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NEW FIVE- STAR PERFORMANCE RATING FOR SCOTTISH FRIENDLY

Scottish Friendly's UK Growth Fund has been awarded a coveted five-star performance rating, placing it in the top ten per cent of funds in its sector.

As a result, the Glasgow-based financial services group is expecting a flurry of interest from investors eager to share in the potential of future returns.

“Our UK Growth Fund should be on the shortlist of all investors who want an actively managed UK stock market fund” said Neil Lovatt, sales and marketing director at Scottish Friendly.

“Attaining five-star status when you're competing with the 250 funds in the UK Equities sector is a tremendous achievement and is yet more evidence that Scottish Friendly is a dynamic and modern financial services group that delivers for our customers.”

The OEIC fund can also be held within an ISA wrapper or directly.

“Many investors can invest outside of an ISA and still pay no tax on their gains by using their Capital Gains Tax allowance, an often forgotten tax break,” added Lovatt.

SVM Asset Management in Edinburgh manages the Scottish Friendly UK Growth Fund.

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Notes to Editors

The five star accolade was awarded by Morningstar (as at 1 July 2007). Its ratings are regarded as the industry benchmark for comparing mutual funds. The rating rewards consistent performance and reduces the possibility of strong short term performance.

The Scottish Friendly UK Growth Fund was launched in 2001. Scottish Friendly owns the fund assets and administer the fund and pricing, the external management of the fund is outsourced by Scottish Friendly. The external manager is reviewed on a regular basis to ensure that the management group and style of fund management operates in the interest of Scottish Friendly investors. The fund has been managed by SVM since July 2004.

Investing in this fund is regarded as medium risk and aims to outperform the FTSE All-Share Index.

Past performance is not a guide to future performance. The value of shares and the income from them can go down as well as up and the original investment is not guaranteed.