

US Equity Tracker Fund

Quarterly Report 30 September 2008

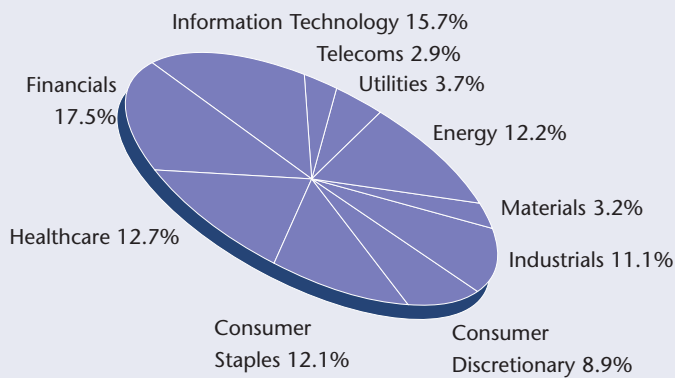
Fund Profile

The US Equity Tracker Fund aims to closely track the performance of the FTSE All-World USA Index, allowing for reinvestment of dividends (but before deduction of charges). The Fund will invest in a broad spread of US equities which are constituents of the FTSE All-World USA Index.

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Composition of Portfolio as at 30 September 2008



Fund Manager	David Kirkpatrick
Launch Date	01/06/2002
Current Fund Size	£106.21m

Top Ten Holdings	%
Assets in top ten holdings	18.5
Exxon Mobil	3.5
GE	2.2
Microsoft	2.1
Procter & Gamble	1.8
Johnson & Johnson	1.7
Wal-Mart Stores	1.5
Chevron	1.5
AT&T	1.4
JPMorgan Chase	1.4
Bank of America	1.4



Environment

US equities endured an extremely erratic quarter, fluctuating sharply amid a raft of negative economic and financial sector news. Severe volatility hurt the market in September, as a host of high-profile banking failures, including Lehman Brothers and Washington Mutual, created an extraordinary trading environment. In an attempt to restore confidence to markets, US politicians announced a bipartisan agreement on a \$700 billion rescue plan, although the eventual rejection of the bail-out by Congress caused world markets to plummet late in the period.

Activity

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

Outlook

Deteriorating US economic figures all point to a significant and protracted squeeze on corporate profitability. Within the housing sector, excess supply, foreclosures and lack of credit will continue to weigh on house prices for longer. Although valuations are attractive, fuller details of the Troubled Asset Relief Program and improved liquidity would boost confidence. The regulatory response will be critical.

Performance

The US Equity Tracker Fund returned 2.59% during the third quarter of 2008, against the FTSE USA Index return of 2.57%.

Investment Market Line

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

0845 60 60 062

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
-10.0%	7.0%	5.0%	16.0%	4.7%

Cumulative Performance

	1 Year	3 Years	5 Years
Fund Return*	-10.0%	1.1%	22.8%
Benchmark**	-10.1%	1.1%	22.8%

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

**FTSE All-World USA Index is measured at market close

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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