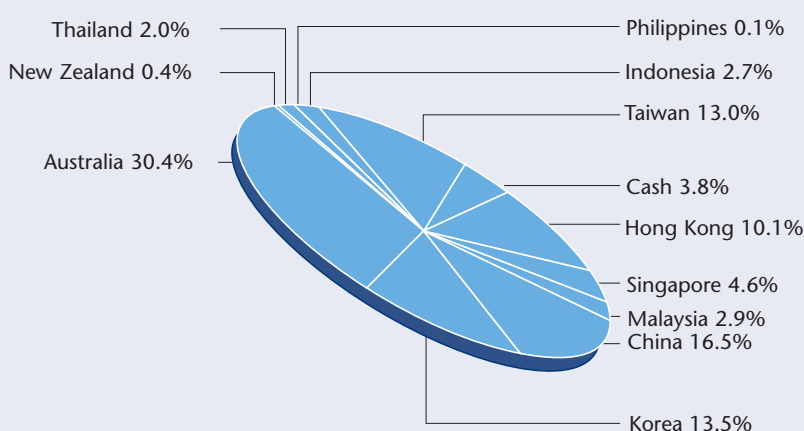


Pacific Basin Fund - June 2008

Fund Description

The Pacific Basin Fund invests in a portfolio of shares in the Pacific Basin area, excluding Japan. Eligible areas include Australia, Hong Kong, Singapore and the Indian sub-continent. This Fund, like the Japanese Fund, maintains a balanced portfolio covering both export-orientated and domestic related industries.

Composition of Portfolio as at 30 June 2008



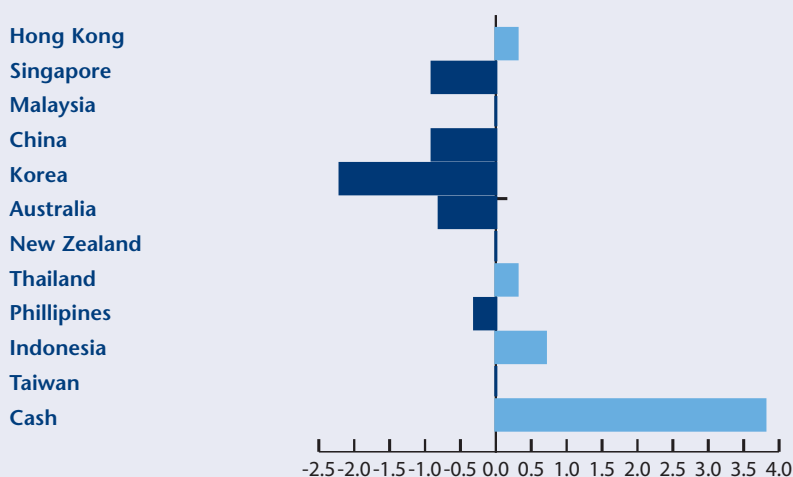
Fund Manager	Ronnie Petrie
Launch Date	May 1990
Current Fund Size	£97m
Alpha	-0.17
Beta	1.02
Volatility	18.5
Tracking Error Range*	4.0 - 8.0%

Volatility is the annualised standard deviation of monthly total returns over the last 36 months.

*Indication of current normal parameters, and may change without notice.

Source: Standard Life Investments

Sector Portions Relative to the MSCI AC Pacific Free Ex JapanSM (%)



Top Ten Holdings	(%)
BHP Billiton	4.8
China Mobile	3.5
Taiwan Semiconductor	2.7
Australia & New Zealand Banking	2.0
Samsung Electronics	2.0
CNOOC	2.0
DBS Group Holdings	1.7
National Australia Bank	1.6
Hutchison Whampoa	1.6
Kookmin Bank	1.5
Assets in top ten holdings	23.2

Investment Review & Outlook

Environment

Pacific Basin markets initially rallied before retreating sharply as inflationary concerns weakened investor confidence. Several central banks were obliged to adopt a tightening stance, as fears grew over the impact of rising prices. Surging commodity prices also caused consternation throughout the region. Evidence that the inflationary environment had begun to impact on corporate profitability weighed heavily on investors, leaving Asian markets in sharply negative territory towards the end of the period.

Activity

We purchased LIG Insurance, the third-largest non-life provider in Korea. Management efforts now appear to be bearing fruit, and we anticipate that the stock will return to profitability going forward. Hyundai Department Store was another addition to the portfolio, on the belief that its exposure to luxury brand sales should help to protect against the effects of the wider economic slowdown. Elsewhere, we took some profits in LG Chemical, following a strong run of outperformance.

Outlook

Faced with higher inflation, governments and central bankers may yet find themselves obliged to adopt further tightening policies, even against a backdrop of moderating external demand. However, Pacific Basin equity markets should gain support from the combination of relatively resilient domestic consumption and strong corporate fundamentals. Many companies appear well positioned to deliver positive earnings growth, bolstered by lean cost structures, low levels of consumer indebtedness and favourable sector dynamics.

Performance Commentary

During the second quarter of 2008, the Pacific Basin Fund returned -2.1% against the MSCI AC Pacific Free ex Japan IndexSM return of -3.5%. Over the year to 30 June 2008, the Fund returned -2.4%, against the index return of -3.0%.

The Fund's overweight position in Shougang Concord proved beneficial, as the company advanced on the back of rising steel plate prices. Korea's LG Chemical was a further positive influence, amid improving prospects for its PVC and electronics materials divisions. Elsewhere, Bumi Resources outperformed as

thermal coal prices continued to exceed expectations. On the downside, our holding in Samsung Techwin was negative, retreating on worries over long-term US and emerging market demand for digital cameras. Exposure to Manila Electric was also detrimental, after the stock fell on fears over political interference with the running of the company.

Fund Performance

	Q2	1 Year	3 Years	5 Years	10 Years
	(%)	(%)	(% p.a.)	(% p.a.)	(%p.a.)
	-2.1	-2.4	15.9	17.6	10.0
	Year to	Year to	Year to	Year to	Year to
	30/06/2008	30/06/2007	30/06/2006	30/06/2005	30/06/2004
	(%)	(%)	(%)	(%)	(%)
Pacific Basin Fund	-2.4	34.6	18.4	27.0	13.7
MSCI AC Pacific Basin FreeSM EX Japan	-3.0	33.4	19.1	32.2	16.8

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 30/06/2008. 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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