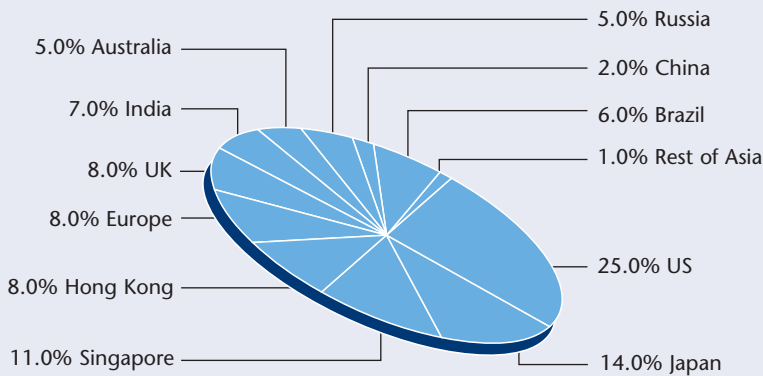


# Standard Life Global REIT - March 2008

## Fund Description

The investment objective of the fund is to maximise total return from income and capital appreciation by investing primarily in listed closed ended real estate investment trusts (REITs) or securities and companies principally engaged in real estate activities on a global basis.

### Composition of Portfolio as at 31 March 2008

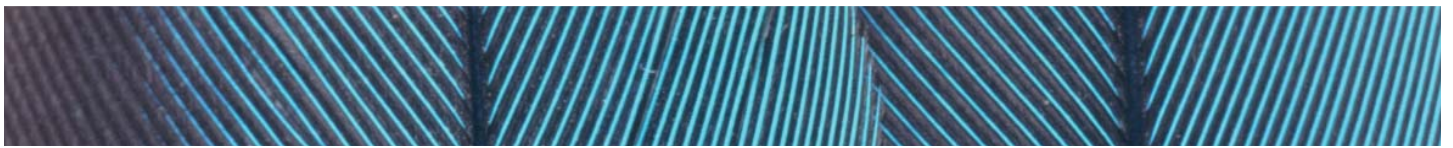


**Fund Manager** Andrew Jackson  
**Launch Date** January 2007  
**Current Fund Size** £56m

Top Ten Holdings	(%)
Simon Property Group (US)	5.9
ProLogis (US)	5.8
Brookfield Properties (US/Canada)	5.8
Dolphin Capital Investors (Europe)	4.2
Nippon Building (Japan)	3.7
Toyku REIT (Japan)	3.6
Vornado Realty (US)	3.5
Henderson Land (Hong Kong)	3.5
SL Green (US)	3.3
PIK Group (Russia)	3.1

\* Includes Exposure to Malaysia & Vietnam

All data on this page relates to underlying OEIC fund.



# Investment Review & Outlook

## Environment

Conditions remained challenging during the quarter, for both global listed and direct property markets. The ongoing credit crisis and questions over whether a US recession was imminent continued to weigh on investor sentiment. Property transaction volumes stalled due to tightening credit conditions and worries about valuations. At a regional level, the Japanese market underperformed, while in the UK, there were signs of stabilisation in pricing following the rapid correction in Q4 2007. Increased optimism on the US financial sector helped the US REIT market recover towards the end of the quarter, while Asian and European markets remained resilient.

## Activity

We reduced our exposure to Japanese property developers on growing concerns related to the Japanese economy, while selectively increasing UK REIT holdings, adding to Great Portland Estates and Land Securities, which are attractively valued. We also introduced Hammerson Property to the portfolio, as a proxy for a more resilient shopping centre sub sector. We locked in profits in the US REIT market after a strong recovery, reducing Simon Property Group, ProLogis and Kimco Realty.

## Outlook

Global property fundamentals remain largely sound, but uncertainty in the financial markets will continue to contribute to the volatility in listed property markets for some time. Markets remain particularly sensitive to any negative newsflow. We continue to focus on property markets that exhibit stronger economic fundamentals coupled with favourable conditions in terms of vacancy rates and projected future development. Many listed property markets are trading at significant discounts to underlying property valuations and provide value from here. We will continue to look for direct investment opportunities in the European and Asian markets.

## Performance Commentary

During the first quarter of 2008, the Global REIT Fund returned -11.9%, against the FTSE EPRA NAREIT Global Index return of -5.5%. Over the year to 31 March 2008, the Fund returned -24.2%, against the index return of -18.4%.

The Fund suffered from its overweight exposure to the Japanese market over the quarter, which performed poorly on the back of softening domestic consumer spending. Wider global economic uncertainty and the strengthening yen also undermined the

performance of J-REITs and Japanese developers. Elsewhere, our underweight position in US holdings proved detrimental, as cautious signs of optimism following Federal Reserve intervention led to US REITs recording some of the best performance among global quoted property markets.

## Fund Performance

	Q1	1 Year	Since Launch
	(%)	(%)	(% p.a.)
	-12.0%	-24.2%	-17.9%
	<b>Year to</b>		
	<b>31/03/2008</b>		
	(%)		
<b>Global REIT</b>			
<b>Unconstrained</b>	-24.2%		
<b>FTSE EPRA NAREIT</b>			
<b>Global Index</b>	-18.4%		

## 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 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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