

30 June 2010

The fund is invested in the Standard Life Investments Higher Income Fund. This fund aims to provide a significantly higher level of income than that available on gilts by investing mainly in Sterling and Euro denominated sub-investment grade corporate bonds. The fund is actively managed by our investment team who may also invest in other interest bearing securities (such as investment grade corporate bonds and government bonds) to try to take advantage of the 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 purposes of efficient portfolio management, reduction of risk or to meet its investment objective if this is permitted and appropriate. The Sterling value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

Life Investment Fund

Bond Fund

Quarterly

Fund Manager	Erlend Lochen & Arthur Millson
Fund Manager Start	01 August 2009
Launch Date	09 July 2004
Current Fund Size	£54.9m
Fund Code	L7
Duration	3.4 years

This document is intended for use by individuals who are familiar with investment terminology. Please contact your financial adviser if you need an explanation of the terms used.

Fund Information

Composition by Sector

	Fund %
Consumer, Retails & Services	14.5
Financials	2.9
Food & Beverages	4.6
Industrials - Auto Related	4.6
Industrials - Basic Materials	3.6
Industrials - Buildings Materials	5.6
Industrials - Energy	5.6
Industrials - General & Manufacturing	6.4
Packaging & Paper	11.4
Property	2.2
TMT	29.2
Transport & Logistics	2.1
Not Classified	7.3

Composition by Credit Rating

Rating	Fund %	Rating	Fund %
BBB	1.8	CCC	6.7
BB	25.8	D	0.3
B	51.5	N/C	13.9

Top Ten Holdings

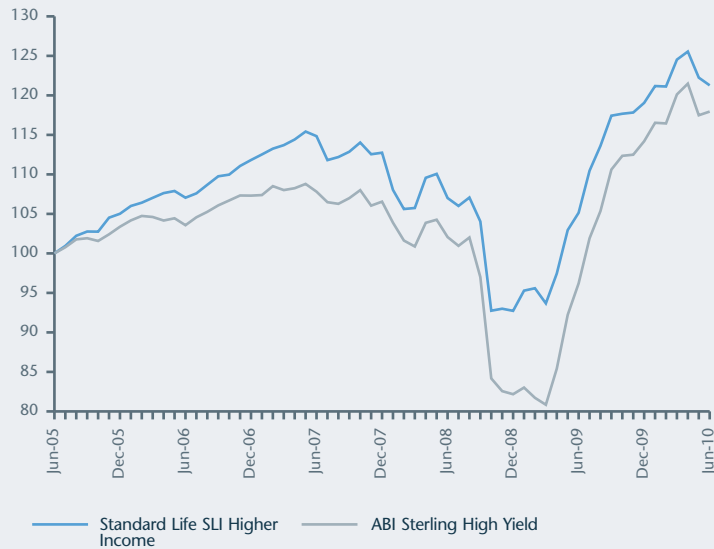
Bonds	Fund %
Angel Lux Common 8.25% 2016	2.9
ISS Holding 8.87% 2016	2.4
Virgin Media Finance 8.875% 2019	2.4
Codere Finance 8.25% 2015	2.0
UPC Germany GmbH 9.625% 2019	1.9
Foodcorp Ltd 8.875% 2012	1.9
Cell C 8.625% 2012	1.9
Ziggo Bond Company B.V 8.00% 2018	1.7
Peermont Global Ltd 7 3/4 04/30/14	1.7
Tereos Europe 6.375% 2014	1.7
Assets in top ten holdings	20.5

Year on Year Performance

Source: Standard Life Investments (Fund) and Morningstar (Sector)

	Year to 30/06/2010 (%)	Year to 30/06/2009 (%)	Year to 30/06/2008 (%)	Year to 30/06/2007 (%)	Year to 30/06/2006 (%)
Standard Life SLI Higher Income	15.3	-1.7	-6.8	7.3	7.0
ABI Sterling High Yield	22.6	-5.7	-5.3	4.1	3.6

Price Indexed



Figures quoted are calculated on a bid to bid basis over periods to 30 June 2010 with net income reinvested and are based on units which contain 1.30% AMC. For the relevant charges on your policy please refer to your policy documentation.

Source: Standard Life Investments (Fund) and Morningstar (Sector)

Cumulative Performance

Source: Standard Life Investments (Fund) and Morningstar (Sector)

	Q2 (%)	1 Year (%)	3 Years (%)	5 Years (%)
Standard Life SLI Higher Income	-2.6	15.3	5.6	21.3
ABI Sterling High Yield	-1.8	22.6	9.4	18.0

Note: The information shown relates to the past. Past performance is not a guide to the future. The value of your investment can go down as well as up. For the relevant charges on your policy please refer to your policy documentation.

www.standardlife.com

Useful numbers -

Customer Information 0845 27 93 003.

Market and Fund Specific Information

0845 60 60 062.

Call charges may vary.