

The Standard Life Investments Global SICAV European High Yield Bond Fund

Exceptional investments, extraordinary world

For the month to 31 May 2009

Investment Objective

The objective of the Sub-fund is to achieve long-term growth in the share price of the Sub-fund. The Sub-fund will invest primarily in Euro-denominated high yielding debt securities, but may also invest in corporate bonds, government bonds and other interest bearing securities issued anywhere in the world. The Sub-fund may invest in both investment grade and sub-investment grade corporate entities. Returns of the Sub-fund will be both through the reinvestment of income and from capital gains.

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

The European high-yield market rally extended its gains in May, increasing by 11.3%. Improving economic indicators led investors to take the view that the recession will be shallower and end sooner than previously thought. However, the strong technical nature of the rally does not necessarily mirror the fundamental picture faced by companies.

We underperformed the benchmark by being underweight both high-yield generally, and in particular not owning bonds issued by chemical company Ineos. Previously priced for default, they rallied from a very low price following receipt of bank covenant waivers and on expectations of a refinancing deal. However, we believe the company's fundamental position will remain weak, and therefore remain underweight.

We continue to have a significant position in bunds and cash, which was positive for 2008, and gives us significant flexibility for the rest of 2009. However, this position has impacted year-to-date performance.

Defaults, restructurings and covenant waivers are likely to increase during 2009, and we have positioned the Fund with overweight positions in defensive sectors such as telecoms and cables. Meanwhile, we have limited our exposure to cyclical sectors such as chemicals, paper and packaging, autos and retail.

The strength of the rally and the lack of availability of bonds in the secondary market has opened a window for strong existing credits (e.g. 'BB' rated) to issue new bonds. Issuers are looking to extend their debt maturity profile and we are also seeing the replacement of bank debt with bond finance. We expect this trend to continue, and we will use this opportunity to add to our positions in strong, fundamentally sound companies.

We took advantage of renewed liquidity in the primary market to buy some bonds at new issue. These included Virgin Media, Pernod and Carlsberg and cable company UPC.

Fund Information

Fund Manager	Erlend Lochen	
Fund Launch Date	27 October 2005	
Domicile	Luxembourg	
Bloomberg Code (Class A)	SLGEHYA LX	
Bloomberg Code (Class D)	SLGEHYD LX	
ISIN (Class A)	LU0233953479	
ISIN (Class D)	LU0233954014	
WKN (Class A)	A0MRS1	
WKN (Class D)	A0MRS2	
Fund Currency	Euro	
Report Dates	Interim 30 June	Annual 31 December
Distribution Dates	Interim 31 August	Annual 30 April
Volatility	14.98%	
Tracking Error	7.34%	
Fund Size	Euro 105.01m	
NAV (Class A)	Euro 9.32	
NAV (Class D)	Euro 9.62	

Top Ten Holdings

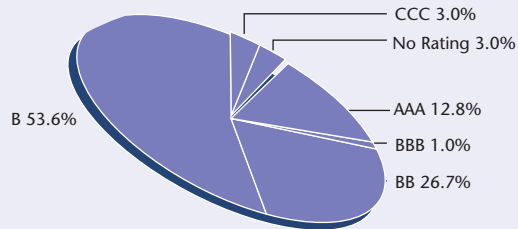
	% of Fund
Germany (Fed Rep) 4% 2009	4.7
Germany (Fed Rep) 4.5% 2009	4.7
Wind Acquisition 9.75% 2015	4.2
Nordic Telephone 8.25% 2016	4.0
IESY Hessen 2013	3.1
NTL Cable 8.75% 2014	3.0
Kabel Deutschland 10.75% 2014	2.9
Bundesobligation 3.25% 2010	2.9
Iron Mountain 6.75% 2018	2.8
Eco-Bat Finance 10.125% 2013	2.8
Total of the Top Ten Holdings	35.1

European High Yield Bond Fund (continued)

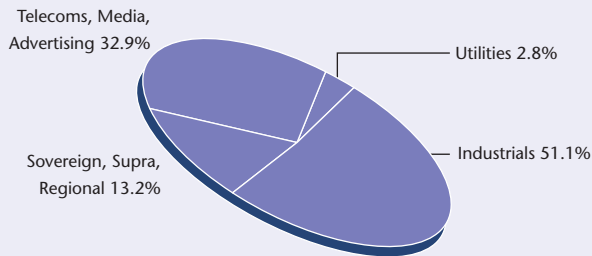
Asset Allocation as at 31 May 2009

Credit Rating

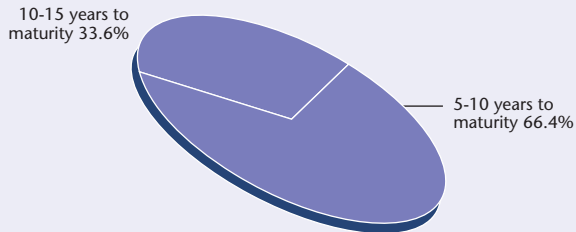
Source: S&P



Industry Breakdown



Maturity Breakdown



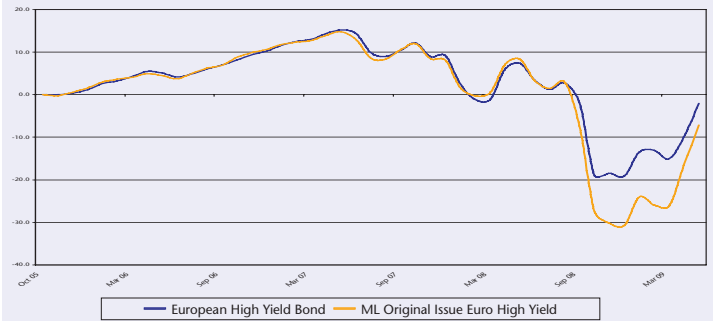
Note: The percentage breakdown above may not sum to 100% due to rounding.

Fund Performance v Benchmark (ML Original Issue Euro High Yield)

	YTD	1 month	3 months	6 months
Fund (%)	21.1	8.8	12.7	20.1
Benchmark (%)	34.0	11.3	25.3	32.9
	1 year	3 years	Since launch	
Fund (%)	-8.8	-6.8	-2.1	
Benchmark (%)	-14.3	-11.2	-7.2	

Cumulative Performance

European High Yield Bond SICAV v ML Original Issue Euro High Yield (EUR)



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.