

# The Standard Life Investments Global SICAV Global Inflation-Linked Bond Fund

Exceptional investments, extraordinary world

For the month to 31 May 2009

## Investment Objective

The objective of the Sub-fund is to provide a real return in US\$ over longer time periods. It will do this by investing primarily in sovereign issued and corporate inflation linked debt. The Sub-fund may also invest in conventional government bonds, investment grade corporate entities, and other interest bearing securities issued anywhere in the world. On an ancillary basis, the Sub-fund may hold cash and invest in other forms of transferable securities, in collective investment schemes, short term debt instruments, regularly traded money market instruments the residual maturity of which does not exceed 12 months.

## 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

Global inflation markets posted a small positive return in May, in a volatile environment. Although the continued recovery in risk assets such as equities cast a shadow over bond markets, rising commodity prices boosted inflation expectations, driving inflation-linked bonds to out-perform their nominal counterparts.

This trend was particularly marked in the US market, the most closely correlated with oil prices. US implied inflation over ten years rose by nearly 0.4% a year over the month. Elsewhere, UK and European breakeven rates were firm, but more subdued, as the dollar's weakness mitigated the rising prices of commodities in those currencies.

Our underweight position in the UK index-linked market detracted from performance in May, as did our yield curve flattening view.

We enacted a relative swap spread trade, looking for Canadian swap spreads to widen relative to Australian swap spreads. This was executed using a combination of nominal swaps and bond futures. This position added value during the month.

We closed our long-standing US dollar versus euro 20-year inflation swap position, which had also moved into profit.

The prospects for markets remain murky, and predictions are very polarised. While we recognise that some data has beaten expectations, there are lingering obstacles to recovery. Debt levels are crippling at all levels of the economy, and the cost of investment capital for companies is still not conducive to expansion.

We view rising commodity prices as a double-edged sword - while they may indicate a rise in demand, they are also an impediment to growth. Furthermore, there is evidence that the recent higher oil price has been largely speculatively driven.

We maintain our view that inflation and other economic statistics are likely to be more volatile than we have been used to for a considerable period, and in this environment, risk premia, including inflation risk premia, should rise. This should lead to further out-performance of inflation-linked securities relative to nominal ones.

## Fund Information

Fund Manager	Jonathan Gibbs	
Fund Launch Date	26 May 2005	
Domicile	Luxembourg	
Bloomberg Code (Class A)	SLGILKA LX	
Bloomberg Code (Class D)	SLGILKD LX	
ISIN (Class A)	LU0213069676	
ISIN (Class D)	LU0213069759	
WKN (Class A)	A0MRSY	
WKN (Class D)	A0MRSZ	
Fund Currency	USD	
Report Dates	Interim 30 June	Annual 31 December
Distribution Dates	Interim 31 August	Annual 30 April
Tracking Error	0.48%	
Volatility	7.19%	
Fund Size	US\$ 33.70m	
NAV (Class A)	US\$ 11.11	
NAV (Class D)	US\$ 11.36	

Tracking error is a measure of how closely a fund follows a given index. It is measured as the standard deviation of the difference between the fund and the index returns. As with most measures of risk, it is best looked at in conjunction with the return to fully understand the implications. Source: Standard Life Investments

Volatility measures the extent to which the price of a fund has risen or fallen over a particular historic period. Volatility figures are calculated using the standard deviation of a fund's monthly return (with income reinvested) over the most recent 36 month period. Source: Standard Life Investments

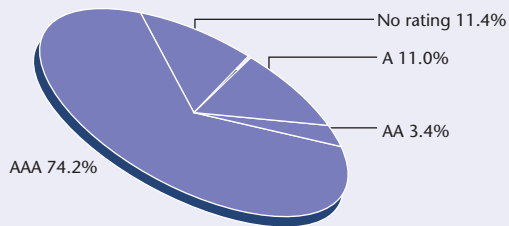
Top Ten Holdings	% of Fund
USA Treasury 3% Index-Linked 2012	7.7
USA Treasury 3.875% Index-Linked 2029	7.6
USA Treasury 2% Index-Linked 2014	6.9
USA Treasury 1.625% Index-Linked 2018	5.9
USA Treasury 2.375% Index-Linked 2025	5.8
UK (Govt of) 1.875% Index-Linked 2022	4.8
Canada (Govt of) 4.25% Index-Linked 2026	4.6
USA Treasury 1.625% Index-Linked 2015	3.5
Italy (Rep of) 2.35% Index-Linked 2019	3.5
France (Govt of) 2.5% Index-Linked 2013	3.4
Total of the Top Ten Holdings	53.7

# Global Inflation-Linked Bond Fund (continued)

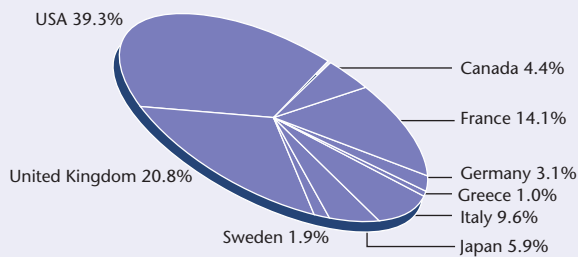
## Asset Allocation as at 31 May 2009

### Credit Rating

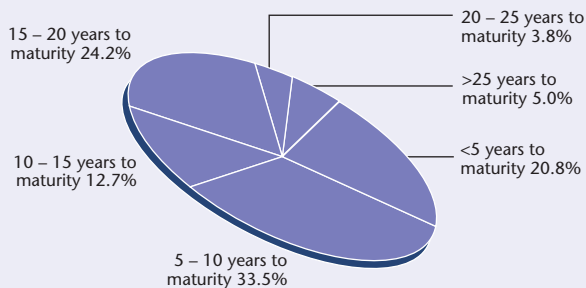
Source: S&P



### Geographic Breakdown



### Maturity Breakdown



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

## Fund Performance v Benchmark (Barclay Global Index-Linked Hedged to US\$)

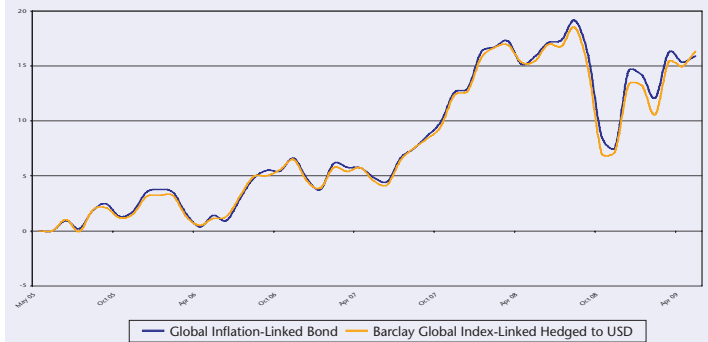
	YTD	1 month	3 months	6 months
Fund (%)	1.2	0.5	3.4	7.7
Benchmark (%)	2.7	1.2	5.2	8.5

	1 year	3 Years	Since launch
Fund (%)	0.1	14.3	15.9
Benchmark (%)	0.8	15.0	16.3

### Cumulative Performance

## Global Inflation-Linked Bond SICAV v Barclay Global Index-Linked Hedged to US\$ (US\$)



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.