

31 March 2012

The fund is invested in the Global Absolute Return Strategies Fund, managed by Standard Life Investments, which aims to provide positive investment returns in all market conditions over the medium to long term. The investment team who actively manage the fund have a wide investment remit to help them try to achieve this aim. The team look to exploit market inefficiencies through active allocation to highly diversified market positions. The fund manager utilises a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.

The fund may use derivatives for the purpose of efficient portfolio management, reduction of risk or to meet its investment objective if this is permitted and appropriate.

Standard Life  
Ireland  
Investment Fund

Absolute Return  
Fund

Quarterly

Fund Manager	Multi-Asset Investment Team
Launch Date	28 May 2008
Current Fund Size	€1269.4m
Base Currency	EUR
AMC	1.35%

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 \*

### Portfolio Risk and Return Analysis

Strategy	Stand-alone Risk Exposure %	Weighting (risk based %)	Contribution to Returns %	
			Q1	1 Yr
Market Returns Strategies	US equity	9.2	0.3	0.3
	High yield credit	6.1	0.7	0.4
	Korean Equity	5.6	-0.0	-0.0
	Russian Equity	4.7	0.4	-0.4
	European equity	3.9	0.4	-0.3
	Global index-linked bonds	3.0	0.2	1.2
	UK corporate bonds	2.8	0.5	0.6
	EU corporate bonds	1.5	0.4	0.6
	Global equity	1.4	0.6	0.1
	UK equity	1.2	0.0	-0.3
	FX hedging	1.2	-0.0	-0.1
Directional Strategies	Long USD v EUR	5.8	-0.3	0.5
	US forward-start duration	5.1	-0.0	2.7
	Mexican rates v EUR	4.3	0.5	0.6
	Long BRL v CZK	3.0	-0.4	-0.4
	Long USD v CAD	2.5	-0.1	-0.2
	Long USD v JPY	2.2	0.4	0.2
	Long equity volatility	2.2	0.1	0.1
	European swaption steepener	0.5	0.1	0.2
Relative Value Strategies	Broad v financial sector equity	7.5	0.0	1.3
	Financial sector v broad credit	7.4	1.0	0.1
	US equity technology v small cap	6.0	0.7	0.4
	Relative variance income	5.2	0.4	-0.6
	US equity large v small cap	4.1	-0.1	0.5
	HSCEI v FTSE variance	1.4	-0.1	0.0
Cash	Cash		0.1	0.3
Residual	0.0	0.0	0.1	0.4
Stock selection	0.4	2.1	0.3	-0.3
<b>Total</b>	<b>20.3</b>		<b>5.7</b>	
Diversification	14.8			
<b>Expected Volatility</b>	<b>5.5</b>			

## Fund Performance \*

### Year on Year Performance

Source: Standard Life Investments (Fund) and Thomson Datastream (Benchmark)

	Year to 31/03/2012 (%)	Year to 31/03/2011 (%)	Year to 31/03/2010 (%)
Synergy Global Absolute Return Strategies	8.7	5.4	22.7
6 Month EURIBOR	1.7	1.2	1.2

### Cumulative Performance

Source: Standard Life Investments (Fund) and Thomson Datastream (Benchmark)

	Q1 (%)	1 Year (%)	3 Years (% p.a.)
Synergy Global Absolute Return Strategies	5.3	8.7	12.0
6 Month EURIBOR	0.3	1.7	1.3

Note: The Performance figures quoted are calculated over the stated period to 31 March 2012 with gross income reinvested. Figures are based on units which contain 1.35% AMC. For the relevant charges on your policy please refer to your policy documentation. Performance excludes policy charges or tax which may apply. It is not the return on a premium.

## Key Risks

**Standard Risks** - What you get back depends on future investment performance and is not guaranteed. Past performance is not a guide to future returns. The value of your investment, and any income from it, may go down as well as up.

**Intangible risks and volatility** - The risks of a fund can be measured in different ways. Volatility (a measure of how much a fund's price has varied in the past) will not necessarily always provide a complete picture of a fund's risk. Some risks are not represented in the movement of the unit price until they emerge and only then will they have a significant effect on a portfolio.

**Extensive use of Derivatives** - In order to achieve its objectives an absolute return fund utilises a combination of traditional investments (such as equities, bonds and foreign exchange) and advanced techniques where it can use derivatives extensively. Derivatives are financial instruments which derive their value from an underlying asset, such as a share or bond, and are used routinely in global financial markets. Used carefully, derivatives offer an effective and cost-efficient way of investing in markets. However, derivatives can lead to increased volatility of returns in a fund, thus requiring a robust and extensive risk management process. While the fund will not borrow cash for investment purposes, the total value of exposures to markets will routinely exceed the Fund's net asset value. Derivatives may be Exchange Traded or Over the Counter (OTC).

**Use of 'short' positions** - Typically, UK authorised collective investment schemes invest on a 'long only' basis. The fund, by employing certain derivative techniques, will establish both 'long' and 'short' positions in individual stocks and markets. Investing on a 'long' basis means that the value of the derivative will rise or fall in the same direction as the underlying market value of the asset from which it is derived. If investments are made on a 'short' basis the value of the derivative will rise and fall in the opposite direction to the underlying market value of the asset from which it is derived.

**Counterparty risk** - The Investment Adviser may use one or more separate counterparties to undertake derivative transactions on behalf of the fund. From time to time the fund may be required to pledge collateral, and when this is required it will be paid from within the assets of the fund. When a derivatives contract moves in favour of the fund there is a risk that the counterparty may wholly or partially fail to honour their contractual obligations under the arrangement. The Investment Adviser assesses the creditworthiness of counterparties as part of the risk management process and will ordinarily hold collateral to mitigate this.

**Active Fund Management** - The majority of risks within traditional investment funds are driven by the type of investments held (i.e. equities, fixed interest or property, etc). The risks that fund management decisions add are generally of a smaller magnitude than those of the asset types themselves. The GARS fund however doesn't have a structure where most of the returns are generated from traditional asset types. Rather, it derives most of its returns from very specific strategies. As a result of this the risks of the fund are driven primarily by these fund management decisions, and less by the characteristics of the underlying traditional asset types.

**Correlation** - The fund will invest in a diverse set of investment strategies which, in the opinion of the investment adviser, have attractive risk reward characteristics. While the breadth of the strategies is significant, should they start to exhibit closer correlation ie move in the same direction as one another, the fund may be subject to a higher level of risk and volatility than anticipated.

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**Warning: Past performance is not a reliable guide to future performance**  
**Warning: The value of this investment may go down as well as up**  
**Warning: This investment may be affected by changes in currency exchange rates**

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