



Annual Report

Standard Life Investment
Company

Annual Short Report
Year ended 28 February 2014

Standard Life
Investments

Contents

1	Company Information	64	Global Equity Unconstrained Fund
3	Investment Report	69	Global Smaller Companies Fund
6	Ethical Fund Advisory Group Report	73	Higher Income Fund
7	AAA Income Fund	79	Japanese Equity Growth Fund
13	American Equity Unconstrained Fund	85	Short Duration Credit Fund
18	Asian Pacific Growth Fund	90	UK Equity Growth Fund
23	Corporate Bond Fund	95	UK Equity High Alpha Fund
29	Emerging Market Debt Fund	100	UK Equity High Income Fund
35	European Equity Growth Fund	106	UK Equity Recovery Fund
40	European Equity Income Fund	111	UK Ethical Fund
45	Global Advantage Fund	116	UK Gilt Fund
50	Global Emerging Markets Equity Fund	121	UK Opportunities Fund
54	Global Emerging Market Equity Income Fund	126	UK Smaller Companies Fund
59	Global Equity Income Fund	131	Further Information

Standard Life Investment Company Annual Short Report

Company Information

I am pleased to enclose your copy of the Annual Short Report for the Standard Life Investment Company. This report covers the 12-month period from 1 March 2013 to 28 February 2014.

The full Annual Report and Financial Statements are available on request. If you would like one call our Customer Information Team on 0845 279 3003.

Markets make solid gains

Throughout the period under review, most risk assets made solid gains for investors, with equity markets generally outperforming bond markets and other asset classes. Investor confidence was underpinned by a steady stream of positive economic data and the supportive measures put in place by central banks. This was most apparent in Japan, where the authorities introduced a massive stimulus programme designed to kick start economic growth and trigger inflation.

From the outset, global equity markets performed well until the penultimate week in May. At this point, speculation that the US Federal Reserve (Fed) would begin to taper quantitative easing (QE) later in 2013 drove a sharp upturn in financial market volatility. This manifested itself in profit-taking across several global equity markets and outflows from emerging market assets. Evidence of a moderation in China's growth rate exerted additional pressures on emerging market and commodity-related equities in particular. As 2013 drew to a close, the issue of when the Fed would start to reduce QE was finally settled with the announcement of a \$10 billion reduction in its monthly asset-purchase programme. The Fed also asserted that monetary policy would remain supportive until inflation breaches 2% and unemployment dips below a revised figure of 6.5%.

It has been a bumpy start to 2014. Emerging market currencies and equities have come under renewed pressure, while bad winter weather has severely distorted economic data in the US. Geopolitical risks have also intensified with the political crisis in Ukraine causing worries about energy supplies to Europe. Nevertheless, our cautiously optimistic view of global economic fundamentals remains intact and the background for global equity markets appears positive.

For a more in-depth look at markets, please refer to the enclosed global overview and outlook.

Fund performance

Our mutual fund range continues to deliver strong relative returns. Over the year to end February five of our funds (Asian Pacific Growth, Global Smaller Companies, Global Emerging Market Equities, Short Duration Credit (previously Select Income Fund) and UK Opportunities) recorded top decile performance, i.e. top 10% of funds within their peer group. Meanwhile, a further nine funds (American Equity Unconstrained, Global Advantage, Global Emerging Market Equity Income, Global Equity Income, Global Equity Unconstrained, Higher Income, Japanese Equity Growth, UK Equity Recovery and UK Ethical) delivered top quartile performance, i.e. top 25% of funds within their peer group. As always, we remain committed to providing you with the best possible return on your investment and to continue to deliver solid performance.

*Source: Morningstar, bid-to-bid, for the 12-month period to 28/02/2014.

Keeping you informed

You can keep up to date with the performance of your investments by visiting www.fundaccess.co.uk. Alternatively, if you would rather speak to us, please call 0800 33 33 53 between 8am and 5:30pm Monday to Friday. You can also visit our website www.standardlifeinvestments.com.

I hope you find this Annual Short Report informative and thank you for continuing to support Standard Life Investments.

Yours sincerely,

Jacqueline Lowe
Head of UK Wholesale
Standard Life Investments

Standard Life Investment Company

Annual Short Report

Company Information

(Continued)

Standard Life Investment Company				
Head Office	Director	Authorised Corporate Director (ACD)	Board of Directors of the ACD	Secretary of the ACD
1 George Street Edinburgh EH2 2LL 0131-245-2676	The Authorised Corporate Director (ACD) is Standard Life Investments (Mutual Funds) Limited which is the sole director and is authorised and regulated by the Financial Conduct Authority for investment business.	Standard Life Investments (Mutual Funds) Limited Registered Office 1 George Street Edinburgh EH2 2LL	A.S. Acheson D.G. Doran (retired 14 June 2013) S.A. Fitzgerald J. Lowe D.E. Thomas S.R. Wemyss R. J. McKillop L. Scott (appointed 24 August 2013)	S.E. Crewes

Standard Life Investment Company			
Depository	Independent Auditors	Registrar	Investment Adviser
Citibank International plc Registered Office and Head Office Citigroup Centre Canada Square Canary Wharf London E14 5LB	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX	The Bank of New York Mellon (International) Limited One Canada Square London E14 5AL	Standard Life Investments Limited 1 George Street Edinburgh EH2 2LL

Standard Life Investment Company Annual Short Report

Investment Report

1 March 2013 - 28 February 2014

Global Overview

Throughout the year under review, most risk assets made solid gains for investors, with the majority of equity markets outperforming bond markets and other asset classes. Investor confidence was underpinned by a steady stream of positive economic data and the supportive measures put in place by central banks. The period began with problems relating to the Euro-zone resurfacing again, in the form of post-election uncertainty in Italy and a banking crisis in Cyprus. Both developments unsettled global equity markets, but failed to drive the widespread and sustained sell-offs sparked off by Euro-zone concerns in the past. Global equity markets then resumed their forward momentum, making gains until the penultimate week in May. At this point, speculation that the US Federal Reserve (Fed) would begin to taper quantitative easing (QE) later in 2013 drove a sharp upturn in financial market volatility. This manifested itself in a sell-off across core government bond markets, profit-taking across several global equity markets and outflows from emerging market assets. Evidence of a moderation in China's growth rate exerted additional pressures on emerging market and commodity-related equities in particular. The spectre of the US budget impasse returned to unsettle investors in October when Congress failed to agree a budget, leading to a 16-day partial government shutdown. A temporary resolution was eventually achieved and markets continued their upward trend. The later stages of the review period also saw supportive global monetary policy and improved macroeconomic data from China resulting in renewed confidence. As 2013 drew to a close, the issue of when the Fed would start to reduce QE was finally settled with the announcement of a \$10 billion reduction in its monthly asset-purchase programme and a number of equity markets delivering solid returns. While 2014 started disappointingly for equities, largely driven by concerns over emerging markets, investors became more positive in February and most markets were able to make further headway.

Individual market overviews

The period began with **UK equities** consolidating after prior gains, as renewed Euro-zone jitters and the Cyprus bailout crisis demonstrated the ongoing fragility of the global economy. However, investor concerns ultimately proved fleeting as politicians and central banks acted swiftly to avert any lasting damage. Domestic economic data remained particularly mixed, leading markets to speculate about the prospects of further monetary stimulus. The UK economy began to show signs of life in the spring and improved into the summer. However, US Federal Reserve indications that it could begin to taper QE temporarily stole the limelight and caused considerable market volatility until softer central bank language placated investors. Meanwhile, July heralded the strongest UK economic data yet, with the fastest service sector expansion since December 2006, the largest growth in construction in three years and the strongest manufacturing output since late 2010 all suggesting a sharper economic rebound. Syria and the US debt ceiling deadline demonstrated that risks remained, although both ultimately passed without incident. Third quarter UK GDP grew at

the fastest rate in three years, prompting speculation that interest rates may rise sooner than anticipated. However, strong US data and particularly the Fed's eventual decision to taper US stimulus ensured 2013 closed positively, as investors welcomed an end to the uncertainty. However, despite news that UK GDP grew at the fastest rate since the crisis in 2013, the period ended on a weaker note as taper-related capital outflows from emerging markets prompted renewed caution.

US equities performed strongly over the year. First quarter corporate earnings were generally positive, albeit driven by cost cutting rather than revenue growth, which remained weak. Fed Chairman Ben Bernanke unnerved markets in May by suggesting that if sustainable growth continued, the rate of asset purchases, a key driver of markets this year, could be reduced. June was therefore dominated by the Fed trying to assure global investors that QE would not come to an end until the economy was self-sustaining. With concerns alleviated, markets progressed, largely driven by positive economic and earnings data, which resulted in both the Standard and Poor's 500 and Dow Jones indices reaching record highs. Fortunes were then reversed as mixed data drove US equities lower and the falls continued as worries concerning a military strike on Syria increased. Despite second-quarter GDP figures being revised upwards, all sectors in the Standard and Poor's 500 index delivered negative returns during August. After the Fed's surprise announcement that tapering would not commence as yet, progress was negated by Congress failing to agree a budget, resulting in a partial government shutdown. After a further bout of instability in markets, calm was restored following the final Fed meeting of the year. Given the improvement in economic data, the decision was taken to reduce the rate of asset purchases by \$10 billion to \$75 billion per month from January 2014. Markets responded positively to the news, with the major indices ending 2013 at a record high. However, Chinese growth worries and currency concerns in a number of emerging markets resulted in nervousness in the first weeks of 2014, although markets regained their poise during February.

European equities have performed strongly over the course of the year. However, significant uncertainty marked the early stages of the review period. First-quarter GDP figures showed a contraction for the sixth consecutive quarter, unemployment continued to rise and Cyprus was granted a €10 billion bailout package. Amid the bleak economic environment, the European Central Bank (ECB) reduced interest rates by 0.5%. Despite supportive measures, European equity markets disappointed in June, on concerns that the US would reduce the pace of asset purchases, before rebounding strongly in July as fears were allayed. Despite the prospect of sub-trend growth continuing for the next few years, economic data continued to improve but not enough to prevent the market slipping back again. Euro-zone second-quarter GDP marginally inched into growth territory, largely driven by Germany, allowing the single bloc to emerge from the longest recession in its history. However, concerns over US monetary policy and possible military action in Syria weighed on investors' minds, hindering equities. In Germany, Angela Merkel was re-elected Chancellor for a third

Standard Life Investment Company Annual Short Report

Investment Report (continued)

term, although she failed to secure a majority. European equities resumed an upward trend as Spain emerged from recession and the peripheral countries showed signs of improvement. As inflation data continued to ease, the ECB reduced rates to a new all-time low of 0.25% and European equities ended 2013 strongly. However, in line with other global equities, Europe suffered a weak start to 2014 before rebounding strongly in February.

At the start of the period, **Japanese equities** were still responding positively to Prime Minister Abe's commitment to inflation targeting and monetary easing, along with the Bank of Japan's shift to a more pro-growth stance. The yen's subsequent correction provided a boost for Japanese export-oriented businesses in particular. The stock market rally then faltered in late May, amid concerns that QE in the US might be drawing to a close, worries about weaker data from China, and rising Japanese government bond yields. Risk assets subsequently regained their upward trend by early summer and investor confidence received a further boost when the LDP won a clear victory in Upper House elections. This provided Japan with much-needed political stability, strengthening the government's mandate to implement challenging reforms. As the review period progressed, risk appetite subsequently moderated, largely due to unease about the direction of Fed policy. Furthermore, there appeared to be a pause in domestic policy reforms which muted investor sentiment further. By the end of the year, however, the market regained momentum when it became apparent that the monetary stimulus programme was taking effect: the yen fell to a five-year low against leading global currencies and inflation rose to 1.2%. When markets closed on 31 December, the Nikkei had registered its strongest annual gain since 1972. Conversely, Japanese equities experienced sharp falls in early 2014, largely driven by global macro concerns and poor fourth quarter Japanese GDP figures.

Asia Pacific equity markets fell over the year, trailing developed regions which delivered double-digit returns. In particular, investors fretted about slowing growth, debt levels and property market regulation in China. The prospect of diminishing Fed monetary support also hung over the region. The period began on a positive note, with the economic backdrop for asset markets remaining positive, given the combination of relatively modest inflationary pressures, a helpful interest rate environment and signs of a gradually recovering global trade cycle. However, in late May, markets experienced a marked upturn in volatility as investors began to consider the implications of a potential tapering in stimulative Fed policy. This drove profit-taking across several of the region's equity markets. Investors were also unsettled by developments in China, as the country appeared to be settling into a lower growth trajectory and to have embarked upon important rebalancing of its economy. The Fed's surprise announcement in mid-September that it was not about to start tapering QE provided a boost for risk assets. However, by the end of the 2013, Asian equities again retreated amid concerns over a potential cash crunch in China. This prompted the authorities to step in with measures designed to ease the pressure. Asian equities had a disappointing start to 2014 as emerging market currency weakness prompted investors to reduce their exposure to the region. Encouragingly,

markets steadied as the review period drew to a close, with positive Chinese trade data cheering investors.

Bond markets

Political uncertainty and a controversial EU bailout deal for Cyprus in March weighed on risk market sentiment and demand for **government bonds** was initially strong. Bond markets then endured a volatile period over the summer months as the Fed openly discussed a possible reduction in its monetary stimulus programme. With QE viewed as a vital support for bond prices, the prospect of any tapering in central bank buying vexed investors and helped push yields on government bonds higher. Emerging market bonds were particularly affected. Government bond markets recovered some ground in September when, having been expected to commence tapering that month, the Fed chose to wait for further evidence of economic recovery before pulling back from its monetary stimulus. Core government bond markets remained under steady downward pressure for the last two months of the year. This was compounded by indications that the Federal Open Markets Committee no longer fully supported its QE policy, followed by the announcement in December that it would reduce asset purchases from January 2014. The performance of UK gilts began to noticeably creak as the US Federal Reserve finally decided to signal a trimming of its QE programme. However, strong demand from pension funds for long-dated gilts ensured that the heavy schedule of long duration supply failed to significantly weigh upon the market. Overall this resulted in the UK yield curve flattening as longer-dated bond yields were more resistant to rising yields than shorter-dated issues. Emerging market uncertainty was the biggest single influence on markets during January, resulting in a sharp rally in core sovereign bond markets as investors sought safe havens. February by contrast was a rather subdued month with yields ending the month very close to where they started.

The review period proved volatile, but ultimately positive, for **corporate bond** returns. The conditions that have proved so supportive for bond markets in recent times remained broadly in place, namely ultra-low government bond yields, central bank stimulus (QE) and healthy company balance sheets. The benign outlook received a further boost from growing evidence of a sustainable recovery in the world's developed economies. For much of the period, therefore, political risk proved to be the main threat to market stability. However, while debt ceiling negotiations in the US and political uncertainty in Italy did manage to clip investor confidence at times, the damage was rarely long-lasting and corporate bond markets were able to resume a positive trajectory after brief periods of volatility. With corporate bonds displaying impressive resilience to political dysfunction, it fell to Fed Chairman Ben Bernanke to provide the catalyst for genuine market turmoil. His comments in May that the Fed was considering scaling back its asset purchase programme earlier than investors had anticipated came as a huge shock. Having been viewed as a crucial support for bonds, the prospect of an early end to the Fed's monetary stimulus pushed the yields on many corporate bonds higher. However, September brought unexpected respite as the Fed surprised the market with the decision to maintain its stimulus at current levels.

Standard Life Investment Company Annual Short Report

Investment Report (continued)

This prompted a significant relief rally and allowed corporate bonds to make back much of the ground lost over the summer. While yields on US Treasuries continued to rise in the last months of 2013, corporate bonds were able to outperform given the more gradualist approach to tapering signalled by Fed. The decision by the European Central Bank to cut interest rates during November was also a boost for euro-denominated bonds, especially issuance from peripheral Europe. As the period drew to a close, another bout of volatility in emerging markets caused a wave of risk aversion among investors, but corporate bond markets proved relatively resilient.

Outlook for equities

The positive attitude towards equity investing at the end of last year has stalled this spring. More concerns have appeared about the state of the emerging market economies, as well as a realisation that a pause was likely in some of the developed economies, especially the US, before growth could be revived. Our assessment has been that these events will have a modest, but not a significant impact, on corporate earnings growth into 2014. In general terms, the background for global equities remains positive as underlying global economic fundamentals continue to improve. Volatility has also reduced and investors are focusing more on specific stocks, which is generally positive for our bottom-up stock selection process.

Broadly speaking, **US** economic data is exceeding expectations. Industrial activity remains robust, consumer spending is strengthening, house prices are rising and unemployment is in decline which suggests that the gradual US economic recovery should continue. The outcome of the Q4 2013 US earnings season was encouraging and showed Standard and Poor's 500 stocks reported profits growing just over 9% from a year earlier, led by financials with non-financial earnings growing closer to 6% per annum. One key uncertainty is the pace at which the Fed will remove monetary policy support. Against this backdrop, we continue to focus on our highest-conviction stock ideas.

Given the strong rally in 2013, we continue to believe that the **UK** market may consolidate for a period. With valuations now broadly reasonable, investors are likely to become increasingly selective rather than rely on a further re-rating. Despite the market's progress, we still see value in many consumer and industrial cyclical companies, as well as in under-appreciated emerging market-related stocks. Some investor nervousness is understandable as the recovery strengthens, but we ultimately believe that the improving economic environment will continue to support UK equities and provide ample investment opportunity as the year progresses.

There has been a significant re-rating of **European** markets in recent months in anticipation of earnings recovery, although evidence of that recovery is yet to come through. The earnings season so far this year has been a bit hit and miss, which also explains some of the market weakness. Our focus remains on companies that are well placed to continue to deliver attractive through-cycle returns driven by, for example, market share gains, restructuring, organic growth on a global scale while still continuing to pay attractive dividends to shareholders.

Multiple drivers, including government measures, a positive shift in consumer sentiment and the weaker yen have helped lift **Japan** and changed the market's mindset. Our optimistic view on Japan remains unchanged, with various positive changes now starting to materialise. We therefore believe that the market will continue to appreciate in the year ahead.

In the **Pacific Basin**, markets may continue to take their lead from global events such as the speed of recovery in the developed world and US Federal Reserve interest rate expectations. Furthermore, economic growth and policy reforms in China will remain in focus. From a longer-term perspective, we continue to believe Asia is, generally speaking, in a strong position with compelling demographics and the ongoing reorientation of economic growth away from exports towards domestic consumption.

Outlook for bonds

We believe that **government bond** markets will remain under downward pressure as they continue to retreat from historically low yield levels in the face of ongoing economic recovery. The positive aspect is inflationary pressures which remain highly subdued and offer policymakers the luxury of continuing to emphasise forward guidance. In the UK, the Bank of England has kept interest rates on hold and we expect the lower for longer mantra to be maintained. For emerging market government bonds, yield differences (or spreads) overall look attractive given the widening during recent months. However, we recognise that the picture for fundamentals in emerging markets is more mixed than in the past. The need to differentiate among countries is therefore more important than ever.

We remain positive on **corporate bonds** as the main structural drivers for the asset class remain in place. The low yield environment in Europe, banks building up capital and a normalisation of peripheral European risk premiums support our base case for tighter spreads over the course of the year. Despite this, we will have to endure pockets of volatility and with spreads having come in, scope for further tightening is limited. This reduces the buffer to offset potential setbacks. However, this volatility will offer opportunities for investors to exploit.

Standard Life Investment Company Annual Short Report

Ethical Fund Advisory Group Report

Standard Life Investments is responsible for managing several ethical Funds. The Funds are managed according to clearly defined investment mandates and the range of available investments is underpinned by established policies and independent research data on their ethical credentials.

The Standard Life Ethical Funds Advisory Group

The Standard Life Ethical Funds Advisory Group, previously known as the Standard Life Ethical Funds Committee, is chaired by the Chief Operating Officer of Standard Life Investments. It comprises investors in Standard Life's ethical Funds and senior Standard Life group managers with involvement in managing and marketing the Funds and their associated products. The Committee generally meets twice a year and is responsible for ensuring that Standard Life's Ethical Policy for these Funds is applied correctly, that the Policy continues to reflect the concerns of investors in the Ethical Funds and that the processes supporting the application of the Policy are robust.

This involves:

- ▶ considering current ethical issues and trends and the implications for the Funds
- ▶ reviewing investment and marketing reports
- ▶ ensuring that Standard Life Investments' process for ethical investment is observed
- ▶ reviewing and addressing customer queries and
- ▶ commissioning market and customer research on ethical issues

Positive bias

The ethical Funds are invested according to the negative and positive criteria set out in the Ethical Policy. The Funds do not invest in companies that fail the negative criteria and favour investment in companies that meet the positive criteria.

Issues arising

The Group discussed a number of issues during the year. These included unburnable carbon, animal testing, fossil fuels and nuclear energy. The Group also discussed individual companies and their corporate responsibility practices.

Voting record - Standard Life Investments UK Ethical Fund

We voted the Fund's shares in favour of most resolutions at shareholder meetings during this period.

We voted against resolutions at BG Group because there were features of the companies' proposed remuneration policies

and their application that are not consistent with our corporate governance guidelines. We abstained on resolutions at F&C Asset Management, Wolseley, Lancashire Holdings, Soco International, Stagecoach Group and Taylor Wimpey for the same reason.

At New Britain Palm Oil we abstained on a resolution to approve the annual report and financial statements because we had requested that they present a remuneration report to shareholders this year but the company failed to do so.

We abstained on a share incentive plan at ARM Holding Plc.

We abstained on the re-election of a Director of Berkeley Group Holding Plc to convey concerns that he had previously held a senior position within the company's auditors.

Investor opinion

Investors in the Ethical Funds continue to make a valuable contribution to the Group's understanding of ethical concerns, in particular through participation of investors on the Group. We conducted our annual survey of the ethical criteria during 2013, the findings of which were presented to the Group in June 2013.

The survey provided valuable insight into investors' views on issues such as investing in Burma, animal testing, nuclear power and corporate governance. The Group believed the current ethical policy met the views of investors. As such, no significant changes were made to the Policy as a result of the survey.

Standard Life is committed to continue to engage its investor base of the Ethical Funds. We will be conducting the next annual survey later in 2014.

Further information

If you would like to find out more about the Standard Life Ethical Funds Advisory Group please visit the below link:

http://www.standardlifeinvestments.com/ethical_investing/our_ethical_committee/index.html

For any additional information, please write to Amanda Young, Secretary to the Ethical Funds Advisory Group, Standard Life Investments, 1 George Street, Edinburgh, EH2 2LL or e-mail amanda_young@standardlife.com.

Amanda Young
Secretary to the Ethical Funds Advisory Group
February 2014

Standard Life Investment Company

Annual Short Report

AAA Income Fund

Investment Report

Fund Information

Fund Manager	Daniel McKernan and Sebastian Mackay
Launch Date	6 April 1999
Benchmark	IMA UK Corporate Bond Sector

Investment objective

The objective of the Fund is to provide a competitive level of income. Capital appreciation is of secondary importance.

Investment policy

The investment policy of the Fund is to invest in a portfolio consisting mostly of Sterling fixed interest securities. Investment will only be made in securities with a credit rating of “AAA” from major rating agencies such as Standard & Poor’s, Moody’s and Fitch.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The Fund tends to have quite a concentrated number of holdings, however the high credit quality nature of the portfolio affords investors a high degree of protection from the risk of default. Whilst the level of income provision is likely to be relatively stable, the investor must be able to accept temporary capital losses due to the volatile nature of the investments, and should therefore have an investment time horizon of 3 to 5 years.

Performance

The AAA Income Fund returned -0.95% during the period, in comparison with the IMA Corporate Bond sector return of 2.90% (source: Morningstar).

Early in the review period, an interest rate swap in place to reduce the duration of the Fund was particularly beneficial for returns. However, there was a moderately negative effect on performance from our overweight exposure to collateralised bonds. The tapering debate in the US had a profound impact on credit markets as the period progressed and our exposure to covered bonds underperformed. As risk appetite began to improve following the initial shock at the prospect of tapering, the more defensive nature of the Fund hampered performance. Unlike many of its peers, the Fund does not hold lower-rated investment grade credit or high yield bonds. This ensured it lagged the IMA sector but, encouragingly, it comfortably outperformed gilts over the period.

Investment activity

Early in the review period, we sold Nederlandse Waterschapsbank and European Investment Bank. We also exited our position in the International Finance Facility for Immunisation in the wake of its downgrade by Moody’s. During May, we purchased Lloyds Banking Group covered bonds and, following a period of weak performance from index-linked bonds, Network Rail index-linked debt. As the period progressed, we sold UK gilts and, following a rating downgrade, Réseau Ferre de France (French railways). We used the proceeds from these disposals to add European Investment Bank paper and National Australia Bank covered bonds.

Later, we added to our position in Bluestep. Its AAA rated debt is secured against Swedish mortgages. We also took advantage of attractive pricing levels to increase our exposure to residential and commercial real estate in the UK. This included purchases of Holmes, Broadgate and Canary Wharf.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

AAA Income Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk **Higher risk**
Typically lower rewards Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Corporate Bonds (71.26%)	68.74
Government Bonds (26.91%)	27.38
Index-Linked Bonds (0.00%)	1.79
Collective Investment Schemes (0.00%)	0.32
Derivatives (-0.29%)	0.10
Net other assets (2.12%)	1.67

The percentage figures in brackets show the comparative holding as at as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Bank Nederlandse Gemeenten 5.375% 2021	6.68
European Investment Bank 5.5% 2025	5.87
European Investment Bank 4.5% 2044	4.73
Australia (Commonwealth of) 5.75% 2021	4.64
Abbey National 5.75% 2026	3.79
Nationwide 5.625% 206	3.26
Ned Waterschaft 5.625% 2015	2.93
Wellcome Trust 4.75% 2021	2.83
Commonwealth Bank of Australia 3% 2026	2.65
Lloyds TSB Bank 6% 2029	2.61

Standard Life Investment Company

Annual Short Report

AAA Income Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	83,919	78.90	106,362,668
	28 February 2013	73,254	83.95	87,261,211
	28 February 2014	34,792	83.16	41,837,215
Institutional accumulation	29 February 2012	7,221	83.00	8,700,646
	28 February 2013	5,234	88.63	5,905,330
	28 February 2014	17,644	88.15	20,014,872
Retail income	29 February 2012	33,575	51.82	64,785,219
	28 February 2013	22,989	54.09	42,501,791
	28 February 2014	9,275	52.67	17,607,633
Institutional income	29 February 2012	28,026	52.15	53,738,541
	28 February 2013	40,220	54.44	73,875,601
	28 February 2014	41,193	53.02	77,692,012
Retail CAT accumulation	29 February 2012	41,163	79.22	51,958,821
	28 February 2013	39,582	84.36	46,920,248
	28 February 2014	35,100	83.65	41,960,055
Standard Life income	29 February 2012	0	49.13	500
	28 February 2013	0	51.00	500
	28 February 2014	0	49.61	500
Retail CAT income	29 February 2012	14,706	52.17	28,187,240
	28 February 2013	14,129	54.46	25,944,836
	28 February 2014	11,885	53.03	22,411,040
Standard Life accumulation	29 February 2012	1	59.05	2,500
	28 February 2013	2	63.35	2,500
	28 February 2014	29	63.35	45,511
Institutional regulated accumulation	29 February 2012	13,850	59.90	23,120,153
	28 February 2013	14,597	64.10	22,773,898
	28 February 2014	14,016	63.86	21,949,939
Standard Life B accumulation	29 February 2012	2	60.37	3,000
	28 February 2013	2	64.81	3,000
	28 February 2014	2	64.79	3,000
Platform 1 accumulation	28 February 2013	28	52.42	53,660
	28 February 2014	985	52.15	1,887,993
Platform 1 income	28 February 2013	37	51.53	71,237
	28 February 2014	601	50.18	1,197,169

Standard Life Investment Company

Annual Short Report

AAA Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	1.7734	71.53	66.44
	2010	1.6237	75.48	69.17
	2011	1.7513	79.59	71.58
	2012	1.7142	84.53	77.62
	2013	1.4909	86.32	81.19
	2014****	0.2891	83.26	81.73
Institutional accumulation	2009	2.1641	74.52	69.12
	2010	1.9963	78.88	72.17
	2011	2.1458	83.60	74.95
	2012	2.1900	89.18	81.67
	2013	1.9339	91.20	85.90
	2014****	0.3904	88.24	86.58
Retail income	2009	1.2586	49.97	46.42
	2010	1.1144	51.55	47.64
	2011	1.1700	52.89	48.45
	2012	1.1192	54.93	51.02
	2013	0.9586	55.63	51.83
	2014****	0.1799	52.96	51.99
Institutional income	2009	1.4679	50.29	46.72
	2010	1.3217	51.92	47.95
	2011	1.3721	53.27	48.80
	2012	1.3661	55.33	51.36
	2013	1.1842	56.03	52.17
	2014****	0.2367	53.35	52.36
Retail CAT accumulation	2009	1.8237	71.68	66.56
	2010	1.6883	75.68	69.33
	2011	1.8265	79.89	71.80
	2012	1.7903	84.94	77.95
	2013	1.5721	86.77	81.63
	2014****	0.3125	83.74	82.20
Standard Life income	2009	1.5734	47.21	43.86
	2010	1.4491	48.84	45.01
	2011	1.5056	50.09	45.87
	2012	1.6160	51.90	48.12
	2013	1.3837	52.54	48.85
	2014****	0.4016	50.06	49.04

Standard Life Investment Company

Annual Short Report

AAA Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail CAT income	2009	1.2791	50.31	46.73
	2010	1.1626	51.91	47.95
	2011	1.2287	53.26	48.79
	2012	1.1784	55.32	51.37
	2013	1.0123	56.01	52.18
	2014****	0.1985	53.33	52.35
Standard Life accumulation	2009*	1.3201	52.43	48.57
	2010	1.6444	55.75	50.86
	2011	1.7540	59.38	53.07
	2012	1.8244	63.72	58.12
	2013	1.8021	65.26	61.56
	2014****	0.2179	63.36	62.13
Institutional regulated accumulation	2009	1.6106	53.57	49.66
	2010	1.5231	56.82	51.91
	2011	1.6457	60.31	54.02
	2012	1.6498	64.48	58.95
	2013	1.5048	65.97	62.18
	2014****	0.3126	63.92	62.70
Standard Life B accumulation	2009**	0.7352	53.60	49.64
	2010	1.7028	56.99	51.99
	2011	1.8252	60.71	54.26
	2012	1.8864	65.16	59.42
	2013	1.7420	66.75	62.99
	2014****	0.3792	64.86	63.59
Platform 1 accumulation	2012***	0.7360	52.78	49.75
	2013	1.0867	53.97	50.83
	2014****	0.2530	52.20	51.23
Platform 1 income	2012***	0.7360	52.27	49.75
	2013	1.0845	53.03	49.37
	2014****	0.2381	50.49	49.55
* from commencement of the share class on 24 February				
** from commencement of the share class on 11 June				
*** from commencement of the share class on 17 May				
**** to 28 February				

Standard Life Investment Company

Annual Short Report

AAA Income Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.11%	1.11%
Institutional accumulation	0.61%	0.61%
Retail income	1.11%	1.11%
Institutional income	0.61%	0.61%
Retail CAT accumulation	1.00%	1.00%
Standard Life income	0.03%	0.03%
Retail CAT income	1.00%	1.00%
Standard Life accumulation	0.11%	0.11%
Institutional regulated accumulation	0.41%	0.41%
Standard Life B accumulation	0.00%	0.00%
Platform 1 accumulation	0.66%	0.66%
Platform 1 income	0.66%	0.66%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

American Equity Unconstrained Fund

Investment Report

Fund Information	
Fund Manager	Jeff Morris
Launch Date	16 November 1998
Benchmark	IMA North America Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a US or Canadian stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the USA or Canada. Additionally, up to 20% of the Fund may from time-to-time be invested in equities and equity type investments of companies which in the opinion of the ACD carry on a significant part of their operations in Latin America (including Central America). "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. The Fund will not be restricted by index weightings, sector constraints or company size.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

Up to 100% of the scheme property of the Fund may be invested in transferable securities which are warrants. If more than 5% of the scheme property of the Fund is invested in warrants the net asset value of the Fund may, at times, be highly volatile.

Performance

Over the period under review, the Fund returned 18.32% (net of retail fees), compared to the IMA North America sector return of 14.65% (source: Morningstar).

LED lighting company Acuity Brands made a strong contribution, boosted by strong results. Likewise, Facebook announced good results and a series of new initiatives, which were well received by investors. Clothing company Hanesbrands posted solid returns, as the market started to acknowledge the potential upside from its deleveraged balance sheet and product innovation, while a dividend payout seemed increasingly likely.

Technology solutions provider Cognizant performed poorly, on results that were solid but which fell short of analysts' expectations. SolarWinds fell after licence growth slowed due to environmental, macro and execution issues. Cobalt International Energy also lost value, owing to lacklustre earnings at its offshore operations.

Investment activity

Purchases included leading data centre provider Equinix, after its share price fell to compelling valuations on concerns about industry pricing. We also added Time Warner, where we believe margin upside from rising affiliate fees and cost controls is not fully factored in by the market. Other purchases included American Tower which, as 4G networks are rolled out, will benefit from both additional towers and higher revenue per tower. We bought data solutions stock Alliance Data Systems, on our growing conviction that the company will be able to maintain its solid growth profile over the longer term.

Sales included chipmaker Micron, as industry capex and pricing concerns resurfaced. We sold Starbucks, where further upside appeared limited after strong performance. We also sold Dick's Sporting Goods, fearing sales would disappoint because of intensifying competition.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

American Equity Unconstrained Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk **Higher risk**
Typically lower rewards Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Consumer Discretionary (15.20%)	15.22
Consumer Staples (8.52%)	3.42
Energy (9.99%)	9.48
Financials (11.51%)	12.73
Health Care (5.92%)	9.27
Industrials (18.86%)	19.74
Information Technology (23.79%)	24.01
Materials (2.82%)	2.43
Utilities (2.52%)	2.10
Collective Investment Schemes (0.72%)	1.38
Net other assets (0.15%)	0.22

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Google	5.11
Netapp	3.21
EOG Resources	3.09
Citigroup	2.89
TJX	2.84
Alliance Data Systems	2.81
Time Warner	2.77
Delta Airlines	2.72
Precision Castparts	2.70
Pall	2.69

Standard Life Investment Company

Annual Short Report

American Equity Unconstrained Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	46,448	61.98	74,941,385
	28 February 2013	45,980	70.77	64,972,971
	28 February 2014	47,048	84.04	55,982,438
Institutional accumulation	29 February 2012	54	69.70	77,828
	28 February 2013	63	80.18	78,971
	28 February 2014	1,170	95.94	1,219,152
Standard Life income	29 February 2012	0	62.09	500
	28 February 2013	0	71.26	500
	28 February 2014	0	85.37	500
Standard Life accumulation	29 February 2012	96	59.39	161,687
	28 February 2013	17	68.15	24,340
	28 February 2014	186	82.16	226,567
Platform 1 accumulation	28 February 2013	29	59.43	49,061
	28 February 2014	843	71.07	1,185,937

Standard Life Investment Company

Annual Short Report

American Equity Unconstrained Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	0.0000	51.81	33.76
	2010	0.0000	61.31	48.22
	2011	0.0000	63.62	50.08
	2012	0.0000	65.65	57.16
	2013	0.0000	82.23	64.64
	2014**	0.0000	84.57	79.59
Institutional accumulation	2009	0.1399	57.34	37.19
	2010	0.1415	68.36	53.41
	2011	0.1003	71.19	56.09
	2012	0.1564	73.86	64.21
	2013	0.2815	93.75	73.15
	2014**	0.0191	96.45	90.80
Standard Life income	2009	0.4576	51.61	33.22
	2010	0.4591	61.54	48.11
	2011	0.5455	63.79	50.27
	2012	0.6559	65.86	57.74
	2013	0.8105	83.94	65.66
	2014**	0.6626	86.39	81.35
Standard Life accumulation	2009	0.3774	48.06	30.95
	2010	0.3818	57.75	44.80
	2011	0.4764	60.37	47.61
	2012	0.5464	62.97	54.65
	2013	0.6988	80.18	62.07
	2014**	0.5287	82.53	77.71
Platform 1 accumulation	2012*	-	53.54	49.18
	2013	0.2348	69.46	54.21
	2014**	0.0208	71.46	67.27

* from commencement of the share class on 24 May

**to 28 February

Standard Life Investment Company

Annual Short Report

American Equity Unconstrained Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.62%	1.62%
Institutional accumulation	0.87%	0.87%
Standard Life income	0.04%	0.04%
Standard Life accumulation	0.12%	0.12%
Platform 1 accumulation	0.92%	0.92%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Asian Pacific Growth Fund

Investment Report

Fund Information

Fund Manager	William Malcolm
Launch Date	16 November 1998
Benchmark	MSCI ^{MS} AC Pacific Free ex Japan (£) Index

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies other than Japanese companies listed on any stock exchange in the Asia/Pacific Basin Area or which, in the opinion of the ACD, carry on a significant part of their operations in the Asia/Pacific Basin Area. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The nature of the portfolio affords investors a focused investment approach, whilst affording proper diversification of mainly Asian Pacific equity exposure. The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets, and should therefore have an investment time horizon of at least 5 years.

Performance

The Asian Pacific Growth Fund returned -0.49% during the period, in comparison with the IMA Asia Pacific ex Japan sector return of - 10.02% (source: Morningstar).

Chinese 'flash marketing' e-commerce company Vipshop made a notable positive contribution in the review period, as earnings upgrades and a re-rating drove the shares higher. Additionally, the market became increasingly appreciative of the strength and durability of Vipshop's growth opportunities, as the company continues to reinforce its competitive position in the nascent but potentially large market. Chinese drug company Dawnrays Pharmaceutical also performed well, as favourable stock initiations caused a re-rating of the shares. The outlook for Dawnrays Pharmaceutical's key drugs is good, with longer-term growth underpinned by a solid pipeline of new products. Korean autos maker Hyundai Motor made gains, as the Korean government appeared more willing to legislate against minority shareholder abuse.

Tencent was among the worst performers after lacklustre results, as higher costs associated with the WeChat platform eroded profitability. Additionally, investors became nervous about intensifying competition in mobile gaming. Shares in Korean search portal Naver declined, after Facebook announced the acquisition of social messaging company WhatsApp, potentially increasing competition for Naver's mobile messaging service LINE.

Investment activity

Notable purchases in the period included Korean construction and engineering firm Samsung Engineering, as we became increasingly optimistic about pricing discipline and working capital. Also in Korea, we added Kia Motors, in the expectation that new models would help maintain market share. We bought Australian healthcare protection solutions company Ansell, where we believe innovation and global consolidation will drive future growth.

Sales included Chinese search engine Baidu, as we became increasingly sceptical about its ability to monetise mobile search. We switched Singapore Telecom to rival M1, which is better geared to upside from tiered mobile pricing.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

Asian Pacific Growth Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards			Higher risk Typically Higher rewards			
1	2	3	4	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Australia (29.32%)	25.49
China (15.19%)	15.69
Hong Kong (14.57%)	17.79
Indonesia (1.56%)	2.82
Malaysia (2.61%)	1.88
New Zealand (0.00%)	1.84
Singapore (4.99%)	4.64
South Korea (16.02%)	14.28
Taiwan (12.51%)	11.39
Thailand (1.77%)	2.17
Collective Investment Scheme (4.87%)	0.15
Derivatives (0.00%)	-
Net other assets (-3.41%)	1.86

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Samsung Electronics	3.61
BHP Billiton	2.95
Westpac Banking	2.38
National Australia Bank	2.37
Hyundai Motor (Preference)	2.30
Sands China	2.12
Industrial and Commercial Bank of China	1.95
Bank of China	1.90
Wesfarmers	1.89
Shinhan Finance	1.88

Standard Life Investment Company

Annual Short Report

Asian Pacific Growth Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	19,235	191.31	10,054,146
	28 February 2013	16,582	225.42	7,356,301
	28 February 2014	7,987	221.29	3,609,355
Institutional accumulation	29 February 2012	79	210.45	37,660
	28 February 2013	60	249.84	24,169
	28 February 2014	1,655	247.15	669,655
Standard Life income	29 February 2012	2	83.85	2,500
	28 February 2013	1	98.44	615
	28 February 2014	1	95.45	615
Standard Life accumulation	29 February 2012	0	73.27	500
	28 February 2013	2	87.88	2,195
	28 February 2014	180	87.51	205,321
Platform 1 accumulation	28 February 2013	1	65.69	1,200
	28 February 2014	802	65.06	1,233,530

Standard Life Investment Company

Annual Short Report

Asian Pacific Growth Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2009	2.0304	164.3	93.87
	2010	1.1380	203.4	153.1
	2011	1.5256	206.6	154.1
	2012	2.5480	202.8	171.9
	2013	2.2186	237.7	201.3
	2014*	2.8504	223.7	212.7
Institutional accumulation	2009	3.0115	177.9	101.0
	2010	2.3582	221.9	165.9
	2011	3.1531	225.9	169.0
	2012	4.3165	224.4	189.4
	2013	4.0287	263.9	223.6
	2014*	5.0229	249.6	237.4
Standard Life income	2009	1.6934	75.02	42.32
	2010	1.5526	92.42	69.99
	2011	1.9777	92.72	69.24
	2012	2.6678	90.39	75.85
	2013	2.3529	104.2	88.37
	2014*	2.9077	99.30	94.40
Standard Life accumulation	2009	1.3288	60.49	34.05
	2010	1.2454	76.28	56.45
	2011	1.7347	77.96	58.59
	2012	2.6177	78.82	66.10
	2013	2.0530	92.90	78.78
	2014*	2.4267	88.35	84.02
Platform 1 accumulation	2012**	-	59.03	49.86
	2013	0.9131	69.47	58.87
	2014*	1.3078	65.71	62.51
*to 28 February				
**from commencement of the share class on 24 May				

Standard Life Investment Company

Annual Short Report

Asian Pacific Growth Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.91%	1.80%
Institutional accumulation	1.16%	1.05%
Standard Life income	0.33%	0.22%
Standard Life accumulation	0.41%	0.30%
Platform 1 accumulation	1.21%	1.10%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Corporate Bond Fund

Investment Report

Fund Information	
Fund Manager	Daniel McKernan and Mark Munro
Launch Date	20 September 1998
Benchmark	IMA UK Corporate Bond Sector

Investment Objective

The objective of the Fund is to provide a high level of income which is compatible with maintaining the security of capital.

Investment policy

The investment policy of the Fund is to invest mostly in Sterling fixed interest securities issued by corporations.

The Fund may also invest in other transferrable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The nature of the portfolio affords investors a focused investment approach, whilst diversification across mainly investment grade corporate bond exposure provides a degree of protection from the risk of default. Whilst the level of income provision is likely to be relatively stable, the investor must be able to accept temporary capital losses due to the volatile nature of the bond markets, and should therefore have an investment time horizon of at least 5 years.

Investment activity

Early in the review period, we reduced exposure to a range of bonds, including Hanover Re, Longhurst Group, Danske Bank, Credit Agricole, Nationwide and SEB. Proceeds from these sales were reinvested in defensive issues, including KfW, GlaxoSmithKline, Bupa, Amgen and Tesco Property Finance.

As the period progressed, we sold utility companies E.ON and RWE. In financials, exposure to senior unsecured bank debt was reduced in favour of subordinated financial debt. We reduced exposure to Rabobank on concerns over the Dutch housing market. Elsewhere, we purchased Dutch telecom company KPN, funding the deal through the sale of the struggling Telecom Italia.

Later in the period, we increased exposure to the UK with purchases of the pub group Mitchells & Butlers and Unite, the provider of student accommodation. We also remained active in the primary market, purchasing new issuance of TransCanada, Ford and the Swedish mortgage company Bluestep. Finally, we increased exposure to a number of subordinated financial bonds, including RBS, Allianz and Credit Agricole.

Performance

The Corporate Bond Fund returned 2.98% during the period, in comparison with the IMA sector return of 2.90% (source: Morningstar, basic rate taxpayer, bid to bid basis).

Credit markets were volatile during much of the review period, with speculation around tapering in the US the single biggest contributor to this. A major source of the Fund's outperformance in the early part of the review period was our short duration position. The position was put in place in anticipation of a rising yield environment and paid dividends during May and June. As the improvement in investor sentiment gathered momentum in the second half of the review period, the more defensive nature of the Fund weighed on returns. Unlike many of its peers, the Fund cannot hold high yield debt, which performed well against the more positive backdrop. However, our holdings in subordinated bonds of AXA and Royal London generated strong returns.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

Corporate Bond Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Less than 5 years to maturity (10.31%)	11.02
Between 5 and 10 years to maturity (27.46%)	30.21
Between 10 and 15 years to maturity (19.36%)	13.27
Between 15 and 25 years to maturity (13.73%)	16.61
Over 25 years to maturity (19.02%)	18.86
Perpetual (6.77%)	6.91
Government Bonds (2.16%)	0.94
Collective Investment Schemes (0.11%)	0.31
Derivatives (-0.36%)	0.22
Net other assets (1.44%)	1.65

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
General Electric 8% 2039	1.40
Aspire Defence 4.674% 2040 'B'	1.13
Western Power 5.25% 2023	1.12
HSBC 6.375% fixed to floating 2022	1.02
RWE 5.5% 2022	1.01
Delamare 6.067% 2029	1.00
Land Securities 4.875% fixed to floating 2019	1.00
Royal Bank of Scotland 5.125% 2024	0.98
Heathrow Funding 6.75% 2026	0.96
Segro 6.75% 2024	0.96

Standard Life Investment Company

Annual Short Report

Corporate Bond Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	357,237	112.07	318,776,046
	28 February 2013	337,538	123.42	273,494,033
	28 February 2014	361,530	127.14	284,350,159
Institutional accumulation	29 February 2012	11,306	117.66	9,609,858
	28 February 2013	13,958	130.14	10,725,552
	28 February 2014	37,730	134.60	28,031,210
Retail income	29 February 2012	81,086	54.16	149,713,968
	28 February 2013	80,929	57.87	139,838,274
	28 February 2014	68,177	58.03	117,483,164
Institutional income	29 February 2012	102,777	53.94	190,530,063
	28 February 2013	96,253	57.64	166,986,177
	28 February 2014	61,384	57.80	106,206,764
Standard Life income	29 February 2012	34,419	43.93	78,342,334
	28 February 2013	35,007	46.95	74,562,213
	28 February 2014	34,206	47.08	72,657,229
Standard Life accumulation	29 February 2012	4,245	62.33	6,810,360
	28 February 2013	5,260	69.20	7,602,201
	28 February 2014	6,206	71.86	8,636,816
Institutional regulated accumulation	29 February 2012	1,835	108.61	1,689,581
	28 February 2013	1,934	120.25	1,608,548
	28 February 2014	2,102	124.58	1,687,201
Standard Life B accumulation	29 February 2012	1	60.88	1,000
	28 February 2013	1	72.15	1,000
	28 February 2014	505	71.63	704,334
Platform 1 accumulation	28 February 2013	260	54.82	473,464
	28 February 2014	5,083	56.74	8,958,144
Platform 1 income	28 February 2013	451	53.47	843,771
	28 February 2014	5,709	53.64	10,644,431
Institutional S accumulation	28 February 2014	1	51.24	1,200
Institutional S income	28 February 2014	1	50.26	1,200

Standard Life Investment Company

Annual Short Report

Corporate Bond Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	3.7924	99.73	81.44
	2010	3.7107	110.0	98.05
	2011	3.8744	111.2	104.1
	2012	3.6448	124.6	108.9
	2013	3.4215	130.0	121.6
	2014***	0.8512	127.8	125.3
Institutional accumulation	2009	4.2756	103.9	84.60
	2010	4.2611	115.0	102.2
	2011	4.4714	116.4	108.9
	2012	4.3056	131.2	114.3
	2013	4.1387	137.1	128.4
	2014***	1.0319	135.3	132.6
Retail income	2009	2.0284	52.67	43.97
	2010	1.9203	56.07	51.36
	2011	1.9310	55.15	51.80
	2012	1.7534	59.13	53.05
	2013	1.6006	60.92	56.64
	2014***	0.3905	58.74	57.60
Institutional income	2009	2.1978	52.50	43.80
	2010	2.0997	55.86	51.17
	2011	2.1179	54.96	51.59
	2012	1.9684	58.94	52.86
	2013	1.8276	60.72	56.43
	2014***	0.4423	58.55	57.39
Standard Life income	2009	1.9649	42.80	35.68
	2010	1.9177	45.53	41.70
	2011	1.9287	44.81	42.02
	2012	1.8146	48.05	43.07
	2013	1.7108	49.50	45.98
	2014***	0.4186	47.75	46.77
Standard Life accumulation	2009	2.3900	54.56	44.33
	2010	2.4710	60.57	53.68
	2011	2.6059	61.53	57.41
	2012	2.5441	69.72	60.48
	2013	2.4865	72.94	68.34
	2014***	0.6214	72.25	70.75

Standard Life Investment Company

Annual Short Report

Corporate Bond Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Institutional regulated accumulation	2009	4.0519	95.54	77.75
	2010	4.0859	105.9	93.98
	2011	4.2843	107.4	100.3
	2012	4.1638	121.3	105.5
	2013	4.0281	126.7	118.7
	2014***	1.0070	125.3	122.7
Standard Life B accumulation	2009	2.3696	53.32	43.29
	2010	2.4635	59.24	52.46
	2011	2.5719	60.24	56.16
	2012	1.9520	68.90	59.23
	2013	2.3646	72.32	67.82
	2014***	0.7531	72.02	70.51
Platform 1 accumulation	2012*	0.9640	55.33	49.91
	2013	1.7767	57.80	54.12
	2014***	0.4391	57.05	55.90
Platform 1 income	2012*	0.9520	54.67	49.91
	2013	1.6353	56.34	52.37
	2014***	0.4126	54.34	53.26
Institutional S accumulation	2013**	0.5846	51.34	49.37
	2014***	0.4040	51.53	50.48
Institutional S income	2013**	0.5886	51.19	49.17
	2014***	0.3920	50.95	49.91
*from commencement of the share class on 22 May				
**from commencement of the share class on 26 July				
***to 28 February				

Standard Life Investment Company

Annual Short Report

Corporate Bond Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.10%	1.10%
Institutional accumulation	0.60%	0.60%
Retail income	1.10%	1.10%
Institutional income	0.60%	0.60%
Standard Life income	0.02%	0.02%
Standard Life accumulation	0.10%	0.10%
Institutional regulated accumulation	0.40%	0.40%
Standard Life B accumulation	0.00%	0.00%
Platform 1 accumulation	0.65%	0.65%
Platform 1 income	0.65%	0.65%
Institutional S accumulation	0.43%	-
Institutional S income	0.43%	-

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Emerging Market Debt Fund

Investment Report

Fund Information

Fund Manager	Richard House
Launch Date	24 October 2012
Benchmark	JP Morgan EMBI Global Diversified Index

Investment objective

The objective of the Fund is to provide a return from both capital appreciation and income.

Investment policy

The investment policy of the Fund is to invest primarily in bonds issued by Emerging Market countries and companies listed on an emerging market stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in emerging market countries. The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives (including currency forwards, interest rate and credit default swaps) and collective investment schemes.

Risk

The nature of the portfolio makes it suitable for investors who are seeking exposure primarily from emerging market bonds. The investor must be able to accept temporary capital losses due to the volatile nature of the emerging market bond markets, and should therefore have an investment time horizon of at least 5 years.

Performance

The Emerging Market Debt Fund returned -10.71% over the year, compared with a -10.71% return from the JP Morgan EMBI Global Diversified Index (source: Morningstar). Please note Fund return is net of charges, while index return is gross.

Over the first six months of the reporting period, the Fund benefited from its underweight positioning in less volatile Latin American credits including Panama, Uruguay and Chile. We determined that bonds in these countries offered little relative value and would be particularly exposed to weakness in US markets. Having no exposure to benchmark index heavyweights China, Russia and South Africa also added to returns. Our overweight exposure to Argentina was also positive for relative returns as developments in the 'pari passu' case in New York sheltered the bonds from broader asset class weakness. An overweight position in Turkey for much of the first six months was the largest negative contributor to returns. Turkish bonds underperformed as investors re-priced political risks which had previously been assessed as benign.

Over the second half of the reporting period, the zero weighting in Turkey (implemented in July) was initially positive as political developments once again caused investors to question the presumed stability of Turkish politics. An overweight position in

Venezuela detracted from returns, particularly in November. The market had reacted badly to the unorthodox economic policies followed by the Venezuelan government recently. However, we took the view that the ability of the sovereign to meet its debt obligations had not been impaired while willingness to pay was strong. An overweight position in Mexico was a key positive driver of Fund performance in early 2014 after Moody's upgraded the sovereign to A3 – its first single A rating. An underweight position in Ukraine was also positive for performance, as Victor Yanukovich's government was finally toppled under the weight of popular protest. In early 2014, our zero weighting in Turkey was a negative contributor as the country's bonds rallied after Turkey's central bank finally took action to address economic imbalances.

Investment activity

We sold the Fund's positions in Brazil (poor growth outlook) and Russia (disappointing economic performance) during April. Reflecting unease about upward pressure on US rates we reduced the Fund's positions in US Treasury sensitive bonds in Chile and Morocco in June. We also decided to reduce the Fund's currency risk exposure by hedging to US dollars the position in Mexican inflation-linked bonds. We added risk in higher yielding sovereigns during July. Reflecting increased likelihood of a positive outcome in the 'pari passu' case in the US, we added to holdings in Argentina. We then sold out of positions in Turkey having lost confidence in the ability of authorities to address social unrest and growing macroeconomic imbalances.

We participated in a number of attractively priced issues during the fourth quarter of 2013 including new 10-year bonds in Hungary and Croatia, a 5-year Serbia issue as well as an existing Panama 2020 bond. We increased the Fund's exposure to Eastern Europe in November in response to the improving outlook for growth in the region. We also added a new position in Polish zloty bonds. In December, we decided to take further profits in Lebanon, where spreads have tightened despite fundamentals continuing to deteriorate. Instead, we added currency exposure in Mexico through 10-year local currency bonds. We reduced positions in the Middle East in January, where political tensions are growing in Iraq ahead of elections, while Lebanon appears to offer little value given recent strong performance. After the fall of the government in Ukraine, we took advantage of the strong rally in Ukrainian bonds to reduce our underweight position to zero. Elsewhere, in the Middle East and Africa region, we used the recent underperformance of African credits to instigate positions in better quality sovereigns Namibia and Angola.

The following table highlights the top ten purchases and sales in the year to 28 February 2014:

Standard Life Investment Company

Annual Short Report

Emerging Market Debt Fund

Investment Report (continued)

Purchases	Cost £'000
Romania (Govt of) 4.625% 2020	6,023
Petróleos de Venezuela 8.5% 2017	4,411
Guatemala (Rep of) 4.875% 2028	4,098
Vietnam (Rep of) 6.75% 2020	3,578
Cote D'Ivoire 2.5% fixed to float 2032	3,461
Ukraine (Rep of) 7.5% 2023	3,442
Colombia (Rep of) 4.375% 2021	3,436
Mexico (United Mexican States) 5.750% 2110	3,407
Latvia (Rep of) 2.75% 2020	3,303
Brazil (Fed Rep of) 10% 2018	3,211
Other purchases	157,476
Total purchases	195,846

Sales	Proceeds £'000
Iraq (Rep of) 5.8% 2028	3,192
Ukraine (Rep of) 7.5% 2023	3,185
Bolivia (Plurinational State of) 5.95% 2023	3,052
Mexico (United Mexican States) 6.05% 2040	3,042
Russia (Federation of) 4.875% 2023	2,822
Petróleos de Venezuela 9% 2021	2,781
Azerbaijan (State Oil of) 4.75% 2023	2,610
Croatia (Rep of) 6% 2024	2,578
Lebanon (Rep of) 6.375% 2020	2,452
US Treasury 2.5% 2023	2,319
Other sales	72,903
Total sales	100,936

Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards				Higher risk Typically Higher rewards		
1	2	3	4	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Standard Life Investment Company

Annual Short Report

Emerging Market Debt Fund

Investment Report (continued)

Composition of Portfolio	%
as at 28 February 2014	
Brazilian Real Denominated Bond (0.00%)	2.64
Euro Denominated Bond (0.00%)	5.75
Indian Rupee Denominated Bond (0.00%)	1.99
Malaysian Ringgit Denominated Bond (0.00%)	1.98
Mexican Dollar Denominated Bond (2.95%)	1.92
Philippine Peso Denominated Bond (0.00%)	1.94
Russian Rouble Denominated Bonds (2.67%)	-
Turkish Lira Denominated Bonds (1.89%)	-
US Dollar Denominated Bonds (85.18%)	76.64
Derivatives (0.06%)	(0.24)
Net other assets (7.25%)	7.38

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Romania (Govt of) 4.625% 2020	5.75
Vietnam (Rep of) 6.75% 2020	3.34
Latvia (Rep of) 2.75% 2020	3.30
Mexico (United Mexican States) 5.750% 2110	3.22
Colombia (Rep of) 4.375% 2021	3.11
Serbia (Rep of) 5.875% 2018	2.98
Guatemala (Rep of) 4.875% 2028	2.71
Cote D'Ivoire 2.5% fixed to floating 2032	2.68
Brazil (Fed Rep of) 10% 2018	2.64
Indonesia (Rep of) 3.75% 2022	2.62

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Standard Life Investment Company

Annual Short Report

Emerging Market Debt Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	28 February 2013	455	52.78	862,129
	28 February 2014	479	47.29	1,012,940
Institutional accumulation	28 February 2013	1	52.91	1,200
	28 February 2014	756	47.39	1,596,158
Retail income	28 February 2013	13	52.44	26,492
	28 February 2014	48	45.60	105,313
Institutional income	28 February 2013	1	52.46	1,200
	28 February 2014	715	45.58	1,569,438
Standard Life income	28 February 2013	1,053	52.45	2,007,218
	28 February 2014	1,452	45.58	3,185,104
Standard Life accumulation	28 February 2013	10,598	52.97	20,009,790
	28 February 2014	101,684	47.82	212,631,836
Platform 1 accumulation	28 February 2013	1	52.93	1,200
	28 February 2014	499	47.53	1,051,080
Platform 1 income	28 February 2013	1	52.46	1,200
	28 February 2014	43	45.60	95,202
Institutional S accumulation	28 February 2014	1	46.59	1,200
Institutional S income	28 February 2014	1	45.60	1,200

Standard Life Investment Company Annual Short Report

Emerging Market Debt Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2012*	-	50.65	49.44
	2013	0.9250	54.84	46.88
	2014***	0.7792	48.09	46.73
Institutional accumulation	2012*	-	50.69	49.45
	2013	1.1764	55.07	47.19
	2014***	0.6985	48.45	47.10
Retail income	2012*	-	50.66	49.44
	2013	0.9825	54.51	45.96
	2014***	0.7284	47.15	45.60
Institutional income	2012*	-	50.69	49.45
	2013	1.1620	54.63	46.12
	2014***	0.8592	47.34	45.58
Standard Life income	2012*	-	50.71	49.46
	2013	1.3872	54.59	46.13
	2014***	0.9570	47.39	45.57
Standard Life accumulation	2012*	-	50.70	49.46
	2013	1.3715	55.14	47.41
	2014***	0.9698	48.71	47.38
Platform 1 accumulation	2012*	-	50.69	49.45
	2013	1.1815	55.05	47.19
	2014***	0.8348	48.45	47.10
Platform 1 income	2012*	-	50.69	49.45
	2013	1.1793	54.54	46.09
	2014***	0.8280	47.31	45.59
Institutional S accumulation	2013**	0.1360	50.00	46.24
	2014***	0.8520	47.48	46.17
Institutional S income	2013**	0.1360	50.00	46.09
	2014***	0.8520	47.33	45.59

*from launch of the Fund on 24 October

**from commencement of the share class on 25 July

***to 28 February

Standard Life Investment Company

Annual Short Report

Emerging Market Debt Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.54%	1.64%
Institutional accumulation	0.79%	0.89%
Retail income	1.54%	1.64%
Institutional income	0.79%	0.89%
Standard Life income	0.06%	0.16%
Standard Life accumulation	0.14%	0.24%
Platform 1 accumulation	0.84%	0.94%
Platform 1 income	0.84%	0.94%
Institutional S accumulation	0.67%	-
Institutional S income	0.67%	-

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

European Equity Growth Fund

Investment Report

Fund Information

Fund Manager	Kay Eyre
Launch Date	16 November 1998
Benchmark	IMA Europe (ex UK) Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on the main European markets or which, in the opinion of the ACD, carry on a significant part of their operations in Europe (including the UK). Up to 10% of the Fund may be invested in smaller emerging European markets, as included in the MSCI Emerging Markets Index from time to time. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The nature of the portfolio affords investors a focused investment approach, with an emphasis on stock selection whilst affording proper diversification of mainly European Equity exposure. The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets, and should therefore have an investment time horizon of at least 5 years.

Performance

For the period under review, the Fund returned 11.84%, compared to the IMA Europe (ex UK) sector return of 16.19% (source: Morningstar).

The Fund delivered positive returns over the last 12 months but underperformed its benchmark index. Our holding in engineering and construction company Subsea 7 made the largest negative

contribution towards returns given problems with a contract in Brazil. In Turkey, Coca-Cola Icecek suffered because of a political crisis in the country, while weak orders had a negative impact on Swedish human care company Elekta. Elsewhere, telecommunications operator Tele2 detracted from returns following a downgrade to its growth guidance, while concerns over UK tax and sports results were detrimental for Irish online gambling company Paddy Power.

On the upside, German auto supplier and tyre company Continental benefited from resilient global car production and a successful refinancing. German financial services and technology company Wirecard was another strong performer as it delivered positive results and made acquisitions that should add value. Elsewhere, French insurance group AXA was positive as it benefited from improving capital market conditions for its US life business. Aerospace and defence company Airbus further added to returns, as it increased its guidance on orders and gave more clarity on the future path for profit margins.

Investment activity

Notable activity during the period included purchasing shares in Swedish financial group Skandinaviska Enskilda Banken, which we believe has better growth prospects than its Nordic peers. In Germany, we bought Deutsche Post, as its express division should match the margins of competitors and its mail business has been more stable than expected. We also bought Italian investment bank Mediobanca, as we believe its share price does not reflect the success of its business plan. Spanish clothing company Inditex was another purchase, as we believe the market underappreciates the potential for online sales.

Regarding sales, we eliminated our holding in French energy management company Schneider Electric as the market had come into alignment with our investment case. We also sold Kabel Deutschland after it became clear that the Vodafone bid would be successful and we believed there was little further upside to the price. Also in Germany, we sold Deutsche Bank, where continued regulatory headwinds were likely to result in lower dividends. Elsewhere, we sold Irish drinks company C&C following worse-than-expected sales in the US and UK.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

European Equity Growth Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Austria (0.00%)	2.14
Belgium (5.44%)	8.55
Denmark (4.83%)	2.39
France (20.74%)	14.39
Germany (14.86%)	12.19
Ireland (7.32%)	4.73
Italy (2.76%)	3.60
Netherlands (2.82%)	9.14
Norway (4.48%)	2.74
Portugal (1.10%)	1.21
Spain (8.08%)	12.27
Sweden (16.56%)	12.19
Switzerland (10.17%)	12.71
Turkey (0.00%)	1.20
Collective Investment Schemes (0.00%)	0.24
Net other assets (0.84%)	0.31

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Ryanair	3.34
Roche	3.28
UCB	3.02
Airbus	2.78
Continental	2.56
Nestle	2.49
Daimler	2.49
Wirecard	2.43
Danske Bank	2.39
AXA	2.38

Standard Life Investment Company

Annual Short Report

European Equity Growth Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	38,332	105.08	36,479,215
	28 February 2013	40,519	128.63	31,499,989
	28 February 2014	46,638	144.65	32,243,320
Institutional accumulation	29 February 2012	9,187	117.81	7,798,434
	28 February 2013	10,574	145.30	7,277,487
	28 February 2014	15,766	164.62	9,577,416
Standard Life income	29 February 2012	1	59.55	2,500
	28 February 2013	0	72.30	656
	28 February 2014	1	80.78	656
Standard Life accumulation	29 February 2012	1,737	82.32	2,109,907
	28 February 2013	12,897	102.30	12,606,256
	28 February 2014	197	116.80	168,340
Platform 1 accumulation	28 February 2013	14	65.23	21,751
	28 February 2014	1,232	73.89	1,666,681

Standard Life Investment Company

Annual Short Report

European Equity Growth Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	1.9917	107.8	62.96
	2010	0.9759	114.9	89.65
	2011	1.2316	122.3	85.18
	2012	2.0481	115.7	92.64
	2013	1.4381	144.3	116.7
	2014**	1.2045	146.6	138.3
Institutional accumulation	2009	2.8034	118.8	69.16
	2010	1.8159	127.7	99.31
	2011	2.2194	136.2	95.21
	2012	3.1481	130.5	103.8
	2013	2.5209	164.0	131.6
	2014**	2.5155	166.7	157.4
Standard Life income	2009	1.9643	64.16	37.21
	2010	1.4607	67.89	52.74
	2011	1.7023	70.85	49.68
	2012	2.0931	66.43	52.96
	2013	1.8115	82.26	67.01
	2014**	1.9273	83.67	79.01
Standard Life accumulation	2009	2.2915	81.86	47.52
	2010	1.6838	88.52	68.65
	2011	2.0138	94.67	66.36
	2012	2.7300	91.74	72.44
	2013	2.4005	116.2	92.54
	2014**	2.3191	118.2	111.6
Platform 1 accumulation	2012*	-	58.57	46.89
	2013	0.2873	73.61	59.07
	2014**	1.0972	74.85	70.64

*from commencement of the shareclass on 14 May

**to 28 February

Standard Life Investment Company Annual Short Report

European Equity Growth Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.70%	1.65%
Institutional accumulation	0.95%	0.90%
Standard Life income	0.12%	0.07%
Standard Life accumulation	0.20%	0.15%
Platform 1 accumulation	1.00%	0.95%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

European Equity Income Fund

Investment Report

Fund Information

Fund Manager	Will James
Launch Date	3 April 2009
Benchmark	IMA Europe (ex UK) Sector

Investment objective

The objective of the Fund is to provide a high level of income with some capital appreciation over the longer term.

Investment policy

The investment policy of the Fund is to invest mostly in high yielding equities and equity type investments of European companies or companies which, in the opinion of the ACD, carry on a substantial part of their operations in Europe. A significant proportion of the Fund may also be invested in fixed interest securities. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. "European companies" will include companies incorporated in Europe or companies listed on a European stock exchange which may not be incorporated in Europe or have the majority of their economic activity in Europe.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets and should therefore have an investment time horizon of at least 5 years.

Performance

For the period under review, the Fund returned 10.93%, compared to the IMA Europe (ex UK) sector return of 16.19% (source: Morningstar).

The Fund delivered positive returns over the last 12 months but underperformed its benchmark index. Stocks that detracted from performance included global materials technology group Umicore, which suffered because of challenging pricing for precious metals. Swedish telecommunications company Tele2 was also negative as it struggled with operational issues and suffered from poor quarterly results. It became clear that the company needed to invest in its business to attract more smartphone users. French vouchers company Edenred was another weak performer after a period of

share price strength, amid increasing concerns over its exposure to Latin American currencies. In Switzerland, private equity business Partners Group suffered from poor quarterly results where revenue trends were weaker than expected.

On the upside, positive performance came from Swedish holding company Kinnevik as the market started to recognise the hidden value of its online ventures. Entertainment company RTL also added to returns, as ongoing growth and attractive dividends drove strong share price performance. Meanwhile, our holding in Deutsche Post proved beneficial following robust results driven by strength in its parcel and express divisions. Medical device manufacturer Coloplast was another strong performer, given continued positive results and a revision of its dividend policy.

Investment activity

Notable purchases during the period included German company Adidas, where its new running shoe technology and shift in distribution channels should drive growth and improve profit margins. We also bought Irish airline Ryanair as it moved into the next phase of its growth plan and given the prospect of further cash returns. Spanish bank BBVA was another purchase, as we felt it was well placed to benefit from a stabilisation in the Spanish economy and a revaluation of assets written down during the financial crisis. Elsewhere, we bought shares in Dutch food retailer Koninklijke Ahold, as we believed cash returns would be greater than the market expected, driven by additional returns over and above the ordinary dividend.

Regarding sales, we eliminated our holding in Renault given the strong share price performance over the last 12 months. The original investment case was predicated on the market not appreciating Renault's dividend sustainability in the short term. Given the significant rerating of the shares, the relative attractiveness of the dividend had diminished. Also in France, we sold conglomerate Vivendi, as we became doubtful there was further share price upside. Elsewhere, we sold BASF, the German chemicals company, given rising concerns of excess capacity and a lack of pricing power. Towards the end of the period, we sold the remainder of our holding in offshore deepwater drilling company Seadrill, given growing concerns over the rig cycle.

The following table highlights the material (greater than 5% of opening Net Asset Value) purchases made to the portfolio in the year to 28 February 2014:

Purchases	Cost £'000
Novartis	70,547
Other purchases	1,567,534
Total purchases	1,638,081

During the year the Fund had total sale proceeds of £1,097,000.

Standard Life Investment Company

Annual Short Report

European Equity Income Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Roche	3.54
Novo Nordisk	3.00
Novartis	2.96
Zurich	2.63
Deutsche Post	2.60
Coloplast	2.45
Swiss Reinsurance	2.44
Kinnevik Investments	2.42
Swedbank	2.41
Daimler	2.40

Composition of Portfolio	%
as at 28 February 2014	
Bonds (0.00%)	2.21
Austrian Equities (1.88%)	1.52
Belgian Equities (4.47%)	3.14
Czech Republic Equities (0.53%)	-
Danish Equities (3.93%)	6.50
Finnish Equities (5.04%)	5.41
French Equities (21.50%)	19.68
German Equities (8.85%)	11.10
Irish Equities (2.45%)	3.09
Italian Equities (3.60%)	1.23
Netherlands Equities (5.76%)	4.87
Norwegian Equities (6.39%)	3.89
Portuguese Equities (1.17%)	0.62
Spanish Equities (3.78%)	5.58
Swedish Equities (13.95%)	11.88
Swiss Equities (14.75%)	17.91
Collective Investment Schemes (0.88%)	1.08
Net other assets (1.07%)	0.29

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Standard Life Investment Company

Annual Short Report

European Equity Income Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	6,635	68.06	9,748,410
	28 February 2013	46,921	84.41	55,587,262
	28 February 2014	72,897	94.27	77,324,662
Institutional accumulation	29 February 2012	401	69.25	578,307
	28 February 2013	33,826	86.46	39,124,541
	28 February 2014	62,101	97.29	63,828,252
Retail income	29 February 2012	6,238	60.23	10,358,447
	28 February 2013	37,064	71.27	52,006,955
	28 February 2014	22,621	76.45	29,590,254
Institutional income	29 February 2012	1,113	61.30	1,815,029
	28 February 2013	172,539	73.24	235,571,445
	28 February 2014	416,703	79.17	526,355,657
Standard Life income	29 February 2012	2	62.51	2,500
	28 February 2013	2	75.01	2,500
	28 February 2014	2	81.75	2,500
Standard Life accumulation	29 February 2012	656,558	70.32	933,673,934
	28 February 2013	976,363	88.48	1,103,489,143
	28 February 2014	1,329,593	100.32	1,325,369,181
Platform 1 accumulation	28 February 2013	851	64.65	1,316,783
	28 February 2014	27,077	72.72	37,233,374
Platform 1 income	28 February 2013	996	63.41	1,570,888
	28 February 2014	28,007	68.53	40,866,551
Institutional S accumulation	28 February 2014	1	53.00	1,200
Institutional S income	28 February 2014	1	52.60	1,200

Standard Life Investment Company

Annual Short Report

European Equity Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009*	1.3265	65.77	48.42
	2010	1.7158	70.76	56.15
	2011	1.9891	76.06	58.51
	2012	2.5783	77.43	62.88
	2013	2.4293	94.29	77.53
	2014****	0.0000	95.04	89.73
Institutional accumulation	2009*	1.4438	65.99	48.42
	2010	2.0176	71.51	56.57
	2011	2.4190	77.01	59.39
	2012	2.9818	79.23	63.92
	2013	2.8819	97.19	79.35
	2014****	0.0529	97.99	92.56
Retail income	2009*	1.8787	63.95	48.41
	2010	2.3401	65.70	52.72
	2011	2.6209	70.34	52.47
	2012	3.0514	65.53	53.77
	2013	2.9216	77.14	65.62
	2014****	0.1952	77.26	72.95
Institutional income	2009*	1.9052	64.17	48.43
	2010	2.3731	66.39	53.13
	2011	2.6565	71.23	53.28
	2012	3.1829	67.29	55.02
	2013	3.0227	79.41	67.40
	2014****	0.2012	79.94	75.50
Standard Life income	2009*	1.8465	64.38	48.43
	2010	2.3619	67.16	53.56
	2011	2.6995	72.21	54.19
	2012	3.1769	68.83	55.99
	2013	3.0849	81.76	68.96
	2014****	0.2098	82.46	77.92
Standard Life accumulation	2009*	1.8454	66.19	48.44
	2010	2.4407	72.10	56.87
	2011	2.8714	77.81	60.16
	2012	3.5391	81.00	64.85
	2013	3.5842	100.1	81.14
	2014****	0.2352	100.9	95.38

Standard Life Investment Company

Annual Short Report

European Equity Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Platform 1 accumulation	2012**	0.6547	59.25	47.95
	2013	2.1567	72.65	59.34
	2014****	0.0312	73.25	69.18
Platform 1 income	2012**	0.8990	58.33	47.61
	2013	2.6995	68.77	58.42
	2014****	0.1742	69.21	65.36
Institutional S accumulation	2013***	0.1339	52.92	49.03
	2014****	0.0443	53.36	50.41
Institutional S income	2013***	0.2523	52.66	49.01
	2014****	0.1308	53.10	50.17

* from launch of the Fund on 3 April

** from commencement of the share class on 14 May

*** from commencement of the share class on 26 July

**** to 28 February

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.60%	1.61%
Institutional accumulation	0.85%	0.86%
Retail income	1.60%	1.61%
Institutional income	0.85%	0.86%
Standard Life income	0.02%	0.03%
Standard Life accumulation	0.10%	0.11%
Platform 1 accumulation	0.90%	0.91%
Platform 1 income	0.90%	0.91%
Institutional S accumulation	0.73%	-
Institutional S income	0.73%	-

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company Annual Short Report

Global Advantage Fund Investment Report

Fund Information	
Fund Manager	Multi Asset Investment Team
Launch Date	26 September 1990
Benchmark	IMA Mixed Investment 40-85% Shares Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in global equities, equity type investments and fixed interest securities. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of equity and fixed interest exposure, and who do not desire a high degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of equity, bond and currency markets, and should therefore have an investment time horizon of at least 5 years.

Performance

During the period under review, the Fund returned 10.45%, compared with the IMA Mixed Investment 40-85% Shares Sector return of 8.30% (source: Morningstar).

In the UK, speciality chemical producers Johnson Matthey and Synthomer were well supported by improving industry trends, which drove earnings upgrades. Low-cost airline easyJet made strong gains, its upbeat results contrasting starkly with those of rival Ryanair. Standard Chartered was a notable drag on performance, due to disappointing results and concerns about the impact on its Asia operations of a possible credit crunch in China.

US lighting company Acuity Brands was boosted by strong results. Likewise, Facebook announced good results and a series of new initiatives, which were well received by investors. Clothing company Hanesbrands posted solid returns, as the market started

to acknowledge the potential upside from its deleveraged balance sheet and product innovation, with the likelihood of a dividend payout. SolarWinds was the Fund's worst performer, after licence growth slowed due to environmental, macro and execution issues. Cobalt International Energy also lost value, as earnings at its offshore operations fell short of market expectations.

Of the Fund's European equity holdings, financials ING, Societe Generale and Bolsas Y Mercados were among the best contributors, as Europe's prospects for recovery brightened. Online betting company Paddy Power was the largest detractor from performance after indications that betting activity was slowing.

Investment activity

We initiated a number of new positions, among them Burberry, which is seeing share gains on the back of new ranges and heavy investment in its online operations. We also added online poker firm bwin.party. We expect the company's US earnings to double over the next three years, following its tie-up with social poker operator Zynga. Growth should be further boosted by improved trading conditions in Europe. We added SOCO International, a lowly-rated oil production firm with sound finances and shareholder-friendly management. The possibility of new approvals provides significant upside potential, given the market's meagre expectations for the company. We sold house builder Berkeley Group which had become expensive relative to the sector. Other sales included Kingfisher and BskyB after strong performance.

Significant US purchases included leading oil services provider Halliburton, on account of its attractive valuation and exposure to US shale gas. We also bought Alliance Data Systems for its loyalty card data expertise. Elsewhere, we added Time Warner in the expectation of substantial margin improvement from cost savings. We exited Monsanto – despite its market-leading seeds business, upside potential appears limited given its high exposure to the herbicide Roundup, which has been implicated in autism and other chronic diseases. We sold Disney, concerned about long-term competition for its sports division ESPN. Other sales included Cummins, as we believe that momentum in its North American truck engines business will be insufficient to counter headwinds in emerging markets.

In Europe, we built positions in a number of companies with attractive product pipelines that we expect will deliver growth ahead of consensus forecasts. These included Daimler, Roche and Swiss private equity firm Partners Group. We also purchased Nokia, on grounds that its patent portfolio is undervalued by the market. Likewise, we added Africa oil, as the share price does not adequately reflect the value of the company's assets. Sales included Bouygues, Tryg, Gemalto and L'Oreal, where our investment view had become consensus.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

Global Advantage Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Euro Denominated Bonds (0.35%)	0.48
Sterling Denominated Bonds (15.14%)	9.74
US Dollar Denominated Bonds (0.17%)	0.21
European Equities (ex UK) (12.46%)	14.72
North American Equities (17.84%)	18.79
Pacific Basin Equities (0.00%)	-
UK Equities (35.24%)	34.44
Collective Investment Schemes (14.70%)	12.41
Exchange Traded Bond Fund (0.00%)	3.43
Derivatives (-0.30%)	(0.28)
Net other assets (4.40%)	6.06

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
SLI Pacific Basin Trust	4.56
SLI Japan Trust	4.29
iShares II European Government Bond 3-5 years ETF	3.43
HSBC	2.41
SLI Global Bond SICAV	2.19
BP	2.01
Royal Dutch Shell 'B'	1.97
Rio Tinto	1.69
Standard Chartered	1.16
Imperial Tobacco	1.09

Standard Life Investment Company

Annual Short Report

Global Advantage Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	318,691	104.61	304,658,356
	28 February 2013	334,316	118.36	282,467,254
	28 February 2014	331,810	130.30	254,641,595
Institutional accumulation	29 February 2012	331	112.31	294,374
	28 February 2013	377	128.02	294,465
	28 February 2014	16,521	142.11	11,625,286
Retail income	29 February 2012	1,525	74.03	2,059,299
	28 February 2013	1,626	82.68	1,967,379
	28 February 2014	1,630	90.12	1,809,165
Institutional income	29 February 2012	0	72.78	500
	28 February 2013	23	81.45	28,200
	28 February 2014	353	88.80	397,373
Retail CAT accumulation	29 February 2012	167,536	77.91	215,034,647
	28 February 2013	176,745	88.47	199,771,555
	28 February 2014	182,112	97.77	186,273,397
Standard Life accumulation	28 February 2013	1	52.20	1,200
	28 February 2014	986	58.21	1,692,943
Platform 1 accumulation	28 February 2013	2	60.65	2,676
	28 February 2014	1,279	67.30	1,900,495
Platform 1 income	28 February 2013	1	59.72	1,200
	28 February 2014	52	65.11	79,119

Standard Life Investment Company

Annual Short Report

Global Advantage Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	1.9374	89.82	65.51
	2010	1.1889	102.2	85.22
	2011	1.3820	105.9	90.09
	2012	1.6463	110.4	97.20
	2013	1.4295	129.1	111.5
	2014***	0.3011	130.8	124.8
Institutional accumulation	2009	2.3874	94.99	68.97
	2010	2.0503	108.9	90.47
	2011	2.1874	113.2	96.47
	2012	2.5294	119.3	104.6
	2013	2.4920	140.5	120.5
	2014***	0.8973	142.4	135.9
Retail income	2009	1.4991	65.81	48.56
	2010	0.8655	73.82	62.10
	2011	0.9966	76.15	64.20
	2012	1.1546	77.45	68.79
	2013	1.0145	89.47	78.22
	2014***	0.2080	90.66	86.48
Institutional income	2009	1.6154	65.81	48.45
	2010	1.7134	73.29	62.20
	2011	1.9824	75.44	63.12
	2012	1.5920	75.90	67.98
	2013	0.9825	88.37	76.66
	2014***	0.5633	89.57	85.48
Retail CAT accumulation	2009	1.6174	66.42	48.30
	2010	1.1128	75.76	63.10
	2011	1.2805	78.64	67.01
	2012	1.4880	82.48	72.47
	2013	1.3708	96.74	83.30
	2014***	0.4003	98.04	93.54
Standard Life accumulation	2013**	0.9033	57.53	49.88
	2014***	0.4863	58.32	55.67

Standard Life Investment Company

Annual Short Report

Global Advantage Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Platform 1 accumulation	2012*	0.7156	56.53	49.84
	2013	0.7929	66.56	57.10
	2014***	0.4044	67.46	64.38
Platform 1 income	2012*	0.7105	55.45	49.84
	2013	0.7656	64.80	56.00
	2014***	0.4132	65.68	62.68

*from commencement of the share class on 22 May

**from commencement of the share class on 16 January

***to 28 February

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.36%	1.35%
Institutional accumulation	0.61%	0.60%
Retail income	1.36%	1.35%
Institutional income	0.61%	0.60%
Retail CAT accumulation	1.00%	1.00%
Standard Life accumulation	0.11%	0.10%
Platform 1 accumulation	0.66%	0.65%
Platform 1 income	0.66%	0.65%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Global Emerging Markets Equity Fund

Investment Report

Fund Information	
Fund Manager	Alistair Way
Launch Date	28 May 2012
Benchmark	IMA Global Emerging Markets Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mainly in equities and equity type investments of companies listed on an emerging market stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in emerging market countries. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of companies mainly from global emerging market countries. The investor must be able to accept significant temporary losses due to the volatile nature of this area of global equity markets, and should therefore have an investment time horizon of at least 5 years.

Performance

During the period under review, the Fund returned -6.81%, compared with the IMA Global Emerging Market Sector return of -14.31% (source: Morningstar, basic rate taxpayer, bid to bid basis).

Key positive contributors to relative returns included Chinese online discount retailer Vipshop. The shares outperformed on the back of exceptionally strong sales growth and improving profit margins as the company continued to consolidate its dominance of the country's e-commerce discount retailing space. REXLot, the Chinese gaming company, also made a significant contribution to returns. The company continued to benefit from its successful online gaming offering and lottery contracts with a number of Chinese provinces.

On the downside, key detractors included Indonesian real estate developer and healthcare group Lippo Karawaci. The shares underperformed due to broad concerns about emerging markets in general and Indonesia in particular. This weakness threatened to disrupt the company's planned spin-off of its hospitals division. In a similar vein, our holding in Thailand's Bangkok Bank disappointed as the shares retreated given broad uncertainties about the outlook for emerging markets. Our lack of exposure to Chinese internet company Tencent also detracted from relative returns. The shares rallied when the company reported continued growth in its instant messaging and gaming businesses in particular.

Investment activity

Notable purchases in the period included Korean construction and engineering firm Samsung Engineering, as we became increasingly optimistic about pricing discipline and working capital. Also in Korea, we added Kia Motor, in the expectation that new models would help maintain market share. China Mobile was purchased as we believed a number of investor concerns, including fears over rising capex, were already priced in.

Sales included Chinese search engine Baidu, as we became increasingly sceptical about its ability to monetise mobile search engines. We took profit in both REXLot and Vipshop, two sizeable holdings in the Fund which had performed extremely well.

Standard Life Investment Company

Annual Short Report

Global Emerging Markets Equity Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Europe, Middle East & Africa Emerging Market Equities (26.00%)	23.31
Latin America Emerging Market Equities (17.27%)	16.98
Pacific Basin Equities (53.73%)	58.16
Collective Investment Scheme (2.61%)	0.21
Derivatives (0.00%)	0.01
Net other assets (0.39%)	1.33

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Samsung Electronics	2.90
Samsung Electronics (Preference)	2.18
SK Hynix	1.81
Hon Hai Precision	1.70
Bank of China	1.67
Vale	1.66
Hyundai Motor	1.66
China Life Insurance	1.60
China Mobile	1.57
Grupo Financiero Banorte	1.46

Standard Life Investment Company

Annual Short Report

Global Emerging Markets Equity Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	28 February 2013	37,102	60.47	61,362,159
	28 February 2014	59,612	56.64	105,250,931
Institutional accumulation	28 February 2013	1	60.79	1,200
	28 February 2014	9,623	57.41	16,763,027
Standard Life accumulation	28 February 2013	31	52.12	58,742
	28 February 2014	211	49.49	427,343
Standard Life B accumulation	28 February 2013	38,952	61.15	63,696,187
	28 February 2014	52,409	58.14	90,145,721
Platform 1 accumulation	28 February 2013	1	60.45	1,200
	28 February 2014	250	57.13	437,684

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2012*	-	56.26	49.14
	2013	0.0702	63.64	53.57
	2014****	0.5460	58.59	55.31
Institutional accumulation	2012*	-	56.54	49.14
	2013	0.3631	64.15	54.04
	2014****	0.9676	59.35	56.04
Standard Life accumulation	2013***	0.0708	55.04	46.39
	2014****	1.1693	51.14	48.30
Standard Life B accumulation	2012*	-	56.75	49.15
	2013	0.7147	64.59	54.44
	2014****	1.4438	60.07	56.73
Platform 1 accumulation	2012**	-	56.22	50.00
	2013	0.0329	63.82	53.75
	2014****	1.0526	59.07	55.78

*from launch of the Fund on 28 May

**from commencement of the share class on 25 July

***from commencement of the share class on 16 January

****to 28 February

Standard Life Investment Company

Annual Short Report

Global Emerging Markets Equity Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.72%	1.74%
Institutional accumulation	0.97%	0.99%
Standard Life accumulation	0.22%	0.24%
Standard Life B accumulation	0.06%	0.06%
Platform 1 accumulation	1.02%	1.04%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Global Emerging Market Equity Income Fund

Investment Report

Fund Information	
Fund Manager	Mark Vincent
Launch Date	13 Dec 2012
Benchmark	IMA Global Emerging Markets Sector

Investment objective

The objective of the Fund is to provide a high level of income with some capital appreciation over the longer term.

Investment policy

The investment policy of the Fund is to invest mainly in high yielding equities, equity type investments and fixed interest securities of companies listed on an emerging market stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in emerging market countries. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The Fund is intended for investors who wish to participate in the opportunity to achieve a high level of income with some capital appreciation over the longer term afforded by investing in an actively managed portfolio of mainly global emerging market equities. The investor must be able to accept significant temporary losses due to the volatile nature of this area of global equity markets, and should therefore have an investment time horizon of at least 5 years.

Performance

During the period under review, the Fund returned -8.60%, compared with the IMA Global Emerging Markets Sector return of -14.31% (source: Morningstar).

Key positive contributors to relative returns included the Fund's holdings in Chinese companies Haitian International (injection moulding equipment supplier) and Minth (auto parts manufacturer). The shares of both companies outperformed on the back of strong sales growth. Bank of Georgia, which is one of the

largest overweight positions in the Fund, continued to perform very strongly and benefited returns over the period. Rexlot, the Chinese gaming firm, performed extremely well due to its successful online gaming business and lottery contracts with a number of Chinese provinces.

On the downside, our lack of exposure to Chinese internet company Tencent detracted from relative returns. The shares rallied when the company reported continued growth in its instant messaging and gaming businesses. Similarly, our zero weightings in South African media company Naspers and South Korean internet firm Naver also detracted from returns.

Investment activity

Notable purchases in the period included Korean construction and engineering firm Samsung Engineering, as we became increasingly optimistic about pricing discipline and working capital. China Mobile was purchased as we believed a number of investor concerns, including fears over rising capex, were already priced in.

Sales included Shinhan Finance, the Korean bank, after its share price increased despite insufficient improvement in fundamentals. We also sold Chinese engineering firm Sinopec Engineering 'H': pollution concerns will mean that the upside available from coal-to-gas projects will not be as attractive as once thought.

The following table highlights the top ten purchases and sales made to the portfolio in the year to 28 February 2014:

Purchases	Cost £'000
Hyundai Motor (Preference)	11,742
Samsung Electronics	7,688
Petrol Brasileiros Preference	7,424
Bank of China	6,134
China Mobile	6,064
Chipbond Technologies	5,888
Industrial and Commercial Bank of China	5,258
Grupo México	5,135
Samsung Electronics (Preference)	5,076
KT Corporation	4,891
Other purchases	321,336
Total purchases	386,636

Standard Life Investment Company

Annual Short Report

Global Emerging Market Equity Income Fund

Investment Report (continued)

Sales	Proceeds £'000
Hyundai Motor (Preference)	5,809
Shinhan Finance	5,550
Grupo Financiero Banorte	4,689
Novatek	4,634
Hyundai Motor	4,142
China Mobile	3,762
Sasol	3,663
Kroton Educacional	3,527
Haitian International	3,395
Bradespar	3,348
Other sales	100,754
Total sales	143,273

Synthetic Risk & Reward Indicator

Lower risk **Higher risk**
Typically lower rewards Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Europe, Middle East & Africa (28.30%)	27.28
Latin America (16.49%)	12.90
Australia (0.40%)	0.58
China (12.18%)	11.38
Hong Kong (6.42%)	11.62
India (6.09%)	4.89
Indonesia (1.85%)	1.26
Malaysia (1.40%)	0.63
South Korea (12.48%)	10.53
Taiwan (2.56%)	10.80
Thailand (3.58%)	3.76
Collective Investment Scheme (1.83%)	2.07
Derivatives (-0.10%)	0.00
Net other assets (6.52%)	2.30

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Hyundai Motor (Preference)	2.78
Bank of China	2.13
SLI Seabury GBP VNAV Liquidity Fund	2.07
Samsung Electronics	1.93
Chipbond Technologies	1.76
Industrial and Commercial Bank of China	1.69
Grupo México	1.66
Sihuan Pharmaceutical	1.59
Vale	1.57
Mediatek	1.54

Standard Life Investment Company

Annual Short Report

Global Emerging Market Equity Income Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	28 February 2013	93	55.95	166,279
	28 February 2014	29,694	51.03	58,194,265
Institutional accumulation	28 February 2013	1	56.06	1,200
	28 February 2014	709	51.52	1,376,506
Retail income	28 February 2013	16	55.91	30,333
	28 February 2014	5,451	49.47	11,019,182
Institutional income	28 February 2013	1	55.99	1,200
	28 February 2014	5,361	49.88	10,746,180
Standard Life income	28 February 2013	1	56.08	1,200
	28 February 2014	1	50.32	1,200
Standard Life accumulation	28 February 2013	58,905	56.14	104,933,828
	28 February 2014	247,461	51.85	477,283,244
Platform 1 accumulation	28 February 2013	1	56.05	1,200
	28 February 2014	1,806	51.42	3,511,830
Platform 1 income	28 February 2013	1	56.01	1,200
	28 February 2014	2,127	49.87	4,265,808

Standard Life Investment Company

Annual Short Report

Global Emerging Market Equity Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2012*	-	51.09	50.00
	2013	0.8524	59.54	49.95
	2014**	0.0241	53.46	50.17
Institutional accumulation	2012*	-	51.09	50.00
	2013	1.2336	59.79	50.19
	2014**	0.0644	53.94	50.66
Retail income	2012*	-	51.11	50.00
	2013	1.4259	59.49	49.49
	2014**	0.2143	52.06	48.86
Institutional income	2012*	-	51.11	50.00
	2013	1.4408	59.74	49.73
	2014**	0.2025	52.43	49.23
Standard Life income	2012*	-	51.11	50.00
	2013	1.4681	59.90	49.89
	2014**	0.2049	52.83	49.65
Standard Life accumulation	2012*	-	51.11	50.00
	2013	1.4205	59.94	50.35
	2014**	0.1947	54.24	50.96
Platform 1 accumulation	2012*	-	51.12	50.00
	2013	1.1169	59.78	50.19
	2014**	0.0738	53.87	50.58
Platform 1 income	2012*	-	51.12	50.00
	2013	1.4611	59.73	49.72
	2014**	0.2026	52.42	49.22
*from launch of the Fund on 13 December				
**to 28 February				

Standard Life Investment Company

Annual Short Report

Global Emerging Market Equity Income Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.69%	1.69%
Institutional accumulation	0.94%	0.94%
Retail income	1.69%	1.69%
Institutional income	0.94%	0.94%
Standard Life income	0.11%	0.11%
Standard Life accumulation	0.19%	0.19%
Platform 1 accumulation	0.99%	0.99%
Platform 1 income	0.99%	0.99%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Global Equity Income Fund

Investment Report

Fund Information

Fund Manager	Kevin Troup
Launch Date	1 May 1986
Benchmark	IMA Global Equity Income Sector

Investment objective

The objective of the Fund is to provide income and some capital appreciation over the longer term.

Investment policy

The investment policy of the Fund is to invest mostly in a focused portfolio of high yielding global equities, equity type investments and fixed interest securities. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of equity exposure at a country and sector level. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets and should therefore have an investment time horizon of at least 5 years.

Performance

The Global Equity Income Fund returned 12.34% during the period, in comparison with the IMA Global Equity Income sector return of 7.85% (source: Morningstar, basic rate taxpayer, bid to bid basis).

Key positive contributors to relative returns included our holding in DS Smith, the paper and packaging company which surprised on the upside following the acquisition of SCA and a period of deleveraging. Booker, the UK food and drink distribution company performed well over the year as it continued to increase its market share and the greater cash flow offered a greater capital return. The Japanese convenience retail store Seven & I also contributed to returns following rising consumer confidence in Japan and growth in its US operations.

On the downside, Bangkok Bank was the main detractor from returns as sentiment was affected by the political unrest. The Australian listed oil and gas exploration and production company Santos hindered performance. Although there was little negative news flow it had experienced a strong run earlier in the year and consequently a quieter period and some profit taking muted returns. A further drag on returns was European materials technology company Umicore. While we remain positive on the growth potential the speed of growth has been slower than anticipated.

Investment activity

We purchased Ryanair during the period as we are confident regarding the recovery from seasonal weakness and continued growth as other flag carriers retreat from short haul routes in Europe. The business model is also being adapted to cover higher end consumers. We purchased Microsoft following the changes in senior management as the change should release the potential for large capital returns or higher dividends. A holding in the UK listed reinsurer Lancashire holdings was purchased as the management has been successful in generating returns on its capital and it appears the market is currently undervaluing the scope for further success. In terms of sales, we disposed of our holding in Japan Tobacco Company given the potential threat from e-cigarettes and higher taxes. Consequently we opted to take profits given that our investment case had largely played out. We also sold our holding in Haitian International Holdings, the plastic injection moulding machinery manufacturer, as our investment case has proven correct given the share price almost doubled.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

Global Equity Income Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

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Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
European Bonds (ex UK) (0.00%)	1.53
Emerging Market Equities (1.09%)	-
European Equities (ex UK) (26.23%)	26.56
Japanese Equities (8.65%)	6.87
North American Equities (37.11%)	39.13
Pacific Basin Equities (6.36%)	7.99
UK Equities (19.05%)	16.92
Net other assets (1.51%)	1.00

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Smith (DS)	2.38
BT	2.30
Abbvie	2.28
Roche	2.15
Oesterreich Post	2.11
SNAM	2.10
HSBC	2.03
JP Morgan Chase	1.98
GlaxoSmithKline	1.92
Nippon Prologis	1.89

Standard Life Investment Company

Annual Short Report

Global Equity Income Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation - Founder	29 February 2012	87,798	137.41	63,892,214
	28 February 2013	96,285	163.71	58,813,660
	28 February 2014	97,871	184.28	53,109,573
Institutional accumulation - Founder	29 February 2012	394	145.92	270,203
	28 February 2013	455	174.77	260,270
	28 February 2014	4,193	197.62	2,121,816
Retail income - Founder	29 February 2012	133	52.34	254,019
	28 February 2013	317	60.33	525,476
	28 February 2014	477	65.62	726,843
Institutional income - Founder	29 February 2012	1	52.37	2,500
	28 February 2013	99	60.68	162,968
	28 February 2014	291	66.31	439,468
Standard Life income	28 February 2013	2,429	58.94	4,121,513
	28 February 2014	3,578	64.78	5,523,140
Standard Life accumulation	28 February 2013	4	51.43	8,545
	28 February 2014	104	58.46	177,720
Retail accumulation	29 February 2012	4	52.31	7,000
	28 February 2013	483	61.60	1,200
	28 February 2014	1,700	69.70	2,439,630
Institutional accumulation	29 February 2012	1	52.27	2,500
	28 February 2013	2	61.60	1,200
	28 February 2014	446	70.94	628,922
Retail income	29 February 2012	4	52.31	7,000
	28 February 2013	85	61.60	1,200
	28 February 2014	160	64.89	246,566
Institutional income	29 February 2012	1	52.27	2,500
	28 February 2013	20	60.42	60,395
	28 February 2014	127	65.97	192,841
Platform 1 accumulation	28 February 2013	1	61.60	1,200
	28 February 2014	967	69.55	1,390,273
Platform 1 income	28 February 2013	36	60.42	60,395
	28 February 2014	170	65.82	257,533

Standard Life Investment Company Annual Short Report

Global Equity Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation - Founder	2009	3.0599	120.4	79.39
	2010	1.6559	138.2	110.6
	2011	1.3921	142.7	115.2
	2012	4.5720	147.4	128.2
	2013	4.0984	164.2	149.4
	2014*****	0.2948	185.7	176.3
Institutional accumulation - Founder	2009	3.6924	126.8	83.28
	2010	2.2173	146.2	116.7
	2011	2.0719	151.3	122.2
	2012	5.8696	157.3	136.2
	2013	5.1869	175.3	159.4
	2014*****	0.5326	199.0	189.0
Retail income - Founder	2012*	1.7341	54.54	48.78
	2013	2.1324	60.76	55.28
	2014*****	0.2766	66.41	63.05
Institutional income - Founder	2012*	1.7553	54.85	48.90
	2013	2.1463	66.34	55.29
	2014*****	0.2764	67.06	63.68
Standard Life income	2012**	1.0908	53.16	47.26
	2013	2.0793	64.71	53.62
	2014*****	0.2629	65.47	62.18
Standard Life accumulation	2013****	1.6641	58.04	49.65
	2014*****	0.2282	58.84	55.88
Retail accumulation	2012**	1.0454	56.11	49.25
	2013	1.2027	69.36	56.57
	2014*****	0.0199	70.28	66.71
Institutional accumulation	2012*	1.3999	56.53	49.39
	2013	1.7318	70.51	57.01
	2014*****	0.1494	71.47	67.85
Retail income	2012*	1.7236	54.31	48.70
	2013	2.1566	65.11	54.73
	2014*****	0.2792	65.71	62.37
Institutional income	2012*	1.7502	54.68	48.85
	2013	2.1659	66.05	55.14
	2014*****	0.2749	66.74	63.37

Standard Life Investment Company

Annual Short Report

Global Equity Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Platform 1 accumulation	2012***	0.7026	55.97	48.46
	2013	1.6622	69.13	55.97
	2014*****	0.1347	70.07	66.53
Platform 1 income	2012***	0.9027	55.02	48.46
	2013	2.1184	65.91	55.02
	2014*****	0.2709	66.59	63.22

* from commencement of the share class on 16 January

** from commencement of the share class on 20 April

*** from commencement of the share class on 14 May

**** from commencement of the share class on 31 January

***** to 28 February

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation - Founder	1.07%	1.07%
Institutional accumulation - Founder	0.62%	0.62%
Retail income - Founder	1.07%	1.07%
Institutional income - Founder	0.62%	0.62%
Standard Life income	0.04%	0.04%
Standard Life accumulation	0.12%	0.12%
Retail accumulation	1.62%	1.62%
Institutional accumulation	0.87%	0.87%
Retail income	1.62%	1.62%
Institutional income	0.87%	0.87%
Platform 1 accumulation	0.92%	0.92%
Platform 1 income	0.92%	0.92%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Global Equity Unconstrained Fund

Investment Report

Fund Information

Fund Manager	Mikhail Zverev
Launch Date	16 November 1998
Benchmark	IMA Global Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in global equities and equity type investments. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. The Fund will not be restricted by index weightings, sector constraints or company size.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The nature of the portfolio affords investors a focused investment approach, with an emphasis on stock selection whilst affording proper diversification of mainly global equity exposure. The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets, and should therefore have an investment time horizon of at least 5 years.

Performance

During the period under review, the Fund returned 15.36%, compared with the IMA Global Sector return of 9.32% (source: Morningstar).

The Fund's exposure to Chinese online retailer Vipshop was a key contributor to returns. The increase in analyst coverage resulted in improving investor confidence regarding the growth in Chinese ecommerce and Vipshop is a market leader in this field. Acuity Brands, the US lighting equipment manufacturer performed well on the back of strong results driven by top line growth, particularly, growth in LED lighting equipment which is central to our investment case. Performance was also driven by our holding in Delta Air Lines which delivered good results and reassuring guidance driven by revenue growth and cost controls proved to be better than expected.

On the downside, our holding in Prada detracted from returns. A disappointing set of results partly driven by currency headwinds and partly due to cautious guidance once the market became concerned about emerging market consumer spending. The US listed railroad group Kansas City Southern also proved to be disappointing as results highlighted weakness in coal volumes and slower auto volumes in Mexico. The Australian listed oil and gas exploration and production company Oil Search hindered returns. While there was little negative news flow the stock had previously had a strong run earlier in the year and the market was consequently adapting to a period of quieter news flow.

Investment activity

Notable purchases included Ryanair where we expect to see recovery from seasonal weakness and continuing growth as flag carriers retreat from short haul routes in Europe. We purchased Chipbond Technology, the Taiwanese semiconductor manufacturing services company, as we believe growth will be driven by the demand for higher resolution displays in mobile devices and the introduction of ultraHD TVs.

During the period we sold our holdings in both Citigroup and Lloyds Banking Group, taking profits given that the investment case had played out. We sold our holding in HSBC to fund other ideas as we became concerned regarding the potential downside risk in the Hong Kong property market, to which HSBC has a meaningful exposure. We also sold Swedish listed radio therapy equipment manufacturer Elekta as we have stronger ideas elsewhere.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

Global Equity Unconstrained Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Emerging Market Equities (1.89%)	1.88
European Equities (Ex UK) (19.26%)	15.44
Japanese Equities (2.02%)	6.24
North American Equities (42.58%)	47.61
Pacific Basin Equities (21.95%)	16.55
UK Equities (11.37%)	10.52
Collective Investment Scheme (1.20%)	1.56
Net other assets (-0.27%)	0.20

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Roche	3.08
Vipshop	3.05
Google	2.89
Alliance Data Systems	2.69
Borg Warner	2.64
Halliburton	2.59
eBay	2.57
Smith (DS)	2.55
Ryanair	2.54
Delta Airlines	2.48

Standard Life Investment Company

Annual Short Report

Global Equity Unconstrained Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	12,611	68.45	18,421,880
	28 February 2013	18,987	79.06	24,016,983
	28 February 2014	25,678	91.98	27,916,439
Institutional accumulation	29 February 2012	1,092	74.26	1,470,869
	28 February 2013	1,228	86.45	1,420,749
	28 February 2014	8,877	101.39	8,755,273
Standard Life accumulation	29 February 2012	0	60.21	500
	28 February 2013	38	71.17	53,510
	28 February 2014	959	84.16	1,139,379
Institutional regulated accumulation	29 February 2012	21,637	64.72	33,431,739
	28 February 2013	37,949	75.65	50,165,178
	28 February 2014	51,158	89.07	57,432,374
Platform 1 accumulation	28 February 2013	174	63.07	275,906
	28 February 2014	11,919	73.90	16,127,700

Standard Life Investment Company

Annual Short Report

Global Equity Unconstrained Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	0.7694	56.06	32.64
	2010	0.2212	68.67	52.31
	2011	0.0000	71.70	55.78
	2012	0.0000	71.95	61.99
	2013	0.0000	89.23	73.28
	2014**	0.0000	92.37	86.09
Institutional accumulation	2009	1.1213	59.83	34.67
	2010	0.5374	73.83	55.87
	2011	0.4086	77.40	60.32
	2012	0.4038	78.56	67.17
	2013	0.5868	98.21	80.03
	2014**	0.4633	101.8	94.83
Standard Life accumulation	2009	1.1209	47.96	27.65
	2010	0.0000	59.64	44.81
	2011	0.7583	62.85	49.10
	2012	0.6785	64.55	54.84
	2013	1.4685	81.40	65.77
	2014**	0.9934	84.52	78.66
Institutional regulated accumulation	2009	1.1280	51.67	29.85
	2010	0.6254	64.00	48.26
	2011	0.6072	67.27	52.48
	2012	0.6146	68.69	58.51
	2013	0.7754	86.22	69.99
	2014**	0.7294	89.46	83.28
Platform 1 accumulation	2012*	-	57.32	49.17
	2013	0.2200	71.60	58.39
	2014**	0.2706	74.22	69.13

*from commencement of the share class on 17 May 2012

**to 28 February

Standard Life Investment Company

Annual Short Report

Global Equity Unconstrained Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.74%	1.76%
Institutional accumulation	0.94%	0.96%
Standard Life accumulation	0.14%	0.16%
Institutional regulated accumulation	0.54%	0.56%
Platform 1 accumulation	1.04%	1.06%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Global Smaller Companies Fund

Investment Report

Fund Information	
Fund Manager	Harry Nimmo and Alan Rowsell
Launch Date	19 January 2012
Benchmark	IMA Global Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mainly in global smaller company equities (excluding Investment Trusts) and equity type investments. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The focused nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of this area of global equity markets, and should therefore have an investment time horizon of at least 5 years.

Investment activity

Notable activity during the period included the purchase of Indian IT services outsourcing company Syntel, which we believe benefits from increasing demand from financial services. We also bought Japanese baby products company Pigeon, which is experiencing strong growth in China. German connectors and clamps company NORMA was another purchase as it started to see earnings upgrades. In the US, we bought wifi hardware supplier Ubiquiti Networks, which is benefiting from the rollout of wifi networks in emerging markets and rural areas.

Towards the end of the period, we added several new stocks to the portfolio. These included Italian company Brembo, which is the world leader in high performance brake systems. Demand for luxury cars in the US and Asia, as well as tighter emission controls globally, is driving growth. We also invested in Swedish credit management services company Intrum Justitia, which has a strong presence throughout Europe.

We sold shares in Irish online gaming company Paddy Power because of rising competition. In the UK, we sold Abcam, a leading supplier of protein research tools used in the life science industry. While we think it is a solid business, we replaced it in the portfolio with fashion retailer SuperGroup, which is a preferred UK holding. Meanwhile, we sold US company Balchem, which makes speciality performance ingredients for the food, nutritional feed and pharmaceutical industries, because of rising raw material prices and increasing competition in the nutritional animal feed business.

The following tables highlight the top ten purchases and material (greater than 5% of opening Net Asset Value) sales made to the portfolio in the year to 28 February 2014.

Purchases	Cost £'000
LKQ	3,851
Telecom Plus	3,844
Dollarama	3,830
Oceaneering	3,826
Air Methods	3,791
SuperGroup	3,732
Kirby	3,722
Jenoptik	3,721
Balchem	3,621
Kakaku.com	3,564
Other purchases	169,534
Total purchases	207,036

Sales	Proceeds £'000
Balchem	3,773
Other sales	50,230
Total sales	54,003

Performance

During the period under review, the Fund returned 20.87%, compared with the benchmark return of 9.32% (source: Morningstar).

The Fund delivered strong returns over the last 12 months, helped by our holding in UK online retailer ASOS, which made the largest positive contribution towards performance. Also in the UK, utility provider Telecom Plus added to returns as the company acquired energy supply licences from nPower and confirmed that trading

Standard Life Investment Company

Annual Short Report

Global Smaller Companies Fund

Investment Report (continued)

remained strong, with accelerating growth.

Elsewhere, Italian asset manager Azimut outperformed as it gained market share from traditional Italian banks because of the robust performance of its funds, particularly its innovative absolute return products. Japanese e-commerce company Kakaku.com was another positive performer, as its price comparison websites benefited from the increasing use of smartphones to access the internet. The company did suffer from profit taking towards the end of the period but we remain positive.

On the downside, UK online video advertising company Blinkx detracted from returns. Its shares weakened because of allegations that it generated fake traffic to websites to boost viewer statistics and therefore artificially boost revenue. Blinkx refuted the allegations and said it was doing everything possible to mitigate the impact through filtering and third party verification. We believe the company's share price should start to recover as it has addressed market concerns. Price comparison website Moneysupermarket.com was also negative given concerns over the intensifying competitive environment. We sold our holding as a result.

Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards			Higher risk Typically Higher rewards			
1	2	3	4	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio		%
as at 28 February 2014		
Emerging Market Equities (7.13%)		1.97
European Equities (ex UK) (13.14%)		17.50
Japanese Equities (5.92%)		9.67
North American Equities (40.52%)		50.44
Pacific Basin Equities (12.20%)		3.42
UK Equities (19.53%)		13.07
Collective Investment Scheme (3.13%)		3.37
Net other assets (-1.57%)		0.56

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)		%
as at 28 February 2014		
SLI Seabury GBP VNAV Liquidity Fund		3.37
Middleby		2.92
HEICO		2.81
Telecom Plus		2.77
Wirecard		2.63
Syntel		2.62
Maximus		2.57
Jenoptik		2.55
Wintrust		2.55
Hain Celestial		2.46

Standard Life Investment Company

Annual Short Report

Global Smaller Companies Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	32,655	50.76	64,332,970
	28 February 2013	65,433	61.22	106,874,512
	28 February 2014	145,728	74.63	195,264,477
Institutional accumulation	29 February 2012	111	50.81	218,471
	28 February 2013	5,165	61.82	8,355,034
	28 February 2014	50,974	76.01	67,066,220
Standard Life accumulation	29 February 2012	1	50.86	2,500
	28 February 2013	50	62.46	80,779
	28 February 2014	7,371	77.48	9,513,195
Platform 1 accumulation	28 February 2013	225	59.74	376,991
	28 February 2014	22,794	73.39	31,058,830
Institutional S accumulation	28 February 2014	33,939	55.47	61,184,766
	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2012*	0.0000	55.07	49.44
	2013	0.0000	74.93	55.51
	2014**	0.0000	76.48	71.10
Institutional accumulation	2012*	0.0000	55.50	49.45
	2013	0.0878	76.20	55.98
	2014**	0.2024	77.82	72.38
Standard Life accumulation	2012*	0.0135	55.94	49.46
	2013	0.5811	77.57	56.46
	2014**	0.7634	79.25	73.74
Platform 1 accumulation	2012***	-	53.64	48.26
	2013	0.0213	73.59	54.10
	2014**	0.1267	75.15	69.89
Institutional S accumulation	2013****	-	55.59	48.57
	2014**	0.0107	56.78	52.81
*from launch of the Fund on 19 January				
**to 28 February				
***from commencement of the share class on 14 May				
****from commencement of the share class on 26 July				

Standard Life Investment Company

Annual Short Report

Global Smaller Companies Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.81%	1.84%
Institutional accumulation	0.96%	0.99%
Standard Life accumulation	0.11%	0.14%
Platform 1 accumulation	1.06%	1.09%
Institutional S accumulation	0.79%	-

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Higher Income Fund

Investment Report

Fund Information	
Fund Manager	David Ennett
Launch Date	7 February 2000
Benchmark	ML Euro/GBP Fixed and Floating Non Financial High Yield 3% Constrained Index

Investment objective

The objective of the Fund is to provide a high level of income. Capital appreciation is of secondary importance.

Investment policy

The investment policy of the Fund is to invest mostly in Sterling and Euro denominated high yielding corporate bonds to give a significantly higher income than that generally available on UK Government bonds. The Fund may also invest in Government and public securities and other interest bearing securities anywhere in the world as well as other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

Due to the volatile nature of the assets held and the corresponding risk of default, the investor must be able to accept significant temporary losses to their capital and the possibility of fluctuations in the income level, and should therefore have an investment time horizon of at least 5 years.

Investment activity

We participated in a number of new issues during the review period. These included Schaeffler, Vue, Medi-Partenaires, Interxion, Rhiag, Empark, Continental and Fiat. Market volatility in the early stages of the review period allowed us to purchase bonds that we had previously avoided on grounds of valuation, including the UK fashion retailer New Look. In order to reduce risk, we pared our exposure to a number of lower-rated bonds, such as Europcar, Krauss and Ardagh, and following a run of strong performance, we chose to realise some profit on our Thomas Cook holding.

Later in the review period, we took advantage of the recovery in riskier parts of the market to reduce our emerging market exposure. This included selling the South African retailer Edcon and the Russian telecom operator Vimpelcom.

There were no material (5% of opening Net Asset Value) changes made to the portfolio in the year ended to 28 February 2014.

Performance

The Higher Income Fund returned 9.50% during the period, in comparison with the benchmark index return of 7.69% (source: Morningstar).

Early in the review period, there were significant positive contributions to performance from our short duration position and stock selection. Combined, these offset the fact we had an overweight exposure to lower-rated paper. At a stock level, we generated positive relative returns from having no exposure to the coal producer New World Resources and the Co-operative Group. Our overweight holding in PVC producer Kerling also added to performance. July was a very strong month for returns and our overweight positions in Barclays, Lloyds Banking and Italian telecoms operator Wind Acquisition were positive for returns. As risk appetite improved going into the final months of the review period, our holdings in a number of subordinated bank bonds were positive for performance. Furthermore, an underweight holding in single B rated bonds and a short duration bias were major beneficiaries of the improved sentiment among investors. However, there was a negative impact from our underweight exposure to peripheral Europe and our position in government bonds which we hold for liquidity purposes.

Standard Life Investment Company

Annual Short Report

Higher Income Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards			Higher risk Typically Higher rewards			
1	2	3	4	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Australian Dollar Denominated Bond (0.00%)	0.61
Euro Denominated Bonds (68.45%)	59.17
Sterling Denominated Bonds (20.77%)	33.63
US Dollar Denominated Bonds (2.84%)	4.58
Government Bond (1.16%)	0.56
Equities (0.77%)	0.11
Collective Investments Schemes (5.92%)	0.29
Derivatives (-0.97%)	0.13
Net other assets (1.06%)	0.92

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Arqiva 9.5% 2020	2.33
CNH Industrial 6.25% 2018	1.99
Cabot 10.375% 2019	1.72
CPUK 11.625% 2018	1.53
Thomas Cook 7.75% 2017	1.52
Unitymedia 9.5% 2021	1.32
Virgin Media 5.5% 2021	1.30
Unitymedia 7.5% 2019	1.28
Heckler & Koch 9.5% 2018	1.24
Soho House 9.125% 2018	1.10

Standard Life Investment Company

Annual Short Report

Higher Income Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	240,087	91.78	261,577,797
	28 February 2013	235,801	103.08	228,756,965
	28 February 2014	226,826	113.10	200,557,286
Institutional accumulation	29 February 2012	5,953	95.57	6,228,779
	28 February 2013	3,257	107.61	3,026,796
	28 February 2014	20,871	118.46	17,618,581
Retail income	29 February 2012	165,090	43.25	381,748,836
	28 February 2013	155,735	45.83	339,829,233
	28 February 2014	137,521	48.03	286,337,538
Institutional income	29 February 2012	25,042	43.24	57,909,347
	28 February 2013	26,010	45.83	56,751,583
	28 February 2014	33,828	48.04	70,421,570
Standard Life income	29 February 2012	25,504	44.16	57,749,477
	28 February 2013	24,563	46.79	52,496,499
	28 February 2014	24,468	49.04	49,892,175
Standard Life accumulation	29 February 2012	1	46.06	2,500
	28 February 2013	280	84.20	333,018
	28 February 2014	34,340	93.67	36,659,065
Institutional regulated accumulation	29 February 2012	64,677	137.06	47,188,529
	28 February 2013	63,234	154.76	40,859,342
	28 February 2014	61,991	170.76	36,303,341
Standard Life B accumulation	29 February 2012	2	63.00	3,000
	28 February 2013	2	71.50	3,000
	28 February 2014	2	79.15	3,000
Platform 1 accumulation	28 February 2013	244	56.66	431,136
	28 February 2014	2,738	62.37	4,390,029
Platform 1 income	28 February 2013	361	53.85	670,464
	28 February 2014	7,942	56.70	14,007,654
Institutional S accumulation	28 February 2014	1	53.40	1,200
Institutional S income	28 February 2014	1	51.99	1,200

Standard Life Investment Company

Annual Short Report

Higher Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	4.2196	81.74	60.06
	2010	4.6954	91.10	81.73
	2011	5.2175	95.26	80.32
	2012	5.7810	102.0	85.57
	2013	5.4145	111.1	102.3
	2014****	1.1125	113.3	111.2
Institutional accumulation	2009	4.6333	84.58	61.96
	2010	5.0993	94.50	84.69
	2011	5.7259	98.96	83.53
	2012	6.2941	106.5	89.05
	2013	5.8505	116.3	106.8
	2014****	1.4166	118.7	116.4
Retail income	2009	2.3592	44.24	33.81
	2010	2.4654	46.96	42.72
	2011	2.5979	47.79	39.00
	2012	2.7070	46.13	41.07
	2013	2.4010	47.85	45.13
	2014****	0.4744	48.47	47.73
Institutional income	2009	2.4735	44.24	33.80
	2010	2.6232	46.98	42.72
	2011	2.7223	47.82	39.01
	2012	2.8521	46.15	41.08
	2013	2.5194	47.90	45.15
	2014****	0.5494	48.55	47.75
Standard Life income	2009	2.7516	45.24	34.53
	2010	2.8706	48.04	43.64
	2011	3.0363	48.90	39.86
	2012	3.1521	47.13	41.97
	2013	2.8616	48.96	46.11
	2014****	0.6002	49.61	48.78
Standard Life accumulation	2009*	3.0120	65.17	47.67
	2010	4.2928	73.13	65.39
	2011	4.6948	76.78	64.92
	2012	5.2492	83.18	46.04
	2013	5.1359	91.91	83.44
	2014****	1.1116	93.84	91.96

Standard Life Investment Company Annual Short Report

Higher Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Institutional regulated accumulation	2009	6.7355	120.7	88.21
	2010	7.5836	135.2	121.0
	2011	8.4699	141.7	119.7
	2012	9.4302	153.0	127.7
	2013	9.0272	167.6	153.5
	2014****	1.9219	171.1	167.7
Standard Life B accumulation	2009	3.2632	55.11	40.15
	2010	3.6492	61.87	55.30
	2011	4.0656	64.95	54.93
	2012	4.5660	70.63	58.66
	2013	4.4296	77.65	70.86
	2014****	0.9560	79.29	77.69
Platform 1 accumulation	2012**	1.7759	56.08	49.66
	2013	3.1120	61.26	56.26
	2014****	0.6961	62.50	61.30
Platform 1 income	2012**	1.7640	54.33	49.59
	2013	3.0853	56.55	53.28
	2014****	0.6284	57.30	56.37
Institutional S accumulation	2013***	0.8280	52.44	49.85
	2014****	0.5920	53.49	52.47
Institutional S income	2013***	0.8240	51.86	49.85
	2014****	0.5840	52.54	51.70
*from commencement of the share class on 24 February				
**from commencement of the share class on 22 May				
***from commencement of the share class on 26 July				
****to 28 February				

Standard Life Investment Company

Annual Short Report

Higher Income Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.10%	1.10%
Institutional accumulation	0.70%	0.70%
Retail income	1.10%	1.10%
Institutional income	0.70%	0.70%
Standard Life income	0.02%	0.02%
Standard Life accumulation	0.10%	0.10%
Institutional regulated accumulation	0.40%	0.40%
Standard Life B accumulation	0.00%	0.00%
Platform 1 accumulation	0.75%	0.75%
Platform 1 income	0.75%	0.75%
Institutional S accumulation	0.58%	-
Institutional S income	0.58%	-

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Japanese Equity Growth Fund

Investment Report

Fund Information

Fund Manager	Sumitomo Mitsui Trust
Launch Date	16 November 1998
Benchmark	IMA Japan Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a Japanese stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in Japan. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Performance

During the period under review, the Fund returned 9.60%, compared to the IMA Japan sector return of 5.67% (source: Morningstar).

Optical equipment manufacturer Topcon made the largest positive contribution towards performance, boosted by robust sales of GPS sensors, as well as restructuring efforts. Elsewhere, e-commerce company Rakuten posted better-than-expected results. Concerns about losses in the e-books business were more than offset by positive sentiment over the company's same-day delivery service, the launch of an e-commerce business in Singapore and the acquisition of Singapore-based video streaming provider Viki. Elsewhere, auto manufacturer Mazda Motor posted solid performance, as new and refreshed models continued to sell well and margins expanded. Yen weakness versus the euro and the US dollar provided further benefit.

JINCO was among the biggest detractors from performance, owing to a slowdown in earnings momentum. Higher marketing costs further undermined the company's medium-term earnings prospects. Avex dragged on returns on news of slowing subscriber additions in its mobile video streaming services. Increasing competition further eroded consensus growth forecasts.

Investment Activity

New stocks added in the period included Japan's largest commercial and rental property developer Daiwa House Industry. The company recently increased capital to take advantage of new growth opportunities in logistics and e-commerce. Meanwhile, Daiwa's core commercial and house rental businesses continue to prosper. Our analysis suggests that consensus estimates understate Daiwa's longer-term growth potential.

We initiated a position in Fujifilm, after new management stated its commitment to profitability, rather than sales. As an indication of positive change to come, we note that the company has successfully improved margins on its graphics business by lowering costs and expanding its distribution network.

We also bought Murata Manufacturing, which is seeing strong sales of electrical components used in smartphones. Similarly, sales of wireless telecommunications devices and sensors are benefiting from growing demand from the autos, medical and energy industries.

During the year, we sold Sekisui House, as the company was making disappointingly slow progress with its condo and house building plans in China. We exited a number of stocks which had performed well and where the investment case had largely played out. Among these were Yahoo Japan and Tokio Marine. We trimmed several other positions, including Resort Trust and Suruga Bank, taking profits.

Additional Information

The Japanese Equity Growth Fund launched a range of hedged share classes after the balance sheet date on 24 March 2014. These include the Retail GBP Hedged Accumulation class, the Institutional GBP Hedged Accumulation class and the Platform 1 GBP Hedged Accumulation class.

Hedged share classes use a range of financial instruments with the intention of mitigating the risk of sterling-yen exchange rate volatility. For full details of the risks and benefits of hedged share classes please refer to the Company prospectus on our website www.standardlifeinvestments.com.

Standard Life Investment Company

Annual Short Report

Japanese Equity Growth Fund

Investment Report (continued)

The following tables highlight the top ten purchases and material (greater than 5% of opening Net Asset Value) sales made to the portfolio in the year to 28 February 2014.

Purchases	Cost £'000
Daiwa House Industry	9,714
Denso Corporation	7,246
Fujifilm	6,751
Murata Manufacturing	6,177
Nippon Steel & Sumitomo Metal	5,453
KDDI	5,091
Sanken Electric	4,989
Topcon	4,972
Seven & I	4,855
Cosmos Pharmaceuticals	4,811
Other purchases	136,668
Total purchases	196,727

Sales	Proceeds £'000
Toyota Motor	5,586
KDDI	5,330
Mitsui	4,110
Suruga Bank	4,025
Sekisui House	3,573
Other sales	92,825
Total sales	115,449

Synthetic Risk & Reward Indicator

Lower risk **Higher risk**
Typically lower rewards Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Standard Life Investment Company

Annual Short Report

Japanese Equity Growth Fund

Investment Report (continued)

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Denso Corporation	6.54
Daiwa House Industry	5.86
Sumitomo Mitsui	4.69
Fujifilm	4.44
Keyence	4.21
Seven & I	4.16
Nippon Steel & Sumitomo Metal	4.12
Mitsubishi Heavy Industries	3.68
Otsuka	3.43
Sanken Electric	3.08

Composition of Portfolio	%
as at 28 February 2014	
Banks (13.94%)	5.81
Chemicals (5.03%)	6.09
Construction (1.82%)	8.21
Electric Appliances (8.06%)	14.85
Electric Power & Gas (0.00%)	0.75
Information & Communication (4.12%)	6.32
Insurance (2.22%)	-
Machinery (5.93%)	7.38
Miscellaneous Finance (3.99%)	4.11
Nonferrous Metals (3.48%)	-
Oil & Coal Products (4.57%)	-
Other Products (0.00%)	1.11
Pharmaceutical (0.00%)	2.57
Precision Instruments (0.00%)	1.94
Real Estate (4.79%)	4.79
Retail (11.84%)	9.35
Rubber Products (3.14%)	-
Services (2.21%)	6.65
Steel Products (3.82%)	4.12
Textiles & Apparel (1.17%)	-
Transport Equipment (13.29%)	14.22
Wholesale (5.68%)	-
Derivatives (0.01%)	0.00
Net other assets (0.89%)	1.73

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Standard Life Investment Company

Annual Short Report

Japanese Equity Growth Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	28 February 2012	8,051	51.78	15,551,439
	28 February 2013	13,284	59.89	22,180,623
	28 February 2014	64,069	64.21	99,774,470
Institutional accumulation	28 February 2012	40	58.25	68,048
	28 February 2013	42	67.90	62,615
	28 February 2014	5,856	73.34	7,984,121
Standard Life income	28 February 2012	1	35.81	2,500
	28 February 2013	0	41.44	786
	28 February 2014	1	44.53	786
Standard Life accumulation	28 February 2012	0	36.18	500
	28 February 2013	55,297	42.49	130,149,948
	28 February 2014	83,789	46.19	181,415,231
Platform 1 accumulation	28 February 2013	1	62.00	1,200
	28 February 2014	169	67.02	252,529

Standard Life Investment Company

Annual Short Report

Japanese Equity Growth Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2009	0.3060	49.31	37.40
	2010	0.0000	54.74	47.10
	2011	0.0948	55.82	44.28
	2012	0.0000	53.37	47.58
	2013	0.1144	71.29	50.51
	2014**	0.0000	70.73	63.67
Institutional accumulation	2009	0.7257	54.50	41.15
	2010	0.3421	61.08	52.21
	2011	0.5297	62.35	49.49
	2012	0.2824	60.09	53.79
	2013	0.5565	81.04	57.20
	2014**	0.3772	80.71	72.68
Standard Life income	2009	0.7319	34.21	25.74
	2010	0.4537	38.58	32.71
	2011	0.6180	39.12	30.59
	2012	0.4788	36.97	33.26
	2013	0.6568	49.63	35.43
	2014**	0.6407	49.65	44.53
Standard Life accumulation	2009	0.7088	32.86	24.70
	2010	0.2859	37.43	31.57
	2011	0.5062	38.43	30.40
	2012	0.2725	37.34	33.56
	2013	0.6239	50.87	35.75
	2014**	0.5880	50.78	45.75
Platform 1 accumulation	2012*	-	53.99	49.15
	2013	0.1853	74.08	52.29
	2014**	0.3714	73.76	66.42

*from commencement of the share class on 25 May

**to 28 February

Standard Life Investment Company

Annual Short Report

Japanese Equity Growth Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.63%	1.65%
Institutional accumulation	0.88%	0.90%
Standard Life income	0.05%	0.07%
Standard Life accumulation	0.13%	0.15%
Platform 1 accumulation	0.93%	0.95%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

Short Duration Credit Fund

Investment Report

Fund Information	
Fund Manager	Daniel McKernan and Mark Munro
Launch Date	1 May 2003
Benchmark	Barclays £ Collateralised & Corp index (hedged to 2 Yrs duration)

On 8 January 2014 the Short Duration Credit Fund was launched from the conversion of the Select Income Fund. The Fund is managed in accordance with the new investment objective and policy of the Short Duration Credit Fund.

Investment objective

The objective of the Fund is to provide a total return from income and capital appreciation.

Investment policy

The investment policy of the Fund is to invest mostly in fixed interest securities issued by corporations. The Fund may also invest in Government and public securities and other interest bearing securities anywhere in the world as well as other transferable securities, moneymarket instruments, deposits, cash and near cash, derivatives and collective investment schemes. The ACD will use derivatives to reduce the Fund's exposure to interest rate risk with the aim of reducing duration exposure to around two years.

Risk

The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of mainly corporate bond exposure, which provides a degree of protection from default risk, and who do not desire a high degree of stock specific risk. Whilst the income generated should remain relatively stable, the investor must be able to accept some fluctuations in the income due to the higher risk nature of some of the securities held in the fund. The investor must also be able to accept temporary capital losses due to the volatile nature of bond markets, and should therefore have an investment time horizon of at least 5 years.

Performance

On 8 January 2014, the Select Income Fund changed to the Short Duration Credit Fund. From 1 March to 7 January, the Select Income Fund returned 3.06%, in comparison with the IMA £ Corporate Bond sector return of 1.32% (source: Morningstar). From 8 January to 28 February, the Short Duration Credit Fund returned 1.41% against the new benchmark index return of 0.62% (Source: Factset).

Credit markets were relatively volatile during the review period, with speculation around tapering in the US the single largest source of uncertainty among investors. Early in the review period, holdings in Arrow Global, Cabot Credit Management and Enterprise Inns outperformed, while exposure to Hammerson, Veolia and Pemex were a drag on returns. With investors sentiment improving in the second half of the reporting period and credit spreads grinding tighter, we benefited from our holdings in Foodcorp, Axa, Generali, Wienerberger and Credit Agricole.

Investment activity

During the review period, we purchased new issuance from Continental, Deutsche Annington and Dignity Finance. In August, we took advantage of market weakness to add high yield exposure through the bonds of Travelex and Italian gaming company Gamenet. These purchases were financed by the sales of Nationwide senior unsecured bonds, South African insurer Old Mutual, Altria, Government of Barbados, German nuclear energy provider RWE and French waste manager Veolia. Later in the period, we reduced our exposure to high yield by trimming positions in Lafarge, Phones4u and Geotravel, while adding to our investment grade credit exposure through purchases of EDF, TransCanada and Telereal.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

Short Duration Credit Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Euro Denominated Bonds (15.57%)	14.26
Sterling Denominated Bonds (80.11%)	73.38
US Dollar Denominated Bonds (1.71%)	5.39
Government Bonds (0.09%)	2.92
Collective Investment Scheme (0.04%)	2.99
Derivatives (-0.24%)	(0.29)
Net other assets (2.72%)	1.35

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
SLI Seabury GBP VNAV Liquidity Fund	2.99
European Investment Bank 4.625% variable 2054	1.57
European Investment Bank 5% 2039	1.35
Imperial Tobacco 5.5% 2026	0.99
AT&T 4.875% 2044	0.92
Telefonica Emisiones 5.375% 2018	0.89
Tesco 5.744% 2040	0.88
France Telecom 8.125% 2028	0.78
Thomas Cook 7.75% 2017	0.73
RWE 6.125% 2039	0.73

Standard Life Investment Company

Annual Short Report

Short Duration Credit Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	29,295	70.52	41,544,370
	28 February 2013	27,476	77.77	35,329,303
	28 February 2014	62,872	80.83	77,785,261
Institutional accumulation	29 February 2012	164	72.76	225,422
	28 February 2013	145	80.49	180,148
	28 February 2014	1,703	84.00	2,027,112
Retail income	29 February 2012	21,209	49.17	43,135,184
	28 February 2013	20,331	52.20	38,946,106
	28 February 2014	15,183	52.50	28,917,044
Institutional income	29 February 2012	16,165	49.09	32,931,861
	28 February 2013	7,581	52.11	14,548,369
	28 February 2014	11,991	52.41	22,879,155
Standard Life income	29 February 2012	9,715	46.25	21,004,911
	28 February 2013	1,847	49.08	3,762,294
	28 February 2014	1,194	30.45	3,922,735
Standard Life accumulation	29 February 2012	5,642	72.08	7,827,779
	28 February 2013	36,802	80.15	45,916,395
	28 February 2014	7	83.79	8,142
Platform 1 accumulation	28 February 2013	92	55.46	166,008
	28 February 2014	1,812	57.91	3,128,470
Platform 1 income	28 February 2013	51	53.79	95,385
	28 February 2014	1,618	54.16	2,987,561

Standard Life Investment Company

Annual Short Report

Short Duration Credit Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	2.1164	63.31	55.22
	2010	2.5662	68.81	62.85
	2011	2.7860	69.44	64.85
	2012	2.9381	77.57	67.39
	2013	2.7851	81.43	76.41
	2014**	0.5421	81.33	79.71
Institutional accumulation	2009	2.3903	64.81	56.34
	2010	2.8820	70.64	64.38
	2011	3.1198	71.49	66.80
	2012	3.3475	80.30	69.49
	2013	3.2043	84.35	79.19
	2014**	0.6379	84.52	82.79
Retail income	2009	1.6435	48.42	43.46
	2010	1.9656	51.34	47.92
	2011	2.0200	50.20	46.11
	2012	2.0404	52.61	47.52
	2013	1.8590	54.66	50.85
	2014**	0.3502	53.15	52.13
Institutional income	2009	1.8082	48.33	43.37
	2010	2.1189	51.28	47.82
	2011	2.1939	50.16	46.05
	2012	2.2350	52.57	47.46
	2013	2.0687	54.60	50.77
	2014**	0.4032	53.10	52.06
Standard Life income	2009	1.9438	45.57	40.89
	2010	2.2164	48.40	45.09
	2011	2.2816	47.32	43.41
	2012	2.3276	49.59	44.74
	2013	1.7793	51.35	30.10
	2014**	0.2908	30.91	30.28
Standard Life accumulation	2009	2.5364	63.62	55.11
	2010	3.0731	69.60	63.25
	2011	3.3815	70.67	66.07
	2012	3.6237	79.83	68.80
	2013	3.5427	84.04	78.95
	2014**	0.7352	84.39	82.51

Standard Life Investment Company

Annual Short Report

Short Duration Credit Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Platform 1 accumulation	2012*	1.1600	55.33	49.78
	2013	2.1553	58.17	54.61
	2014**	0.4400	58.28	57.09
Platform 1 income	2012*	1.1560	54.25	49.78
	2013	2.1411	56.45	52.46
	2014**	0.4127	54.88	53.80

*from commencement of the share class on 22 May

**to 28 February

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.14%	1.12%
Institutional accumulation	0.64%	0.62%
Retail income	1.14%	1.12%
Institutional income	0.64%	0.62%
Standard Life income	0.06%	0.04%
Standard Life accumulation	0.14%	0.12%
Platform 1 accumulation	0.69%	0.67%
Platform 1 income	0.69%	0.67%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

UK Equity Growth Fund

Investment Report

Fund Information

Fund Manager	Karen Robertson
Launch Date	1 May 1986
Benchmark	IMA UK All Companies Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The concentrated nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets, and should therefore have an investment time horizon of at least 5 years.

Performance

During the period under review, the Fund returned 18.14%, compared to the IMA UK All Companies sector average of 19.45% (source: Morningstar).

The Fund's underweight position in pharmaceutical major AstraZeneca hurt relative returns during the period, as investors warmed to the company's shares on hopes that more of its drugs

in development will ultimately reach the market. In the banking sector, Barclays was a notable underperformer, largely due to a rights issue required by the regulator in order to boost its capital adequacy. Elsewhere, the Fund's position in mining companies such as Vedanta Resources, Glencore, Xstrata and Rio Tinto weighed on performance as fears about Chinese and emerging market economic growth prompted declines in commodity prices. The Fund's underweight position in Anglo American partially offset this weakness. More positively, the Fund's largest contributor was budget airline easyJet. The company continues to benefit from the improved pricing power resulting from capacity reductions in the industry, while new initiatives such as allocated seating are boosting average fares further. Similarly, Iberia and British Airways owner International Consolidated Airlines outperformed. Improved operating performance at Iberia following a rationalisation and ongoing strength in British Airways' transatlantic market helped the company to increase its profit guidance to the benefit of the shares. Lastly, kitchen cabinet installer Howden Joinery also featured strongly benefiting from both a strong recovery in the housing market and organic growth in the form of new depot openings.

Investment activity

Purchases included HSBC in the banking sector, where we believe investor concerns surrounding emerging market economic growth have penalised the shares excessively. Internal cost-cutting initiatives and recovering net interest margins should continue to underpin both earnings and dividend growth, while we wait for sentiment towards these regions to improve. In the leisure sector, we bought TUI Travel, which owns Thomson Holidays. The shares offer an attractive dividend yield, while the dividend is growing at a double-digit rate. There is scope for margins in its German business to increase and there is less price competition from the traditional airlines. Sales included the Fund's holding in Verizon Communications, which resulted from Vodafone's decision to sell its stake in Verizon Wireless back to Verizon. The deal involved a mix of cash and Verizon shares accruing to Vodafone shareholders and, as the company is US-listed and does not form part of our UK benchmark, we divested the holding.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

UK Equity Growth Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

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Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Basic Materials (9.31%)	7.36
Consumer Goods (12.85%)	14.47
Consumer Services (13.76%)	17.83
Financials (23.06%)	22.75
Health Care (3.41%)	3.78
Industrials (12.07%)	12.12
Oil & Gas (15.65%)	12.05
Technology (1.07%)	0.51
Telecommunications (5.60%)	6.73
Collective Investment Scheme (1.84%)	2.09
Net other assets (1.38%)	0.31

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
HSBC	6.16
BP	5.09
Barclays	3.48
Vodafone	3.42
GlaxoSmithKline	3.19
Rio Tinto	2.96
BT	2.57
Glencore	2.51
easyJet	2.39
GKN	2.36

Standard Life Investment Company

Annual Short Report

UK Equity Growth Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	238,362	231.14	103,124,376
	28 February 2013	230,931	257.83	89,566,171
	28 February 2014	216,189	303.63	71,201,675
Institutional accumulation	29 February 2012	149,645	260.08	57,538,591
	28 February 2013	14,844	292.19	5,080,293
	28 February 2014	31,035	346.68	8,952,158
Standard Life income	29 February 2012	2,786	52.23	5,335,013
	28 February 2013	0	57.59	500
	28 February 2014	0	66.91	500
Standard Life accumulation	29 February 2012	2	80.89	2,500
	28 February 2013	30	91.66	32,232
	28 February 2014	1,095	109.58	999,278
Institutional regulated accumulation	29 February 2012	0	78.33	500
	28 February 2013	0	88.57	500
	28 February 2014	1	105.74	500
Platform 1 accumulation	28 February 2013	96	59.42	161,198
	28 February 2014	2,556	70.48	3,626,032

Standard Life Investment Company

Annual Short Report

UK Equity Growth Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	6.1733	213.0	142.4
	2010	3.4145	242.3	185.0
	2011	2.3525	245.7	184.1
	2012	4.7037	237.4	201.3
	2013	4.1144	295.9	241.3
	2014*	4.4049	303.7	284.3
Institutional accumulation	2009	8.3325	235.7	156.7
	2010	5.3056	270.3	205.7
	2011	4.4367	274.1	206.5
	2012	7.1145	268.7	227.0
	2013	6.5869	337.5	273.1
	2014*	7.3700	346.7	324.4
Standard Life income	2009	2.2715	50.87	33.63
	2010	1.5092	57.10	43.25
	2011	1.3596	57.93	42.82
	2012	1.8970	54.79	45.67
	2013	1.5960	66.98	55.24
	2014*	2.0005	68.89	64.45
Standard Life accumulation	2009**	0.0940	71.96	47.21
	2010	2.1117	83.29	63.10
	2011	1.9601	84.50	64.01
	2012	2.8081	84.14	70.75
	2013	2.7013	106.6	85.56
	2014*	3.0683	109.6	102.5
Institutional regulated accumulation	2009	2.7622	70.38	46.65
	2010	1.8522	81.13	61.61
	2011	1.5499	82.31	62.49
	2012	2.3641	82.11	69.11
	2013	2.3641	103.8	83.47
	2014*	1.9790	106.8	99.87
Platform 1 accumulation	2012***	0.0000	54.62	46.11
	2013	0.9660	68.62	55.53
	2014*	1.4672	70.48	65.96
*to 28 February				
**from commencement of the share class on 24 February				
***from commencement of the share class on 24 May				

Standard Life Investment Company

Annual Short Report

UK Equity Growth Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.60%	1.60%
Institutional accumulation	0.85%	0.85%
Standard Life income	0.02%	0.02%
Standard Life accumulation	0.10%	0.10%
Institutional regulated accumulation	0.40%	0.40%
Platform 1 accumulation	0.90%	0.90%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

UK Equity High Alpha Fund

Investment Report

Fund Information

Fund Manager	Henry Flockhart
Launch Date	31 January 1992
Benchmark	IMA UK All Companies Sector

Investment objective

The objective of the Fund is to maximise returns whilst maintaining a balance between capital appreciation and income.

Investment policy

The investment policy of the Fund is to invest mostly in UK equities and equity type investments of companies listed on the UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. The Fund may also invest in fixed interest securities as well as in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of UK equity exposure. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets, and should therefore have an investment time horizon of at least 5 years.

Investment activity

Purchases during the period included luxury goods retailer Burberry. The shares have endured some weakness on concerns about the company's exposure to emerging markets. However, we believe the company should see continued profit growth as management initiatives to tighten inventory management and pricing flexibility through the adoption of new computer systems boost margins. An investment was also made in bookmaker William Hill. Regulatory uncertainty in the UK has caused share price weakness, but we expect the business to emerge as a relative winner given its attractive retail exposure and strong

online growth potential. Shares were also purchased in industrial fastener business HellermannTyton as it continues to benefit from a positive mix of self-driven growth through product innovation and ongoing recovery in industrial production around the world. Sales included shares in packaging firm DS Smith following significant outperformance during the period driven by recovering European markets and cost savings from its acquisition of SCA's packaging assets. Shares in International Personal Finance, the home credit firm, were similarly sold. Strong loan growth across its key geographies has boosted the shares.

The following table highlights the material (greater than 5% of opening Net Asset Value) purchases made to the portfolio in the year to 28 February 2014:

Purchases	Cost £'000
Standard Chartered	3,094
Other purchases	36,410
Total purchases	39,504

During the year the Fund made total sale proceeds of £46,438,000.

Performance

During the period under review, the Fund returned 20.33%, compared to IMA UK All Companies sector average of 19.45% (source: Morningstar).

Fund performance was boosted by the holding in home credit business International Personal Finance. The shares outperformed throughout the year as a result of strong loan growth in its key markets. This came despite the news towards the end of the period that its Polish business had received a fine from the local regulator. Shares in Synthomer, a manufacturer of specialist polymers used in rubber gloves, buoyed performance as reduced industry capacity led to more stable pricing, while signs of recovery in its key European markets also pleased investors. On the downside, Tate & Lyle detracted from performance following a disappointing trading update. The profit shortfall stemmed from its Sucralose artificial sweetener business, where weak fizzy drink demand and increased price competition from Chinese generic manufacturers weighed on results. Online gambling business bwin.party detracted from returns as it lowered revenue guidance in the wake of the Greek authorities' decision to block access to its internet sites.

Standard Life Investment Company

Annual Short Report

UK Equity High Alpha Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

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All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Basic Materials (15.15%)	17.77
Consumer Goods (9.85%)	15.27
Consumer Services (7.17%)	11.46
Financials (25.21%)	26.35
Industrials (26.97%)	12.05
Oil & Gas (8.14%)	11.61
Technology (1.43%)	-
Telecommunications (3.81%)	2.34
Collective Investment Scheme (0.52%)	3.29
Net other liabilities (1.75%)	(0.14)

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
HSBC	6.58
Rio Tinto	5.45
BP	5.34
Synthomer	4.34
Standard Chartered	4.33
Petrofac	3.48
Mondi	3.39
SLI Seabury GBP VNAV Liquidity Fund	3.29
Close Brothers	3.23
Imperial Tobacco	3.20

Standard Life Investment Company

Annual Short Report

UK Equity High Alpha Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	37,073	119.17	31,110,376
	28 February 2013	42,001	149.12	28,165,751
	28 February 2014	39,637	179.35	22,100,196
Institutional accumulation	29 February 2012	1,071	116.41	919,678
	28 February 2013	477	146.74	324,872
	28 February 2014	5,395	177.84	3,033,564
Retail income	29 February 2012	5,725	65.68	8,716,614
	28 February 2013	6,309	79.59	7,926,637
	28 February 2014	6,039	92.87	6,502,268
Institutional income	29 February 2012	46	46.10	99,297
	28 February 2013	86	56.29	152,718
	28 February 2014	355	66.19	536,286
Standard Life income	29 February 2012	10,825	69.90	15,485,434
	28 February 2013	3,826	86.05	4,447,125
	28 February 2014	1,146	101.97	1,124,009
Standard Life accumulation	29 February 2012	3	131.20	2,500
	28 February 2013	79	166.68	47,240
	28 February 2014	445	203.54	218,718
Platform 1 accumulation	28 February 2013	117	66.63	175,710
	28 February 2014	1,871	80.71	2,318,251
Platform 1 income	28 February 2013	18	65.24	26,857
	28 February 2014	468	76.67	610,918

Standard Life Investment Company

Annual Short Report

UK Equity High Alpha Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	2.2368	94.55	44.13
	2010	2.3012	123.3	84.62
	2011	3.2814	129.9	88.98
	2012	3.8171	134.3	102.2
	2013	4.6283	173.2	136.9
	2014***	0.6694	179.4	167.5
Institutional accumulation	2009	2.1404	90.74	42.15
	2010	2.2202	119.4	81.63
	2011	3.1897	126.2	86.66
	2012	3.7377	132.0	99.64
	2013	4.5636	171.5	134.6
	2014***	0.6677	177.9	166.0
Retail income	2009	1.3575	55.47	26.35
	2010	1.3310	70.16	48.63
	2011	1.8529	73.30	49.75
	2012	2.0856	71.87	56.28
	2013	2.4509	90.01	73.26
	2014***	0.3505	92.87	87.06
Institutional income	2009	0.8470	38.27	18.09
	2010	0.9221	48.82	33.73
	2011	1.2949	51.13	34.81
	2012	1.4695	50.76	39.58
	2013	1.7361	64.05	51.75
	2014***	0.2279	66.19	62.00
Standard Life income	2009	1.3507	56.88	26.76
	2010	1.3789	73.32	50.41
	2011	1.9561	76.98	52.61
	2012	2.2306	77.49	59.98
	2013	2.6690	98.58	79.01
	2014***	0.3842	102.0	95.49
Standard Life accumulation	2009*	2.1228	100.5	46.68
	2010	2.4972	133.4	90.88
	2011	3.5979	141.6	97.38
	2012	4.2495	149.7	112.2
	2013	5.2046	196.1	152.7
	2014***	0.7627	203.6	189.9

Standard Life Investment Company

Annual Short Report

UK Equity High Alpha Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Platform 1 accumulation	2012**	0.9823	59.92	45.95
	2013	2.0738	77.84	61.09
	2014***	0.3030	80.71	75.34
Platform 1 income	2012**	0.9764	58.84	45.85
	2013	2.0140	74.23	59.99
	2014***	0.2890	76.67	71.84

* from commencement of the share class on 24 February

** from commencement of the share class on 14 May

*** to 28 February

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.61%	1.61%
Institutional accumulation	0.86%	0.86%
Retail income	1.61%	1.61%
Institutional income	0.86%	0.86%
Standard Life income	0.03%	0.03%
Standard Life accumulation	0.11%	0.11%
Platform 1 accumulation	0.91%	0.91%
Platform 1 income	0.91%	0.91%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

UK Equity High Income Fund

Investment Report

Fund Information

Fund Manager	Karen Robertson
Launch Date	1 May 1986
Benchmark	IMA UK Equity Income Sector

Investment objective

The objective of the Fund is to provide a high level of income with some capital appreciation over the longer term.

Investment policy

The investment policy of the Fund is to invest in the UK mostly in high yielding equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. A significant proportion of the Fund may be invested in fixed interest securities. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The concentrated nature of the portfolio makes it suitable for investors who are willing to accept a moderate degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets, and should therefore have an investment time horizon of at least 5 years.

Performance

During the period under review, the Fund returned 21.67%, compared to the IMA UK Equity Income sector average of 19.30% (source: Morningstar, basic rate taxpayer, bid-to-bid basis).

The largest contributor to the Fund's outperformance was airline easyJet, which continues to benefit from the more rational pricing environment following the reduction of capacity across the industry. Solid results and the announcement of a further special dividend also buoyed the shares. The ongoing recovery in the UK housing market continued to support shares in kitchen cabinet installer Howden Joinery, while its growth profile is boosted by new depot openings. Not holding Standard Chartered during the period also boosted relative returns. The shares lagged following earnings downgrades related to its Korean consumer business due to a restructuring charge and slowing activity in the rates business. In contrast, not holding Lloyds Banking Group weighed on relative returns. Seen as the most domestically focused of the UK banks, Lloyds has benefited from the economic recovery generally and in the housing market in particular. General insurer and owner of the Sheila's Wheels brand esure lagged during the 12-month period. Heightened price competition in the motor insurance market led to concern about company profitability. Elsewhere, the Fund's holding in renewable energy developer Infinis Energy declined on concerns about the sustainability of subsidies supporting the rollout of new power generation technologies.

Investment activity

We purchased shares in specialist insurance business Lancashire Holdings, whose growth profile continues to benefit from its market-leading presence in several niche markets. In the leisure sector, we bought Tui Travel, which owns Thomson Holidays. The shares offer an attractive dividend yield, while the dividend is growing at a double-digit rate. There is scope for margins in its German business to increase and price competition from the traditional airlines is also abating. We participated in the initial public offering of renewable energy business Infinis given its high dividend yield and exposure to power prices, which we believe should rise in the medium term. Sales activity included gas exploration business BG after it disappointed investors with reduced production guidance. We also sold shares in Imperial Tobacco due to ongoing volume declines, increasing regulatory pressures and the growing competitive threat from e-cigarettes.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

UK Equity High Income Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Basic Materials (5.44%)	4.68
Consumer Goods (10.66%)	11.56
Consumer Services (14.71%)	14.67
Financials (21.66%)	22.21
Health Care (5.01%)	5.77
Industrials (13.16%)	13.41
Oil & Gas (15.51%)	10.76
Technology (0.54%)	0.56
Telecommunications (7.80%)	7.59
Utilities (4.37%)	4.58
Collective Investment Scheme (1.32%)	5.00
Net other liabilities (-0.18%)	(0.79)

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
HSBC	6.43
BP	5.51
SLI Seabury GBP VNAV Liquidity Fund	5.00
GlaxoSmithKline	3.89
Vodafone	3.66
BT	3.14
Royal Dutch Shell 'A'	3.02
Legal & General	2.92
British American Tobacco	2.76
Barclays	2.65

Standard Life Investment Company

Annual Short Report

UK Equity High Income Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	232,413	154.60	150,332,635
	28 February 2013	215,762	175.91	122,657,335
	28 February 2014	192,030	212.89	90,202,602
Institutional accumulation	29 February 2012	7,734	166.32	4,650,094
	28 February 2013	7,382	190.75	3,869,804
	28 February 2014	27,932	232.59	12,009,114
Retail income	29 February 2012	188,900	66.67	283,320,481
	28 February 2013	126,760	72.88	173,928,168
	28 February 2014	99,710	84.85	117,513,786
Institutional income	29 February 2012	173,664	71.74	242,070,776
	28 February 2013	188,939	79.01	239,129,117
	28 February 2014	92,441	92.68	99,738,790
Standard Life income	29 February 2012	47,915	49.40	96,987,775
	28 February 2013	51,490	54.87	93,840,851
	28 February 2014	63,478	64.91	97,798,546
Standard Life accumulation	29 February 2012	0	92.89	500
	28 February 2013	1	107.35	500
	28 February 2014	45	132.87	33,705
Institutional regulated accumulation	29 February 2012	66,120	178.56	37,030,408
	28 February 2013	63,969	205.69	31,099,335
	28 February 2014	69,727	251.94	27,675,758
Platform 1 accumulation	28 February 2013	787	61.06	1,289,030
	28 February 2014	8,937	74.44	12,005,493
Platform 1 income	28 February 2013	931	59.36	1,568,433
	28 February 2014	8,182	69.61	11,755,060
Institutional S accumulation	28 February 2014	1	55.89	1,200
Institutional S income	28 February 2014	1	54.64	1,200

Standard Life Investment Company

Annual Short Report

UK Equity High Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	5.5301	138.4	96.58
	2010	4.8713	157.1	120.6
	2011	5.4310	158.8	125.7
	2012	6.7332	162.7	140.7
	2013	6.8657	205.9	164.4
	2014***	3.3304	213.0	199.2
Institutional accumulation	2009	5.8102	146.5	101.7
	2010	5.1415	167.7	128.2
	2011	5.8039	171.2	134.9
	2012	7.2431	176.1	151.7
	2013	7.4523	224.7	178.1
	2014***	3.6328	232.7	217.5
Retail income	2009	2.7133	65.49	46.86
	2010	2.2859	71.69	56.18
	2011	2.4679	72.44	55.24
	2012	2.9337	68.59	60.67
	2013	2.8611	83.39	69.14
	2014***	1.3508	86.24	80.66
Institutional income	2009	2.8468	69.31	49.32
	2010	2.4112	76.48	59.70
	2011	2.6377	77.31	59.25
	2012	3.1520	74.05	65.41
	2013	3.1035	90.98	74.87
	2014***	1.4732	94.19	88.06
Standard Life income	2009	1.9046	46.87	33.12
	2010	1.6238	52.16	40.54
	2011	1.8020	52.88	40.66
	2012	2.1715	51.34	45.14
	2013	2.1569	63.63	51.93
	2014***	1.0292	65.95	61.64
Standard Life accumulation	2009	3.1613	81.19	55.92
	2010	1.6749	93.46	71.29
	2011	3.0753	95.88	75.67
	2012	4.0794	99.68	85.48
	2013	4.2242	128.2	100.9
	2014***	2.0713	132.9	124.2

Standard Life Investment Company

Annual Short Report

UK Equity High Income Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Institutional regulated accumulation	2009	6.1814	155.7	107.7
	2010	5.4543	179.0	136.5
	2011	6.2061	183.3	144.5
	2012	7.7874	189.8	163.0
	2013	8.0361	243.3	191.9
	2014***	3.9311	252.0	235.6
Platform 1 accumulation	2012*	0.6743	56.37	48.50
	2013	2.3934	71.93	57.00
	2014***	1.1615	74.47	69.62
Platform 1 income	2012*	0.6743	55.65	48.50
	2013	2.3671	68.33	56.27
	2014***	1.1057	70.74	66.14
Institutional S accumulation	2013**	0.3320	54.01	48.51
	2014***	0.8721	55.94	52.29
Institutional S income	2013**	0.3321	53.64	48.33
	2014***	0.8673	55.55	51.93
*from commencement of the share class on 17 May				
**from commencement of the share class on 25 July				
***to 28 February				

Standard Life Investment Company

Annual Short Report

UK Equity High Income Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.59%	1.59%
Institutional accumulation	0.84%	0.84%
Retail income	1.59%	1.59%
Institutional income	0.84%	0.84%
Standard Life income	0.01%	0.01%
Standard Life accumulation	0.09%	0.09%
Institutional regulated accumulation	0.39%	0.39%
Platform 1 accumulation	0.89%	0.89%
Platform 1 income	0.89%	0.89%
Institutional S accumulation	0.77%	-
Institutional S income	0.77%	-

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

UK Equity Recovery Fund

Investment Report

Fund Information

Fund Manager	David Cumming
Launch Date	6 March 2009
Benchmark	IMA UK All Companies Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of UK companies or companies which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. "UK companies" will include companies incorporated in the UK or companies listed on a UK stock exchange which may not be incorporated in the UK or have the majority of their economic activity in the UK.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The concentrated nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of sector or stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets and should therefore have an investment time horizon of at least 5 years.

Performance

During the period under review, the Fund returned 23.94%, compared to the IMA UK All Companies sector average of 19.45% (source: Morningstar).

Iberia and British Airways owner International Consolidated Airlines Group was the Fund's largest contributor during the period. Greater stability at Iberia following restructuring measures and ongoing strength in British Airways' lucrative transatlantic routes allowed the company to increase profit guidance to the benefit of the shares. Meanwhile, Flybe shares rose as new management outlined

the first elements of its plan to strip out costs and reorganise the airline along more profitable lines. Elsewhere, electrical goods retailer Darty also featured strongly after announcing better-than-expected half-year results. Sales growth in its core French market was particularly positive, allowing it take market share. On the downside, Essar Energy reported higher losses than expected due to increased interest charges, foreign exchange and depreciation costs on top of a fall in global refining margins. This came amid market concerns about whether progress would be made on winning new power contracts. In mining, Vedanta shares underperformed as iron ore extraction and transportation was banned in Goa, while it also announced worse-than-expected debt levels. Glencore Xstrata shares were similarly weak, primarily in response to lower coal prices, while Barclays' rights issue, imposed by the regulator due to its preference for a higher capital leverage ratio, weighed on the bank's shares.

Investment activity

During the period we bought shares in F&C Asset Management, where the mix in assets is shifting decisively in favour of higher-margin consumer and institutional money. Cost cutting should also drive further earnings growth. The Fund purchased shares in mining company Hochschild Mining, which is highly geared to any improvement in gold and silver prices. The company's per-unit production costs have come down significantly, while its impending ramp-up in production should see this number decline further. A deal to acquire minority stakes in other projects should also be accretive to earnings. The Fund was particularly active in the banking sector selling the holding in Royal Bank of Scotland following a re-rating of the shares as UK retail exposed banks came into favour. We still foresee some tough times ahead for the bank, particularly the risk of litigation and further regulatory penalties, which we do not think the valuation adequately reflects. We also took profits from shares in Lloyds Banking, which have performed very well as margins have benefited from reduced competition for deposits and increased lending volumes created by a recovering housing market.

The following table highlights the material (greater than 5% of opening Net Asset Value) sales made to the portfolio in the year to 28 February 2014.

Sales	Proceeds £'000
Royal Bank of Scotland	2,430
Other sales	29,878
Total sales	32,308

During the year the Fund made total purchases of £25,606,000.

Standard Life Investment Company

Annual Short Report

UK Equity Recovery Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk
Typically lower rewards

Higher risk
Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Basic Materials (17.82%)	20.98
Consumer Goods (7.70%)	6.02
Consumer Services (15.33%)	18.69
Financials (31.87%)	26.01
Industrials (14.85%)	14.09
Oil & Gas (11.04%)	9.73
Telecommunications (2.04%)	1.27
Collective Investment Scheme (0.00%)	0.76
Net other assets (-0.65%)	2.45

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
International Consolidated Airlines	5.12
BP	4.88
HSBC	4.83
Rio Tinto	4.82
Barclays	4.60
Songbird Estates	4.39
GKN	3.87
Flybe	3.29
Glencore	3.19
Standard Chartered	2.87

Standard Life Investment Company

Annual Short Report

UK Equity Recovery Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	8,461	110.74	7,640,575
	28 February 2013	13,592	140.15	9,698,229
	28 February 2014	9,685	172.76	5,606,038
Institutional accumulation	29 February 2012	8,081	113.27	7,134,664
	28 February 2013	10,535	144.49	7,291,312
	28 February 2014	12,278	179.55	6,838,447
Standard Life income	29 February 2012	2,863	108.95	2,628,175
	28 February 2013	3,004	137.23	2,189,079
	28 February 2014	3,554	168.35	2,111,212
Standard Life accumulation	29 February 2012	10,247	116.06	8,828,352
	28 February 2013	10,479	149.24	7,021,801
	28 February 2014	13,589	186.95	7,268,889
Platform 1 accumulation	28 February 2013	8	72.52	11,144
	28 February 2014	366	90.04	406,199

Standard Life Investment Company

Annual Short Report

UK Equity Recovery Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009*	-	108.9	47.74
	2010	0.8181	125.4	90.86
	2011	0.5566	128.2	80.93
	2012	0.8528	126.5	89.00
	2013	1.1339	164.3	128.9
	2014***	1.1712	174.2	161.5
Institutional accumulation	2009*	-	109.4	47.74
	2010	1.5194	127.2	91.76
	2011	1.4642	130.2	82.60
	2012	1.7187	130.3	91.23
	2013	2.0721	170.5	132.7
	2014***	2.4685	181.0	167.8
Standard Life income	2009*	-	109.9	47.75
	2010	2.3046	126.3	90.76
	2011	2.4239	129.5	81.16
	2012	2.6009	126.2	87.95
	2013	2.9707	163.2	128.6
	2014***	3.6729	173.4	160.6
Standard Life accumulation	2009*	-	109.9	47.74
	2010	2.2301	129.0	92.72
	2011	2.3907	132.2	84.46
	2012	2.6208	116.1	93.68
	2013	3.0687	177.4	136.9
	2014***	3.8626	188.4	174.6
Platform 1 accumulation	2012**	-	65.38	45.78
	2013	0.5671	85.54	66.59
	2014***	1.1597	90.76	84.15
*from launch of the Fund on 6 March				
**from commencement of the share class on 17 May				
***to 28 February				

Standard Life Investment Company

Annual Short Report

UK Equity Recovery Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.72%	1.73%
Institutional accumulation	0.92%	0.93%
Standard Life income	0.04%	0.05%
Standard Life accumulation	0.12%	0.13%
Platform 1 accumulation	1.02%	1.03%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

UK Ethical Fund

Investment Report

Fund Information

Fund Manager	Lesley Duncan
Launch Date	20 September 1998
Benchmark	IMA UK Ethical Sub Sector of the IMA UK All Companies Sector

Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. Investments will comply with certain ethical criteria. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. The Ethical criteria will be agreed with the Standard Life Ethical Committee and may be amended from time-to-time as considered necessary. In addition to excluding such companies which fail to meet the prescribed ethical standards, the ACD will seek to include companies whose business activities are regarded as making a positive contribution in terms of preserving the environment or improving the quality and safety of human life.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes that each comply with the ethical criteria.

Risk

The nature of the portfolio affords investors a focused investment approach, whilst affording proper diversification across ethically acceptable mainly UK equity exposure. The investor must be able to accept significant temporary losses due to both the volatile nature of equity markets, and the potentially restricted investment universe enforced by ethical criteria, and should therefore have an investment time horizon of at least 5 years.

Performance

During the period under review, the Fund returned 26.19%, compared to the Ethical sub-sector of the IMA UK All Companies sector average of 21.15% (source: Morningstar).

The Fund's outperformance during the period under review was boosted significantly by the holding in online fashion retailer ASOS. The company continues to exhibit strong sales growth in its core UK market, while plans to expand overseas, into Russia and China in particular, attracted new buyers to the stock. Whitbread also buoyed returns following greater clarity on the Costa Coffee business' long-term growth prospects and store roll-out programme. Elsewhere, plant hire group Ashtead also featured strongly, benefiting from its customers continuing preference to hire machinery rather than buy. This has supported pricing and boosted capacity utilisation to the ultimate benefit of returns. The Fund's position in Standard Chartered was a notable laggard as investor concern regarding slowing emerging market growth, while the bank also suffered earnings downgrades due to a restructuring charge in its Korean consumer division and slowing activity in the rates business. International Personal Finance detracted from performance as the shares fell sharply following a fine levied by a Polish consumer protection agency. Management is contesting the decision and is confident that the business will be unaffected by the news. Lastly, Tullow Oil disappointed again, announcing poor exploration news in Ethiopia and Norway, which prompted share price weakness.

Investment activity

We purchased additional shares in Ted Baker where a positive management update highlighted the growth potential from its international expansion and margin upside potential. Similarly, we also added to industrial equipment business Fenner after an encouraging meeting with management. This indicated that Australian mining capital expenditure has bottomed out and its engineering products business continues to experience a broad-based recovery. Sales activity included the divestment of the Fund's position in telecommunications company TalkTalk Telecom. The launch of the YouView television service has hurt margins due to set-top box subsidies, while we are becoming more sceptical about any margin recovery as competition for customers intensifies. Elsewhere, we reduced a number of holdings to take profits following strong outperformance. These included Ashtead, Inmarsat and Lloyds Banking.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

UK Ethical Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards				Higher risk Typically Higher rewards		
1	2	3	4	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Basic Materials (3.97%)	1.61
Consumer Goods (12.53%)	22.06
Consumer Services (12.78%)	16.43
Financials (17.54%)	13.62
Industrials (23.48%)	22.04
Oil & Gas (7.39%)	5.48
Technology (6.26%)	4.91
Telecommunications (8.14%)	8.19
Utilities (3.12%)	-
Net other assets (4.79%)	5.66

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
ASOS	3.09
Smith (DS)	2.94
Whitbread	2.80
Barclays	2.73
Howden Joinery	2.59
Vodafone	2.59
Standard Chartered	2.49
Ashtead	2.46
BG	2.45
BT	2.36

Standard Life Investment Company

Annual Short Report

UK Ethical Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	95,784	89.53	106,984,852
	28 February 2013	115,909	107.50	107,817,867
	28 February 2014	121,916	134.86	90,399,951
Institutional accumulation	29 February 2012	15,018	96.72	15,526,868
	28 February 2013	22,158	117.02	18,935,411
	28 February 2014	48,680	147.91	32,911,526
Standard Life accumulation	29 February 2012	3	103.25	3,000
	28 February 2013	4	125.86	3,000
	28 February 2014	96	160.35	59,710
Institutional regulated accumulation	29 February 2012	20,587	62.87	32,743,567
	28 February 2013	20,239	76.41	26,488,105
	28 February 2014	24,172	97.01	24,917,784
Platform 1 accumulation	28 February 2013	1,192	64.71	1,842,399
	28 February 2014	18,600	81.76	22,748,425

Standard Life Investment Company

Annual Short Report

UK Ethical Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2009	1.3278	68.85	43.77
	2010	0.8035	85.40	64.96
	2011	0.6255	90.64	72.94
	2012	1.0382	97.95	80.68
	2013	1.1486	131.2	99.60
	2014***	1.3196	136.1	127.0
Institutional accumulation	2009	1.8792	73.12	46.24
	2010	1.3319	91.47	69.25
	2011	1.2774	97.45	78.56
	2012	1.7897	106.5	87.06
	2013	1.9950	143.8	108.3
	2014***	2.4746	149.2	139.2
Standard Life accumulation	2009*	0.0579	76.62	48.13
	2010	1.9243	96.82	72.80
	2011	2.1125	103.6	83.62
	2012	2.6043	114.4	92.84
	2013	2.9543	155.7	116.4
	2014***	3.7256	161.8	150.9
Institutional regulated accumulation	2009	1.3920	47.04	29.65
	2010	1.0399	59.16	44.66
	2011	1.0609	63.17	50.98
	2012	1.4225	69.46	56.56
	2013	1.5937	94.22	70.67
	2014***	1.9713	97.87	91.30
Platform 1 accumulation	2012**	-	58.86	48.59
	2013	0.7520	79.47	59.89
	2014***	1.3516	82.49	76.97

*from commencement of the share class on 24 February

**from commencement of the share class on 17 May

***to 28 February

Standard Life Investment Company Annual Short Report

UK Ethical Fund

Comparative Tables (continued)

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.60%	1.60%
Institutional accumulation	0.85%	0.85%
Standard Life accumulation	0.10%	0.10%
Institutional regulated accumulation	0.40%	0.40%
Platform 1 accumulation	0.90%	0.90%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

UK Gilt Fund

Investment Report

Fund Information	
Fund Manager	Sebastian Mackay
Launch Date	18 September 1998
Benchmark	IMA UK Gilt Sector

Investment objective

The objective of the Fund is to provide a high level of income with capital appreciation being of secondary importance.

Investment policy

The investment policy of the Fund is to invest mostly in UK Government securities. The Fund may also invest in other fixed interest securities, other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

Whilst the level of income provision is likely to be relatively stable, the investor must be able to accept temporary capital losses due to the volatile nature of the investments, and should therefore have an investment time horizon of 3 to 5 years.

Performance

The UK Gilt Fund returned -1.97% over the twelve months, in comparison with an IMA sector return of -1.63% (source: Morningstar).

Over the first six months of the period, yield curve positioning (for steepening) detracted from returns. The higher yields available at the longer-dated end encouraged liability investors to be more active and this compounded a sharp flattening of the yield curve. Holdings in Norwegian and Australian bonds were positive contributors as both outperformed gilts. An overweight in 30-year gilts versus 10-year gilts was also beneficial.

In the last six months, short duration positioning was a performance positive, particularly in December. Relative positioning in 5-year UK gilts versus 3-year Australian bonds also added to returns. The UK short dated sector came under considerable pressure once the US Fed decided to taper and the front end of the Australian curve was firm. Favouring European rates over Japan was also a positive contributor.

Investment activity

As downside risks to the global economy diminished, bond markets looked vulnerable and the Fund adopted a short duration strategy. An overweight position in 7-year gilts at the expense of 30-year gilts

was held until July and then reversed. Cross market positions out of gilts into Canadian and Norwegian government bonds were closed in May and July respectively. An overweight position in Australian government bonds was closed in June after those bonds performed well relative to other markets. The Fund continued to hold short-dated inflation-linked gilts in expectation of continued overshoots of RPI inflation relative to market expectations.

Short duration positioning was maintained through the second half of the reporting period, again in order to benefit from an anticipated rise in bond yields. The Fund's overweight position in 30-year gilts was reduced on the view that while LDI demand for long-dated gilts was likely to continue, the backlog created by the uncertainty over the RPI review at the beginning of the year had been cleared. We also started to reduce a long-held position in short-dated index-linked after implied inflation reached the upper end of its recent range. We acquired a new position in 3-year Australian bonds while remaining short of 5-year gilts. We took the view that declining trend growth in Australia would cap future interest rate increases while in the UK surprisingly strong growth would increase pressure on the monetary policy committee to hike rates sooner than previously indicated.

The following tables highlight the top ten purchases and sales made to the portfolio in the year to 28 February 2014.

Purchases	Cost £'000
UK (Govt of) 5% 2025	15,026
UK (Govt of) 1.25% 2018	12,425
UK (Govt of) 1.25% Index-Linked 2017	7,850
UK (Govt of) 3.75% 2020	7,493
UK (Govt of) 2.25% 2014	7,367
UK (Govt of) 2% 2016	7,160
UK (Govt of) 5% 2014	6,424
UK (Govt of) 3.25% 2044	6,345
UK (Govt of) 4% 2022	5,380
UK (Govt of) 3.75% 2021	5,032
Others (those not listed above)	48,618
Total purchases	129,120

Standard Life Investment Company

Annual Short Report

UK Gilt Fund

Investment Report (continued)

Sales	Proceeds £'000
UK (Govt of) 5% 2025	15,133
UK (Govt of) 2.25% 2014	14,445
UK (Govt of) 1.25% 2018	11,795
UK (Govt of) 3.75% 2020	10,239
UK (Govt of) 1.25% Index-Linked 2017	7,683
UK (Govt of) 2% 2016	7,218
UK (Govt of) 1% 2017	6,587
UK (Govt of) 4.75% 2030	5,903
UK (Govt of) 1.75% 2022	5,026
UK (Govt of) 4% 2022	5,024
Others (those not listed above)	44,577
Total sales	133,630

Synthetic Risk & Reward Indicator

Lower risk **Higher risk**
Typically lower rewards Typically Higher rewards

1	2	3	4	5	6	7
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This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Euro Denominated Government Bonds (3.77%)	-
Sterling Denominated Corporate Bonds (7.00%)	5.19
Gilts (88.22%)	90.02
Index-Linked Bond (0.00%)	1.42
Collective Investment Scheme (0.41%)	2.61
Derivatives (-0.24%)	(0.06)
Net other assets (0.84%)	0.82

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
UK (Govt of) 5% 2014	10.70
KFW 3.75% 2016	5.19
UK (Govt of) 4% 2022	3.51
UK (Govt of) 3.25% 2044	3.34
UK (Govt of) 4.25% 2032	3.33
UK (Govt of) 5% 2018	3.30
UK (Govt of) 4.75% 2020	3.19
UK (Govt of) 2.75% 2015	2.93
UK (Govt of) 4.75% 2030	2.92
UK (Govt of) 4.25% 2027	2.82

Standard Life Investment Company

Annual Short Report

UK Gilt Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	89,319	64.58	138,312,067
	28 February 2013	53,422	65.53	81,517,244
	28 February 2014	37,710	64.18	58,755,941
Institutional accumulation	29 February 2012	3,686	66.04	5,582,651
	28 February 2013	3,876	67.29	5,760,437
	28 February 2014	12,334	66.16	18,642,295
Retail income	29 February 2012	10,614	42.65	24,886,737
	28 February 2013	8,330	42.79	19,468,580
	28 February 2014	5,428	41.47	13,089,601
Institutional income	29 February 2012	10,194	42.64	23,908,254
	28 February 2013	10,477	42.77	24,493,303
	28 February 2014	11,306	41.46	27,272,318
Standard Life accumulation	29 February 2012	9,743	70.37	13,845,270
	28 February 2013	9,881	71.99	13,725,550
	28 February 2014	9,780	71.07	13,759,677
Platform 1 accumulation	28 February 2013	93	49.82	185,758
	28 February 2014	1,240	49.03	2,529,256
Platform 1 income	28 February 2013	449	49.25	912,706
	28 February 2014	2,363	47.80	4,944,245

Standard Life Investment Company

Annual Short Report

UK Gilt Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	1.1535	56.42	51.91
	2010	1.0417	59.26	53.72
	2011	1.0410	65.56	55.84
	2012	0.8679	67.60	63.17
	2013	0.6536	67.65	62.71
	2014*	0.3476	64.27	63.00
Institutional accumulation	2009	1.3113	57.08	52.38
	2010	1.1996	60.27	54.40
	2011	1.2738	66.99	56.89
	2012	1.1490	69.24	64.61
	2013	0.9476	69.51	64.53
	2014*	0.4884	66.26	64.90
Retail income	2009	0.8137	39.23	36.66
	2010	0.7404	40.41	36.95
	2011	0.6978	43.60	37.82
	2012	0.5751	44.65	41.72
	2013	0.4323	44.18	40.74
	2014*	0.2258	41.75	40.92
Institutional income	2009	0.9476	39.17	36.65
	2010	0.8474	40.46	36.89
	2011	0.8413	43.64	37.86
	2012	0.7453	44.70	41.72
	2013	0.6034	44.19	40.74
	2014*	0.3084	41.82	40.97
Standard Life accumulation	2009	1.6728	60.38	55.26
	2010	1.5920	63.84	57.66
	2011	1.6006	71.34	60.36
	2012	1.5077	73.89	68.87
	2013	1.3008	74.42	69.19
	2014*	0.6639	71.17	69.67

Standard Life Investment Company

Annual Short Report

UK Gilt Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Platform 1 accumulation	2012**	0.2226	51.34	49.83
	2013	0.6808	51.53	47.83
	2014*	0.3686	49.10	48.10
Platform 1 income	2012**	0.2226	51.34	49.62
	2013	0.7458	50.97	46.97
	2014*	0.3509	48.21	47.23

*to 28 February

**from commencement of the share class on 22 May

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.11%	1.11%
Institutional accumulation	0.61%	0.61%
Retail income	1.11%	1.11%
Institutional income	0.61%	0.61%
Standard Life accumulation	0.11%	0.11%
Platform 1 accumulation	0.66%	0.66%
Platform 1 income	0.66%	0.66%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

UK Opportunities Fund

Investment Report

Fund Information

Fund Manager	Caspar Trenchard
Launch Date	25 November 2002
Benchmark	FTSE All-Share (ex FTSE 100 and Investment Trusts) Index

Investment objective

The objective of the Fund is to provide capital growth over the longer term mainly through investment in small and medium size UK companies. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and / or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Performance

During the period under review, the Fund returned 32.84%, compared to the FTSE All-Share (ex 100, ex IT) Index £ return of 29.12% (source: Morningstar).

The Fund's position in software business Kofax was the largest contributor to performance during the period. The company continues to enjoy strong order flow for its smart process applications. Similarly, Fusionex International, the provider of enterprise software products, outperformed on strong demand for its analytics and big data solutions. Food manufacturer Premier Foods also featured strongly, as it continued to show progress with its restructuring plan, including a refinancing of its debt. On the downside, technology-led plastics business Carclo was the Fund's main detractor, as it announced that lower-than-expected sales at its conductive inkjet technology business would reduce full-year profitability. Meanwhile, shares in Nanoco, maker of quantum dots for use in the new generation of television sets, lagged as a result of investor concerns about the company's ability to commercialise its technology.

Investment activity

During the period, the Fund acquired a new core holding in wholesale cash-and-carry business Booker. The company's strong value positioning is helping it to gain market share, particularly in higher-margin pub and restaurant wholesaling, while its plans to launch a discount convenience store format should add further growth. Shares in landscape, driveway and garden products business Marshalls were also purchased. We are particularly attracted by the management team's approach to product innovation and cost efficiencies, which are driving strong robust growth in profitability. Sales activity included a reduction in the position in plant hire specialist Speedy Hire following uncertainty over accounting irregularities. Elsewhere, profits were taken in payment processing business Optimal Payments and small-cap broker Cenkos Securities after strong appreciation in the shares.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards				Higher risk Typically Higher rewards		
1	2	3	4	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Standard Life Investment Company

Annual Short Report

UK Opportunities Fund

Investment Report (continued)

Composition of Portfolio	%
as at 28 February 2014	
Basic Materials (6.14%)	5.37
Consumer Goods (11.44%)	12.79
Consumer Services (18.06%)	20.60
Financials (17.22%)	11.91
Health Care (2.61%)	4.47
Industrials (20.48%)	20.74
Oil & Gas (10.12%)	7.82
Technology (12.44%)	15.99
Telecommunications (2.06%)	0.55
Collective Investment Scheme (0.00%)	0.00
Net other liabilities (-0.57%)	(0.24)

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Man Strategic Holdings	3.17
Carphone Warehouse	2.96
Premier Foods	2.93
BTG	2.93
easyJet	2.54
ARM	2.45
Henry Boot	2.29
Fusionex International	2.29
Kofax	2.26
3i	2.15

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Standard Life Investment Company

Annual Short Report

UK Opportunities Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	65,844	128.21	51,355,114
	28 February 2013	55,963	150.11	37,282,313
	28 February 2014	56,513	199.86	28,275,508
Institutional accumulation	29 February 2012	2,255	138.70	1,625,419
	28 February 2013	2,196	163.61	1,342,075
	28 February 2014	7,230	219.50	3,293,816
Retail income	29 February 2012	4,880	120.87	4,037,524
	28 February 2013	3,305	140.37	2,354,710
	28 February 2014	2,738	185.22	1,478,363
Institutional income	29 February 2012	4,761	121.88	3,906,194
	28 February 2013	3,151	141.66	2,224,136
	28 February 2014	3,961	187.47	2,112,759
Standard Life income	29 February 2012	0	53.57	500
	28 February 2013	0	62.29	500
	28 February 2014	0	82.43	500
Standard Life accumulation	29 February 2012	1	143.99	1,000
	28 February 2013	3	171.26	2,025
	28 February 2014	231	231.68	99,796
Institutional regulated accumulation	29 February 2012	88,376	95.52	92,524,615
	28 February 2013	84,409	113.19	74,573,905
	28 February 2014	102,175	152.52	66,989,609
Platform 1 accumulation	28 February 2013	51	66.26	76,329
	28 February 2014	1,696	88.87	1,907,895
Platform 1 income	28 February 2013	14	65.94	21,000
	28 February 2014	837	87.25	959,646

Standard Life Investment Company

Annual Short Report

UK Opportunities Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	0.8126	139.3	75.64
	2010	0.1951	152.6	120.6
	2011	0.4800	158.1	102.0
	2012	1.1419	133.4	105.9
	2013	1.4685	184.0	135.5
	2014*	0.0000	199.9	184.1
Institutional accumulation	2009	1.6236	147.9	79.99
	2010	0.9855	163.4	128.7
	2011	1.2027	169.3	110.2
	2012	2.1790	145.2	114.4
	2013	2.5613	201.8	147.5
	2014*	0.3294	219.5	202.0
Retail income	2009	0.7764	132.5	72.24
	2010	0.1840	144.9	114.7
	2011	0.4561	150.0	96.27
	2012	1.0761	124.7	99.92
	2013	1.3743	170.5	126.7
	2014*	0.0000	185.2	170.6
Institutional income	2009	1.4749	132.9	72.39
	2010	0.8580	145.9	115.4
	2011	1.0773	151.2	97.26
	2012	1.9302	126.0	101.0
	2013	2.2161	172.6	127.9
	2014*	0.2322	187.5	172.8
Standard Life income	2009	0.9885	58.57	31.83
	2010	0.8255	64.37	50.92
	2011	0.9581	66.76	42.85
	2012	1.2640	55.50	44.51
	2013	1.4938	76.07	56.38
	2014*	0.4207	82.43	76.21
Standard Life accumulation	2009	2.4675	150.8	81.09
	2010	2.0949	168.4	132.0
	2011	2.5004	174.6	114.2
	2012	3.3310	151.7	118.6
	2013	3.9549	212.7	154.1
	2014*	1.1771	231.7	213.1

Standard Life Investment Company

Annual Short Report

UK Opportunities Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Institutional regulated accumulation	2009	1.4172	100.9	54.37
	2010	1.0849	112.2	88.04
	2011	1.2913	116.3	75.77
	2012	1.9066	100.4	78.69
	2013	2.2605	140.1	102.0
	2014*	0.4963	152.5	140.3
Platform 1 accumulation	2012**	0.1142	58.78	48.51
	2013	1.0713	81.70	59.71
	2014*	0.1243	88.87	81.81
Platform 1 income	2012**	0.1142	58.66	48.51
	2013	1.0635	80.32	59.58
	2014*	0.1147	87.25	80.42

*to 28 February

**from commencement of the share class on 25 May

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.60%	1.60%
Institutional accumulation	0.85%	0.85%
Retail income	1.60%	1.60%
Institutional income	0.85%	0.85%
Standard Life income	0.02%	0.02%
Standard Life accumulation	0.10%	0.10%
Institutional regulated accumulation	0.40%	0.40%
Platform 1 accumulation	0.90%	0.90%
Platform 1 income	0.90%	0.90%

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company

Annual Short Report

UK Smaller Companies Fund

Investment Report

Fund Information

Fund Manager	Harry Nimmo
Launch Date	20 September 1998
Benchmark	IMA UK Smaller Companies Sector

Investment objective

The objective of the Fund is to provide capital growth over the longer term through investment in smaller companies in the UK Equity market. It is intended that income will not be a prime consideration.

Investment policy

The investment policy of the Fund is to invest mostly in smaller companies in the UK Equity market (excluding Investment Trusts). Investments can be made in equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

Risk

The focused nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of this area of the UK equity markets, and should therefore have an investment time horizon of at least 5 years.

Performance

During the period under review, the Fund returned 31.91%, compared to the IMA UK Smaller Companies sector average of 33.94% (source: Morningstar).

Betting company Paddy Power was the main detractor from returns due to disappointing results, which management blamed on adverse sporting results and persistently high investment levels in its rapidly growing overseas businesses. Elsewhere, the Fund's holding in healthcare software business EMIS lagged on slowing growth, while lighting business Dialight suffered poor trading towards the end of the period, which dragged the shares lower. More positively, online fashion retailer ASOS was the Fund's largest contributor during the period. The company enjoyed accelerating sales growth in its core markets during the year, while plans to expand overseas attracted new buyers of the shares. The low-cost multi-utility service provider Telecom Plus was another notable outperformer, benefiting from the ongoing political scrutiny of the energy sector, as investors speculated the business may win market share from its larger, embattled competitors. A deal to acquire customer licences from larger rival nPower was also welcomed as the transaction looks set to accelerate the company's growth. Online real estate business Rightmove boosted returns further as it continued to benefit from the recovering UK housing market.

Investment activity

Purchases during the period included industrial inkjet printhead business Xaar. The company's proprietary printer technology, notable for its use in the design of kitchen and bathroom tiles, has made its products the industry standard - a development we believe should sustain growth over the long term. Shares in marine engineering business Fisher (J) & Sons were also added to the Fund. Equipment rental to the offshore oil and gas industry continues to enjoy robust demand, while expansion overseas into a number of niche businesses is fuelling further growth. Elsewhere, we bought shares in Ricardo, an engineering consultancy specialising in the auto market. The strong car market and the trend towards lower-emission, more fuel-efficient engines should see the company continue to grow longer term. Sales activity included the divestment of Domino's Pizza shares during the period. The holding returned a substantial profit for Fund holders, but delayed expansion in Germany and concerns over the sustainability of demand trends in the UK led us to dispose of the holding. Shares in Genus, the animal breeding biotechnology business, were also sold. With a full valuation and earnings downgrades coming though, it is difficult to discern what will generate the growth required to prompt further outperformance.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 28 February 2014.

Standard Life Investment Company

Annual Short Report

UK Smaller Companies Fund

Investment Report (continued)

Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards				Higher risk Typically Higher rewards		
1	2	3	4	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Composition of Portfolio	%
as at 28 February 2014	
Basic Materials (2.20%)	1.01
Consumer Goods (21.17%)	17.51
Consumer Services (15.77%)	15.73
Financials (11.55%)	16.28
Health Care (8.24%)	5.08
Industrials (21.90%)	20.63
Oil & Gas (2.17%)	3.31
Technology (11.86%)	10.48
Telecommunications (4.92%)	5.22
Collective Investment Scheme (0.72%)	4.92
Net other liabilities (-0.50%)	(0.17)

The percentage figures in brackets show the comparative holding as at 28 February 2013.

Ten Largest Holdings (by market value)	%
as at 28 February 2014	
Telecom Plus	5.22
SLI Seabury GBP VNAV Liquidity Fund	4.92
ASOS	4.87
Rightmove	4.67
SuperGroup	4.00
Hargreaves Lansdown	3.36
Abcam	3.02
Ted Baker	2.90
Workspace	2.86
PayPoint	2.86

Standard Life Investment Company

Annual Short Report

UK Smaller Companies Fund

Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	29 February 2012	523,460	299.32	174,885,789
	28 February 2013	526,490	359.40	146,492,550
	28 February 2014	518,112	475.37	108,990,710
Institutional accumulation	29 February 2012	253,220	338.14	74,886,750
	28 February 2013	302,470	409.28	73,903,261
	28 February 2014	440,266	545.71	80,677,821
Institutional income	28 February 2014	7,002	64.14	10,916,632
Standard Life income	29 February 2012	8,377	88.58	9,457,394
	28 February 2013	6,502	106.19	6,123,253
	28 February 2014	8,747	140.42	6,229,485
Standard Life accumulation	29 February 2012	3	113.45	2,500
	28 February 2013	48	138.44	34,371
	28 February 2014	2,099	186.24	1,127,184
Institutional regulated accumulation	29 February 2012	242,807	166.43	145,893,915
	28 February 2013	264,217	202.24	130,644,078
	28 February 2014	343,923	270.73	127,034,559
Platform 1 accumulation	28 February 2013	3,862	60.97	6,334,126
	28 February 2014	31,936	81.22	39,319,315
Institutional S accumulation	28 February 2014	106,192	58.91	180,259,205
Institutional S income	28 February 2014	399	58.42	683,200

Standard Life Investment Company

Annual Short Report

UK Smaller Companies Fund

Comparative Tables (continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2009	1.1652	201.5	135.0
	2010	1.3100	298.9	198.3
	2011	0.5837	334.3	260.6
	2012	0.9828	331.1	270.0
	2013	1.3232	453.4	333.9
	2014*****	1.1472	475.7	452.5
Institutional accumulation	2009	2.7355	223.6	149.0
	2010	2.9034	334.8	220.5
	2011	2.7208	375.7	293.8
	2012	3.7486	376.6	304.7
	2013	4.3738	519.8	379.8
	2014*****	5.1493	546.1	519.0
Institutional income	2013*	-	62.17	49.13
	2014*****	1.1258	65.05	62.08
Standard Life income	2009	1.1671	60.76	40.24
	2010	1.2202	89.83	59.95
	2011	1.3340	99.58	78.26
	2012	1.6868	99.39	81.23
	2013	1.9706	135.9	100.3
	2014*****	2.3911	142.3	135.7
Standard Life accumulation	2009**	0.0052	73.84	48.91
	2010	1.4637	111.4	72.86
	2011	1.5883	125.5	98.35
	2012	2.0316	127.2	102.1
	2013	2.4079	177.2	128.3
	2014*****	3.0292	186.4	177.0
Institutional regulated accumulation	2009	1.7492	109.1	72.44
	2010	1.8354	164.0	107.6
	2011	1.9380	184.4	144.5
	2012	2.4760	186.0	149.9
	2013	2.8650	257.7	187.6
	2014*****	3.4694	270.9	257.4
Platform 1 accumulation	2012***	-	56.10	48.39
	2013	0.3709	77.38	56.58
	2014*****	0.7152	81.28	77.26

Standard Life Investment Company

Annual Short Report

UK Smaller Companies Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Institutional S accumulation	2013****	-	56.10	49.22
	2014*****	0.2926	58.95	56.02
Institutional S income	2013****	-	56.10	49.22
	2014*****	0.4906	58.71	56.03

*from commencement of the share class on 12 March

**from commencement of the share class on 24 February

***from commencement of the share class on 17 May

****from commencement of the share class on 26 July

*****to 28 February

Ongoing Charges Figure (OCF)

	2014	2013
Retail accumulation	1.69%	1.69%
Institutional accumulation	0.89%	0.89%
Institutional income	0.89%	-
Standard Life income	0.01%	0.01%
Standard Life accumulation	0.09%	0.09%
Institutional regulated accumulation	0.49%	0.49%
Platform 1 accumulation	0.99%	0.99%
Institutional S accumulation	0.77%	-
Institutional S income	0.77%	-

The ongoing charges figure (OCF) shows the annualised operating expenses of each share class as a percentage of the average net asset value of the class over the same period.

Standard Life Investment Company Annual Short Report

Further Information

Report and financial statements

Investors who deal directly with the ACD will receive a report on Standard Life Investment Company Funds twice a year. This will be a Short Report, the Long Report being available on request from Standard Life Investment Company at our Edinburgh address. The report provides information on the performance of the sub-funds, the market background and details of each of the portfolios. The annual accounting year for the sub-funds finishes on the last day of February and the interim accounting period finishes on 31 August.

Prospectus

A Prospectus, which describes each Fund in detail, is available from Standard Life Investment Company at the Edinburgh address.

Publication of Prices

The most recent share prices are published daily on our website at: www.standardlifeinvestments.co.uk

Cancellation Rights

Under certain circumstances, investors will have the right to cancel a deal. Please refer to the Prospectus for full details.

Buying and Selling Shares

There are different processes for buying and selling shares. The majority of investors will invest through Standard Life Savings Limited. Certain investors will not invest through Standard Life Savings Limited. They will deal directly with the ACD. This will apply where an investor chooses to deal directly with the ACD to persons who are introduced by Standard Life Investments Specialist Sales Team.

Investors wishing to invest in any of the Funds can contact their usual financial advisor or telephone **Standard Life Savings Limited or Standard Life Investments (Mutual Funds) Ltd on freephone 0845 279 3003 or 00 44 131 245 26 76** if outwith the UK. A completed application form can be sent to Standard Life Investments (Mutual Funds) Ltd or Standard Life Savings Ltd, 1 George Street, Edinburgh, EH2 2LL.

Minimum Investment

The minimum initial investment in shares varies from Fund to Fund. Please refer to the Prospectus for full details.

Minimum Redemption

It is possible to sell all or part of a holding at any time. Please refer to the Prospectus for full details.

Switching

At any time, an investor may switch some or all of the shares in one class/Fund for shares in another class/Fund. Switching instructions can either be given on 0845 279 3003, or in writing to Standard Life Investments (Mutual Funds) Limited.

UCITS

The Funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the Funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

Dilution Adjustment

A dilution adjustment can be applied in certain circumstances. Please refer to the Prospectus for full details.

Standard Life Investment Company

Annual Short Report

Further Information (continued)

Distributions

Distribution of income (if any) to holders of income shares will be made on the income allocation dates shown in the table below. Allocation of income to holders of accumulation shares will be transferred to the capital property of each Fund on the first business day following the end of the income allocation period and be reflected in the value of the shares.

Cautionary Note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and therefore, investors may not get back the amount originally invested.

Fund Name	Income Allocation Periods	Income Allocation Dates
American Equity Unconstrained Fund Asian Pacific Growth Fund European Equity Growth Fund Global Emerging Markets Equity Fund Global Equity Unconstrained Fund Global Smaller Companies Fund Japanese Equity Growth Fund UK Equity Growth Fund UK Equity Recovery Fund UK Ethical Fund UK Smaller Companies Fund	1 March - 28 February (or 29 February)	30 April
Emerging Market Debt Fund Global Advantage Fund UK Equity High Income Fund UK Gilt Fund UK Opportunities Fund	1 March - 31 August 1 September - 28 February (or 29 February)	31 October 30 April
AAA Income Fund Corporate Bond Fund European Equity Income Fund Global Emerging Markets Equity Income Fund Global Equity Income Fund Higher Income Fund Short Duration Credit Fund UK Equity High Alpha Fund	1 March - 31 May 1 June - 31 August 1 September - 30 November 1 December - 28 February (or 29 February)	31 July 31 October 31 January 30 April

