

The Standard Life Investments Global SICAV Euro Extended Duration Fund

Exceptional investments, extraordinary world

For the month to 31 May 2009

Investment Objective

The objective of the Sub-fund is to enable investors to hold assets that match their long-term pension liabilities. It will achieve this through investing primarily in euro denominated government bonds. Derivative techniques will be used to extend the duration of the underlying bond portfolio.

General Risk Factors

- Shareholders should understand that all investments involve risk and there can be no guarantee against loss resulting from an investment in any Subfund, nor can there be any assurance that the Sub-funds' investment objective will be attained. Neither the Investment Managers, nor any of their worldwide affiliated entities, guarantee the performance or any future return of the Company or any of its Sub-funds.
- Past performance is not a guide to future returns. Charges also affect what Shareholders will get back and the amount returned may be less than the original investment.
- The value of Shareholders' investment and any income received from it may go down as well as up.
- Tax laws may change in future.
- The charges on Sub-funds may be increased in the future.
- Sub-funds that invest in a small number of stocks or in certain overseas markets may be subject to increased risk and volatility.
- Inflation reduces the buying power of Shareholder's investment and income.

Market Report

European government bond markets produced negative returns in May amid ongoing risk appetite, and the expectation of an earlier global economic recovery.

The best-performing Euro-zone bond market was Greece, which rallied 0.46% during the month, sharply outperforming the German market which fell by over 1.73% during the same period. However, in contrast to April, peripheral European gains were insufficient to offset the negative returns in the core countries.

During May, the Fund's overlay position had a negative impact on performance. Both swap curves and inflation breakevens moved out, mirroring the move at the short end of the curve as increasing inflation expectations prompted the markets to price in the possibility of early rate increases. This resulted in a drop in the value of the interest rate swaps and a rise in the value of the inflation overlay.

We increased our exposure to Irish bonds as the spread over Germany reached attractive levels ahead of an Irish bond auction.

Elsewhere, we extended duration in Greece by selling 2013 bonds and buying the 2014 counterparts, to take advantage of a pick-up in yield.

In early May, we also re-entered a long position in US Treasuries using the proceeds of German bunds as the spread moved back to zero. We then closed this position, at a profit, later in the month.

We remain concerned that the recent bounce in risk appetite and stimulus-led improvement in economic sentiment has been more enduring than we initially expected. However, we maintain our positive exposure to government bond markets as believe that the current inventory-led bounce in economic activity will be replaced by a more dominant theme of consumer retrenchment, as rising unemployment weighs on spending.

We also believe that the most recent back-up in bond yields is in itself detrimental to an economic recovery, as it prematurely tightens lending conditions.

We continue to insulate our outright long duration position by increasing exposure to peripheral European debt. It is likely to benefit from increasing investor demand for yield, should the improvement in broader economic confidence persist.

Fund Information

Fund Manager	Jack Kelly	
Fund Launch Date	22 May 2006	
Domicile	Luxembourg	
Bloomberg Code (Class A)	SLEDACE LX	
Bloomberg Code (D Class)	SLEDDCE LX	
ISIN (Class A)	LU0255287350	
ISIN (Class D)	LU0255287517	
WKN (Class A)	A0MRTC	
WKN (Class D)	A0MRTD	
Fund Currency	Euro	
Report Dates	Interim 30 June	Annual 31 December
Distribution Dates	Interim 31 August	Annual 30 April
Fund Size	Euro 30.26m	
NAV (Class A)	Euro 114.79	
NAV (Class D)	Euro 119.19	

Top Ten Holdings

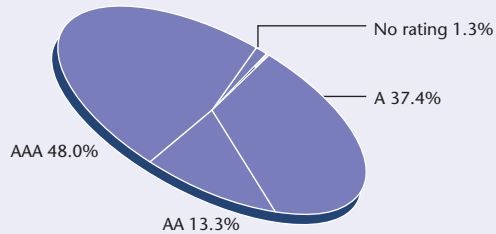
	% of Fund
Germany (Fed Rep) 5.25% 2011	11.5
Germany (Fed Rep) 3.5% 2011	8.2
Italy Buoni Poliennali Del Tesoro 4.5% 2019	5.9
Austria (Rep of) 4.3% 2014	5.5
Italy (Rep of) 4.25% 2014	5.1
Italy (Rep of) 4.25% 2019	5.0
France (Govt of) 5% 2012	4.5
Austria (Rep of) 3.8% 2013	3.5
Ireland 5% 2013	3.1
BGB 3.5% 2015	3.0
Total of the Top Ten Holdings	55.3

Euro Extended Duration Fund (continued)

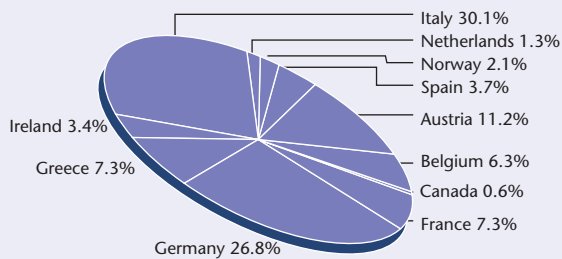
Asset Allocation as at 31 May 2009

Credit Rating

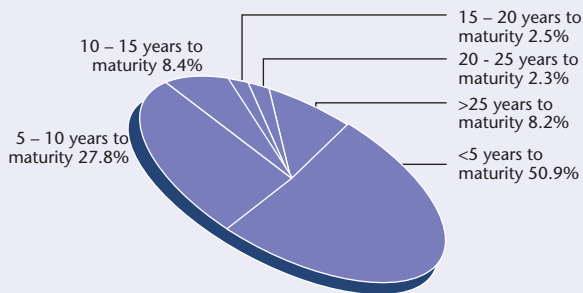
Source: S&P



Geographic Breakdown



Maturity Breakdown



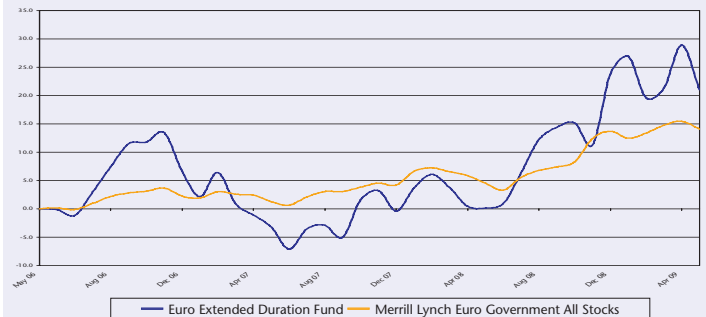
Note: The percentage breakdown above may not sum to 100% due to rounding.

Fund Performance v Benchmark (Merrill Lynch Euro Government All Stocks)

	YTD	1 month	3 months	6 months
Fund (%)	-2.3	-6.1	1.2	8.7
Benchmark (%)	0.3	-1.2	0.6	1.5
	1 year	3 years	Since launch	
Fund (%)	20.9	21.2	21.0	
Benchmark (%)	9.2	13.9	14.1	

Cumulative Performance

Euro Extended Duration SICAV v Merrill Lynch Euro Government All Stocks



Source: Standard Life Investments and Morningstar

Performance figures are calculated gross of fees and are on the share price performance basis over the stated periods to 31 May 2009. (Note: This Fund is single priced, there is no bid-offer spread.)

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. Returns are not guaranteed.

The Prospectus should be read for further details.