

Standard Life Global Index-Linked Bond - March 2008

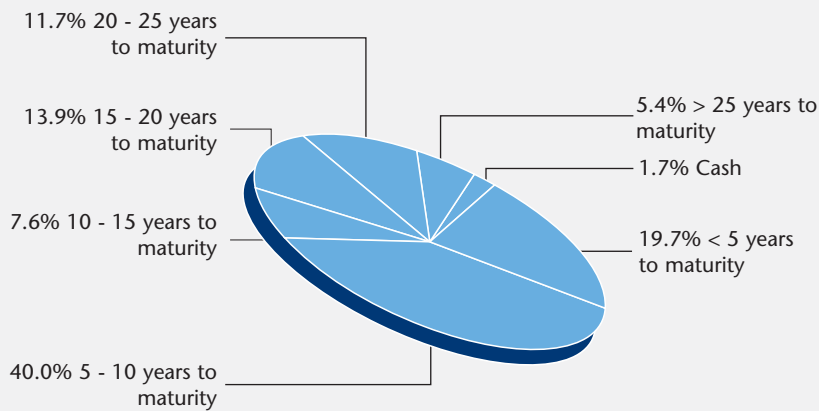
Fund Description

Value is added through our team based 'Focus on Change' approach with investment professionals across the asset classes providing essential global insights. The fund manager in particular draws on the expertise from our government, inflation, currency and corporate bond experts, with the level and direction of real yields being a key driver for this fund.

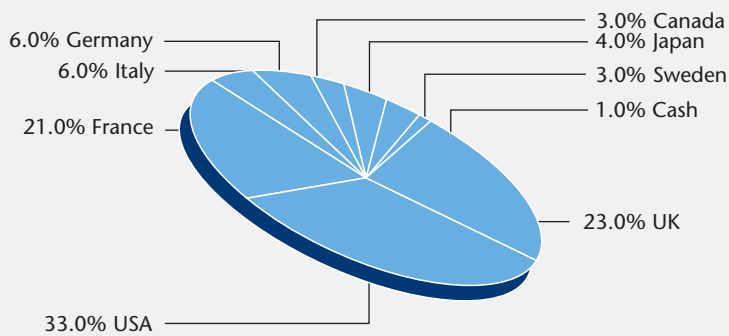
Portfolio Information as at 31 March 2008

Fund Manager	Jonathan Gibbs
Launch Date	March 2006
Current Fund Size	£138m

Asset Allocation by Maturity



Asset Allocation by Country



Top Ten Holdings	(%)
USA Treasury Index-Linked 3% 2012	7.4
USA Treasury Index-Linked 2.375% 2025	6.9
France (Govt of) 3.4% 2029	6.0
Germany (Fed Rep) 1.5% Index-Linked 2016	5.9
USA Treasury 2% TIPS 2014	4.8
UK (Govt of) 2.5% Index-Linked 2016	4.7
USA Treasury 1.625% TIPS 2015	4.6
France (Govt of) 2012	4.4
USA Treasury 4.25% 2010	4.0
Italy (Rep of) 2.15% 2014	3.9

All data on this page relates to underlying OEIC fund.



Investment Review & Outlook

Environment

Government bond markets moved sharply higher at the start of the period, as the effects of the credit crunch rippled across markets worldwide. Bonds priced in the likelihood of recession as signs emerged that the US Federal Reserve was preparing to cut interest rates. Although conventional bonds rallied, US inflation-linked bonds were slower to benefit. However, US inflation-linked bonds made solid gains over February, on the back of rapidly rising oil prices. European bonds also performed strongly, although the UK registered only minimal gains. Australia moved inexorably towards a further interest rate rise, amid the context of buoyant commodity prices. Volatile conditions persisted into March, with market levels, yield curves and breakeven rates fluctuating wildly.

Activity

We eliminated our longstanding overweight position in the US during February, and reduced exposure to Japan. The proceeds were used to invest in core European holdings, as we expect a resilient performance from European bonds later in the year, on the back of falling interest rates. We sold some short-dated French bonds to purchase Swedish inflation-linked bonds, which are attractively valued. Later in the period, Sweden sharply outperformed the rest of Europe, as economic data weakened and the likelihood of interest rate rises evaporated. As a consequence, we closed our overweight position in Sweden.

Outlook

Against a backdrop of deteriorating economic conditions, investor attention is focused less on falling interest rates and more on the alternative action which could be proposed by central authorities in order to restore financial stability. Although the Bank of England's response is likely to be more sedate than that of its US counterpart, all central banks are currently mindful of rising inflationary pressures. Within this environment, we are anticipating a steepening of yield curves, and expect European inflation-linked bonds to outperform other major issuers.

Performance Commentary

During the first quarter of 2008, the Global Index Linked Bond Fund returned 3.7%, against the Barclays Global Inflation linked Bonds Index return of 4.2%. Over the year to 31 March 2008, the Fund returned 11.0%, against the index return of 11.9%.

Performance suffered from our underweight exposure to the UK, however, this was partially offset by the overall duration positioning of the Fund, which ultimately made a positive contribution. In addition, our holdings of Swedish and Canadian issues also made positive contributions to performance.

Fund Performance

	Q1 (%)	1 Year (%)	Since Inception (% p.a.)
	3.8%	11.0%	5.9%

	Year to 31/03/2008 (%)	Year to 31/03/2007 (%)
Global Index Linked Bond	11.0%	3.3%
Barclay Global Inflation Linked Bonds	11.9%	3.6%

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 31/03/08. 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.

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