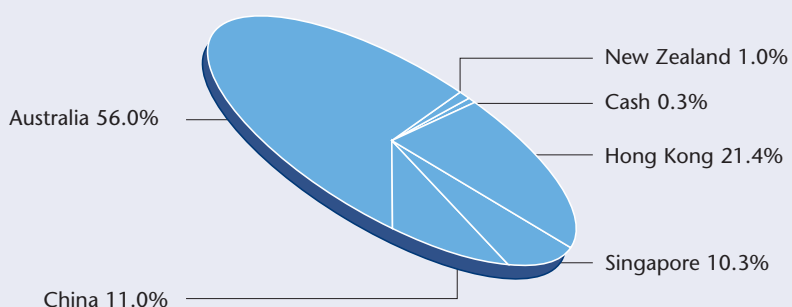


Pacific Basin Equity Tracker Fund - June 2008

Fund Description

The Pacific Basin Equity Tracker Fund aims to closely track the performance of the FTSE All-World Developed Asia Pacific ex Japan Index, allowing for reinvestment of dividends (but gross of charges and withholding tax). The Fund invests in a broad spread of Pacific Basin equities. The tracking method used is full replication, so that every constituent of the FTSE All-World Developed Asia Pacific ex Japan Index is held at the appropriate weight.

Composition of Portfolio as at 30 June 2008



Fund Manager David Kirkpatrick
Launch Date May 2002
Current Fund Size £20m

Source: Standard Life Investments

Top Ten Holdings	(%)
BHP Billiton	8.3
China Mobile	4.8
Commonwealth Bank of Australia	3.0
Rio Tinto	2.6
National Australia Bank	2.5
Westpac Banking Corp	2.1
Australia & New Zealand Banking Group	2.0
Woodside Petroleum	2.0
Hutchison Whampoa	1.9
Westfield Group	1.8
Assets in top ten holdings	30.9

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

The Pacific Basin Equity Tracker Fund aims to closely track the performance of the FTSE All-World Developed Asia Pacific ex Japan Index, allowing for reinvestment of dividends (but before deduction of charges). The Fund invests in a broad spread of Pacific Basin equities. The tracking method used is full replication, so that every constituent of the FTSE All-World Developed Asia Pacific ex Japan Index is held at the appropriate weight.

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 Equity Tracker Fund returned 0.7% against the FTSE AW Developed Asia Pacific ex Japan Index return of 0.5%. Over the year to 30 June 2008, the Fund returned 1.2%, against the index return of 1.0%.

Please note this performance is gross of the management fee of 0.15% per annum and also gross of the estimated withholding tax effect of around 0.18% per annum.

Fund Performance

	Q2 (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	
	0.7	1.2	17.0	20.6	
	Year to 30/06/2008 (%)	Year to 30/06/2007 (%)	Year to 30/06/2006 (%)	Year to 30/06/2005 (%)	Year to 30/06/2004 (%)
Pacific Basin Tracker Fund	1.2	35.2	17.0	35.8	17.3
FTSE AW Developed Asia Pacific ex Japan	1.0	35.0	17.1	36.5	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 30/06/08. They do not allow for the deduction of any charges or withholding tax.

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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