

Standard Life Equity Income Trust PLC

Trust Update Quarter Ended 31 December 2009

Investment Objective

To provide shareholders with an above average income from their equity investment while also providing real growth in capital and income.

Benchmark

FTSE All-Share Index

Features of the Trust

- Objective of increasing the dividend in real terms
- Gearing will be actively managed reflecting individual stock views



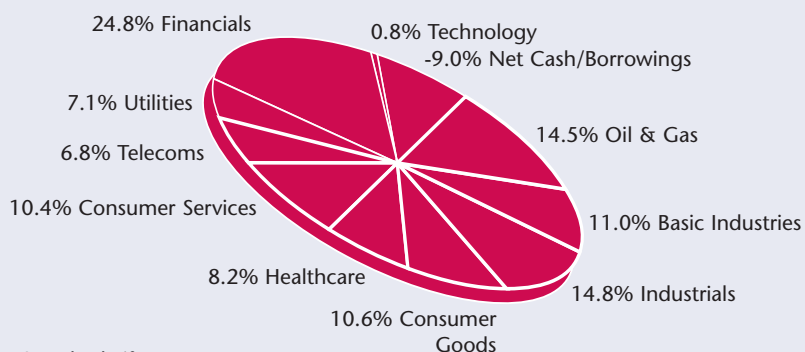
Karen Robertson

Karen Robertson is the manager of the Standard Life Equity Income Trust. She is also the manager for the UK Equity Growth Fund, UK Equity High Income Fund and the UK Equity General Unit Trust. She is also responsible for analysing the Utility, Tobacco and Beverage sectors.

Karen joined Standard Life as UK Investment Analyst in 1990 after graduating in Economics (BA Hons) from Strathclyde University. She is an Associate of Society of Investment Professionals (formerly AII MR).

Trust Managers	Standard Life Investments Limited (Since November 2005)
Gross Assets	£118.64 million (31/12/2009)
Share Price	267.25p (31/12/2009 Source: Datastream)
Net Asset Value	284.44p (31/12/2009 Source: Datastream)
Discount	Current (31/12/2009): -6.04% (Source: Datastream) 12 Month High: 5.41% (Source: Datastream) 12 Month Low: -8.12% (Source: Datastream)
Trust Annual Management Fee	0.65% on Gross Assets
Dividends Semi Annually	June/December

Net Assets Breakdown – Sector 31 December 2009



Source: Standard Life Investments

Launch Date	14/11/1991
Standard Life Investments takes over management	25/11/2005
Sedol	0603959
Reuters	SLET.L
Yield (Net)	4.32%
	(31/12/2009 Source: Standard Life Investments)
Current Equity Gearing	11.00%
	(31/12/2009 Source: Standard Life Investments)
Potential Gearing	-5% to 15%
	Note: The level of gearing and yields change on a daily basis.

Largest Ten Holdings

	Percentage of Total Assets
BP	8.3
HSBC Holdings	8.2
Vodafone	6.7
GlaxoSmithKline	5.7
British American Tobacco	3.9
Royal Dutch Shell "B"	3.9
Rio Tinto	3.7
Xstrata	3.6
Imperial Tobacco	3.1
National Grid	2.8
Total	49.9

Source: Standard Life Investments



Investment Review & Outlook

Review

- The UK equity market made modest gains over the quarter
- Markets remained choppy on concerns over default in the Middle East
- Improved corporate news flow was a positive factor

Environment

The FTSE 100 Index made further gains in the final quarter of 2009 to end the year 27% ahead, its biggest annualised gain since 1997. Investors continued to react positively as the global economy moved out of recession and corporate news flow improved. Towards the end of December, the market hit a 15-month high, recovering to pre-Lehman Brothers levels. Overall, the FTSE 100 Index has gained over 50% since hitting a 6-year low in mid-March 2009.

Companies continued to report signs of improved trading during the period, which boosted market performance. At the start of the quarter, results from the US third-quarter earnings season were generally taken positively, with companies such as JPMorgan and Intel beating expectations. In the UK, companies across a range of sectors, including consumer, industrial and financial firms, were more

upbeat as trading picked up. Later in the period, merger and acquisition activity provided a further boost, with British Airways agreeing a deal with Spanish rival Iberia. The market was hampered somewhat towards the end of November by concerns over UK banks' exposure to debt problems in Dubai but these dissipated in December and UK equities rose into year end.

Activity

Purchases during the quarter included utility company National Grid as its US operations started to receive positive regulatory news. We also invested in brewer and pub group Marston's, on evidence of an improvement in trading conditions. The stock was attractively valued and offers a superior dividend yield. Retailer Halfords was another purchase, as we expect upgrades from a withdrawal of capacity in the sector. Meanwhile, we sold sugar producer Tate & Lyle following a period of strong performance. Concerns over the company's dividend outlook also contributed to our decision. Other sales included tour operator Thomas Cook, due to concerns over the effect of rising unemployment on sales, and QinetiQ, given negative news flow on defence budgets.

Outlook

UK equities remain attractively valued both on a historical basis and compared to other asset classes after a sharp recovery in 2009. The market should remain well supported by its robust earnings momentum and strong financial position. Monetary policy is set to remain accommodative for some time, helping to stimulate activity in the housing market and retail sales. Further support would come from evidence of the global economy becoming self-sustaining and credit flowing more freely, allaying fears over the unwinding of policy action. Our Focus on Change investment approach leaves us well positioned to take advantage of individual stock opportunities as they arise.

Performance Commentary

Our holdings in the mining sector were positive for performance, as metal and mineral prices were boosted by strong economic data from China. Companies including Vedanta Resources, Xstrata and Kazakhmys delivered robust returns. However, underweight positions in Anglo American and BHP Billiton were negative. Not holding companies such as

Barclays and Lloyds Banking Group also boosted performance, as initial proposals for capital requirements put pressure on the banking sector. Elsewhere, retailer DSG International helped returns after reporting robust interim results and on news of improved trading in electricals from other

retailers, while soft drinks firm Britvic saw its share price advance on the back of good results. On the downside, insurer Aviva fell back due to a reduction in risk appetite.

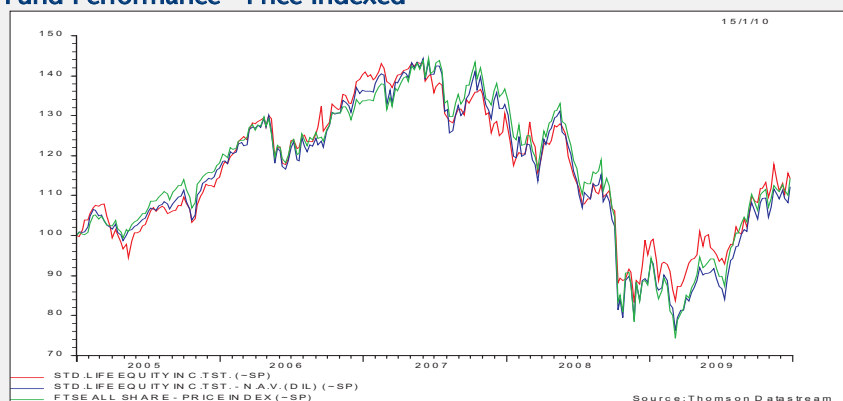
Performance	1 Year %	2 Years % p.a.	3 Years % p.a.	4 Years % p.a.	5 Years % p.a.
Standard Life Equity Income Trust (SP)	18.0	-6.5	-6.6	-0.0	2.7
Standard Life Equity Income Trust (NAV)	22.8	-7.8	-6.1	-0.9	2.4
FTSE All Share Index	25.0	-8.4	-5.0	-0.8	2.8

Source: Standard Life Investments, capital returns

The percentage growth figures are calculated over periods to 31 December 2009 on a mid to mid basis.

Standard Life Investments was appointed to manage the Standard Life Equity Income Trust in November 2005.

Fund Performance - Price Indexed



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

Source: Thomson Datastream

How to invest

For information on your investment options please call:

0845 60 24 247

Investment Market Line

For more details on our current market views please call:

0845 60 60 062

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