

Global Advantage Fund

Fund Update - 28 February 2010

STANDARD LIFE INVESTMENTS



Fund Facts

Fund Launch Date	26/09/1990	
Fund Manager	Jacqueline Kerr (since October 2001)	
Base Currency	GBP	
IMA Sector	IMA Balanced Managed	
Benchmark	IMA Balanced Managed	
Type of Share	Income & Accumulation	
Initial Charge	4.0%	
Annual Management Charge	1.25%	
TER*	1.35%	
Reporting Dates	Interim	Annual
	31 August	28 (29) February
XD Dates	Interim	Annual
	31 August	28 (29) February
Payment Dates	Interim	Annual
	31 October	30 April
Valuation Point	7.30am	

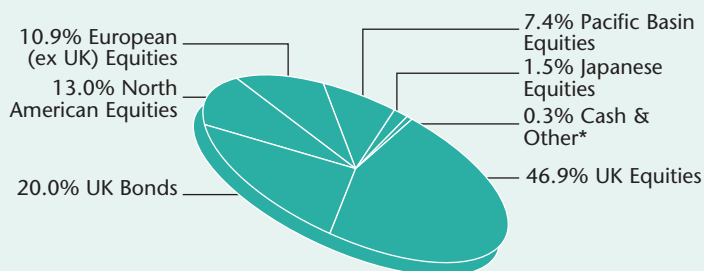
Lipper	Ret Acc	Ret Inc	Inst Acc	Inst Inc
	60011510	60011509	60011507	60011508
Bloomberg (Retail Acc)				STGLADA:LN
Bloomberg (Retail Inc)				STGLADI:LN
Bloomberg (Institutional Acc)				STGLAIA:LN
Bloomberg (Institutional Inc)				SLGLAII:LN
ISIN (Retail Acc)				GB0004330261
ISIN (Retail Inc)				GB0004330154
ISIN (Institutional Acc)				GB0004331673
ISIN (Institutional Inc)				GB0004331566
SEDOL	Ret Acc	Ret Inc	Inst Acc	Inst Inc
	433026	433015	433167	433156
OBSR Rating				n/a
S&P Rating				A
ISA Option				Yes
Number of Holdings				318
Fund Size				£493.45m

*TER: ratio of total operating costs to average net assets.

Unless stated otherwise, all information refers to the Retail Accumulation share class.

Fund Holdings as at 28 February 2010

Asset Allocation



Ten Largest Holdings

Holding	Percentage of Fund
SLTM Pacific Basin Trust	7.4
HSBC Holdings	3.9
BP	3.4
Royal Dutch Shell "B"	2.6
Vodafone	2.3
UK (Govt of) 5.25% 2012	2.3
GlaxoSmithKline	2.0
Rio Tinto	1.9
UK (Govt of) 4.75% 2015	1.8
British American Tobacco	1.3

**"Cash and Other" for example, may include bank and building society deposits, other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs) and allowances for tax, dividends and interest due if appropriate.

Fund Update (continued)

Investment Strategy & Goal*

The Global Advantage Fund aims to provide long term growth whilst investing in a diversified portfolio of equity and fixed interest securities. These assets can be from both the UK and overseas. The fund is predominantly equity based (with a bias towards the UK) and is actively managed by our investment team, who will vary the proportions held in each asset class to try to take advantage of opportunities they have identified.

The value of investments within the fund can fall as well as rise and is not guaranteed – you may get back less than you pay in.

The fund may use derivatives for the purpose of efficient portfolio management.

The sterling value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

Investment Review

Environment

Markets were higher in February on the back of improving global macro data. The Fed's decision to withdraw its extraordinary support measures was a key theme, although policymakers stressed that any move to normalise rates was a long way off. US retail sales and PMI data were upbeat, but unemployment and housing were mixed. In Europe, sentiment was aided by an easing of problems in the periphery nations, with Greece announcing a revised budget plan. In the UK, the Bank of England remained dovish on inflation with broader macro data - public finance, housing market, unemployment, consumer spending – still weak. Sterling also fell significantly during the period on the back of growing fears over a hung parliament. In China, the central bank raised the reserve requirement ratio again. However, unlike the previous hike, this was shrugged off by the market and commodities remained close to recent highs.

Dealing activity

In the UK, we initiated a position in Hargreaves Lansdown. The Fund also added to our holding in publisher Daily Mail, which offers an attractive dividend yield and benefits from a recovery in UK advertising. We initiated a new holding in Fujifilm on the back of optimism that a planned restructuring will help raise margins in its camera and printer divisions. In the US, we added telecommunications firm Polycom. Elsewhere, we disposed of plant maintenance company Shinko Plantech which is likely to lose out as a result of rationalisation within the Japanese refining sector. Elsewhere, we exited from our position in mining firm Kazakhmys.

Performance

The Global Advantage Fund returned 2.6% during February, compared with the IMA Balanced Managed sector average return of 2.5%.

In the UK, Serco was a strong performer as the firm is expected to benefit from increasing outsourcing in the public sector. The Fund's holding in mining firm Rio Tinto also added value as commodity prices continued to recover. In the US, exposure to Stanley Works proved beneficial as the market priced in higher cost synergies from its merger with Black & Decker. In Europe, an overweight position in Zurich Financial Services also added value. On the downside, the Fund's holdings in MasterCard weighed on performance after the firm announced disappointing earnings. In the UK, an underweight position in BHP Billiton proved unhelpful.

Outlook

The global economy is expanding and companies are able to report profits growth once more. Assuming that major policy errors are avoided, it is likely that equities will deliver decent returns as valuations remain attractive. We continue to employ a fundamental bottom-up approach, holding our largest positions in those stocks where we feel we have strong insights that are generally unrecognised by the wider market.

*For full details of the fund's objective, policy and investment and borrowing powers please refer to the full prospectus.

Source: Morningstar performance figures are calculated on a bid-to-bid basis over periods to 28 February 2010

Past performance is not a guide to future performance. The price of shares and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Fund Update (continued)

Fund Performance

1 Jan 09- 1 Jan 10	1 Jan 08- 1 Jan 09	1 Jan 07- 1 Jan 08	1 Jan 06- 1 Jan 07	1 Jan 05- 1 Jan 06
17.5%	-21.3%	5.5%	12.1%	21.8%

The performance has been calculated over the stated periods using bid-to-bid basis for a UK basic rate taxpayer.

Cumulative Performance to 1 March 2010

	Global Advantage Fund (%)	Sector Average* (%)	Ranking
6 Months	5.8	7.4	122/147
1 Year	28.7	31.3	94/139
3 Years	-4.9	-1.7	66/111
5 Years	27.6	27.9	37/88
Since Launch	272.3	307.3	11/15

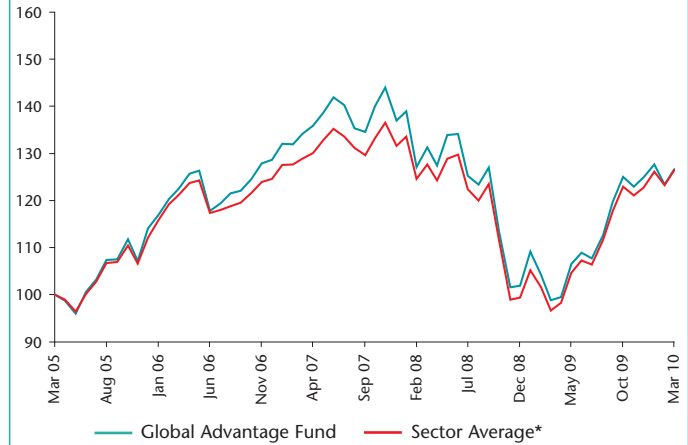
The performance has been calculated over the stated periods to 1 March 2010 using bid-to-bid basis for the UK basic rate taxpayer.

Source: Morningstar

*IMA Balanced Managed Sector

1 March 2005 to 1 March 2010, Bid-Bid, UK Basic Rate, Based in UK Sterling, Calculation Indexed

Price Indexed



Source: Morningstar

*Sector Average is the Mstar (IMA) Balanced Managed Sector.

Performance shown on a bid-to-bid basis for the UK basic rate taxpayer.

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Contact us

For further information on the Standard Life Global Advantage Fund contact your Standard Life Consultant.

For more details on our current market views please call the Investment Market Line on 0845 60 60 062

Standard Life Investments may record and monitor telephone calls to help improve customer service.

www.standardlifeinvestments.co.uk