

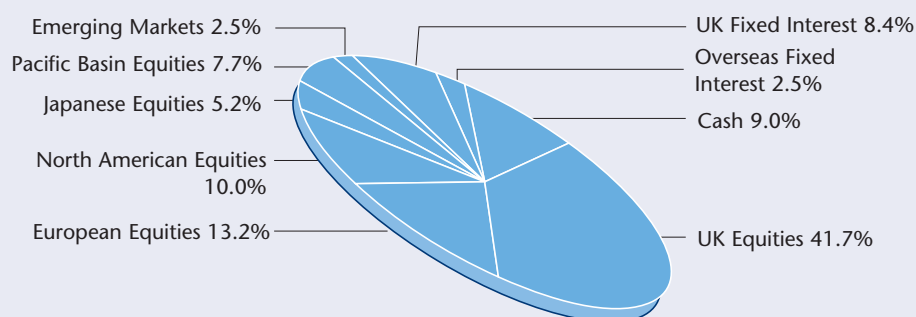
Consensus Tracker Fund – June 2008

Fund Description

The Consensus Tracker Fund is rebalanced every month to match the median of the CAPS Balanced Sector. Each asset class within the Fund aims to closely track the appropriate underlying index, allowing for reinvestment of dividends (but before deduction of charges).

Composition of Portfolio as at 30 June 2008

Fund Manager David Kirkpatrick
Launch Date June 2002
Current Fund Size £5m
 Source: Standard Life Investments



Top Ten Holdings	(%)
Royal Dutch Shell	3.3
BP	2.8
HSBC Holdings	2.4
Vodafone Group	2.0
Rio Tinto	1.6
GlaxoSmithKline	1.5
Anglo American	1.2
BG Group	1.1
BHP Billiton	1.1
Royal Bank of Scotland Group	0.9
Assets in top ten holdings	17.9

Investment Review & Outlook

Environment

Global equity markets ended the second quarter near their March lows, as early optimism gave way to renewed credit fears and economic concerns. Global government bond markets endured a difficult quarter as the potential inflationary implications of sharply rising food and energy prices weighed on valuations. Corporate bonds recorded modest gains at the start of the period before faltering as soft economic data undermined investor confidence.

Activity

The Consensus Tracker Fund aims to replicate the asset mix of the average fund in the Russell Mellon CAPS Pooled Pension Fund Survey Balanced Section. The resulting portfolios are invested in the appropriate passive fund, excluding property. The Fund fully replicates the benchmark constituents, so any difference between the underlying value of the Fund and the value of the benchmark, known as tracking error, will be kept to a minimum.

Outlook

During periods of interest rate uncertainty and an unclear economic outlook, global equity markets are subject to bouts of volatility and risk aversion. Volatility has provided some valuation opportunities but markets need a resolution to credit concerns and certainty over the path of the global economy in order for a sustained rally. We remain positive on the outlook for global bonds as we expect slowing growth will eventually filter through to a moderating pace of headline inflation. However, at present the deteriorating liquidity environment is the most dominant factor driving valuations. Meanwhile, given further downgrade in capital values, we now expect low, single-digit annual average returns for UK commercial property for the next three years.

Performance Commentary

During the second quarter of 2008, the Consensus Tracker Fund returned -2.0% against the CAPS Balanced Median return of -1.5%. Over the year to 30 June 2008, the Fund returned -8.7%, against the index return of -7.5%.

Please note this performance is gross of the management fee of 0.15% per annum and also gross of the estimated withholding tax effect of around 0.07% per annum.

Fund Performance

	Q2	1 Year	3 Years	5 Years	
	(%)	(%)	(% p.a.)	(% p.a.)	
	-1.9	-8.7	7.0	10.0	
	Year to 30/06/2008 (%)	Year to 30/06/2007 (%)	Year to 30/06/2006 (%)	Year to 30/06/2005 (%)	Year to 30/06/2004 (%)
Consensus Tracker Fund	-8.7	15.2	16.5	15.7	13.4
CAPS Balanced Median	-8.2	15.6	17.0	16.5	13.7

Investment Market Line

If you would like more details on our current market views please call:

0845 60 60 062

Performance figures are calculated on a gross basis over the periods to 30/06/08. They do not allow for any charges which may be deducted.

Source: Standard Life Investments

Note: Past performance is not necessarily a guide to future performance and the value of units can go down as well as up.

Please note that due to the CAPS reporting convention, performance measured against a CAPS benchmark will be to 1 decimal place.

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