



# Standard Life Global Equity Manager of Managers Fund

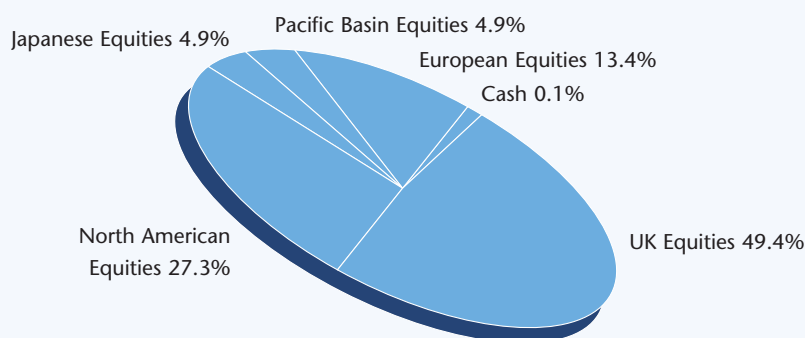
Quarterly Report 1 January to 31 March 2008

## Fund Profile

The fund is designed for investors who are looking to obtain a broadly based exposure to global equity markets in conjunction with a core holding in UK equities. Wilshire Associates undertakes extensive research and selects a number of fund managers within each global equity asset class, blending managers with differing investment styles and market capitalisation biases. Wilshire monitors the selected managers to ensure a continued performance contribution over the market cycle in line with the manager's investment philosophy and process. Managers can be replaced if evolving organisational, personnel or other qualitative factors are likely to impact on the ability to achieve the benchmark objectives. The fund maintains half of the portfolio in UK equities with the remaining asset mix diversified according to the geographical weighted asset mix within the FTSE World (Ex UK) index.

## Composition of the Portfolio

as at 31 March 2008



**Launch Date** 15 March 2004

**Benchmark** 50% FTSE All-Share Index  
50% FTSE World (Ex UK) Index

**Lead Portfolio Manager** Wilshire Associates

### Sub-portfolio Managers

**UK Equity** Alliance Bernstein  
Newton  
Baillie Gifford  
Neptune

**European Equity** Acadian  
Clay Finlay  
UBS

**North American Equity** Acadian  
Delaware  
Systematic  
Victory

**Japanese Equity** New Star  
Nomura

**Pacific Basin Equity** Clay Finlay  
Principal Global Investors

**Total MoM Funds Under Management** £360.12m

### UK Equity

Largest Five Holdings	%
Royal Dutch Shell	6.4
Vodafone	6.1
BP	5.0
GlaxoSmithKline	4.7
HSBC	3.3

### European Equity

Largest Five Holdings	%
Total	3.2
France Telecom	2.9
Roche	2.8
Nestle	2.3
ENI	2.2

### North American Equity

Largest Five Holdings	%
Exxon Mobil	3.7
Apple	3.0
Qualcomm	2.4
Monsanto	2.0
Chevron	2.0

### Japanese Equity

Largest Five Holdings	%
Toyota Motor	4.7
Mitsubishi Financial	3.5
East Japan Railway	2.8
Japan Tobacco	2.5
Mitsui Fudosan	2.3

### Pacific Basin Equity

Largest Five Holdings	%
BHP Billiton	5.0
China Mobile	3.7
Samsung Electronic	2.5
Rio Tinto	2.4
Woolworths	2.0

The above figures represent the top 5 holdings and percentages within the underlying funds.

# Investment Review & Outlook

## Environment

Global equity markets continued to suffer during the first quarter of 2008. Evidence of a global economic slowdown, particularly in the US, and ongoing credit market problems led to substantial market declines. China and India were among the worst hit, as local factors combined with global issues. Coordinated action by the major central banks, including aggressive rate cuts by the US Federal Reserve, helped alleviate some of the gloom but credit issues are yet to be fully resolved.

## Activity

In Europe, Reed Elsevier, an information and solutions provider for professional publishers, was purchased based on strong business fundamentals. Novartis was added on the basis of predicted growth acceleration, as it is on the right side of worldwide healthcare reform and has growth potential.

The Fund's managers added Anglo American on a positive view of prospects for the steel industry. Eurasian Natural Resources was purchased based on its growth prospects within emerging markets. Rentokil was unable to turn itself around since its profit warnings earlier in the quarter, thus the remaining holdings in the portfolio were sold off.

Top purchases within the US equity portion of the Fund included Expeditors, based on a positive view of its growth prospects based on strong business fundamentals. ConocoPhillips was a further addition on a positive forward valuation basis.

## Outlook

Given the unclear economic outlook, markets are subject to bouts of volatility and risk aversion. Combined with the loss of liquidity witnessed in some parts of the credit market, this gives good grounds for caution in the short term. However, the longer-term outlook for equity markets remains positive as long as corporate profits are resilient. We continue to focus on bottom-up stock selection, holding our largest positions in those stocks where we feel we have strong insights that are generally unrecognised by the wider market. We remain concerned about the confidence of US consumers so we are underweight in stocks that are exposed to this.

## Performance Commentary

Stock selection in European healthcare and telecom services sectors contributed positively, however, stock selection in the consumer staples sector offset the returns. In the healthcare sector, the Fund's positive contributors were Sanofi-Aventis and Stada Arzneimittel.

The holdings in Vodafone and Cable & Wireless were among the UK detractors. Generally, telecom services are considered a safe haven, but profit warnings and concerns over exposures to the US dragged on performance.

## Performance Commentary (cont'd)

Within the US section of the portfolio, the Fund's overweight exposure to IT was negative for performance as it was the worst performing sector year to date.

In the Japanese consumer discretionary sector, the Fund held Yamaha Motor, which detracted due to a stronger yen, along with slower demand from US consumers. In the consumer staples sector, the main detractor was Japan Tobacco, although the retreat had no obvious trigger.

## Performance Commentary (cont'd)

Within Asian equities the Fund's underweight position in India was a positive contributor over the quarter. In particular, the Fund did not hold some of the negative performers such as ICICI Bank and Housing Development Finance. On the negative side, the Fund's performance was held back by stock selection in Australia and Indonesia.

## Fund Performance

1 Apr 07 – 31 Mar 08	1 Apr 06 – 31 Mar 07	1 Apr 05 – 31 Mar 06	1 Apr 04 – 31 Mar 05	1 Apr 03 – 31 Mar 04
-10.3%	5.6%	31.8%	-	-

	Global Equity MoM Fund	Benchmark Index	CAPs Global Equity
1 Year	-10.3%	-5.5%	-4.9%
3 Years	7.7%	9.1%	10.6%
Since Launch	9.0%	9.3%	-

Figures quoted are calculated gross of charges and on a bid to bid basis over the stated periods to 31 March 2008.

Source: Russell/Mellon CAPs and Standard Life Investments.

Past performance is not a guide to future performance. The price of shares and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

## Investment Market Line

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

**0845 60 60 062**