

Performance Update

PRSA & Executive Pension Plus – July 2005

Highlights of the month

Global equity markets continued to perform very strongly in July in what has been an eventful summer of news flow. Economic data has been particularly encouraging. In the US most statistics have beaten expectations and Fed Chairman Alan Greenspan reinforced the optimistic outlook when he gave an upbeat final testimony to Congress. By the end of July 86% of US companies had reported on 2nd quarter earnings, with year on year growth rates for Q2 now estimated at 11.1%, compared with expectations at the beginning of the quarter of 8.8%. On the back of this the S&P 500 index reached a 4 year high in July. China recorded its eighth consecutive quarter of economic growth in excess of 9%, helping the broad Pacific Basin index climb nearly 5%.

All this pro-growth news flow saw a reversal in the positive correlation between equity and bond markets. Euro-zone Government Bond yields moved higher (prices fell) as the encouraging global outlook would seem to reduce the chances of any interest rate cut by the ECB.

At home the ISEQ Index returned 3.5% during the month, bringing its year to date performance to 9.2%. Small cap stocks enjoyed better returns than their large cap counterparts. IFG and FBD were star performers returning 25.0% and 10.7% respectively for the month. FBD's return for the year now stands at an impressive 55.3%. CRH broke through the €23 barrier for the first time ever during the month.

Europe enjoyed an overall return of 4.7% for July. Telecom stocks performed strongly after France Telecom announced plans to more than double its dividend and reduce debts. Engineering stock ABB had a turbulent month following a second quarter profit warning. July also saw the largest IPO for three years when Gaz de France (French gas company) announced that its offer had been oversubscribed. Shares soared 20% on their debut.

The UK market showed its resilience over the month following the terrorist attacks in London, returning 1.21% in euro terms. The London market saw the historic unification of the Royal Dutch Shell oil company. Trading as a single company Shell now accounts for 8.2% of the FTSE All-Share Index and close to 25% of the oils and mining sector.

Market performance

Asset Class (Indices)	1 Month	YTD	1 Year
	Euro	Euro	Euro
Irish Equities (ISEQ)	3.57%	10.86%	29.45%
UK Equities (FTSE All-Share)	1.21%	14.80%	19.66%
US Equities (S&P 500)	3.36%	15.11%	13.03%
European Equities (FTSE W EUR ex UK)	4.74%	17.11%	27.68%
Japanese Equities (MCSI Japan)	0.66%	6.47%	4.92%
Pacific Basin Equities (MCSI PB ex Japan)	3.30%	22.27%	37.25%
Bonds (M Lynch EMU DG >5yrs)	-0.70%	6.26%	13.59%

This performance update is intended for individuals familiar with investment terminology. It does not constitute financial advice. Please contact your Financial Adviser for advice.



The funds listed below relate to the following Standard Life products:

PRSA Executive Pension Plus

See "Standard Life products and fund choices" (GEN32) for more details

Fund	1 Month %	YTD %	1 Year %
Annuity Protection	-0.4	9.3	19.9
Balanced	2.5	12.4	18.4
Balanced Multi-Manager	2.7	13.1	-
Cash	0.0	0.6	1.1
Cautious	1.7	10.4	16.6
Consensus Active	2.6	12.7	19.6
EuroPlus	2.9	14.4	23.2
Global Selector	3.0	14.9	16.0
Opportunity	3.7	15.3	21.3
Property	1.1	6.9	13.2

Past performance is not necessarily a guide to future performance

Pension Balanced Multi-Manager fund was launched 1 October 2004.
 The performance of the Pension With Profits Fund A will vary for each investor.
 The value of your investment is shown on your statement of account.

Outlook

Our decision to position multi-asset portfolios in favour of equities this year, has been primarily driven by a sound global economic and corporate outlook and the fact that we correctly forecast that the 'soft-spot' earlier in the year would be temporary. Events this summer have only reinforced that view and as such our House View continues to add value. Looking ahead we continue to favour equities for the very same reasons. Putting aside any major shocks, an environment of "sustained economic growth and contained inflationary pressures" as described by the Federal Reserve should lie ahead. The second reason for our equity bias centres on an improving corporate environment. Strong profit growth, higher dividend payments, further M&A activity as well as a 'measured' tightening in interest rates from the Fed should ensure that equities outperform other asset classes as the year progresses.

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