

Standard Life North American Equity Manager of Managers Fund



Quarterly Report 1 January to 31 March 2008

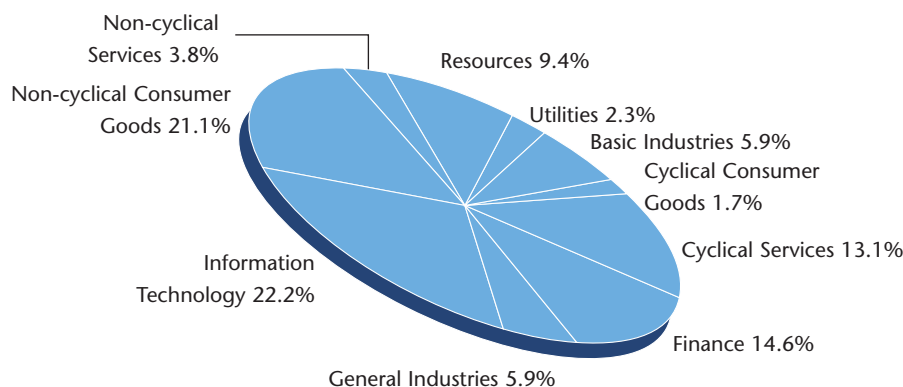
Fund Profile

The objective of the fund is to provide capital appreciation, investing in an actively managed portfolio of mainly US equities. Wilshire Associates researches and selects a number of US equity fund managers with a view to 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. Diversification across differing fund manager philosophies allows investors to mitigate exposure to any one manager style. The aim is for the annualised investment performance to exceed the S&P 500 Index over rolling three-year periods.

Composition of the Portfolio

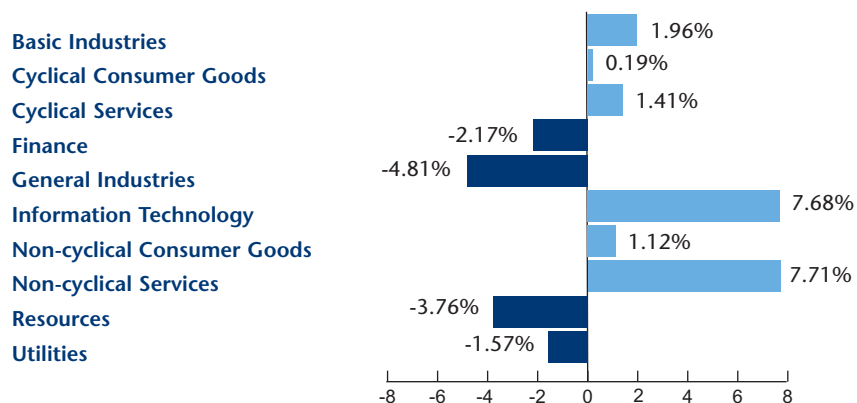
as at 31 March 2008

Economic Breakdown



Sector Positions Relative to Index

as at 31 March 2008



Launch Date 15 March 2004

Benchmark Index S&P 500 Index

Lead Portfolio Manager Wilshire Associates

Sub-portfolio Managers: Acadian
Delaware
Systematic
Victory

Total Funds MoM Under Management £360.12m

Largest Ten Holdings

Assets in Largest ten holdings 22.2%

Company	Percentage
Exxon Mobil	3.7
Apple	3.0
Qualcomm	2.4
Monsanto	2.0
Chevron	2.0
Google	2.0
CME	1.9
Allergan	1.8
Hewlett Packard	1.7
Research In Motion	1.7

Market Cap Breakdown

Market Cap	Percentage
FTSE Large Cap	92.5
FTSE Mid Cap	7.0
FTSE Small Cap	0.5

Investment Review & Outlook

Market Overview

US equities continued to face significant headwinds during the quarter, not least the ongoing distress in the financial sector and questions over a potential US recession. Credit markets remained largely frozen, with banks cautious on lending. Those financial institutions that did offer credit did so at much higher rates. The biggest casualty of the credit crunch was investment bank Bear Stearns, which saw its liquidity dry up in the difficult market conditions. However, the authorities acted rapidly, allowing Bear Stearns access to emergency funds and then pushing through its sale to JPMorgan. Relatively good earnings results from Lehman Brothers and Goldman Sachs provided relief to the sector.

Market Overview (continued)

Pressures on the housing sector also intensified. Both house prices and sales volumes declined further, and mortgage rates rose, while there was a noticeable overhang of new and existing homes for sale. Along with weaker employment data, and soaring food and energy prices, these issues left the US consumer in a precarious position.

Against this backdrop, the Federal Reserve was active during the quarter. Interest rates were cut three times during the period to stand at 2.25%, 2% lower than at the start of the year. This included an emergency intra-meeting cut of 0.75% in January. The Fed also showed that it had other measures at its disposal to bolster markets, announcing several new facilities to extend credit to banks and other US financial institutions.

Activity

Expeditors was purchased on a positive view of its growth prospects based on strong business fundamentals. ConocoPhillips was a further addition on a positive forward valuation basis. The Fund's managers purchased Visa for its growth prospects and strong business fundamentals. Microsoft was trimmed on earnings related measures as there were no upwards earnings revisions posted. Holdings in Apple were sold off based on valuation, as it was too expensive relative to its peers.

Outlook

The market volatility is a clear result of the persistent doubts that investors have over the health of the US economy, the extent of the problems in the financial markets, and whether monetary stimulus will transmit meaningfully to the economy. With no clear resolution of these doubts, the US market remains particularly sensitive to any negative newsflow.

Performance Commentary

The US Equity Manager of Managers Fund struggled to keep pace with its benchmark during the first quarter of 2008. Stock selection drove the majority of the underperformance, along with the Fund's overweight exposure to IT, which was the worst performing sector year to date. In the consumer discretionary sector, Apollo Group (provider of educational services) was the worst performer as credit conditions worsened for students who require student loans to finance their education.

Performance Commentary (cont'd)

Garmin was brought down by its biggest rival TomTom, following TomTom's announcement of a lowered revenue forecast and a lowered Q1 earnings projection. In the industrials sectors, Precision Castparts (manufacturer of metal components and products for aerospace, power generation, general industrial and automotive markets) was hit hard due to delays of the Boeing 787 aircraft. In the IT sector, Apple trailed due to weak iPod sales and Google lagged as concerns about a slower economy impacted its advertising revenue growth.

Performance Commentary (cont'd)

In the financials sector, Intercontinentalexchange and CME Group's stock price fell after the FED announced its plan to overhaul the financial regulatory system.

Fund Performance

1 Apr 07 –	1 Apr 06 –	1 Apr 05 –	1 Apr 04 -	1 Apr 03 -
31 Mar 08	31 Mar 07	31 Mar 06	31 Mar 05	31 Mar 04
-14.5%	-4.7%	29.3%	-	-

	North American Equity MoM Fund	Benchmark Index	CAPS North America
1 Year	-14.5%	-6.3%	-5.9%
3 Years	1.7%	4.1%	4.5%
Since Launch	3.5%	3.5%	-

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:

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