher risk to your investment.

### 3. Lower cost

This fund is a lower-cost alternative to an actively managed global smaller companies fund.

Annual Management Charge: 1.05%

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

**Warning: This investment may be affected by changes in currency exchange rates**

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

## Who is this fund suitable for?

### This fund may be suitable if you:

- are comfortable with a high level of investment risk. The fund has a volatility rating<sup>^</sup> of six\* out of seven on the ESMA risk scale, seven being the highest
- are seeking the potential for long-term capital appreciation
- have an investment horizon of at least five years
- can take risk with your capital

<sup>^</sup> 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 seven-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 may change over time.

\* Source: FEFundinfo, July 2024.

### This fund may not be suitable if you:

- are a low to medium risk investor
- do not want to take risk with your capital
- have an investment horizon of less than five years
- are not prepared to accept periods of significant losses due to the volatile nature of equity markets

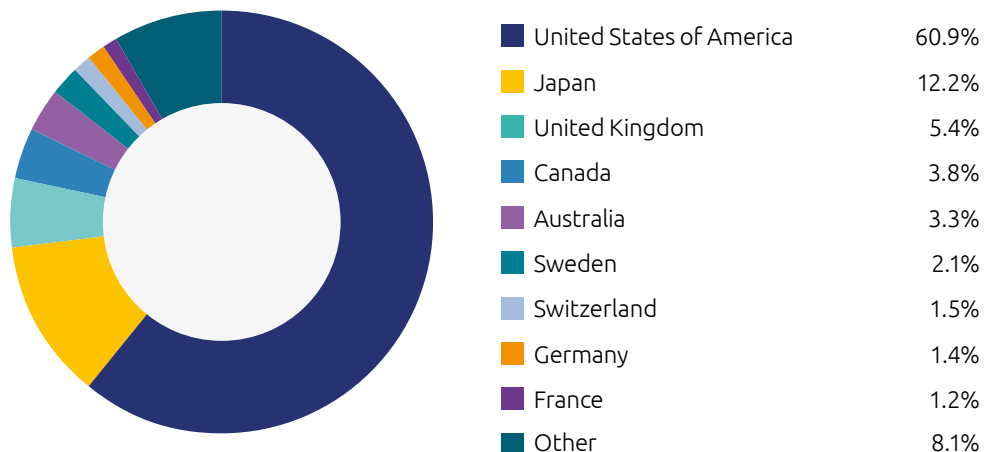
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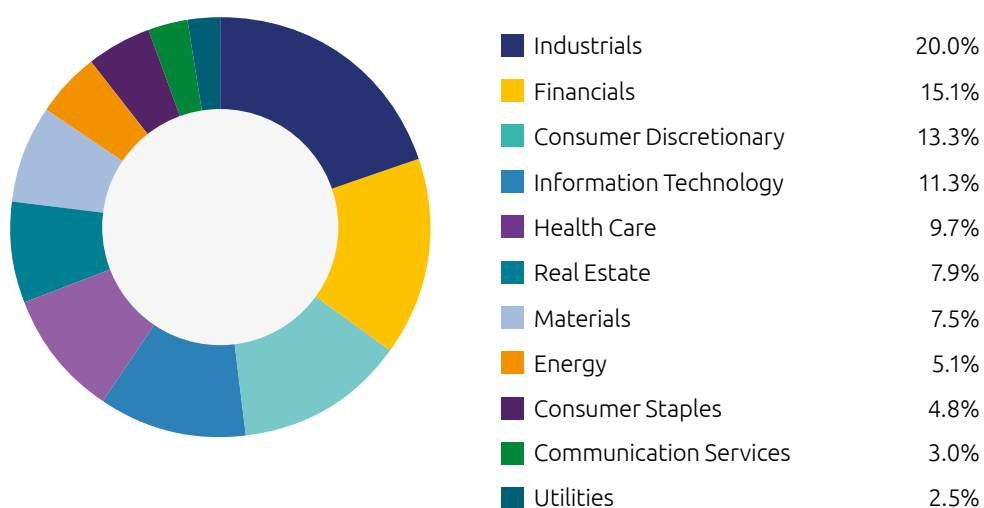
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## Underlying fund information as at 28 June 2024\*

### Country breakdown



### Sector allocation



### Top 10 holdings

#### % of fund

Casey's General Stores Inc.	0.2%
Nutanix Inc.	0.2%
Reinsurance Group of America Inc.	0.2%
Sarepta Therapeutics Inc.	0.2%
Carvana Co.	0.2%
nVent Electric plc	0.2%
Saia Inc.	0.2%
Flex Ltd.	0.2%
Interactive Brokers Group Inc.	0.2%
Wingstop Inc.	0.2%
<b>Total</b>	<b>1.7%</b>

\*Source: Vanguard, June 2024. May not add to 100% due to rounding.

## Is Environmental, Social and Governance (ESG) criteria integrated into the investment process?

The Standard Life Vanguard Global Small-Cap Index Fund is classified as Article 6 under the EU's Sustainable Finance Disclosure Regulation (SFDR). Article 6 funds don't promote ESG characteristics or have a specific sustainable investment objective.

This fund is a passively managed fund that aims to track the performance of a specified index, by holding a portfolio of all or similar securities held in the index itself. The underlying index that this fund tracks is not an ESG aligned index and does not incorporate ESG criteria when considering companies/securities for inclusion in the index.

As such this Fund does not incorporate ESG considerations into the investment strategy, nor are there any specific ESG screens applied for investments to be eligible for inclusion in the fund.

Furthermore, investments within this fund do not consider the EU Taxonomy criteria for environmentally sustainable economic activities.

Vanguard Asset Management (Europe), the investment manager of the Fund, believe that active stewardship helps to create long-term value for investors. As an investment product and service provider and distributor, Vanguard Europe has a responsibility to maximise long-term returns for investors and considers sustainability risks from a financial-impact perspective. Vanguard Europe fulfils its responsibility to investors by being judicious in the funds it offers, managing those funds with rigour and assessing material risks to long-term financial performance.

## Important things to consider

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained. This is not a guaranteed or capital protected product. There are risks to your capital should you choose to invest in this fund.

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 fund can fall as well as rise and is not guaranteed – an investor may get back less than they paid in.

The euro value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

In extreme market conditions, some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as a result of the failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

**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

### Equity 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. Other influential factors include political events, economic news, company earnings and significant corporate events.

### Smaller Companies

The shares of smaller companies may be less liquid and more volatile than those of larger companies.

### Currency risk

Movements in currency exchange rates can adversely impact the return of your investment.

### 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.

### 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 issuer of a financial asset held within the fund may not pay income or repay capital to the fund when due.

### 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 underlying index at all times with perfect accuracy. The fund may not perform fully in line with the index which it is tracking because of factors which may include, but not limited to, expenses to be paid by the fund, timing and holding mismatching, uninvested assets in the fund (such as cash), regulator constraints, the temporary unavailability of certain securities comprising the Index that the fund tracks, or in the event of extreme market disruption.

### Index sampling risk

The fund may use 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 and will not provide investment performance matching that of the index.

### Use of derivatives

The fund may use derivatives in order to reduce risk or cost and/or generate extra income or growth. A derivative is a financial contract whose value is based on the value of a financial asset (such as a share, bond, or currency) or a market index.

Investing in derivatives carries the risk of reduced liquidity, substantial loss, and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where economic exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

The fund does not make extensive use of derivatives.

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### **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 funds, 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 your funds, transfer, or cash in your policy. This delay could be up to a month. But for some funds, the delay could 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 transaction takes place – these prices could be very different from the prices on the day you made the request.

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



**A decision to invest in this fund should not be based solely on information provided in this document. Please talk to your financial adviser for more information or if you need an explanation of the terms used.**

For more information on our funds, please visit [standardlife.ie/funds](https://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.

Call us on (01) 639 7000

[standardlife.ie](https://standardlife.ie)

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