



**Standard Life Investments (USA) Limited  
1 Beacon Street 34<sup>th</sup> Floor  
Boston, MA 02108  
Telephone: 617-720-7900**

**Form ADV Part 2A  
March 31, 2011  
Item #1: Cover Page**

**Important Note:**

**This brochure provides information about the qualifications and business practices of Standard Life Investments (USA) Limited ("SLI(USA)"). If you have questions about the contents of this brochure, please contact us at 617-720-7900. The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority.**

**Being a "registered investment adviser" or describing ourselves as "registered" does not imply a certain level of training or skill.**

**This brochure is not an offer to subscribe for or purchase any securities.**

**Additional information about SLI(USA) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #2: Statement of Material Changes**

This Form ADV Part 2 is the first to be drafted using the current format. As such, there are no material changes to be included.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #3: Table of Contents**

Topic:	Page:
Item #4: Advisory Business	4
Item #5: Fees, Compensation	5
Item #6: Performance Based Fees, Side-by-Side Management	6
Item #7: Types of Clients	7
Item #8: Analytical Methods, Investment Strategies, Risk of Loss	8
Item #9: Disciplinary Events	10
Item #10: Other Financial Activities, Associations	11
Item #11: Code of Ethics, Client Transactions, Personal Trading	12
Item #12: Brokerage Practices	14
Item #13: Review of Accounts	17
Item #14: Client Referrals, Other Compensation	18
Item #15: Custody	19
Item #16: Investment Discretion	20
Item #17: Voting Client Securities	21
Item #18: Financial Information	23

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #4: Advisory Business**

**4A. Advisory Business**

SLI(USA) (herein also "our" and "we") provides discretionary management of U.S. based asset classes for its clients. Our clients include our parent, Standard Life Investments Limited ("SLIL") and unaffiliated third parties. We also act as an "Investment Manager" (as defined in Section 3(38) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")) with respect to certain clients.

SLI(USA) was formed in February 2001 and has been registered with the Securities and Exchange Commission ("SEC") as an investment adviser since January 2002.

SLIL is a wholly owned subsidiary of Standard Life plc, an insurance and financial services firm based in Edinburgh, Scotland. Standard Life plc is publicly traded (LSE: SL)

**4B. Advisory Services**

We offer discretionary investment management services, specializing in equity and debt issued in the U.S.. We utilize an investment approach based on fundamental, "bottom up" analysis of individual issuers. As discussed more fully in response to Item 8, we have at our disposal a full complement of global, macro economic analysis by experts throughout our affiliated subsidiaries. These affiliates include Standard Life Investments (Corporate Funds) Limited ("SLI(CF)"), an adviser registered with the Financial Securities Authority and the Securities and Exchange Commission.

**4C. Client Goals / Restrictions**

We will tailor our advisory services for an individual client, at its request, by accepting limitations or restrictions on investments in securities or types of securities for the client's account. Investment limitations and restrictions, and their potential impact on account yield, are discussed with the client at the time the account is opened and are included in the client's investment management agreement ("IMA").

See also: Item 12 for a discussion of directed brokerage, and Item 13 for a discussion of how we monitor for adherence to client and regulatory restrictions.

**4D. Wrap-Fee Programs**

SLI(USA) does not participate in wrap-fee programs.

**4E. Client Assets Under Management**

As of December 31, 2010, SLI(USA) managed \$7,404,599,474.00 on a discretionary basis.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #5: Fees and Compensation**

**5A. Compensation**

SLI(USA) collects fees for its advisory services based upon a percentage of assets under management.

The level of advisory fee is negotiated by SLI(USA) and our clients. Factors which will influence the level of fees include, but are not limited to, the size of the mandate, the complexity of the investment strategy, the nature of client-specific requirements, and the relationship between the parties. For example, the advisory fees paid to us by SLIL, our parent, are less than unaffiliated clients may pay. All IMA's contain full disclosure of fees paid to us.

Below is a representative sample of the tiered advisory fees based upon assets under management. Fees for unaffiliated clients are generally charged quarterly in arrears.

Equity - U.S.: 65bps – 35bps

Equity - U.S. (Unconstrained): 90bps – 60bps

Fixed Income: 40bps – 20bps

Fixed Income - High Yield: 50bps – 30bps

**5B. Methods of Payment**

We deduct advisory fees monthly in arrears. We may consider alternative arrangements on request by the client.

**5C. Other Fees**

In the management of accounts, SLI(USA) will cause the account to pay brokerage and other transaction costs. The amount and timing of these fees will vary according to strategy, portfolio manager, and size of account. In all instances, fees under our control are considered in light of our fiduciary duty and our duty to seek best execution.

Clients will typically pay other fees in relation to their account, including custody, legal, and administrative fees.

Brokerage costs are discussed more fully in Item 12.

**5D. Advance Payment of Fees**

SLI(USA) currently does not, nor does it intend to, seek payment for services in advance. Such an arrangement would only be considered in response to a request from a client or potential client.

**5E. Compensation for Sale of Securities**

We employ individuals to market advisory service to potential clients. While these employees are not paid a direct sales commission, their compensation is based, in part, on their successful efforts to attract new clients to SLI(USA). Other significant factors influencing compensation include: contributions to product strategy, developing consultant relationships, and the provision of insights into market and competitive trends, and the overall performance of SLIL.

We do not have active contracts, oral or in writing, to compensate any non-employee (e.g. placement agents) for client referrals.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #6: Performance Based Fees and Side-by-Side Management**

SLI(USA) does not currently, nor does it foresee, charging clients advisory fees based upon the realized or unrealized gains of an account (i.e. performance fees).

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #7: Types of Clients**

SLI(USA) manages the assets of, and offers to provide advisory services to, institutional clients. These will include corporations, ERISA pension plans, trusts, and endowments.

SLI(USA) does not currently employ a minimum investment for its advisory services.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #8: Methods of Analysis, Investment Strategies, and Risk of Loss**

**8A. Methods of Analysis**

In serving the needs of our clients, our portfolio managers are able to take advantage of the insights and expertise of their colleagues across Standard Life affiliates. While we are responsible for investment decisions for our clients, those decisions are informed through a disciplined, team-oriented approach to investment analysis.

Industry-specific analysts are responsible for the recommendation of stocks. They study and analyze various sectors in the economy, develop proprietary models and recommend investment decisions.

Our investment process is designed to be robust and repeatable. It combines asset allocation, stock selection, portfolio construction, risk management and trading. It is research intensive and is built around the SLI Focus on Change philosophy.

**Focus on Change**

Focus on Change seeks to identify the key factors that drive the market price of an investment. The understanding of the dynamics behind these drivers allows us to focus on what is changing and whether these changes will lead to revised market expectations, and ultimately a revised price. The best opportunities come in the investments where we not only have the deepest insights but also the greatest conviction that market expectations are going to change. Focus on Change is not inherently growth or value biased or momentum driven.

SLI ensures discipline around this philosophy by requiring that all investment decisions are justified by answers to five key questions. These five questions represent the common investment language of SLI and are among all affiliates and across all asset classes. This common language is key to generating investment insights and convictions that can be easily understood and exploited by SLI(USA) and our affiliates.

**The House View**

The aggregate of all investment insights through both bottom-up and top-down analysis is collated and expressed in the House View. The House View describes the outlook for the major asset classes. It provides strategic direction to SLI's investment teams and a clear forward-looking focus.

**Risk of Loss**

Of course, no investment manager or strategy can guarantee the performance of a portfolio. Our fundamental research may not yield accurate insights into the future value of a company. Likewise, macro economic factors may influence the value of investments in a direction or of a magnitude different than we expected.

As a result, a portfolio may produce inferior returns or volatility different from that which is expected by us and our clients. All investments, including those made by us on behalf of our clients, may decline in value. It should be noted that past performance is not always an accurate indicator of future returns.

We will always endeavour to act in a manner consistent with its fiduciary duty. However, investing in securities involves risk of loss that the client should be prepared to bear.



**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**8B. Risks of Strategies**

We manage long-only equity and debt strategies. The benchmark and target for these strategies is specific to the separate account mandate from each client.

While the risks inherent in investment in equities and debt are discussed in Item 8C directly below, there is a general risk that SLI(CF) will not achieve the target performance for the strategy. That is, our fundamental research may not provide useful or accurate insights on the future value of a company. Our macro economic analysis may fail to predict significant factors moving the markets.

**8C. Risks of Certain Types of Securities**

**Equity**

As stated above, our fundamental or macroeconomic analysis may lead us to decisions which provide inferior performance to that expected of our clients, including a decrease in account value. For example, the value of U.S. equity securities may fall or the risk (volatility) may increase due to deterioration in real or perceived market conditions (e.g. GDP, employment). U.S. firms with significant international operations are also sensitive to changes in foreign economic and geopolitical conditions. The value of an equity may also decrease due to unforeseen changes in the regulatory or tax environment.

**Debt**

We invest in high yield debt securities which are rated below investment-grade by one or more nationally recognized statistical rating organizations or are unrated but of comparable credit quality to obligations rated below investment-grade, and have greater credit and liquidity risk than more highly rated debt obligations. High yield debt is generally unsecured and may be subordinate to other obligations of the obligor. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the obligor to make payment of principal and interest. Many issuers of high yield debt are highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations. In addition, many issuers of high yield debt may be (i) in poor financial condition, (ii) experiencing poor operating results, (iii) having substantial capital needs or negative net worth or (iv) facing special competitive or product obsolescence problems, and may include companies involved in bankruptcy or other reorganizations or liquidation proceedings. Certain of these securities may not be publicly traded, and therefore it may be difficult to obtain information as to the true condition of the issuers. Overall declines in the below investment-grade bond and other markets may adversely affect such issuers by inhibiting their ability to refinance their debt at maturity. High yield debt is often less liquid than higher rated securities.

High yield debt is often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. High yield debt has historically experienced greater default rates than has been the case for investment-grade securities.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #9: Disciplinary Information**

**9A. Civil or Criminal Actions**

SLI(USA) has no such actions to disclose.

**9B. Administrative Proceedings**

SLI(USA) has no such administrative proceedings to disclose.

**9C. SRO proceedings**

SLI(USA) has no such SRO proceedings to disclose

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #10: Other Financial Industry Activities and Affiliations**

**10A. Broker-Dealer**

SLI(USA) is in the process of forming a wholly owned subsidiary, to be named Standard Life Investments Securities, LLC ("SLIS"). SLIS is intended to register with FINRA as a limited purpose (i.e. "\$5,000") broker-dealer. The initial application was filed with FINRA on March 24, 2011 with an anticipated registration effective 180 days following.

**10B. FCM, CPO, CTA**

None to disclose

**10C. Other Relationships or Arrangements**

1. broker-dealer, municipal securities dealer, government securities dealer: the only applicable relationship is the pending broker-dealer arrangement described in 10A above.
2. investment company or other pooled investment vehicle: none to disclose
3. other investment adviser: SLI(USA) shares investment knowledge, governance, back-office, and compliance resources with its parent SLIL, and affiliated adviser SLI Inc.. SLI(USA) believes that these relationships pose no material conflicts of interest to SLI(USA) clients.
4. FCM, CPO, CTA: none to disclose
5. banking or thrift institution: none to disclose
6. accountant or accounting firm: none to disclose
7. lawyer or law firm: none to disclose
8. insurance company or agency: A subsidiary of Standard Life plc (and therefore an affiliate of SLI(USA)), is Standard Life Assurance Limited ("SLAL"), which undertakes activities in the U.K. and Canada which deem it to be an insurance company. SLAL has directed investments to be advised by SLIL. In the case of certain U.S. based assets, SLIL has then engaged SLI(USA) as investment adviser. This arrangement may appear to pose a conflict in that SLI(USA) may give preferential treatment (e.g. trade allocations, brokerage rates) to investments directed from its parent. SLI(USA) has adopted policies and controls to mitigate this appearance. They are described in Item #13 below.
9. pension consultant: none to disclose
10. real estate broker or dealer: none to disclose
11. sponsor or syndicator of limited partnerships: SLI(CF) and SL Capital Partners, LLP ("SLCP") are affiliates of SLI(USA). All are owned, wholly or in part, by SLIL. SLI(CF) and SLCP serve as investment managers for, among other clients, limited partnership vehicles. Related parties serve as general partner for these partnerships. SLI(USA) does not believe that these relationships create a material conflict of interest for its clients.

**10D. Recommendation or Selection of Other Investment Advisers**

SLI(USA) does not recommend or select other investment advisers for its clients.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #11 Code of Ethics, Participation or Interest in Client Trades and Personal Trading**

**11A. Code of Ethics**

From time to time, directors, officers, employees or their related persons (collectively referred to as 'employees') of the Applicant may wish to engage directly or indirectly in a personal investment in securities. These securities may include those that the Applicant has bought or sold on behalf of clients. This process is governed by a personal trading policy and insider trading policy which all employees of the Applicant must adhere to. The policies are incorporated within the Code of Ethics ("Code") which is issued to new employees at the commencement of employment, and annually thereafter.

The Code requires that the compliance manager, chief compliance officer, or a person so designated by the compliance manager or chief compliance officer, review all reports submitted by employees pursuant to this document.

A complete Code of is available upon request to the following:

Standard Life Investments (USA) Limited  
ATTN: Compliance Department  
1 Beacon Street 34<sup>th</sup> Floor  
Boston, MA 02108

**11B. Securities Where SLI(USA) has a Material Financial Interest**

SLI(USA) and its employees do not recommend the purchase or sale of securities in which it/they have a material financial interest.

**11C. Recommendation of Securities Held in Employee Accounts**

We may recommend to a client the purchase or sale of a security in which an employee has a financial interest. This may occur when a security is held in an employee's personal account.

Such a situation raises the possibility of a conflict of interest between the employee's personal account and the best interest of clients. For example, an employee may attempt to trade in securities prior to trading on behalf of client accounts (i.e. front running). Alternatively, an employee may seek to benefit from client trading activity by trading in the opposite direction (i.e. buy vs. sell) immediately following client trading.

SLI(USA) has adopted policies within its Code to address this conflict. Specifically, all personal trades, with limited exceptions, are required to be pre-cleared by the appropriate Head of the Desk handling that security (e.g. the Head of the U.S. Equity Desk). Pre-approval may only be granted when the trade will not cause a conflict, or the appearance of a conflict, with trading for client accounts.

A blackout period of two days prior to client trades is enforced to the extent possible. In certain cases, however, the blackout period may not be enforced. An example of this would be where a personal trade is approved when, in the best judgement of the Head of Desk, no trading in client accounts is anticipated. Subsequent, unforeseen, client trading within 2 days would not automatically cause the personal trade to be voided. Other exceptions to the blackout period may be granted by the Head of Desk when, in his/her best professional

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

judgement and in light of fiduciary duty, such personal trading does not pose a conflict to client trading.

All personal trading is reviewed by the SLI(USA) compliance department for instances or patterns where personal trading could be interpreted to have been placed ahead of client interests.

**11D. Investing in the Same/Similar Securities for Personal Accounts as Client Accounts**

The conflicts arising from personal trading, and the policies adopted by SLI(USA) to mitigate those conflicts, are described in 11C above.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #12 Brokerage Practices**

**12A. Broker Selection**

Unless otherwise agreed with the client, the selection of brokers or dealers to be used and the commissions paid is left to our discretion. Our fiduciary duty to our clients requires that we seek best execution when trading client assets. We take the position that best execution can be defined as the execution whose cost (both execution and research provided) represents the highest value to the client. Value includes many factors, the significance of which will vary depending on the type of security, size of trade relative to overall volume, and trading venue chosen. However, we usually consider the following factors when determining the value gained through execution: speed of execution, anonymity, information on current market conditions, willingness to provide capital, responsiveness, research provided, implementation costs, and access to trading opportunities.

*Fixed Income*

The unique challenges of trading in the fixed income markets including, but not limited to, the lack of transparency and "imbedded" commissions, make the determination of best execution more subjective than with other instruments (e.g. equities).

TradeWeb provides win ratio statistics to substantiate broker rankings in smaller trades. For larger trades, portfolio managers will rely on more subjective factors and an ongoing assessment of the quality of the dealing relationship with that counter-party. Determining factors will be the ease with which the trader deals with non-standard size (extra spread charge), willingness to accept 'risk' from our business, how they react to 'difficult' market circumstances in quoting a price and general willingness to engage with us in reasonable negotiation over business. An ongoing perception of all of these qualitative factors will determine how a broker is regarded.

**1. Research Through Soft Dollars**

Consistent with our fiduciary duty, commissions paid to a broker in the trading of client assets may be higher than what might be charged by other brokers. Specifically, commissions may be greater than an "execution only" price when we reasonably determine that the amount of the commission was reasonable in relation to the research and brokerage services provided, viewed either in terms of the particular transaction or our overall responsibilities with respect to discretionary accounts. We consider the value of the research received versus the cost of such research and services in the aggregate for all clients.

We use soft dollars (aka research credits) exclusively for the procurement of investment research. Such research may be provided by the broker with which we trade (i.e. proprietary research), or we may direct the executing broker to compensate another provider for its research from the available soft dollars (i.e. third party research).

Due to regulatory or self-imposed restrictions, certain of our clients may not allow commissions to be used other than for execution only. These restrictions may apply to some, or all, of the client's trades. These clients could still reasonably be expected to benefit from the research paid for by other clients' commissions. To the extent possible, we will make efforts to limit the implementation of such restrictions.

The receipt of research through the use of client commissions represents a potential conflict. That is, we receive research without having to pay for it directly. Therefore, we may opt to choose a broker based on the provision of soft dollar credits rather than execution-related

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

factors alone. This conflict is controlled through written policies which create a distinction between the duties of (a) traders to seek best execution and (b) portfolio managers who independently judge the value of research received.

Traders monitor the quality of execution through both quantitative and qualitative metrics. Performance is captured through the use of broker report cards. The performance of brokers is communicated to them on a semi-annual basis in order to develop more effective relationships.

Portfolio managers conduct research votes on a semi-annual basis where the rationale for payments to providers is vetted and memorialized. All services received through client commissions, or soft dollars, are consistent with the safe harbor created in Section 28(e) of the Securities Exchange Act.

The soft dollar program is monitored by our compliance department.

**2. Brokerage for Client Referrals**

Neither SLI(USA) nor any of its affiliates or employees receive client referrals from a broker-dealer or third party which could cause a conflict, or the appearance thereof, in selecting brokers for client trades.

**3. Directed Brokerage**

We may permit, in limited circumstances, client directed brokerage. We maintain that directed brokerage may limit our ability to seek best execution. This is because directed brokerage may cause a client to not participate in the aggregation of other client orders. Such aggregation may offer those participating clients lower transaction costs or superior prices. In addition, clients whose trades are not aggregated with the orders of other client accounts may suffer adverse market impacts from the execution of the other orders.

**12B. Order Aggregation**

Consistent with our fiduciary duty, we will aggregate orders among client accounts to the extent possible. Aggregation of orders is generally seen as favorable to clients over time as it facilitates a comprehensive order strategy by the traders in the marketplace. Such a strategy is intended to minimize the imbedded impacts of trading (e.g. market price impacts) and control the "leakage" of trade intentions outside of SLI(USA). However, we make no warranty that trade aggregation would prove advantageous to any particular client in a specific circumstance.

Deviations from this allocation policy are allowed when, in the prudent judgment of the portfolio manager, such allocation is in the best interest of our client(s).

Deviations from this policy will also arise when client-imposed or regulatory restrictions exist which would make aggregation impossible. We believe that, over time, aggregation provides the benefits discussed above, and so accounts outside of allocations may not enjoy such benefits. In all trading we owe our clients a fiduciary duty and will make all reasonable efforts to ensure that no client is systemically disadvantaged.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

In circumstances where a trade is not filled entirely, allocation among accounts will be made on a pro-rata basis. Care will be given, to the extent possible, to minimize fees associated with the settlement of insignificant numbers of shares.

*Limited Offerings*

Consistent with our fiduciary duty, our investment professionals will consider a multitude of factors when deciding upon appropriate allocations of limited offerings (e.g. IPO, secondary offering, or other such equity placement.) Factors to be considered include, but are not limited to, the size of the portfolio (i.e. the availability of an allocation of shares deemed to be meaningful), the strategy of the portfolio, available cash, current risk profile, and other investment opportunities available concurrently.

In the event that we are allocated fewer shares than our expression of interest, a pro-rata allocation will be made to all participating accounts (i.e. those accounts where an meaningful allocation is possible) on the basis of order size. Exceptions to pro-rata allocations may be made when, in the prudent judgment of the Head of Desk for the Asset Class, and consistent with our fiduciary duty, such allocations would be in the best interest of clients.



**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #13 Review of Accounts**

**13A. Periodic Reviews**

Client accounts are managed through a tri-party system. The three parties are the portfolio manager, client director, and the investment governance team. The client manager will face the client and is responsible for understanding the client's specific requirements and restrictions. These restrictions may be imposed directly by the client or may be based on the regulatory environment. The portfolio manager is responsible for management of the fund in accordance with the client and regulatory restrictions as well as our own guidelines for prudent management of accounts. The investment governance team stands apart from the investment process and is responsible for monitoring the management of the portfolio.

Once a client comes on board, the client director will meet with the investment governance team and portfolio manager to discuss the parameters of the account. The investment governance team is responsible for inputting the necessary restrictions and guidelines into our trading system, and will monitor the portfolio on a daily basis for adherence to all relevant restrictions and guidelines.

On a bi-monthly basis the Head of Investment Governance will meet with portfolio managers to discuss the accounts. These discussions will focus on the performance of the account, changes in restrictions, the tracking error of the portfolios to its peers and benchmark, and any other relevant factors.

**13B. Reviews Other Than Periodic**

Reviews of client accounts may be triggered by any member of the tri-party arrangement, or by other interested parties (e.g. risk and compliance). Typical triggering factors would include: changes in client needs or restrictions, new regulations, client complaints, changes in portfolio management, or the significance of warnings from the trading system.

**13C. Client Reporting**

The content and timing of client reporting is driven by client needs. Typically, performance and attribution reports are provided monthly, with more expansive reports prepared semi-annually.

Ad-hoc (e.g. e-mail or non-written) client reporting is conducted to the extent requested by the client or as we deem appropriate.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #14 Client Referrals and Other Compensation**

**14A. SLI(USA) Receipt of Economic Benefit**

We have no arrangement, either written or oral, for the receipt of a direct economic benefit from a non-client related to the provision of advisory services to our clients.

**14B. SLI(USA) Payment for Client Referrals**

Neither SLI(USA) nor its related persons directly or indirectly compensates any other party for the referral of U.S. clients.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #15: Custody**

SLI(USA) maintains custody of its clients' assets at a qualified custodian. The custodian will send, directly to the client, account statements monthly. In addition, SLI(USA) will provide account statements on a monthly basis. We urge our clients to review all statements. Any apparent exceptions in the reports should be brought to our attention at the address below:

Standard Life Investments (USA) Limited

ATTN: Compliance Department

1 Beacon Street 34<sup>th</sup> Floor

Boston, MA 02108

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #16: Investment Discretion**

SLI(USA) has investment discretion over its clients' accounts. SLI(USA) will consider limitations on this discretion, any and all of which would be clearly defined within the IMA.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #17: Voting Client Securities**

*Corporate Governance Principles:*

SLI(USA)'s overriding interest in corporate governance is that companies are governed in a manner consistent with the best interests of SLI(USA) clients. Our dedicated corporate governance team is an integral part of our investment management team. On behalf of our clients, we seek to improve shareholder value through constructive consultation and engagement with companies and wider corporate governance initiatives.

1. We will use reasonable endeavors to enhance and improve shareholder value through constructive consultation with companies and other corporate governance initiatives
2. We will always seek to vote our clients' shares in a manner consistent with their best interests
3. We will use reasonable endeavors to influence the development of the corporate governance environment
4. We will communicate our corporate governance principles, policies and guidelines to clients, intermediaries, companies and other interested parties
5. We will, within the constraints of professional confidentiality and legislative and regulatory requirements, be accountable to our clients

SLI(USA) strongly encourages corporations to adopt corporate governance principles and communicate these to shareholders. These should be reviewed and updated annually. Management should adopt a process to ensure implementation and compliance is in place.

It is the policy of the Applicant to vote proxies for all shares under its discretion unless explicitly prohibited from doing so by the beneficial owner. However, this policy recognizes that circumstances may arise which make such votes impracticable. These include shares on loan (see section below), or where adequate notice is not received in time to make an informed decision. In addition, SLI(USA) will consider whether the effect of voting proxies of shares of foreign corporations (either by itself or with the votes of others) would outweigh the additional costs associated with voting.

*Conflicts of Interest:*

It is incumbent on an adviser to mitigate conflicts of interest (real or perceived) when voting proxies for its clients. The corporate governance team is responsible for proxy voting in all regions. The corporate governance team utilizes the services of independent third parties, Riskmetrics and Glass Lewis (together "proxy research providers"), to provide research and recommendations for each scheduled vote. Votes will be cast based upon the recommendations of the proxy research providers and the customized proxy voting guidelines adopted by SLI(USA) although, in cases where the Applicant has a significant shareholding, an independent analysis is also conducted by the corporate governance team. In appropriate cases, such as those where there is need for significant judgment as to the economic impacts of a proposed vote (e.g. merger, spin-off), the corporate governance team will solicit input from the appropriate fund managers and analysts. Any instances where proxy research provider recommendations are not followed are documented and include the rationale for doing so. A review conducted outside of the corporate governance team is undertaken to detect evidence of any conflict of interest (either real or perceived). The Applicant reviews, on an annual basis, the conflict of interest policies of the proxy research providers.

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

*ERISA Plan Assets:*

As a fiduciary to ERISA plan assets, SLI(USA) has an obligation of prudence and loyalty to vote proxies on issues that affect the value of plan assets. In voting proxies, SLI (USA) will consider those factors that may affect the value of plan assets and will not subordinate the interests of participants or beneficiaries to unrelated priorities. Notwithstanding the forgoing, SLI(USA) may consider shareholder activism (see Advocacy below) where there is a reasonable expectation that such activities (either by the plan alone or in combination with other shareholders) are likely to enhance the economic value of the plans' investment.

*Advocacy:*

As a leading global investment house, we take our responsibility as an investor seriously.

We consider company policies and practices on environmental social and governance matters as an integral part of the investment process. Where possible, we use our influence to encourage best practice standards in the management of these issues at the companies we invest in, with a view to protecting and enhancing the value of our clients' investments. Through this process of constructive engagement, we're able to contribute to the development of principles and standards of corporate governance and corporate responsibility.

We've also demonstrated our commitment to shareholder responsibility by becoming a signatory to the United Nations Principles for Responsible Investment (UNPRI), which has received endorsement from global investors representing over \$18 trillion. The Principles provide a framework for investors to give consideration to environmental, social and governance issues.

*Loaned Securities:*

Where clients of the adviser enter into securities lending arrangements with agent lenders to generate additional revenue, SLI(USA) will not be able to vote securities that are on loan under these types of arrangements. However, under rare circumstances, for voting issues that may have a significant impact on the investment, SLI(USA) may request that clients recall securities that are on loan if the adviser determines that the benefit of voting outweighs the costs of lost revenue to the client and the administrative burden of retrieving the securities.

A copy of SLI(USA)'s proxy voting guidelines and records of votes cast will be provided on request to the following:

Standard Life Investments (USA) Limited

ATTN: Compliance Department

1 Beacon Street

Boston, MA 02108

**Standard Life Investments (USA) Limited**  
**Form ADV Part 2A**  
**March 31, 2011**

**Item #18: Financial Information**

**18A. Financial Information if Prepayment of Fees is Required**

SLI(USA) does not require the prepayment of advisory or other fees.

**18B. Financial Information if Discretionary Authority**

SLI(USA) is a wholly owned subsidiary of SLIL, in turn a wholly owner subsidiary of Standard Life Group. Complete financial information for Standard Life Group is available through public filings. SLI(USA) is not aware of any financial condition which is reasonably likely to impair its ability to meet its contractual commitments to its clients.

**18C. Bankruptcy**

Neither SLI(USA), nor any of its affiliates, have been the subject of a bankruptcy petition.