

Standard Life Global Equity Unconstrained - June 2008

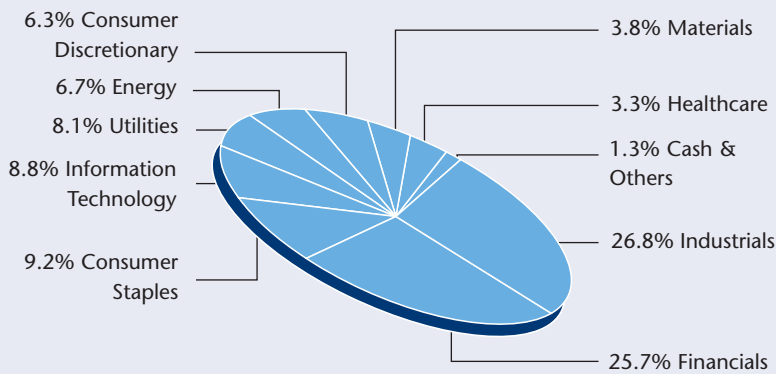
Fund Description

The investment goal will be achieved through an investment strategy that focuses on successful stock selection. The Fund will maintain a diverse asset mix at country, sector and stock level, with the regional, country and sector weightings within the portfolio being a by-product of the underlying stock exposure. In essence the Fund manager looks to determine the most leveraged way to exploit SLI's insights globally, and holdings within the Global Equity Unconstrained Fund will reflect this intention.

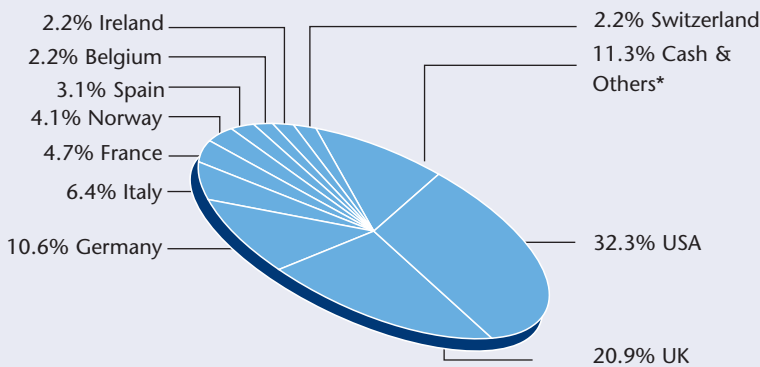
Portfolio Information as at 30 June 2008

Fund Manager Lance Phillips
Launch Date December 2006
Current Fund Size £51.06m

Asset Allocation by Maturity



Asset Allocation by Country



*Others includes those countries with less than 2.0% exposure

Top Ten Holdings	(%)
Exelon	3.3
Royal Bank of Scotland	2.7
ITT	2.7
Dynegy	2.6
Itron	2.6
Allianz	2.6
Balfour Beatty	2.5
BNP Paribas	2.5
BAE Systems	2.5
Saipem	2.5



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. In April, sentiment improved on tentative signs that central bank actions to solve the credit crisis were starting to take effect. However, from mid-quarter onwards, markets turned lower, as weak economic data and rising inflation combined to unnerve investors.

Activity

During the quarter, we bought UK transport company FirstGroup following rail and bus passenger growth due to fuel price increases. In Europe, we purchased IAWS due to rising return on capital and increased pricing power. We also bought Deutsche Bank, as the market is too pessimistic on the company, and State Street, which is showing continued strength in operations by avoiding the worst of the credit problems. Turning to the US, we purchased health technology company Baxter International due to margin expansion in blood plasma fractionation. Regarding sales, we took profits in Belgian financial services group Dexia.

Outlook

During periods of interest rate uncertainty and an unclear economic outlook, 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 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.

Performance Commentary

During the second quarter of 2008, the Global Equity Unconstrained Fund returned -2.5%, against the MSCI World Index return of -1.6%. Over the year to 30 June 2008, the Fund returned -16.0%, against the index return of -9.4%.

During the quarter, Barclays and Royal Bank of Scotland were the main detractors from performance given concerns over their capital strength and banking sector weakness. Meanwhile, Michelin fell back on poor results, while rising gasoline prices had an adverse

impact on our position in Hertz Global Holdings. On the upside, StatoilHydro benefited from the surging oil price, while our underweight position in General Electric was beneficial after the company reported surprisingly negative results.

Fund Performance

Q2	1 Year	Since Launch
(%)	(%)	(% p.a.)
-2.5	-16.0	-4.0

	Year to 30/06/2008 (%)
Global Equity Unconstrained	-16.0
MSCI World	-9.4

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.

Standard Life Investments Limited, tel. +44 131 225 2345, a company registered in Scotland (SC 123321) Registered Office 1 George Street, Edinburgh EH2 2LL.

The Standard Life Investments group includes Standard Life Investments (Mutual Funds) Limited, SLTM Limited, Standard Life Investments (Corporate Funds) Limited and SL Capital Partners LLP. Standard Life Investments Limited acts as Investment Manager for Standard Life Assurance Limited and Standard Life Pension Funds Limited. Standard Life Assurance Limited, registered in Scotland (SC286833) Standard Life House 30 Lothian Road Edinburgh EH1 2DH. Tel. +44 131 225 2552.

Standard Life may record and monitor telephone calls to help improve customer service. All companies are authorised and regulated by the Financial Services Authority.

©2008 Standard Life Investments. www.standardlifeinvestments.com

INVCP 26 0608