

European Equity Tracker Fund Quarterly Report 30 September 2008

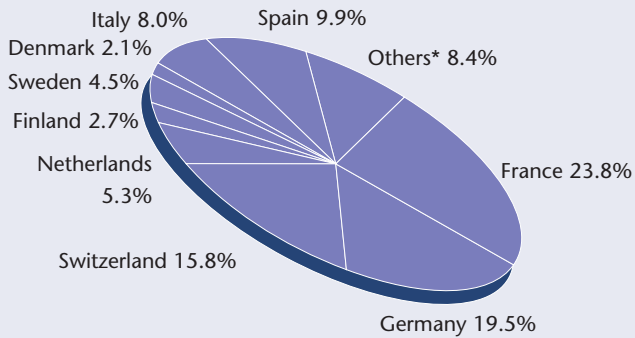
Fund Profile

The European Equity Tracker Fund aims to track the total return achieved by the FTSE All-World Europe ex-UK Index gross of fees and withholding tax (allowing for dividends to be invested), by investing in a wide spread of equities which are constituents of the index.

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Composition of Portfolio as at 30 September 2008



*Others includes those countries with less than 2.0% exposure

Fund Manager	David Kirkpatrick
Launch Date	12/06/2002
Current Fund Size	£66.54m

Top Ten Holdings	%
Assets in top ten holdings	18.5
BP	3.8
HSBC	2.9
Royal Dutch Shell	2.5
Vodafone	2.1
GlaxoSmithKline	1.9
Royal Bank of Scotland	1.8
Barclays	1.0
British American Tobacco	0.9
BHP Billiton	0.8
Tesco	0.8



Environment

European equities suffered further losses over the third quarter, despite making modest gains throughout July and August. Negative newsflow from the global financial sector continued to dominate market movements, against a backdrop of deteriorating economic growth and rising inflationary pressures. Although a fall in commodity prices provided some support, the dramatic events within the US and European financial sectors in September saw markets end the period in sharply negative territory.

Activity

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

Outlook

European economic newsflow has continued to deteriorate, from both central and peripheral economies across the region. Against the backdrop of an increasingly volatile global economy and ongoing credit restrictions, European corporate profitability has remained subdued. Meanwhile, European exports have weakened as the economies of major trading partners decline. We expect to see an increase in corporate activity, with management efforts still focused on restructuring and M&A opportunities. Central bank monetary policy is also likely to play a significant role in future balance sheet strength.

Performance

The European Equity Tracker Fund returned -11.17% during the third quarter of 2008, against the FTSE World Europe ex-UK Index return of -11.19%.

Performance

1 Oct 07- 30 Sept 08	1 Oct 06- 30 Sept 07	1 Oct 05- 30 Sept 06	1 Oct 04- 30 Sept 05	1 Oct 03- 30 Sept 04
-19.7%	20.2%	19.1%	29.7%	16.2%

Cumulative Performance

	1 Year	3 Years	5 Years
Fund Return*	-19.7%	14.9%	73.1%
Benchmark**	-19.7%	15.0%	72.7%

*Return is measured at 2pm unit price including costs indexed to close

**FTSE All-World Europe ex-UK Index is measured at market close

Investment Market Line

If you would like more details on our current market views please call:

0845 60 60 062

Performance Summary based on 2pm Unit Prices indexed to close and is calculated over periods to 30 September 2008.

They do not allow for deductions of any charges or withholding tax.

For the relevant charges on your policy please refer to your policy documentation.

Sources: Datastream and Standard Life Investments.

Note: Past performance is not a guide to future performance and the value of units can go down as well as up.

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